



## **Listed Cyprus companies ideal for any type of investment - project**

International investors have a unique opportunity to become listed on a recognized eurozone exchange with very flexible rules and competitive prices, which will allow them to organize their international tax structure in a highly efficient way.

Eurivex, a regulated Cyprus investment firm, is an authorized Nominated Advisor (Nomad) and licensed to help facilitate the listing of domestic and foreign companies on the Cyprus Stock Exchange's Emerging Companies Market through simplified procedures and at very reasonable costs.

The investors in the listed Cyprus companies will get to benefit from the low taxation rate of 10% applied on net profits in Cyprus, no withholding tax on dividends declared to non-residents, plus the double taxation avoidance treaties that Cyprus has signed with more than 45 countries including the US, Canada, Germany, UK, France, Italy, Spain as well as with Russia, India, China, Qatar and the UAE to name a few.

A Cyprus based public company listed on the Cyprus Stock Exchange is also ideal for thousands of Russian owned Cyprus private firms, which were used extensively to purchase property in Russia.

Following the passage of the amendment to the Russia-Cyprus Double Tax Treaty, Russia will impose a capital gains tax of 15% on capital appreciation from property investments on all companies, with the exception of publicly listed ones. The Cyprus Stock Exchange is a recognized stock exchange by the Russian tax authorities.

### Procedures

The initiators of the companies will need to take the following simple steps to complete the registration:

1) Establish public company in Cyprus with at least 7 shareholders. It is advisable to submit 8-10 shareholders. Principal shareholder may hold 99% stake, others the remaining shares.

It takes about 2 weeks to complete the registration process for newly formed public companies. Existing private companies will need to change their Memorandum & Articles, which may take more time to process through the Registrar of Companies.

Shareholders need to submit the following information:

#### When shareholders are individuals

Name and surname  
Nationality  
Passport or Identity Card  
Date of birth  
Address

#### When shareholders are companies

Name of company  
Registration and number  
Place and Date of Incorporation  
List of directors/shareholders  
Address

When the shareholders of the Cyprus Public Company are legal entities, the stock exchange authorities as well as the bank where an account will be opened will ask for the details of the beneficial owners of those companies also. So be prepared to provide the basic identity details.

- 2) If principal shareholders wish, they can use nominee shareholders to protect their identity from public scrutiny who can either be Cyprus resident or based in another country. Same info as in (1) will apply.
- 3) The majority of Board of Directors should be Cyprus resident for the public company to qualify for the benefits of the double taxation treaties signed by Cyprus with more than 45 countries. Directors will need to submit a CV that will be available for public scrutiny. If the company is not seeking to benefit from the Cyprus tax advantages, all the directors may be non-resident.
- 4) If the issue is under EUR 2.5 mln value, no need to submit prospectus, listing possible with Admission Document that will be prepared by Eurivex.
- 5) Eurivex is appointed Nomad for the listing. Beneficial owners need to fully cooperate with Eurivex to complete the application process, including supplying the required documents as well as provide information for the preparation of a Business Plan together with 3-year financial forecasts and other information.
- 6) Valuation is agreed and application is submitted to CSE by Eurivex.
- 7) CSE accepts listing on the Emerging Market within 2 weeks of submission of application, provided that this is done according to the guidelines of Eurivex.
- 8) After listing, some or all of the original shareholders start selling shares to new investors at market price. The money raised either originally or subsequently is then available to be invested in any project at the discretion of the Board of Directors without any restriction.
- 9) Beneficial owners need to realize that a listed company on the Emerging Companies Market of the Cyprus Stock Exchange is obliged to submit audited accounts at the end of its financial year-end and management unaudited accounts semi-annually. The listed companies are also obliged to announce all their corporate actions, including when they will hold AGM, declare dividends, proceed with rights issues, takeovers, etc., all through their Nomad.
- 10) All listed companies on the Emerging Companies Market of the Cyprus Stock Exchange need to maintain a Nomad. Eurivex is an approved Nominated Advisor (Nomad) for listings on the Emerging Companies Market of the Cyprus Stock Exchange and employs qualified staff to help listed companies maintain excellent relationship with the CSE.

### **Advantages of listings on Emerging Market of Cyprus Stock Exchange**

- A listed company on a eurozone exchange
- Relaxed listing rules including:
  - No daily volume requirement (there is no need for fictitious trades)
  - No share dispersion ruling (majority owner can hold 99% of shares)
  - No minimum or maximum market capitalization (even small companies can list)
- Public Company is essentially a Holding Company qualifying for all double taxation benefits signed by Cyprus with over 45 countries
- Beneficial owners may hold their shares through nominee shareholders to shield themselves from public scrutiny, if they so wish
- With minimum 7 shareholders the public company can be formed, though we suggest 8-10 shareholders
- There is no requirement to have an actual presence in Cyprus. Just a registered address (usually through your lawyers) is enough

- Cyprus allows for Group consolidated accounts and prior losses can be carried forward and set off against future profits
- No tax on property capital gains is applicable for listed companies
- Non-resident shareholders of Cyprus listed companies are eligible to receive their dividends tax free
- Non-resident shareholders may attend in person or through proxies at the Annual General Meeting that needs to be held at least once in Cyprus
- Company is entitled to engage in all types of investments including equity and bond trading
- Decision making at the discretion of Board of Directors
- Company can raise funds from investors by issuing shares before and after listing
- Company can be used to acquire other companies, either by cash or through share exchange at valuations determined by beneficial owners
- Major shareholders can pledge their shares in listed company to their bank and secure better pricing since they are pledging higher quality collateral
- Listed company may also issue bonds and list them on the Cyprus Stock Exchange
- For new ventures, pre-history of at least 2 years waived through Eurivex designed structure
- Very reasonable costs, both to set-up and maintain.

### **About Eurivex**

Eurivex is a Cyprus incorporated and based company, regulated by Cyprus Securities & Exchange Commission (CySEC-114/10) licensed to trade in capital markets (shares, bonds, forex) and offer portfolio management services in addition to safe custody of client money. Eurivex operates in compliance with MiFID rules.

### **Eurivex Contact details**

Head Office Address	2 Armenias Street, Office 101, Nicosia 2003, Cyprus
Telephone	+357 22 02 88 30
Fax	+357 22 25 53 18
Web site:	<a href="http://www.eurivex.com">www.eurivex.com</a>
General Enquiries	<a href="mailto:info@eurivex.com">info@eurivex.com</a>

Eurivex is regulated by Cyprus Securities & Exchange Commission CySEC, license 114/10. © Eurivex Ltd. 2011. All rights reserved. No part of this document may be reproduced, stored or transmitted in any form or by means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of Eurivex Ltd. The material in this document is for informational purposes only and does not constitute legal or professional advice. No responsibility or liability is accepted by Eurivex Ltd in connection with the use of information contained in this document.

2 Armenias Street, Office 101 Nicosia 2003 Cyprus Tel +357 22 02 88 30 Fax+357 22 25 5318  
 info@eurivex.com – www.eurivex.com  
 Incorporated and Based in Cyprus. Regulated by CySEC, License 114/10