

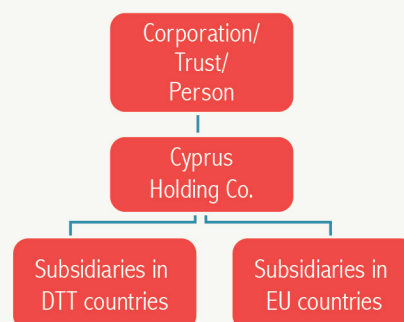
Holding Companies



Cyprus holding companies

Situated in the Eastern Mediterranean, Cyprus has been an EU member since 2004. International investors are increasingly using Holding Companies incorporated in Cyprus as part of their strategic tax planning when investing in the EU and other Double Tax Treaty (DTT) and non DTT jurisdictions. The main features of the Cypriot tax regime which make Holding Company structures tax beneficial are outlined below:

- The ability to utilize the Parent Subsidiary Directive or the wide DTT network enables the Cyprus Holding company, to extract Dividends from its Subsidiaries, at low or zero foreign withholding tax
- Dividends receivable by the Cyprus Holding company are exempted from corporate taxation
- Dividends receivable by the Cyprus Holding company are subject to special contribution tax, ONLY IF the Subsidiary company engages directly or indirectly, by more than 50% in investment income AND the foreign tax on the income of the Subsidiary is lower than 6,25%
- The Cyprus Holding company can effect Dividend distributions without any withholding taxes, to its non resident Shareholders regardless of their country of residence or absence of DTT with such country of residence
- The Cyprus Holding company can dispose the shares of its non resident subsidiaries without any taxes on gains on disposals, irrespective of percentage holding or period of holding the subsidiary
- There are no capital gains on the liquidation of the Cyprus Holding Company or capital gains taxes on the disposal of the Cyprus Holding Company shares



ABOUT US

Ioannides + Co. Ltd is a leading firm of accountants and management consultants established in Cyprus for 40 years providing audit and assurance, taxation, business support services and management consulting to international companies and private clients.

The firm has offices in Nicosia, Limassol and Larnaca and is a member of AGN International Ltd, a worldwide association of independent accounting and consulting firms operating in 80 countries.

Ioannides + Co. Ltd is an approved training centre of the professional accounting institutes ICAEW and ACCA. The firm's stated objective is to add significant value to its clients' business performance.

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