



CYPRUS

COUNTRY REPORT

2016

Banking: Fresh capital injections and new legislation restore confidence in Cyprus banks

Headquartering: Global need for business substance boosts Cyprus' appeal as a corporate HQ location

Incentives: New legislation set to attract HNWI and expat executives

ECONOMY • FOREIGN DIRECT INVESTMENT • SECTOR PROFILES • BUSINESS OPERATING ENVIRONMENT • BUSINESS DIRECTORY

Tourism: Integrated casino resort tender attracts bids from key players worldwide

FDI: Renewed interest in large scale projects with a focus on tourism infrastructure

Real Estate: Turnaround for sector with new incentives to boost property sales

Energy: Global interest in Cyprus reignited by Egypt's natural gas discovery





20 Years in Cyprus

2015 was a milestone in RCB Bank's history since it marked its 20th anniversary in Cyprus. RCB Bank's celebrations took place in November with a charity event held at the Presidential Palace of Cyprus. It has also been a year of many awards and distinctions for the Bank's commitment to excellence and responsibility, both towards its clients but also society at large.



Dr. Kirill Zimarin CEO of RCB Bank Ltd receiving the "Best Bank in Cyprus" award



The Bank
you can
trust



Trust Responsibility Excellence



Our branches are open
Monday to Friday 9am to 5pm

www.rcbcy.com

800 00 722



CountryProfiler Ltd is a specialist publisher of country information that assists corporations managing operations across national borders with trade, investment and relocation decisions. CountryProfiler is recognised by senior business executives, government representatives, institutions and global organisations as a leading provider of informative and insightful country intelligence.

Europe

Europe 7 Pericleous Ave, Suite 401, Strovolos 2020 Nicosia, Cyprus
Tel: +357 22 621 882

North America

North America 21-2123 Walkers Line, Burlington Ontario, L7M 4Z9, Canada
Tel: +1 905 645 1130

Email: info@countryprofiler.com
Website: www.countryprofiler.com • www.cyprusprofile.com

Research and Contributions

CountryProfiler staff

Photography

Heidi Marttinen, Jo Michaelides, Alan Carville, Xenofon Gregoriou

Printing

Cassoulides Masterprinters

Publication Date

January 2016

The information included in this publication is for information purposes only and is subject to change. With regard to the licensing of a business, income generation or any other legal or accounting matters, the Publisher strongly recommends that the reader seeks the advice of an appropriately licensed professional.

All rights reserved. Reproduction in whole or part is strictly prohibited without written permission. Opinions expressed in this publication are not necessarily those of the editor or publisher. All reasonable care is taken to ensure truth and accuracy, but the editor and publishers cannot be held responsible for errors or omissions in articles, advertising, photographs or illustrations.

The Team



Kristina Ernst
Regional Director
ernst@countryprofiler.com



Heidi Marttinen
Editor
marttinen@countryprofiler.com



Victoria Vasiliou
Administrative Manager
vasiliou@countryprofiler.com



Ramon Micallef
Art Director
ram@box-design.net



LEADING. EVOLVING. ACHIEVING. **SINCE 1963.**



L Papaphilippou & Co LLC offers legal services to business, individuals, public organizations and governments. We have a strong litigation team handling also all forms of commercial dispute resolution and have considerable experience in arbitrations. Furthermore, our Immigration and Citizenship Department is well respected and renowned for leading by example in the field and our high calibre and experienced lawyers together with our Chinese speaking personnel ensure first class service and results. In particular, L Papaphilippou & Co LLC is the first law firm

in the Republic of Cyprus to have successfully applied, secured and delivered Cypriot (EU) passports to Chinese high networth individuals and their family dependents through the new Citizenship by Investment programme introduced by the Government of the Republic of Cyprus. Additionally, being a full service law firm, L Papaphilippou & Co LLC is capable of delivering secure and compliant cross-border legal and wealth management solutions, as well as to co-ordinate international business structures, trusts and private banking matters for our Chinese clients.

L PAPAPHILIPPOU & CO LLC

ADVOCATES & LEGAL CONSULTANTS

17 Ifigenias Street, 2007 Strovolos, P.O.Box 28541, 2080 Nicosia - Cyprus
T: (+357) 22 271 000 • F: (+357) 22 271 111 • E: info@papaphilippou.eu • www.papaphilippou.eu

SOLVINGOS – PROGRESSTECH GROUP:

DESIGNING





FUTURE

Progresstech Group is an international engineering services organisation with its Head Office, Solvingos Services Ltd, based in Nicosia, Cyprus. Solvingos leads ten international offices located in Russia, Ukraine, Armenia, France and the USA. Established in 1991 in Russia, Progresstech has grown into a formidable international player, exporting strong engineering and technology know-how from Russia and the CIS. As a trusted partner providing services to the Boeing Corporation for over 20 years, our engineers and designers have strong analytical and technical backgrounds. Apart from Boeing and other aerospace industry clients, we deliver engineering solutions to automotive and energy generating companies. Progresstech also offers business training to create effective production through LEAN Technology.

Land Infrastructure Development

- ▶ Design, construction, repair, testing and certification of airfields, runways and facilities
- ▶ Expertise in airport operations, accountancy, software solutions and workforce training
- ▶ Surface material testing for strength, evenness, durability and stress resistance
- ▶ Support services for automotive and energy sector companies

World-Class Engineering Expertise

- ▶ Aerospace and aircraft manufacturing
- ▶ Design of specialist parts and interiors for passenger and VIP aircraft
- ▶ Construction and technical support for helicopter and business jet remodelling
- ▶ Remodelling and calculation of loading capacity of cargo aircraft



Yulia Byus
Director
Solvingos



GROUP OF COMPANIES
PROGRESSTECH
Est. 1991

Clarion Business Centre, 25 Aphroditis Street,
Office 203, Nicosia, 1060, Cyprus
T: +357 22 479 326 F: +357 22 479 300
E: yulia.byus@solvingos.com
W: www.solvingos.com



CONTENTS

10	Cyprus at a Glance Key Facts & Figures
14	Country Overview Captivating Past, Dynamic Future
20	Government & Politics Renewed Optimism
24	Interview: President of the Republic of Cyprus Nicos Anastasiades Cyprus: A Show of Resilience
30	Economy Setting New Standards
36	Interview: Minister of Finance Harris Georgiades Gearing up for Growth
40	Foreign Direct Investment Ripe for Investment
46	Headquartering Regional Hub in the Med
48	Interview: Minister of Energy, Commerce, Industry & Tourism Yiorgos Lakkotrypis Building Momentum
52	Interview: Minister of Foreign Affairs Ioannis Kasoulides A Shared Vision for the Eastern Mediterranean

Expertise Solutions Value



pwc

We support you to create the value you are looking for by providing specialised solutions based on quality. Together we build relationships based on trust and we say things as they are, to assist you to deal with issues that tomorrow will prove important. We adapt our expertise and the power of our global network to your specific needs helping you make the difference.



Sector Profiles

<p>56 Agriculture & Food Quality Not Quantity</p> <hr/> <p>60 Banking Regaining Confidence</p> <hr/> <p>70 Capital Markets An Emerging Regional Player</p> <hr/> <p>74 Construction & Real Estate Real Estate Renaissance</p> <hr/> <p>80 Education & Research A Centre for Regional Excellence</p> <hr/> <p>82 Energy & Environment Regional Energy and Fuel Hub</p> <hr/> <p>86 Health Strong Vital Signs</p> <hr/>	<p>90 Insurance Insuring Success</p> <hr/> <p>94 International Financial Services World-Class Services</p> <hr/> <p>100 Investment Funds A Future in Funds</p> <hr/> <p>104 Manufacturing & Industry Focus on Innovation</p> <hr/> <p>108 Maritime & Shipping A Flag of Progress</p> <hr/> <p>114 Technology & Communications Global Connections</p> <hr/> <p>118 Tourism Cruising to Growth</p> <hr/> <p>124 Transport & Logistics Leveraging Strategic Location</p> <hr/>
---	---



127 **Business Operating Environment**
Doing Business in Cyprus

136 **Travel & Living: Arrival and Survival Guide**
kalosórisate: Welcome

143 **Who's Who**
Cyprus Business Profiles



www.cytaglobal.com

From East to West we keep you in touch

We are based in Cyprus, at the crossroads of Europe, Asia and Africa. Through our state-of-the-art global network, we provide a wide range of international telecommunications products, services and total solutions, making Cyprus a major telecommunications hub in the Eastern Mediterranean and an excellent international electronic communications center.

- Submarine cable capacity on IRU and lease basis
- Dedicated fiber links to major international POPs
- IP and MPLS connections over fiber and satellite
- Satellite turnaround services and teleport facilities
- Global internet connectivity and private leased lines
- Premium quality international wholesale telephony

Cytaglobal is your bridge between East and West, carrying your voice, data and video messages across continents, to destinations to the four corners of the world.

From East to West
we keep you in touch



Cyprus at a Glance

Lying at the crossroads of Europe, Asia and Africa, Cyprus has long served as a major Eastern trading post. It is a small country, but the third largest island in the Mediterranean Sea and shares a maritime border with Egypt 300 km to the south, Lebanon 108 km to the east and Turkey 71 km to the north, while Greece lies 800 km to the north-west. With 10,000 years of history, the island's strategic location has long made it a jewel in the crown of the powers of the day. Cultural influences have come from all directions, with many civilisations leaving their mark on the island, contributing to the development of a rich and diverse cultural heritage.



CURRENCY
Euro

Time:
+2 Hours
ahead of GMT

Area/Size:
9,251km²
(3,355 km² in the occupied area)

Annual rainfall:
790.1mm

Sunshine:
340 days
of sunshine/year

Independence Day:
October 1st



OFFICIAL LANGUAGES
Greek & Turkish
(business generally conducted in English)

Average Temperature:
+13°C
Winter
+34°C
Summer

Population density:
124.9
(persons per km²)

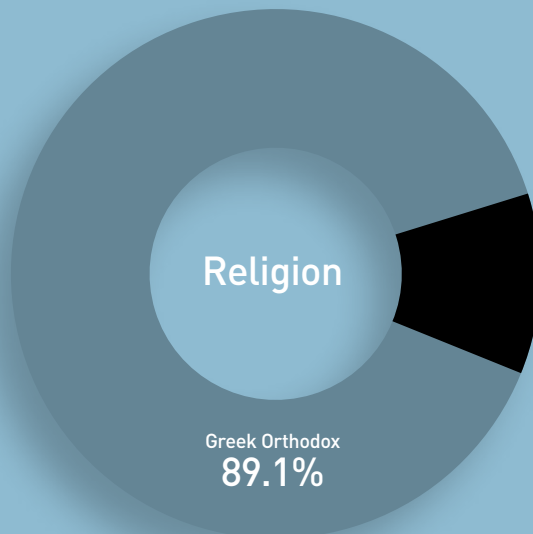
Median Age:
36.1 years



MEMBERSHIPS
EU & Eurozone
United Nations
Council of Europe
Commonwealth
World Bank & IMF



TOTAL POPULATION
865,900
Cypriot 78.6%
Non-Cypriot 21.4%





International Rankings

32nd

Open Markets Index 2015
International Chamber of Commerce
(out of 75 countries)

34th

Global Innovation Index 2015
INSEAD and the World Intellectual Property Organization
(out of 141 countries)

45th

Economic Freedom Index 2015
Heritage Foundation
(out of 177 countries)

4th

Higher education and training

28th

Goods market efficiency

34th

Labour market efficiency

45th

Technological readiness

65th

Competitiveness

World Economic Forum Report 2015-2016 (out of 144 countries)

Why Cyprus?

- ▶ A can-do business environment
- ▶ Pro-business government
- ▶ Easy access to decision makers
- ▶ Highly skilled workforce
- ▶ A safe and cosmopolitan lifestyle
- ▶ Excellent infrastructure
- ▶ Advantageous tax regime



GDP PER CAPITA
€20,400
(2015)

GDP GROWTH
1.2%
(2015)
Estimate 2% in 2017

INFLATION
-1.6%
(2015)
Estimate 1.3% in 2017

UNEMPLOYMENT
15.6%
(2015 - estimate 13.3% in 2017)

CRIME
0.92
per 100 persons

CORPORATE TAX RATE
12.5%
(2015)

Main Media: Cyprus Mail, Politis, Phileleftheros

Time to start up a business: 1-3 days

Main Trading Partners:

UK, Greece, Germany, Italy, Israel, France, China

SOVEREIGN RATING (December 2015)

BB-
Standard & Poor's

B+
Fitch

B1
Moody's

1st

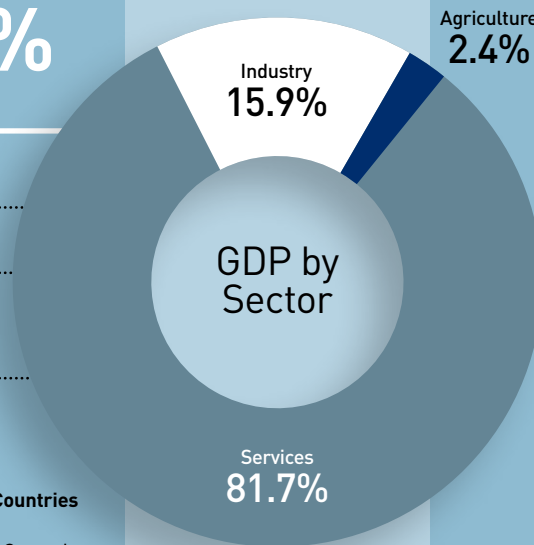
1st among smaller Countries
5th worldwide
ValuePenguin Safest Countries in the World Study 2015

+13

Cyprus has moved up 13 places in the World Bank's 2016 Doing Business Report to rank 47th out of 189 economies

5th

5th best relocation destination
Knight Frank Global Lifestyle Review (2013)
(out of 23 countries)



TOTAL GDP
(at current market prices)
€17.4 billion
(2014)

Facing challenges in rapidly-changing markets?

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We have more than 174.000 outstanding professionals working together to deliver value in 155 countries worldwide.

We have a clear vision of what we want to achieve as a network. We continuously take important steps to ensure that KPMG delivers market-leading, world-class professional services that are aligned with the changing needs of our clients and global markets.

kpmg.com.cy



COUNTRY OVERVIEW

Captivating Past, Dynamic Future

The small yet dynamic Mediterranean island of Cyprus, famous for the warmth and hospitality of its people, continues to be an attractive location to live, work and invest. The island's sophisticated and sun-kissed lifestyle coupled with its exceptional business infrastructure has proven a winning combination.

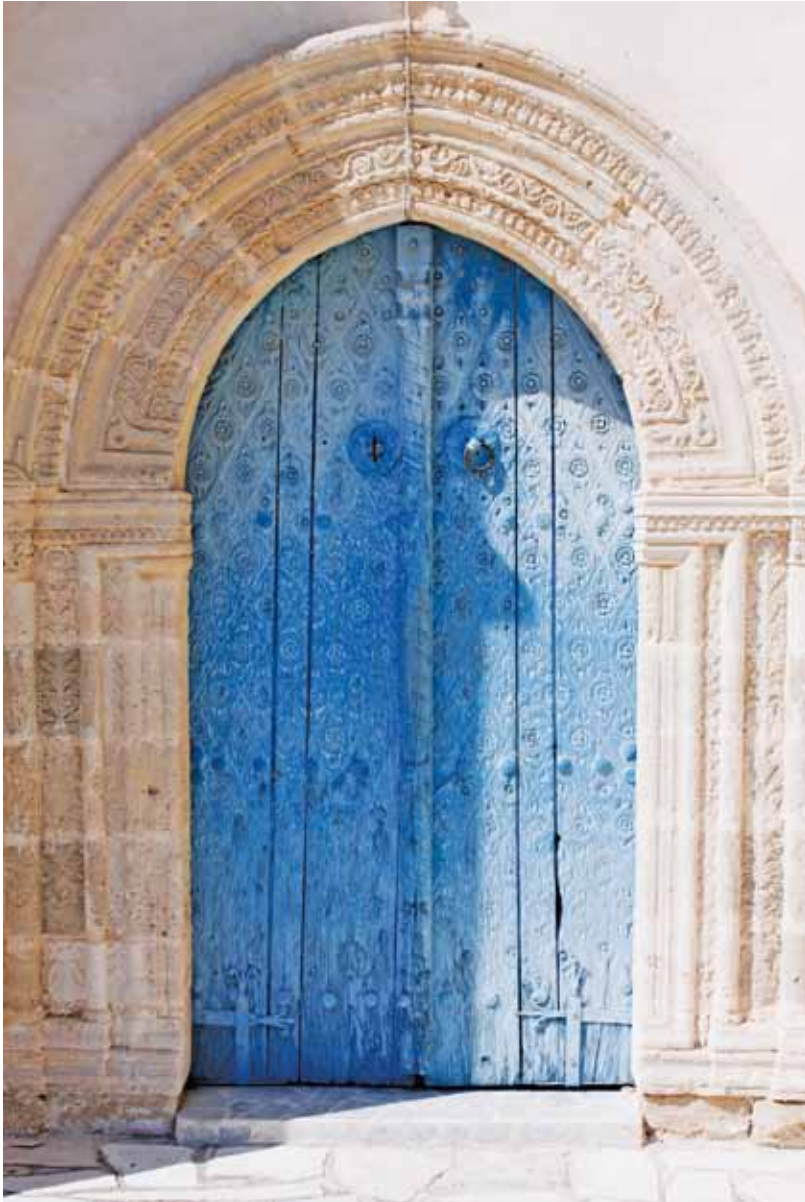




Located in the Eastern Mediterranean at the crossroads of Europe, the Middle East and Africa, Cyprus' strategic position has played a key role in shaping its history and in developing the island into a centre for trade and international business. Despite being a country of only 865,900 people, the Republic of Cyprus has steadily built itself into a thriving business centre and has much to offer in these terms. The EU-compliant domicile has a well-educated workforce, a low-cost business environment with a wealth of support services, a sophisticated ICT infrastructure and an investor-friendly tax regime – backed up by an extensive network of double taxation agreements with around 60 countries. Not only is Cyprus a developed business centre, but also one of Europe's favourite holiday destinations, offering a perfect balance between business and pleasure.

CAPTIVATING PAST

The island enjoys around 340 days of glorious sunshine a year and a coastline teeming with endless stretches of golden sands, secluded bays and rocky coves, all surrounded by the crystal waters of the Mediterranean Sea. The landscape is dotted with the fascinating remains of history, from Neolithic settlements and ancient city-kingdoms to exquisite Byzantine art and magnificent Venetian architecture. The people of Cyprus are the descendants of two major civilisations: the Greek Cypriots from the Mycenaean Greeks and the Turkish Cypriots from the Ottoman settlers. While Cyprus is a Greek-speaking nation and Cyprus' official languages are Greek and Turkish, English is almost universally spoken and written and is the language of international business. German, French and Russian speakers are also easily found, thanks to the high number of Cypriots with international degrees, the country's commercial ties with the global business community, and the island's popularity as a tourist destination.



A DIVIDED COUNTRY

Cyprus gained independence from Britain in 1960, however a Greek-sponsored coup d'état in 1974 was swiftly followed by an invasion of Turkish forces which occupied the northern one-third of the island. Despite numerous efforts over the intervening decades, the island remains de facto divided, and the self-declared 'Turkish Republic of Northern Cyprus' (TRNC) remains unrecognised by the international community. The Greek Cypriot and Turkish Cypriot leaders continue to look for a solution to end the division of the island, but while negotiations have been slow, some progress is being made with many seeing 2016 as a potential milestone for achieving reunification. The capital city, Nicosia, is split between the two sides, though visitors can access either side from checkpoints at Ledra Palace and Ledra Street, establishing Nicosia as the last remaining divided capital city in the world.

PEOPLE & CULTURE

Cyprus is well known for its hospitality, a fact reflected in the Greek word, 'xenos', used for both stranger and guest. Life is meant to be enjoyed in Cyprus, which is renowned for its excellent quality of life with an emphasis on working to live, rather than living to work. Café culture predominates, with both business and social meetings taking place over a leisurely frappé (iced coffee) in the numerous cafes in every town and city. As with most Mediterranean cultures, food plays a vital role and the famous Cyprus meze – a large selection of small, delectable dishes – is best enjoyed 'siga siga' (slowly slowly) al fresco, surrounded by friends and family and accompanied by a glass or two of excellent local wine.



REDEFINING STYLE EXPERIENCE LONDA



A refined boutique property, member of the Small Luxury Hotels of the World, the Londa indulges its guests with a blend of Mediterranean flair and modern lifestyle. The 68 rooms and suites are created for a truly relaxing experience, where guests, both on holiday or business, delight in their own private paradise. Stylish in design and with dazzling sea views, the Londa's Caprice Restaurant has built its award-winning reputation by creating Italian cuisine with a Mediterranean twist. The Caprice Lounge Bar adapts its ambience and clientele to suit the time of day, serving espressos in the morning and fantastic cocktails at sundown! The Spa offers beauty, health and spa facilities, and an amalgam of treatments and therapies for a truly rejuvenating experience! Classic yet stylish, the Londa is setting a new fashionable standard and is, without doubt, the islands' must-visit hotspot. The Small Luxury Hotels' vision and brand value to extend outstanding quality, passion for excellence, top personal service and individuality, combined with Londa's vision to create unique moments, fabricate the perfect setting for memorable experiences and exceeding guest expectations.



Londa Hotel, Llimassol, Cyprus
T: +357 2586 5555 • F: +357 2532 0040 • E: info@londahotel.com

WWW.LONDAHOTEL.COM





A RESILIENT ECONOMY

Cyprus has a dynamic and flexible economy that has time and time again proven its capacity to adjust to continuously changing conditions. Before its independence from the UK in 1960, the Cyprus economy was primarily based on agriculture and the export of minerals. However, in the last few decades the country has established itself as a serious business and service centre for shipping, financial services and commerce, and is classified by the World Bank as a high-income country. The island's accession to the EU in 2004, and the adoption of the euro in 2008, was the catalyst for transforming Cyprus into a financial and business services hub.

Following the country's financial bail-out in 2013, Cyprus has implemented major reforms and although still facing economic challenges, the small nation has proven its resilience. The year 2015 signalled a sooner-than-expected exit from recession and a return to growth, with GDP expected to increase by 1.4% in 2016 and 2% in 2017. The island's international financial centre has suffered a blow in the wake of the crisis, but with robust restructuring to clean up the banks' balance sheets and build stronger institutions with better supervision, the country is already reaping the rewards of these reforms. Bank deposits are on the rise and Cyprus has retained and strengthened its reputation as an attractive and effective investment gateway to the European Union and other high-growth markets. Offering a tax-efficient company domicile within the EU, the country is now also emerging as an attractive location for fund managers and promoters.

LEADING MARITIME HUB

A major success story for Cyprus has been the maritime sector, which accounts for €1 billion in annual revenue and around 7% of the island's GDP. Apart from offering shipmanagement and business services to the industry, the Cyprus Registry is classified as the 10th largest merchant fleet in the world, and the third largest fleet in the European Union. Having introduced an advantageous EU-approved tonnage tax system in 2010, Cyprus attracted increasing numbers of shipping companies from across the world to explore the unique opportunities it offers.

UPMARKET TOURISM

Tourism has been a key driving force of the Cypriot economy for decades, and 2015 saw record-breaking numbers of tourist arrivals. New projects are currently underway to boost the tourism sector and encourage year-round visitors, ranging from the construction of brand new golf courses, marina developments and the upgrading of the island's wellness and medical tourism product. In addition, the country has successfully attracted a number of new carriers to the island, making it even easier and cost effective for visitors to reach Cyprus. A new and exciting prospect is the development of a luxury casino resort – the first of its kind – which has been put out to tender and attracted investors worldwide. The integrated resort is set to exceed five-star status, opening a whole new market for niche tourism on the island.



EMERGING ENERGY PLAYER

Apart from the sun and the sea, Cyprus has few natural resources and has been dependent on oil imports to satisfy its energy demands. However, the world-class discovery of natural gas and potential oil deposits in Cyprus' Exclusive Economic Zone (EEZ) in the Mediterranean Sea is expected to change all this. Appraisal drillings in block 12 by US company Noble Energy confirmed natural gas reserves of 4.54 trillion cubic feet (tcf) – enough to meet Cyprus' domestic gas demand for over 100 years – and has attracted international energy heavyweights, such as Total and Eni, to explore the island's waters for new discoveries. Cyprus' energy sector currently presents one of the best opportunities for foreign investors and for economic growth.

LUXURY REAL ESTATE

Beyond finance and commerce, Cyprus is also highly attractive to real estate investors and has long been a magnet for international buyers – establishing the real estate and construction sector into an important component of the island's economy. With new up-market developments, increased foreign investment in hotels and major infrastructure projects springing up, Cyprus' attractiveness as a property investment location is set to grow. Also the fall in property prices and recently introduced incentives make this an opportune time to invest and buy real estate in Cyprus.

FOREIGN DIRECT INVESTMENT

Cyprus' favourable and EU-approved tax regime, its flat rate of 12.5% corporate tax, pro-business government and highly skilled workforce, have long attracted foreign investment into the country. Most capital, predominantly coming from Greece, Russia, the US and UK, has been invested in the real estate, banking and wholesale trade sectors, but the economic crisis has opened new opportunities. With large scale developments, major infrastructure projects in the pipeline, new privatisation plans, and with a restructured banking sector, many international investors are recognising interesting opportunities on the island.

A BRIGHT FUTURE

Cyprus has all the right elements firmly in place, to maintain its reputation as an international centre of business excellence in one of Europe's most interesting investment locations. Offering a professional atmosphere that makes doing business pleasurable as well as profitable, Cyprus' Mediterranean lifestyle coexists happily with a cutting-edge international business centre, allowing investors to enjoy the best of both worlds: a safe and secure environment for family life and a sophisticated infrastructure from which to grow and develop business. ■

GOVERNMENT & POLITICS

Renewed Optimism

Renewed intercommunal talks spark optimism in the reunification of Cyprus, while President Anastasiades implements staunch reforms to modernise the state and strengthen the economy.



Nicos Anastasiades, the seventh president of the Republic of Cyprus, was elected on 24 February, 2013. The conservative candidate and head of the DISY party won the Cyprus presidency by one of the widest margins in decades, taking 57.48% of the vote. From his very first days in office, President Anastasiades has had to take a strong stance to steer the country back on track from one of the most challenging economic times in the island's history.

The division of Cyprus remains a key issue in the political arena, but UN-brokered peace talks between the Greek and Turkish Cypriot leaderships have gained significant momentum following the election win of Turkish Cypriot leader Mustafa Akinci in 2015.

These renewed negotiations aim at finding a sustainable solution to the 'Cyprus Problem', which has led to the de facto division of the island – between the mainly Greek-speaking south and the mainly Turkish-speaking north – for over four decades. Nicos Anastasiades and Mustafa Akinci have accelerated these efforts, however tough negotiations and decisions must be made in terms of property and territory in order to reach a resolution and create a united federal Cyprus.

SPLIT IN TWO

In 1960 Cyprus gained independence from Britain and became a unitary state of both Greek- and Turkish-Cypriots (respectively 80% and 20% of the population). In July 1974, a right-wing coup backed by the military junta in power in Greece overturned the democratically elected government, forcing the Cypriot President Archbishop Makarios to flee. This prompted Turkey, a guarantor power, to send its troops into the island to support the Turkish Cypriot minority. Fierce fighting followed and the ensuing ceasefire line – known as the Green Line and patrolled by United Nations troops – has effectively partitioned the island ever since. Today, Nicosia is Europe's last divided capital. The population of the southern two-thirds of the island, controlled by the government of the Republic of Cyprus, is almost entirely Greek Cypriot, while the population of the northern third, controlled by the breakaway Turkish Republic of North Cyprus (recognised only by Turkey) comprises Turkish Cypriots, settlers from the Turkish mainland and around 42,000 Turkish troops.



POLITICAL PARTIES

Dominant Political Parties:

- Democratic Rally (DISY)**, a right-wing party led by Averof Neophytou
- Progressive Party of the Working People (AKEL)**, a left-wing party led by Andros Kyprianou
- Democratic Party (DIKO)**, a centre-right party led by Nicolas Papadopoulos
- Movement of Social Democracy (EDEK)**, a social democratic party led by Marinos Sizopoulos

Smaller Political Parties:

- Ecologists Movement**, also known as the **Cyprus Green Party**, led by Georgios Perdikis
- European Party (Evroko)**, a centrist political party led by Demetris Syllouris
- Citizens' Alliance**, led by former presidential candidate Giorgos Lillikas



FROM FOREIGN RULE TO THE REPUBLIC OF CYPRUS

Colonised by the ancient Greeks in 1400 BC, Cyprus has had a succession of foreign rulers through the centuries, including the Romans, the Byzantines, the Franks and the Venetians, whose 300-year rule ended in 1571 when the island became part of the Ottoman Empire. After almost 250 years of Ottoman rule, Cyprus was placed under British administration in 1878. The island finally became independent in 1960 after a protracted and violent struggle against the colonial power between 1955 and 1959. After lengthy negotiations, Britain, Greece and Turkey drafted a constitution for the new state, along with Treaties of Guarantee and Alliance. The Republic of Cyprus came into being in August 1960. The constitution and the two accompanying treaties established a complex power-sharing structure between Greek and Turkish Cypriots, which precluded partition of the island, or union with Greece or Turkey. Both countries, along with Britain, were also designated guarantors of the independence, territorial integrity and security of the Republic. The constitution provided for a Greek Cypriot president and a Turkish Cypriot vice president, while the Turkish Cypriot community was granted three ministerial positions out of a total of ten, and fifteen out of the fifty seats in the House of Representatives.

INTERNATIONAL RELATIONS

Cyprus joined the EU on 1 May 2004 together with nine other European countries. Under the terms of its accession the entire island is considered technically to be a member of the European Union, despite its continued division and the fact that the government of the republic has no effective authority in the northern part of the island. However, the terms of the *acquis communautaire*, the EU's body of laws, have been suspended in the north. Cyprus has historically followed a non-aligned foreign policy, although it increasingly identifies with the West in its cultural affinities and trade patterns, and maintains close relations with Greece. Turkey refuses to recognise the government of the Republic of Cyprus, arguing that the latter – as established by the Constitution of 1960 – ceased to exist when the inter-communal violence that broke out in December 1963 ended Turkish Cypriot participation in government. As a result, Turkey still refuses to allow Cypriot-flagged vessels access to its ports, despite pressure from the European Union. Cyprus is a member of the United Nations and most of its agencies, as well as the Commonwealth of Nations, World Bank, International Monetary Fund and Council of Europe. In addition, the country has signed the General Agreement on Tariffs and Trade (GATT) and the Multilateral Investment Guarantee Agreement (MIGA).



Constitution, Institutions and Administration

The 1960 constitution provided for power-sharing between the two communities. Votes on important issues required separate parliamentary majorities, and the Greek Cypriot president and the Turkish Cypriot vice-president both had the right of veto on important decisions. The system of government is presidential, with the separation of powers between the executive and the legislature. The presidential term lasts five years, with the next presidential election due in 2018. Ministers, who are appointed by the president, cannot hold seats in the House of Representatives. The House of Representatives is elected by proportional representation. Its normal term is five years.



Government Structure

Nicos Anastasiades

President of the Republic of Cyprus



Ioannis Kasoulides

Minister of Foreign Affairs



Yiorgos Lakkotrypis

Minister of Energy, Commerce, Industry and Tourism



Nicos Kouyialis

Minister of Agriculture, Rural Development and Environment



**Harris
Georgiades**

*Minister of
Finance*



**Socrates
Hasicos**

*Minister of
Interior*



**Christoforos
Fokaides**

*Minister of
Defence*



**Costas
Kadis**

*Minister of Education
and Culture*



**Marios
Demetriades**

*Minister of Transport,
Communications
and Works*



**Zeta
Emilianidou**

*Minister of Labour,
Welfare and Social
Insurance*



**George
Pamboridis**

*Minister of
Health*



**Ionas
Nicolaou**

*Minister of Justice
and Public Order*



**Nikos
Christodoulides**

*Government
Spokesman*



**Constantinos
Petrides**

*Under Secretary
to the President*



INTERVIEW

President of the Republic of Cyprus Nicos Anastasiades

CYPRUS

A Show of Resilience

Cyprus made a conscious choice to see the crisis as an opportunity to build a more adaptive economy. The introduction of decisive and effective structural changes coupled with the country's status as an attractive investment destination, have made Cyprus considerably more competitive and efficient, says President Anastasiades.

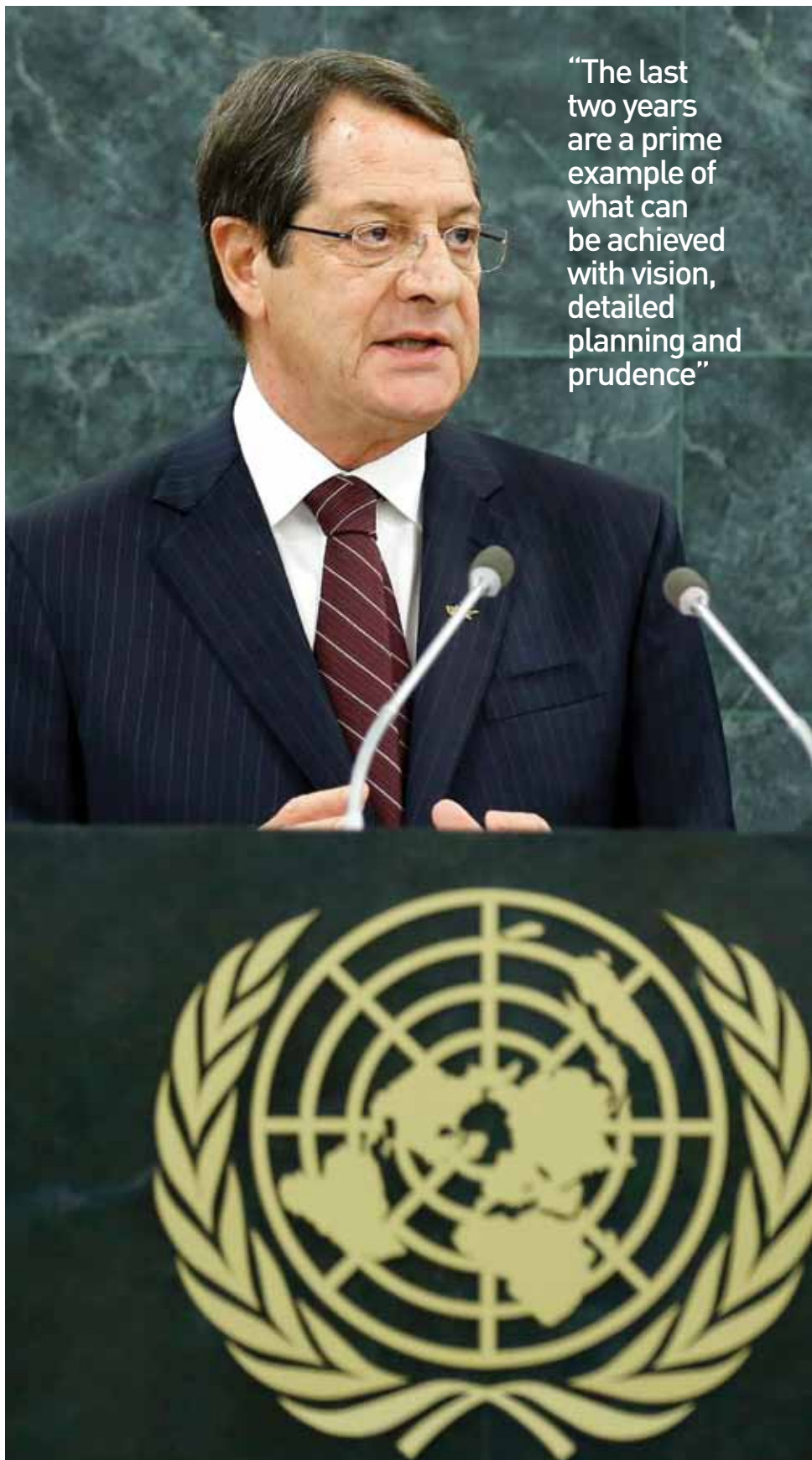


CYPRUS HAS BEEN HAILED A 'SUCCESS STORY' BY THE EUROGROUP, THANKS TO THE SPEEDY PROGRESS IT HAS MADE FOLLOWING THE 2013 BANKING CRISIS AND THE SUBSEQUENT BAILOUT. HOW DO YOU PERSONALLY VIEW THE PROGRESS MADE SO FAR?

Cyprus is indeed becoming a success story of economic recovery. The combination of the resilience of the productive sectors of our economy, with a very determined effort of economic reform and fiscal consolidation, was key to this success. The Cypriot economy is now emerging out of its most challenging period to date. The last two years are a prime example of what can be achieved with vision, detailed planning and prudence. It is my belief that hard work and the common effort of the public and the private sector can turn an economy in distress towards stability and prosperity. Our journey along the road to recovery has been faster than anyone could predict two and a half years ago. After almost four years of contraction, the economy registered positive economic growth from the beginning of 2015, a growth stronger than anyone expected. Most importantly this growth is projected to be maintained. With a restructured and fully recapitalised banking sector - mainly through important international investors - fiscal imbalances permanently addressed, and a programme of radical structural reforms, Cyprus returned to the international markets much earlier than any other program country.

GOING FORWARD, WHAT KEY TARGETS HAVE YOU SET TO BE ACCOMPLISHED IN 2016?

Following the restoration of confidence in the Cyprus economy, we are now proceeding to the next step of supporting growth and creating jobs, and exploring all possible avenues for promoting and supporting new ventures. With a responsible fiscal policy visible through the performance of public finances, with emphasis on investments, coupled with the targeted structural reforms that we are promoting, we are confident that the economy will be on solid ground in the medium and long term. The fostering of the financial sector and the attraction of strategic partners and investors in the telecommunications and ports industries, maintaining a stable tax framework with added incentives for investments as well as the care for more vulnerable groups, are some of our key priorities.



“The last two years are a prime example of what can be achieved with vision, detailed planning and prudence”

“After almost four years of contraction, the economy is registering positive economic growth from the beginning of this year, a growth stronger than anyone expected”

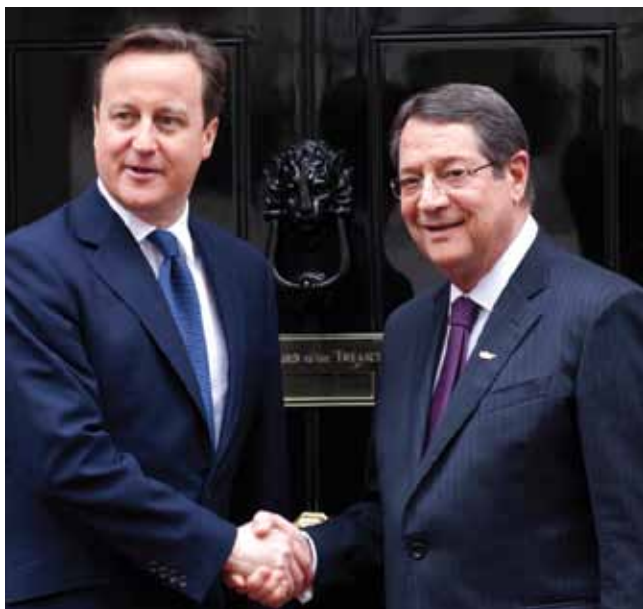
WHAT OPPORTUNITIES DO YOU SEE FOR GROWTH AND INVESTMENT IN CYPRUS, AND AS AN FDI LOCATION WHAT KIND OF INVESTMENT WOULD YOU LIKE TO ATTRACT?

Opportunities for growth exist in the majority of economic sectors of Cyprus, including: commerce; tourism; privatisation of ports, electricity and telecommunications; shipping; real estate; large-scale development projects; education; health; research and innovation. At the same time, the discovery of natural gas reserves within the Exclusive Economic Zone (EEZ) of the Republic of Cyprus creates excellent investment prospects in the energy sector and ancillary services. The emerging oil and gas industry to be established on the island is expected to provide a significant boost to our economy, creating growth and driving numerous other sectors as well. In addition to the rapidly developing oil and gas sector, the renewable energy sector has great potential for investment. Concrete examples that can be of interest for strategic partners and investors can be found in the telecommunications and ports industries, in the gaming industry with the licensing of an integrated casino resort, as well as in several large tourism infrastructure projects, such as the development of marinas.

DESPITE THE HARSH REALITIES OF THE GLOBAL FINANCIAL CRISIS, THE PROFESSIONAL SERVICES SECTOR IN CYPRUS HAS MANAGED TO RETAIN AND ATTRACT MORE BUSINESS. AS A CRUCIAL PILLAR OF THE ECONOMY, HOW DOES THE GOVERNMENT SUPPORT THE INDUSTRY AND EFFORTS TO STRENGTHEN CYPRUS' STATUS AS AN INTERNATIONAL BUSINESS CENTRE?

Our economic model still relies largely on the services sector. Even after the financial turmoil in 2013, the business services sector exhibited considerable resilience against expectations of a collapse and contributed significantly to the stabilisation of the economy. The Government is currently working on improving the business environment through an intensive and active dialogue between the public and private sector. Through the introduction of decisive and effective structural changes and the significant reductions achieved in costs and operating expenses, the already attractive investment destination that Cyprus is, has now become considerably more competitive and efficient. A series of measures is currently implemented, which include the simplification of procedures for the faster issuing of permits and licensing of investment projects and operation of businesses. In this framework, the Ministry of Energy, Commerce Industry and Tourism is proceeding with the upgrading of the existing One Stop Shop. The centre will be business friendly and promote business and investments. The new One Stop Shop will facilitate all potential and existing entrepreneurs, who will be able to count on one single point of contact to receive comprehensive information on licenses, administrative procedures, finance and public support. The business and investment service centre will begin its operations in Nicosia in June 2016. We have ensured the attractiveness of our tax system, maintained stability, offering tax incentives and widening the network of double tax treaties. We are now promoting much-needed reforms in the public administration, the welfare and the health system, and choose to see the crisis as an opportunity to create an even more competitive and adaptive economy.





AS A STABLE AND SAFE EU COUNTRY IN AN INCREASING TURBULENT REGION, HOW DO YOU SEE THE ROLE OF CYPRUS' FOREIGN POLICY EVOLVING?

There are some basic elements that come to mind when we think about Cyprus: an island Member State of the European Union at its south-eastern most corner, at the crossing point between Europe, Asia and Africa, and the only divided EU member state.

These unique characteristics point to the dynamic linked to the geostrategic location of Cyprus. Fully cognisant of this, our focus has been from the very beginning to provide Cyprus with a clear foreign policy identity that will allow the country to fully assume its geopolitical role. We have embarked on a conscious reorientation of the foreign policy of Cyprus, based on a comprehensive and extrovert approach. First and foremost, the goal is to reach a solution to the Cyprus problem, which would prove of immense benefit not only to Cypriots, but also to regional stability. Another goal is to safeguard the exploitation of our natural wealth and the consequential internal and regional benefits. At the same time, we are working on enhancing our participation in all EU pillars and establishing a credible presence and cooperation with fellow European Union Member States. We have been working diligently towards upgrading our bilateral relations with the United States, UK and Israel, without negatively affecting the already deep-rooted relations with other countries such as Russia, China and those of the Arab world, so as to create a grid of alliances in support of our foreign policies and economic goals. We are building and further enhancing our traditionally excellent bilat-

eral relations with countries in the region, while also working on actively contributing to building and promoting peace and security in our immediate region of the Eastern Mediterranean.

The positive and stabilising role that Cyprus can assume in the Eastern Mediterranean, especially in the areas of combating terrorism, fighting the proliferation of weapons of mass destruction and providing humanitarian assistance, has received extensive recognition. We have proven that we can assume the role of acting as a bridge between Europe, North Africa, the Near and Middle East, as well as a country that gives true credence to being a safe haven. We will continue to contribute in an even more substantive manner, as needs arise, to any international call to provide humanitarian aid and facilities to any third country national. Cyprus' extensive strategic know-how of the region, in conjunction with the excellent relations we enjoy with all countries in the region, offer the potential to our EU partners to use Cyprus as a facilitator, acting as a common denominator between our partners in our immediate neighbourhood, and possibly beyond, with aims such as advancing towards greater energy security and broader economic stability.

Our role as a bridge in the region is evident by my visits to almost all countries in our immediate region, including most recently to Jordan, Israel and Palestine. Moreover, the establishment of two regional cooperation mechanisms between Cyprus- Greece-Egypt and between Cyprus-Greece-Israel, which are open to all countries in the region with a vision for regional stability and cooperation and shared values, such as full respect for international law – also testify to Cyprus' geopolitical role. These initiatives aim at benefiting our

“The emerging oil and gas industry to be established on the island is expected to provide a significant boost to our economy”

“Interest for strategic partners and investors can be found in the telecoms and ports industries, in the gaming industry with the licensing of an integrated casino resort, as well as in several large infrastructure projects in our tourism sector, such as the development of marinas.”

countries and peoples, through the effective and practical strengthening of our partnership in areas such as energy, economy, trade, and shipping, and establishing a common front to address risks that threaten the Eastern Mediterranean region. These trilateral partnerships aspire to become a model of constructive and beneficial regional cooperation in our volatile region.

Last but not least, a most encouraging development in our area is taking place in the field of energy cooperation. The promising potential of hydrocarbon exploration in the Levantine basin requires that all countries in the region work closely together, bilaterally and regionally. Cooperation in hydrocarbons development can have a positive spill-over effect in the political relations between the Eastern Mediterranean countries, building the foundations for regional peace. After all, economic partnerships form an integral part of political synergies. At the bilateral level, Cyprus is pursuing the conclusion of Agreements with all the coastal States with which it shares sea boundaries, in accordance with UNCLOS. The Exclusive Economic Zone Delimitation agreements Cyprus has concluded with Egypt, Israel and Lebanon have established not only the sea boundaries between Cyprus and its three neighbouring States, but also the boundaries between the EU and the Middle East. These agreements also provide legal security to oil and gas companies to freely pursue exploration and exploitation of hydrocarbons in the region. We aspire to bring interested stakeholders closer together through seeking opportunities not only for maritime boundary agreements and the joint development of potentially common hydrocarbons, but also for shared cooperation on other issues of mutual interest, such as economy and trade.

THERE HAS BEEN RENEWED OPTIMISM THAT A SOLUTION TO THE ‘CYPRUS PROBLEM’ COULD BE REACHED IN THE NEAR FUTURE. HOW ARE THE NEGOTIATIONS PROGRESSING AND WHAT BENEFITS WOULD A REUNIFICATION BRING TO CYPRUS?

While the choice of a new Turkish Cypriot leader has improved the climate in the negotiations, and some progress has been achieved, significant challenges in important aspects of the Cyprus Problem still remain. In November 2015, we entered into a phase of intensive talks under the UN auspices. What we aspire to achieve is a settlement that will reunite our country, its people, the economy and institutions, create a homeland of peaceful co-existence and prosperous collaboration between all of its citizens and transform Cyprus into a bright example of the ethnic, cultural, religious and linguistic cooperation between Christian and Muslim communities. A settlement, in full conformity with the values and principles of both the Charter of the United Nations and the EU acquis, the High Level Agreements between the leaders of the two communities of 1977, and 1979, as well as the Joint Declaration of February 11, 2014.

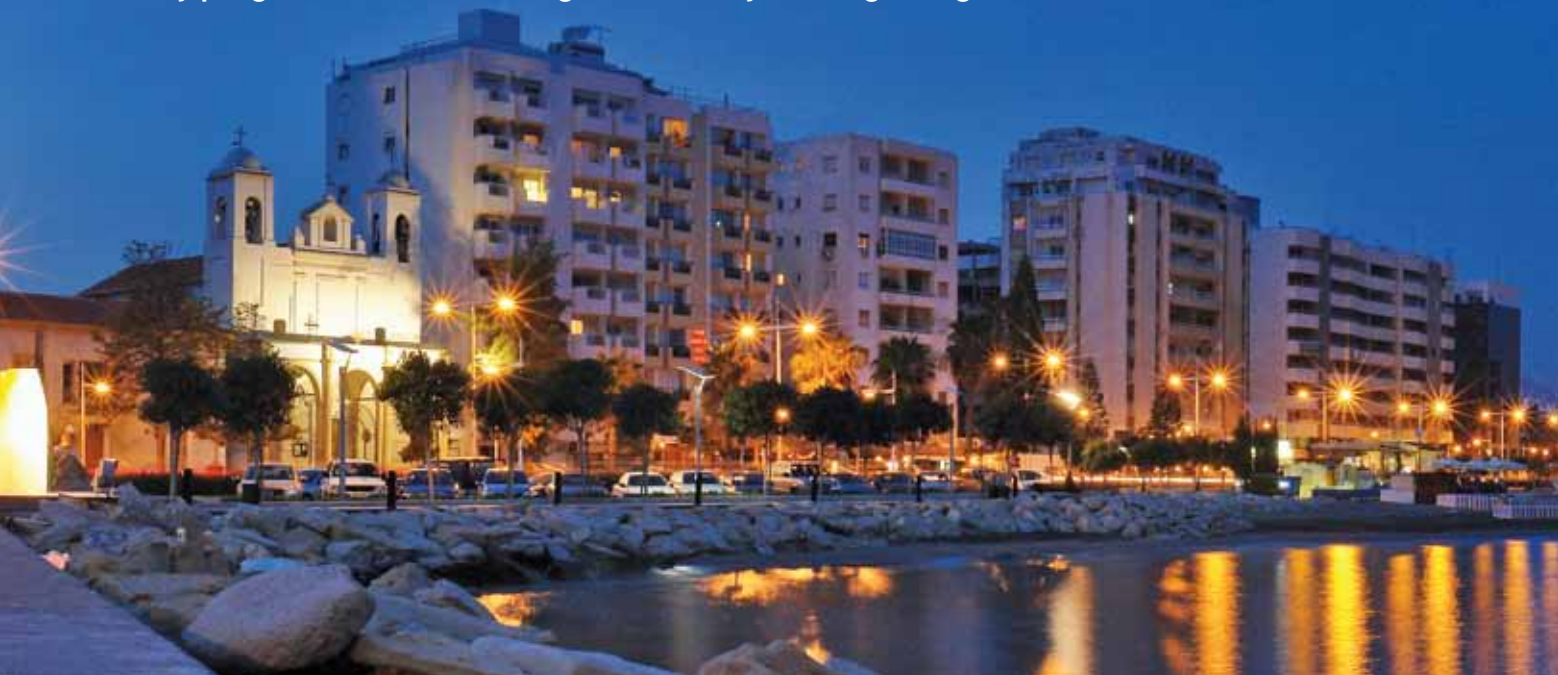
I am convinced that the reunification of Cyprus will have multiple consequential benefits not only for Cyprus and its people, but also for Turkey, the EU, EU-Turkey and EU-NATO relations. While one might argue that a Cyprus solution on its own would not be enough in the transformation of the region and in reaching durable solutions to long-standing complex problems, I am adamant in my conviction that these developments will have a very important collateral influence on achieving and maintaining a much needed environment of stability and peace in the region. We certainly hope and expect that Turkey, a country which aspires to be recognised as a regional leader, will rise to the occasion and meet its obligations not only in terms of international law, but also vis-à-vis the EU by contributing concretely to a solution. I want to assure that we are determined to rise to the challenge of our historic responsibility and do our utmost with the aim to provide a more stable, more prosperous and more reconciliatory future in the region, in which Cyprus is an inextricable part of, so that our legacy is remembered for all the right reasons. ■



ECONOMY

SETTING New Standards

Exceeding international expectations with a return to growth in 2015, Cyprus is making steady progress in restructuring its economy and regaining investor confidence.



Cyprus surpassed all expectations exiting recession in 2015 – a year earlier than first projected – and continuing to economic growth in 2016. The country has been remarkably resilient following the financial crisis and has implemented tough austerity measures to restructure its economy. Although a challenging time for one of the smallest EU member states, the economic adjustment remains on track, with progress made in all key objectives set out by the country's international lenders. Hailed a success story by the Eurogroup, the island nation is determined to exit the programme in early 2016 and to reclaim its status as a self-determining and thriving economy.

HISTORY OF THE ECONOMY

Cyprus gained independence from the UK in 1960, became a member of the EU in 2004, adopted the

euro as its national currency in 2008 and was listed by the IMF as one of the 31 advanced economies in the world in 2011. Throughout its history the Cyprus economy has experienced external shocks that have been followed by astonishing revival. The Greek sponsored coup d'état and subsequent Turkish invasion in 1974 of the northern part of the island led to a sharp real GDP contraction of 16.9% in 1974 and 19% in 1975. But hard work and collective focus led to a rapid bounce back, with growth of 18.2% in 1976 and 15.8% in 1977, followed by an uninterrupted period of strong growth lasting more than 30 years. Since independence, the economy has gone through several transformations: from an exporter of minerals and agricultural products in 1961-73, an exporter of manufactured goods from the late 1970s to the early 1980s, to transforming into an international tourist, business and services centre in the 1980-



1990s. Classified by the World Bank as a high-income country, today the economy is mainly built upon the services sector, including tourism, financial services and real estate, which accounts for over 80% of the island's total GDP and around 75% of employment.

The island went through yet another transformation in 2013, when at the height of the eurozone sovereign debt crisis Cyprus became the fifth EU member state to request a financial assistance package from the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) – collectively known as the Troika. The Cyprus 2013 bailout captured the attention of the world, as it was the first and only bailout worldwide with a condition to impose a bail-in of bank deposits – a measure considered inconceivable until then. Following the country's €10-billion bailout deal and the contro-

versial bail-in decision by the Eurogroup, restructuring the economy and restoration of credibility in Cyprus' banks has been a top priority – and true to form, the country's economic recovery has been faster than many first projected.

RETURN TO MARKETS

Cyprus' speedy return to the international markets was a positive step towards restoring confidence and credibility in the eyes of the international business community. Successful bond issues raising well over €2 billion, successive upgrades by international rating agencies and positive bank results have all contributed to stronger investor interest in Cyprus. The Cypriot Ministry of Finance predicted a growth rate of 1.5% in 2015 although final figures could be closer to 1.9%, while the European Commission (EC) upgraded its forecasts for the growth of the Cyprus economy to 1.4% in 2016 and a growth rate of 2% in 2017.

STABILISED BANKING SECTOR

A successfully recapitalised banking sector passed rigorous ECB stress tests and found a stable footing after the turmoil of the 2013 bail-in. Liquidity and solvency in the banking system have improved significantly, with exchange controls fully lifted in May 2015. Contrary to expectations, the country did not see an outflow of deposits but rather a gradual increase over the last two years. In addition, recently approved insolvency and foreclosure legislation has led to a positive outlook for the economy. Despite the harsh terms of Cyprus' international lenders, the country has taken full advantage of the tough supervision and reform programme to correct fundamental weaknesses in its financial system.

GDP GROWTH

Driven by a strong private demand and supported by the euro's depreciation and low energy prices, the Cyprus economy once again beat estimates and contrary to expectations returned to growth in the first half of 2015 and officially exited recession in the second. Growth is set to gain momentum and reach 2% by 2017 with improving public finances.

UNEMPLOYMENT

Unemployment is set to continue its decline, although tackling youth unemployment continues to be a significant challenge. The rate of unemployment started to reduce in the first half of 2015, from around 16% and is expected to fall to 14.6% in 2016 and to 13.3% in 2017.



Since the start of its economic adjustment programme, Cyprus has come a long way in rebuilding confidence. Depositors, consumers, investors and international financial markets are again expressing their trust in the Cypriot economy. This has required decisive steps aimed at stabilising the banking sector and regaining control over public finances. Yet the crisis has taken a toll on the island's growth potential. Investment dropped, unemployment rose and the business model of the past is not the answer to future challenges. Reviving Cyprus' potential will require further pro-growth reforms. Cyprus' efforts to implement a Strategy for Growth go in the right direction. This strategy hinges on improving framework conditions for businesses, strengthening human capital and stepping up high-quality investment projects, including those supported by EU initiatives and EU funds. Combined with growth-enhancing privatisations, energy sector competition and more business innovation, such as in tourism and professional services, this will help Cyprus to reinvent itself for the decades to come."

Pierre Moscovici

Commissioner for Economic and Financial Affairs, Taxation and Customs
European Commission



Cyprus' economic adjustment program has been a success. After going through an unprecedented downturn, the economy has started stabilising and we are seeing encouraging signs, with growth turning positive and the number of jobs rising again. Banks are better capitalised, and their liquidity conditions have stabilised. Payment restrictions introduced during the crisis have been lifted and sovereign market access has been regained. Implementing structural reforms is crucial to raise long-term growth. Banks must lower their NPLs, to be able to extend new credit to families and corporations. Efforts are needed to improve the country's business environment by streamlining red tape, modernising judicial procedures, and reducing obstacles to growth in sectors such as tourism. Advancing on the privatisation program will help attract investment and increase efficiency. Challenges remain, but it is a welcome sign that the discussion is moving away from managing the crisis to finding ways to boost growth."

Vincenzo Guzzo
Resident Representative to Cyprus
IMF

TRADE & INVESTMENT

In 2015, investment growth turned positive in Cyprus, mainly driven by new ship registrations, however, the positive impact on growth was offset by higher imports. More than half of Cyprus' trade in goods is done with the European Union and although in recession, exports saw a boost with a significant 14% increase between January and July 2015, with help from the euro's exchange rate. Cyprus' main export partners are Greece, the United Kingdom, Germany and Lebanon. The main domestic export commodities are pharmaceutical products, photo-sensitive devices, and raw and manufactured food products. The three leading import partners are Greece, Israel and the United Kingdom and the island mainly imports hydrocarbons, machinery, chemicals, vehicles, and iron and steel. As a small open economy that is currently dependent on energy imports, Cyprus' trade balance is traditionally in deficit, while its services balance is normally in surplus. After a recession-driven drop to less than €665 million in 2012, foreign direct investment (FDI) is expected to recover as a result of new initiatives under way to attract more investment, as well as the privatisations of state-owned assets and renewed investor interest in large scale developments.

NEW INCENTIVES

Recently approved tax measures are set to further improve the long-established comprehensive and transparent character of the Cypriot tax framework. The new measures, which are fully aligned with EU directives, support the promotion of economic development by encouraging the introduction of new equity capital as an alternative to excessive debt financing – notional interest deduction (NID) regime on equity – and encourage the creation of business substance by offering compelling advantages to individuals from a personal tax perspective. These incentives will further improve Cyprus' international competitiveness as a location of choice for multinationals seeking to do business in the EMEA region.

MAIN ECONOMIC ACTIVITIES

Cyprus is a small and adaptable free-market economy with a positive long-term outlook despite the current challenging environment. The island promotes itself as the business gateway between Europe, Asia, the Middle East and Africa, and leverages its highly educated, English-speaking population. Its EU and eurozone memberships, excellent information and communications technology (ICT) infrastructure and business-

friendly environment continue to attract international companies and investment – particularly in natural gas exploitation following the recent discovery of significant reserves in Cyprus' waters. Company formation, tax planning, trusts, foreign exchange trading and fund administration are all strong segments of the business services industry, encouraged by a network of double tax treaties with close to 60 countries and a legal system based on English Common law. The key instrument of Cyprus holding companies has attracted hundreds of thousands of companies to set up and channel their investments into key markets through the island.

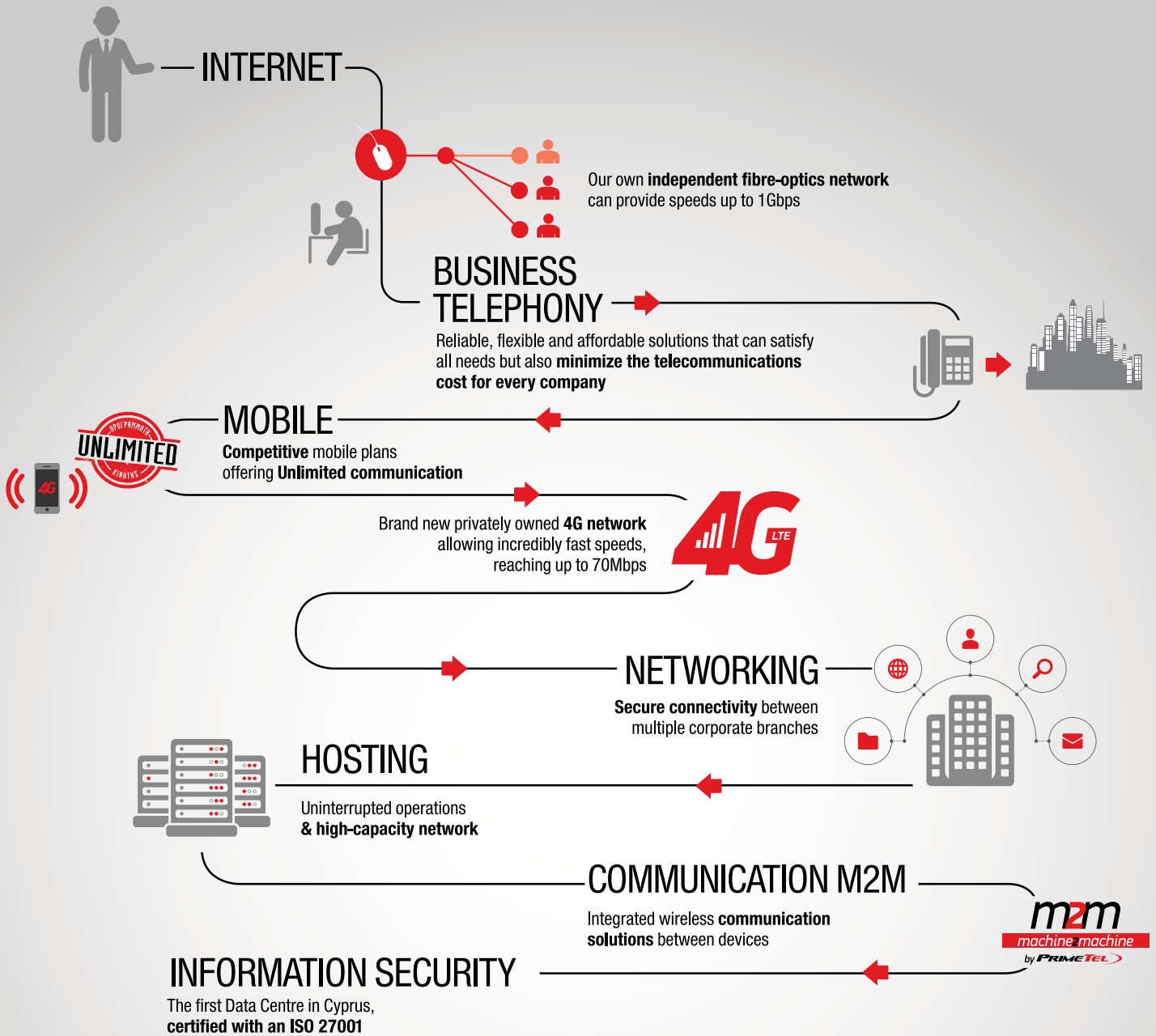
Although facing a challenging economic climate today, the attraction of Cyprus has not faded and the number of applications filed for registrations of new companies has seen a solid increase since 2014. The developing funds industry, which could evolve into a multi-billion business for Cyprus, is also placing the island on the map as an exciting emerging market. Professional services is set to once again be the fastest growing sector in 2016, building on its success in 2015 when the sector grew a phenomenal 5%, compared with 1% for the economy as a whole.

Cyprus hosts the largest third-party ship management centre in the EU, underlining the success of the country's formidable maritime sector. The Cyprus Registry is classified as the tenth largest merchant fleet in the world and the third largest fleet in the EU and flying its flag are some 1100 ocean-going vessels and 767 non-convention size vessels, totalling a gross tonnage of around 22 million.

The tourism sector has shown solid growth in spite of the crisis and 2015 saw record numbers of tourist arrivals. Efforts to upgrade the product could lead to a renaissance of the industry, which currently contributes around 11% to GDP. Traditionally, tourism was the key driving force of Cyprus, however today professional and financial services have overtaken its position.

Although traditionally strong, primary sectors such as agriculture and manufacturing – contributing around 1.9% and 5% respectively to GDP – have faced challenges which have led both to follow a similar strategy of creating value-added products targeting niche markets willing to pay a premium on quality. Both sectors of the economy have placed strong focus on innovation and diversification, which has supported the industries' efforts to increase productivity.

Energy will be a significant new source of growth, following the discovery of natural gas reserves in Cyprus' EEZ. The island has ambitious plans to become a regional energy hub in the Eastern Mediterranean and the successful extraction of natural gas from its waters could allow




Innovative communication solutions for your business

At PrimeTel, we offer top Internet, Telephony, Mobile, Networking and Hosting services as well as, M2M Communication with a privately owned fiber optic network and a new 4th generation mobile network which allows extremely high data transmission speeds, competitive prices and support for all businesses by qualified consultants.

Also, being the first ISO 27001 certified data center in Cyprus, we guarantee information security based on best international practices.

Professional success after all, is a matter of professional communications!

 Book an appointment with our expert advisors to learn more.



“The right steps have been taken for combating the effects of the economic crisis and we

have achieved our short term aims. However, there is no room for complacency. If we continue with the implementation of the necessary structural reforms, both in the public and the banking sectors with greater urgency, 2016 will prove promising for the economic revival of Cyprus. Such reforms will support the private sector in its drive to develop further the Cyprus economy.”

Phidias Pilides
President
Cyprus Chamber of Commerce and Industry (CCCI)



“We have made it a priority to support international business and foreign investment

in Cyprus, as these sectors will primarily influence our economic recovery. Our banks have been successfully recapitalised, withheld ECB stress tests and we have not seen a loss of bank deposits. We have a good product and must maintain our competitive edge. Confidence in Cyprus is being restored and our economy is ready to take off and grow.”

Frixos Savvides
President
Cyprus International Businesses Association (CIBA)

the island to export to European and East-Asian markets. The already-established involvement of major oil and gas companies in Cyprus, such as French energy giant Total and the Italian Korean consortium Eni-Kogas, have strengthened the development of these plans coming to fruition. The sector saw a further vote of confidence in November 2015, when BG Group acquired a 35% stake in Block 12, following an agreement with concession holder and operator Noble Energy.

PRIVATISATION AND NEW PROJECTS IN CYPRUS

Privatisation is a new opportunity in Cyprus as the terms of the bailout envisage raising €1 billion in privatisation proceeds by 2016 and a further €0.4 billion thereafter. Targets for privatisation are the dominant telecommunications provider Cyprus Telecommunications Authority (Cyta), the State Lottery and the Ports Authority – by commercialising services at the port of Limassol with plans of selecting the winning parties by March 2016. Several new marinas are also planned in key coastal towns of Cyprus, with luxury marina complex Limassol Marina already attracting record sales. One of the most exciting developments is the licensing of Cyprus’ first-ever integrated luxury casino resort, which has already garnered much interest from top names in the global casino industry. Official announcements on the final bidders are expected in early 2016, and government chiefs expect the project could increase tourist numbers by up to 500,000 and create hundreds of job opportunities.

FISCAL PERFORMANCE

The primary balance for the government is forecast to reach a surplus of 2.1% of GDP in 2015, corresponding to a headline deficit of 0.7% of GDP. The general government primary surplus is expected to increase to 2.6% of GDP in 2016 and to remain broadly unchanged in 2017, according to the European Commission. Cyprus’ debt-to-GDP ratio peaked in 2014 and is projected to decline from about 107% in 2015 to 95% in 2017. Structural reforms are expected to put long-term public finances on a more sustainable path at the same time as improving competitiveness.

INFLATION

The inflation rate in Cyprus was recorded at -1.2% in December 2015 and is expected to rise to 0.6% in 2016 and to 1.3% in 2017, according to the European Commission. With unemployment still high and inflation expectations still subdued, wage developments are expected to begin warming up slowly in 2016 and 2017.



ECONOMIC CHALLENGES

Cyprus is manifesting positive signs of the economy bouncing back, yet serious challenges remain. The country continues to struggle with non-performing loans (NPLs) and public debt. To achieve real recovery, NPLs must be substantially decreased and moved away from the balance sheets of banks. A recently approved new legal framework for foreclosures and insolvency is a

Services

professional services, including legal, accounting, finance, banking, tourism

Industry

tourism, food and beverage processing, cement and gypsum production, ship repair and refurbishment, textiles, light chemicals, metal products, wood, paper, stone, and clay products

Cyprus key export partners

UK, Germany, Greece, other EU

Cyprus key import partners

Italy, UK, Germany, Israel, France, China, the Netherlands, Greece, other EU



positive development and is expected to support banks with loan restructuring and in turn revive the economy. Although there is much work to be done before Cyprus can regain the strong economic stance it once held, foreign investors are showing interest in the country. The strong tourism sector, the rapidly developing investment fund sector and the discovery of significant quantities of natural gas in Cypriot waters raise the prospect of a transformation of the Cypriot economy in the medium

to long term. The tourism and business services sectors have fared particularly well in spite of the crisis and the country has continued to attract and retain business regardless of the downturn over the last few years.

SOLVING THE CYPRUS PROBLEM

Resolving the long-standing issue of the Cyprus problem – the de facto partition of the island – has been highlighted as one of the most significant priorities in attracting more foreign investment, boosting the economy and bringing unemployment figures below double digits. A solution would open substantial opportunities, especially given the synergies available from regional cooperation on hydrocarbons. UN-led talks on resolving the Cyprus problem have been revived, and many see 2016 as a pivotal year of reaching a solution. There is some trade across the UN-monitored Green Line between the Greek and Turkish Cypriots, but the narrow range and small volume underlines the fact that this trade cannot bring the same benefits as a solution.

PROMISING LONG-TERM OUTLOOK

Cyprus has an open, free-market, service-based economy with a long record of successful economic performance. Though the economy is still tackling structural challenges, the strong business environment, highly educated workforce and favourable tax regime remain in place. Looking ahead, with measures to reform public spending, privatise major utilities, accelerate initiatives to boost investment, develop the investment fund sector and a push forward with natural gas exploitation, there is scope for cautious optimism for Cyprus to quickly return to the prosperity of recent years. ■



Within the broader National Growth Strategy context, the Ministry of Labour has set its own targets and strategic priority to combat unemployment, improve the lives of workers and implement radical reforms of the social protection system, which provides support to every beneficiary citizen. Persisting positive results continue to be documented in the unemployment statistics, despite the fact that the problem continues to be an urgent and a serious one. However, we are seeing the first indications of the coveted growth in our economy and the labour market.”

Zeta Emilianidou
Minister of Labour, Welfare and Social Insurance

European Commission Economic Forecast Autumn 2015: Cyprus

	2014	2015	2016	2017
GDP growth (% , yoy)	-2.5	1.2	1.4	2.0
Inflation (% , yoy)	-0.3	-1.6	0.6	1.3
Unemployment (%)	16.1	15.6	14.6	13.3
Public budget balance (% of GDP)	-8.9	-0.7	0.1	0.3
Gross public debt (% of GDP)	108.2	106.7	98.7	94.6
Current account balance (% of GDP)	-3.8	-3.5	-3.2	-3.0

INTERVIEW

Minister of Finance Harris Georgiades

Gearing up for Growth

Cyprus has proven to be a resilient and competitive economy, and an attractive destination for new business and investment, says Finance Minister Harris Georgiades.

CYPRUS HAS MADE GREAT STRIDES IN RESTRUCTURING ITS ECONOMY AND HAS AN AMBITIOUS REFORM AND CONSOLIDATION PROGRAMME, HOW WOULD YOU DESCRIBE THE CURRENT ECONOMIC SITUATION OF THE COUNTRY?

It is a much improved situation. Since 2013 we have implemented a very ambitious reform and consolidation programme, in close cooperation with the IMF and the EU. We have promoted changes to our banking sector, and completely and successfully consolidated public finances. We have eliminated the deficit and are running on an essentially balanced budget, and achieved this fiscal consolidation without raising a single tax. Instead we chose to reduce public spending and since doing so we encouraged the growth prospects of our economy. We expect growth to be near 1.5%, which is more or less the European average. However, we want to do even better – we want to establish conditions that will provide sustainable growth and development in the long run. The key is to continue seeking and promoting reforms that will further enhance the competitive edge of our economy. As a confirmation of our efforts we have been able to re-establish market access. And as a result, we are in a position to conclude the EU/IMF support programme in early 2016.

WHAT KEY PRIORITIES HAVE YOU SET FOR THE 2016 BUDGET?

The 2016 budget bears all the hallmarks of a very successful fiscal consolidation effort. The difficult work took place during the early phases of the adjustment programme when we had to contain and reduce spending. We are now enjoying the benefits of a balanced budget with a healthy primary surplus and with some additional fiscal space for new infrastructure projects and a marginal overall increase in primary expenditure. The balanced budget was achieved without having to raise taxes. I consider this as a good example of a growth-friendly fiscal consolidation and an answer to the false dilemma between growth and austerity. We have stayed clear of the worst kind of austerity measures, which a state can impose on households and enterprise, in the form of additional taxes. The automatic stabilisers will now be put to work and this will definitely encourage growth.

WHAT OPPORTUNITIES DO YOU SEE IN TERMS OF INVESTMENT AND GROWTH AND WHAT INCENTIVES HAVE BEEN INTRODUCED TO ATTRACT MORE FOREIGN INVESTMENT?

Cyprus has proven to be a resilient and competitive economy, and an attractive destination for new business and investment. But at the same time we know that we can do even better. Ultimately, what needs to be ensured is sustainable growth over a longer term horizon. And this, in turn, calls for a continuation of the efforts to create an even more competitive and adaptive economy, without the excesses and the imbalances of our recent past. The role of the banking sector will be important. The Cyprus banking sector has been completely revamped. Cyprus banks now operate under new ownership, new management, and with new capital raised through foreign investors and primarily under a much stricter and reliable supervisory framework. Of equal importance is the promotion of structural reform and positive change. Among others, we shall be tackling the problem of undue bureaucracy which regrettably exists in parts of our public administration. Our tax system remains one of the main competitive advantages. It is an efficient and transparent system and we have introduced further incentives, including the introduction of the non-domicile status, a tax discount on new capital formation and also tax discounts for managers and professionals who chose to settle in Cyprus. We shall continue doing whatever is necessary in order to ensure tax stability and competitiveness.

WHAT MAJOR CHALLENGES DOES CYPRUS CONTINUE TO FACE AND WHAT MEASURES ARE YOU TAKING TO ENSURE THE COUNTRY'S FUTURE ECONOMIC WELLBEING?

I would say that the main challenges moving forward are the level of unemployment and the level of non-performing loans (NPL) in the banking sector. All our efforts are essentially geared in the direction of dealing with these leftovers of the boom and bust of our economy. Both problems will take time to correct. Regarding NPL management it was important to establish a new legal framework, as we did. But the basic prerequisite is none other than creating conditions for sustainable economic growth and renewed economic activity.

THE 2013 BANKING CRISIS AND SUBSEQUENT BAILOUT DEALT A SEVERE BLOW TO CYPRUS, HOW IS THE COUNTRY PERCEIVED BY INTERNATIONAL INVESTORS TODAY?

.....

We now have a smaller banking sector, but it's one which is better structured, with new management, new direction, improved supervision, stronger capitalisation, a strategic presence of foreign investors in the Cypriot banks which, amongst others, is yet another manifestation of international confidence in the economy and all this in just two years after the near collapse of the system. As of November 2014, we have made an important step towards a European Banking Union establishing direct supervision by the ECB. It is now vitally important both for the European and national supervisors to exercise their responsibilities wisely and in a manner that will ensure that this was a step towards the restoration of confidence and the safeguarding of financial stability, not the opposite. Furthermore, international ratings agencies have also voiced their confidence in the recovery and outlook for the Cypriot economy with various upgrades. The most important vote of confidence is the one that comes from the international markets themselves. Recently we succeeded in issuing a 10-year bond and drawing €1 billion with an interest rate of 4.25%, which may still be on the high side but is, nevertheless, the lowest the Republic has ever secured for a 10-year bond.

FINANCIAL AND BUSINESS SERVICES ACCOUNT FOR A SIGNIFICANT SEGMENT OF THE COUNTRY'S ECONOMIC OUTPUT, WHAT ARE THE ADVANTAGES OF CYPRUS AS AN INTERNATIONAL BUSINESS CENTRE?

.....

First of all, Cyprus is part of the European Union. We offer the stability and the credibility of an EU and euro-zone member state, but also country-specific advantages that take several shapes. Our tax system remains very attractive and competitive. Secondly, our human capital. We have become a hub of expertise on business and financial services

and are more competitive and far cheaper compared to other major financial centres. Essentially you can receive City of London services at much more competitive rates. Cyprus is a business services hub, shipping hub and a thriving tourist destination. After all, Cyprus is a very attractive Mediterranean destination to live, work, do business and invest.

WHAT MESSAGE WOULD YOU LIKE TO RELAY TO THE INTERNATIONAL COMMUNITY?

.....

My message to the international community is a clear commitment that we shall not rest. We shall continue promoting much needed changes and reforms. We shall maintain fiscal discipline, a stable and attractive tax regime, and a business-friendly economic environment.

And in this way, we know that we shall keep Cyprus safely on the road of sustainable growth and development, open for new business, and offering new opportunities for co-operation and investment. ■

We have introduced further incentives, including the introduction of the non-domicile status, a tax discount on new capital formation and also tax discounts for managers and professionals who chose to settle in Cyprus. We shall continue doing whatever is necessary in order to ensure tax stability and competitiveness.



Business. Not as usual.


At Hellenic Bank, Cyprus' fastest growing bank, we offer a full range of banking, insurance products and services adding value to all existing and potential investors in Cyprus.

Be part of it.



www.hellenicbank.com

+357 22 500500

 Hellenic Bank Official

 @HellenicBank

 Hellenic Bank



HELLENIC BANK

FOREIGN DIRECT INVESTMENT

RIPE FOR INVESTMENT

Large-scale projects, privatisations and a burgeoning oil and gas sector are firmly placing Cyprus on the map as a hotspot for investment from the US, Asia, Russia and the Middle East.



"Cyprus' economy has surpassed all expectations, as evident by a series of positive

developments, such as exiting the financial adjustment programme ahead of time and consecutive positive evaluations from credit rating agencies that are testament to both the favourable prospects across all productive sectors and the stability achieved. Cyprus has the potential and the capacity to attain sustainable and healthy growth not only for 2016 but also in the long-term. For this to happen we must persist with our efforts to increase efficiency and competitiveness, which in turn will further attract foreign investments to the sectors that offer the greatest growth prospects."

Christodoulos Angastiniotis
Chairman, Invest Cyprus

Confidence in Cyprus has seen a boost with foreign investors eyeing the country with renewed interest. The island's improved credit standing, after consecutive upgrades by international credit rating agencies, successful bond issues raising well over €2 billion in international markets, and numerous large-scale projects, have all contributed to the resurgence of Cyprus as a top foreign direct investment (FDI) location. Recognising the growing interest, Cyprus has focused on streamlining processes and was ranked in the ten economies with the most notable improvement in upgrading the business environment, climbing 13 places in the rankings of the World Bank's 2016 Doing Business Report. Already recognised as a popular holiday destination and a business hub servicing international companies with multinational operations, the island is growing its investment appeal with more incentives and improvements to its FDI framework – making this a ripe time to invest in the Cypriot market.

LARGE SCALE PROJECTS

Improvements in the macroeconomic and financial environments are reviving international interest in 28 major development projects in Cyprus, and with the economy showing good vital signs, Cyprus' FDI appeal is on an upward trajectory. Investment opportunities in Cyprus' large scale projects span various sectors, including housing and tourist developments, projects with a special focus on golf courses and luxury marinas, as well as health, education and energy.

A key development in 2016 is the launch of Cyprus' first-ever Science and Technology Park (STP), which provides strategic investors with an interesting opportunity to finance, design, build and manage the landmark project. The planned STP will create applied research and development centres as well as office and support facilities tailored for science and technology companies, as well as promote business incubators to expand



the range of opportunities for research and development investment. The tender notice was published in 2015 and has already garnered international interest. To sweeten the deal for foreign investors, Cyprus also offers various incentives, such as tax breaks, greater flexibility in authorisation procedures and easier application process for residence and employment permits. In addition, investors will have tax-breaks for expenditure on acquiring patents or copyrights, buying shares in innovative businesses and start-ups, and additional breaks for the cost of buying fixed assets to be used in innovative operations. To expand the scope of the project, strategic investors could also build an on-site hotel accommodating up to 100 guests, featuring restaurants and a conference centre, and an array of government-funded projects up to €3 million, including a road network and setting up power, telecoms and water supply.

PRIVATISATIONS

Cyprus' efforts to privatise several state-owned entities in 2016 present a brand new opportunity in terms of FDI and are expected to bring in over €1 billion in revenue. Targets for privatisation are the dominant telecommunications provider Cyprus Telecommunications Authority (Cyta) and the commercialisation of the activities of Limassol Port, which received 14 international bids in January 2016. Unconfirmed reports reveal the bidders include global players, such as Dubai's port operator DP World, APM Terminals and China Ocean Shipping Company (COSCO). The plan is to finalise the preferred bidders during the first quarter of 2016.

A BURGEONING OIL AND GAS SECTOR

Cyprus' hydrocarbons find has captured the attention of several global energy companies, such as Eni, Kogas and Total, who have all secured exploration licences. The country's energy sphere saw yet another boost in November 2015, with British oil and gas company BG Group acquiring a 35% stake in Cyprus' offshore Block 12. US-company Noble Energy made the world-class natural gas discovery in 2011, and so far has confirmed reserves of 4.54 trillion cubic feet (tcf) in just one of the 12 offshore blocks. Further exploration is expected in 2016 and 2017, with oil deposit discoveries also a possibility. Cyprus' aim of becoming a regional energy hub in the Eastern Mediterranean also opens up opportunities for more oil and gas related business, and for investors to use Cyprus as a base to service their clients in the region – following deepening cooperation with Egypt, Israel, Jordan, Lebanon, Greece and Italy. Another interesting prospect is the potential to develop a petrochemical industry in Cyprus.



Foreign investment is an important injection in the Cyprus economy and is given high priority in the new Growth Model. In 2015, the Government announced a series of new tax incentives to attract FDI. Measures are being implemented in order to simplify the regulatory framework for business. In order to attract both local and foreign strategic investments, a law for facilitating their licensing is expected to be submitted to the House of Representatives in early 2016. Within the next two years, our priority is to put forward a wide-ranging structural reform agenda, which upon completion will significantly enhance the competitiveness and the growth potential of our economy. We are aiming at creating a flexible, more efficient and more productive public service for the benefit of both citizens and business, ensuring a more efficient use of government resources."

Constantinos Petrides
Under Secretary to the
President of Cyprus

28
major development
projects

10 Reasons to Invest in Cyprus

EU member state
compliant with EU laws
and regulations

Eurozone member

Strategic geographical
location between Europe,
Middle East, Asia and Africa

Mature business centre
with highly qualified
professionals and
sophisticated infrastructure

Extensive range of
excellent legal and
accounting services

Cost-effective setting-
up and on-going
operational services

Favourable EU and OECD-
approved tax regime

Access to an extensive
network of double tax
treaties allowing for
tax efficient structuring
of investments

Efficient and up-to-date
regulation, fully harmonised
with related EU Directives

Cyprus-based funds and
asset managers benefit
from low tax burdens
levied on Cyprus-
based corporations

RENEWED CONFIDENCE IN BANKING

Following Cyprus' financial adjustment programme, the first priority was to restructure the country's banks – and in less than three years, the sector has been transformed and its largest banks fully recapitalised. Fresh cash injections and positive bank results are restoring confidence and the current restructuring of the industry has created opportunities for more foreign participation in the sector. The island's two biggest lenders, Bank of Cyprus and Hellenic Bank, have already garnered significant international investor interest, including US billionaire venture capitalist Wilbur L. Ross. New York-based hedge fund Third Point became a major shareholder in Hellenic Bank in 2013 and strengthened its position by purchasing €7.7 million worth of convertible bonds, with additional cash injections from Belarussian-owned international video game company Wargaming and European Bank for Reconstruction and Development (EBRD).

New opportunities are springing up in the wake of rebuilding the Cypriot banking sector. With the current lack of liquidity, Cyprus is providing opportunities for new players to enter into the market and encouraging healthy competition and a wider scope of services. Investment opportunities that could be tapped into by international banks and financial groups are mergers and acquisitions, private equity and venture capital projects as well as financing of large infrastructure projects.

TOURISM MOVING UPMARKET

Tourism has long been a driving force of the Cypriot economy and arrivals as well as expenditure saw record-breaking numbers in 2015, with projections of international tourist arrivals reaching almost 4 million and generating expenditure of €3.5bn by 2025. Cyprus has been attracting new interest thanks to its efforts to diversify its offering, by developing nautical, golf and wellness tourism and by extending the tourist season. The construction and investment in multipurpose projects such as luxury marinas, golf courses and more recently an integrated luxury casino resort – which has already attracted big global casino operators – are all part of the plan to upgrade Cyprus' tourism product. Marina projects in particular have seen a surge of investor interest, following the success of Limassol Marina, and plans are in place to establish new luxury yacht marinas in the country's major coastal towns of Larnaca, Ayia Napa and Paphos.

Tourism-related real estate continues to be one of the most attractive investment opportunities in

Cyprus, evidence of this is the number of foreign investors closing multi-million-euro deals in the last two years. These include the launch of a Radisson Blu Hotel and the sale of the seafront project 'The Kimon' in Larnaca, the €71 million deal on Amathus Beach Hotel in Limassol and foreign investors entering into a €20 million share capital increase agreement with the Le Meridien Limassol Spa & Resort. Other major international deals were the acquisition of 'The Alexander the Great Beach Hotel' in Paphos and South African Atterbury acquiring two of the country's flagship retail outlets, the Mall of Cyprus and the Mall of Engomi, in the capital city of Nicosia.

RESIDENCY AND CITIZENSHIP BY INVESTMENT

Property sales in Cyprus also marked a significant increase thanks to foreign buyers. Transaction volume rose by around 9% in the first eleven months of 2015, compared to the same period in 2014, with October 2015 seeing a 23% rise in property sales. Around 20% of sales are driven by foreign buyers, proving Cyprus continues to be on the list for investors, holiday-home seekers, expats and retirees, with the traditionally popular areas of Paphos and Limassol leading the way – a trend likely to continue throughout 2016. This has partly been spurred on by the incentives offered in the country's permanent residency and citizenship programmes, which require the purchase of property. The schemes brought in over €2 billion in revenue over the past two years, with most enquiries coming from Russia, China and the Middle East. Recent studies conducted by global immigration experts rank the Cyprus' Citizenship by Investment programme amongst the top ten worldwide. New legislation has been enacted providing additional benefits to investors in the property market, such as a 50% reduction in transfer fees for all sales and a 100% exemption from capital gains tax for profits on properties purchased by 31st December 2016.

EDUCATION & RESEARCH

Cyprus has ambitious plans to develop the island into a regional education centre and knowledge hub. The island has already attracted cooperation and synergies with international universities, most notably the University of Nicosia launching the island's first degree programme in medicine in collaboration with St George's Medical School at the University of London, and University of Central Lancashire – Cyprus (UCLAN), being the first British university to establish a campus on the island. Since joining the EU in 2004, the number

of foreign students studying in Cyprus has doubled and today 30% of students are foreigners – a figure which highlights the great opportunities that exist in Cyprus for the establishment of new universities, colleges and research institutes. Over the past six years, Cyprus has also harnessed nearly €80 million in EU funding for Cypriot-led research projects. In this regard, opportunities are opening up for business angels and venture capitalists looking for innovative start-ups, and to invest risk capital in exchange for equity in promising business ideas and products with high market potential.

SHIPPING

The maritime industry has been one of Cyprus' most successful export services. The island is considered one of the top global hubs for ship owning and shipmanagement services and is home to some of the world's most influential names in shipping. Today, Cyprus is the largest third party ship management centre in Europe and the largest crew management centre in the world, while the island's international ship register is the third largest in Europe and the 10th largest in the world. The growth of Cyprus' resident shipping sector over the past 40 years has also meant the development of a strong maritime cluster that caters to the needs of Cyprus-based companies (including banking, professional services, insurance and IT). The cluster has gone from strength to strength over the years, and is consistently attracting more quality tonnage and shipping-related companies to its shores.

EXPANDING OPPORTUNITIES

Although the current economic climate remains challenging, Cyprus is determined to get back on the fast track and reclaim its title as an economic outperformer. To allay investor concerns, the gov-

ernment is making staunch efforts to improve its FDI framework and has vowed to cut through red tape to better facilitate investment. These efforts are beginning to bear fruit, and Cyprus has seen an increase in both bank deposits and in the registration of new companies setting up on the island. Cyprus' open economy and established role as a regional business hub between three continents continue to appeal to investors. The island also hosts a thriving forex industry with many global giants basing their operational headquarters in Cyprus. More recently, the investment funds sector has seen more traction and could develop into a multi-billion-euro industry.

A SOLID FUTURE

Cyprus' liberalised Foreign Direct Investment Policy, both for EU citizens and investors from third countries, along with its favourable tax regime makes it one of the most attractive centres for FDI in Europe. At 12.5% Cyprus' corporate tax rate is one of the most competitive in the EU, and its extensive network of double taxation treaties with close to 60 countries has strengthened its position as a business gateway as well as a preferred location for corporate head offices for multinational companies from around the world – using the island as a regional base for centralised services.

The current restructuring of Cyprus' economy is presenting many opportunities and advantages for serious investors who can move in early. First-in investors can reap the benefits of the efforts made by a pro-business government determined to succeed in regaining the growth of previous years. Rebalancing the economy and addressing structural problems will not be achieved overnight, but the remarkable progress made so far, the attractive incentives as well as the ever-expanding opportunities emerging in the wake of the reforms, have certainly been recognised by foreign investors. ■



"As confidence in the Cyprus economy is regained, investments directed to or through Cyprus

will increase. The economy of the island is improving, the financial sector is gradually stabilising and consumption is increasing. Remaining focused on the plan for public restructuring and reforms and lifting of bureaucratic obstacles will create a business-friendly environment and attract additional foreign investment."

Andreas Christofides
Managing Director
KPMG Limited



"Large scale development projects provide a plethora of opportunities for investors that range

from hotel and golf courses, to the utilisation of prime real estate. Cyprus offers expert financial, legal, technical, and management services, making it a uniquely attractive destination for foreign investors. Cyprus' economy has emerged from the 2013 crisis exceeding all expectations and has the potential and capacity to achieve sustainable and healthy growth. We are confident that the interest shown by foreign investors in large development projects during 2015 will be translated into practise in 2016."

Andreas Demetriades
Chairman
Association of Large
Development Projects

Investor Support and Incentives

Cyprus provides grants and other forms of financial assistance to encourage the growth of higher-value sectors. Among these are government financial assistance to business start-ups in various areas of the economy including energy, technology, manufacturing, agriculture and e-commerce – as well as the provision of a 100% tax deduction until 2016 on expenditure for the acquisition of fixed assets related to innovation, research, information, communications and renewable energy sources. The Human Resource Development Authority of Cyprus (HRDAC) also provides grant funding to support a wide spectrum of training needs for companies of any size registered in Cyprus, and the Research Promotion Foundation (RPF) promotes the development of scientific and technological research in the country, with a national framework programme for the financing of research, development and innovation projects. Cyprus' investment promotion agency, InvestCyprus, is responsible for attracting foreign direct investment to Cyprus, and supporting investors through the entire process. With direct access to ministries, government departments and stakeholders, InvestCyprus can influence the fast-tracking of set-up requirements and to provide investor aftercare services.



INVESTOR INSIGHTS

What advantages does Cyprus offer foreign investors and how does the country fit into your global operations? ”



Wargaming

Country of Origin: Belarus

Cyprus combines numerous advantages as a business base with quality of life. Our decision made good business sense and we remain committed to the country, having relocated a large number of our top executive employees and invested in a local bank and property. Cyprus' geographical location allows us to serve our operations in Europe, Asia, the CIS region and US, while retaining a significant presence in Belarus, where half of our employees are based. Cyprus' business advantages include political stability, EU membership, and a free market economy with a favourable tax regime, a modern and transparent legal and tax framework and a highly developed professional services sector. The infrastructure and communications network is well developed, while the workforce is highly educated and multilingual. Cyprus is welcoming to international business and recently enacted reforms and offered additional incentives to attract foreign investment. The excellent living conditions, including the climate and low crime rate, are also an important factor.

Victor Kislyi
CEO
Wargaming.net



NCR Middle East/ Africa Region

Country of Origin: United States

NCR's headquarters for the Middle East and Africa (MEA) Region are based in Cyprus. In addition to supporting the MEA region, executives from the NCR office in Cyprus have responsibilities for the growing markets of Asia, Australia and New Zealand. NCR's plan is to continue investing in the emerging economies while growing the customer base across all the countries. Cyprus provides us with the ideal base to achieve these goals. The favourable business climate, the excellent telecommunications infrastructure, the well-educated and skilled human resources, favourable tax rates and the island's proximity to the Middle East and Africa markets were among the key factors that motivated NCR Corporation to establish its regional offices in Cyprus.

George Flouros
Vice President
NCR Middle East/Africa Region



Uniteam Marine Limited
Country of Origin: Germany

Having the right team at the right location, is a prerequisite to the successful pursuit of our vision and mission. Cyprus is the right location, due to its strategic position close to Europe and with easy access to the Far East, the excellent infrastructure, professional services and the human capital element. Cyprus facilitates our international operations, with its highly skilled workforce, and professional lawyers and accountants. The strong support in Cyprus for the maritime industry has greatly contributed to the successful tackling of various industry issues. The unique EU-approved tonnage tax system also acts as the mainstay for the continuous presence of shipping companies on the island. This combination of advantages sustains our success and has kept us in Cyprus since 1978 – and continues to help us further pursue the growth of our organisation.

Holger Ruether
CEO
Uniteam Marine Limited



Kardex Systems Ltd
Country of Origin: Switzerland

Kardex export HQ for MEA area has been based in Cyprus since 1980 and is the Kardex Group company responsible for the sales, marketing, technical and software support services to our distributors in the Middle East, Gulf, Africa, Balkans and Central Asia. After over 35 years in Cyprus, we will definitely stay on the island, as time has proved that we made the right decision to have Cyprus as our base. We still maintain the same advantages of operating in an efficient business environment with experienced professionals, an attractive tax framework and overseas market proximity to Africa, Middle East, Gulf, Europe and Asia.

Demetris Kouloundis
Regional Sales Director
MEA Kardex Systems Ltd



Atterbury Europe
Country of Origin: South Africa

There are various reasons for companies such as Atterbury and Attacq – both originating from South Africa – to invest in Cyprus. Our recent acquisition of The Mall of Cyprus and The Mall of Engomi indicates a strong relation between two countries in different hemispheres. With both countries former British colonies, the influence is evident in legal and land ownership structures that provide significant common ground. As an added benefit, investments in Cyprus provide much sought-after exposure to the Euro currency. Infrastructure is world class and professional service providers are highly skilled and reliable in their responsibilities and communication with clients. There are lucrative tax benefits for companies investing in Cyprus, making it much more than a beautiful and culturally rich destination. From an economical perspective, Cyprus is rapidly recovering as can be seen in the recent upgraded credit ratings and positive progress on various issues that further improve the reputation of Cyprus as an investment destination on the world stage. We intend to establish a long-term presence in Cyprus with further investments in our existing portfolio as well as other locations on the island.

Raoul de Villiers
Managing Director
Atterbury Europe

Regional Hub IN THE MED

Cyprus is increasingly ranked on the shortlist of decision makers when it comes to choosing the right location to establish international and regional headquarters. The island provides not only access to the EU's market of over 500 million people, but also a secure base to tap into the evolving markets of the Middle East and Africa.



"Cyprus has survived the crisis as an international business hub and the professional

services sector has demonstrated admirable resilience. The economy has returned to growth and the economy is gaining back its credibility. The country needs to utilise its competitive advantages, which include the strategic geographic location, the tax, legal and regulatory frameworks as well as the quality of professionals, in order to evolve further as a reliable business centre, with multinationals setting up their regional headquarters here."

Evgenios C. Evgeniou
CEO - PwC Cyprus

With new regulation such as the OECD Common Reporting Standard coming into play, establishing substance and physical presence is an increasingly important aspect for business. Cyprus' importance as a management centre and a jurisdiction where substance is easily established is set to grow. With operational costs being substantially lower than in Western Europe, Cyprus offers an efficient and conducive business environment in which to establish pan-European, African or Middle Eastern networks. The country also has a long-established free trade zone close to Larnaca, offering excellent infrastructure, low rents and customs-free status. Plans for a Science and Technology Park are also in the works, and are expected to boost businesses focusing on research, technology and innovation as well as stimulate knowledge sharing between corporate bodies and research institutions.

GATEWAY COUNTRY

The strategic geographical position of Cyprus in the Eastern Mediterranean has always played a pivotal role in influencing the country's destiny and prosperity, and has led to close cultural and business relationships with countries in the region. A former British colony, Cyprus has a longstanding relationship with the UK, enjoying close business ties as well as a comprehensive, modern and forward-looking legal and regulatory framework based on English Common Law principles. Cyprus' entry into the EU in 2004, and the euro-zone in 2008, was welcomed by the international business community, who saw it as a new opportunity for foreign companies to use Cyprus as a convenient entry point into the EU marketplace. Multinationals from a range of different sectors have already chosen Cyprus as the location for

their regional headquarters. Giants such as Weatherford, AFP, NCR, Bernard Shultz Shipmanagement, Kardex, Wargaming and AMDOCS are just some of the corporations that have based operational or corporate management functions on the island. Cyprus is also one of the most influential global hubs for ship owning and shipmanagement services. Thanks to its advantageous legislative framework, the island has attracted some of the world's most influential names in shipping for the last 50 years. Today, Cyprus is the largest third party ship management centre in Europe and the largest crew management centre in the world, while the island's international ship register is the third largest in Europe and the 10th largest in the world. The success of the shipping sector has also developed clusters and auxiliary services, which is a model that could be successfully replicated in other sectors.

CORPORATE LOCATION

Cyprus offers a strategic location, a competitive and EU-approved tax environment, a 12.5% corporate tax rate, an educated English-speaking labour force, excellent telecommunications, modern banking and legal infrastructure, and a high quality of life – all of which make it an ideal international management centre and springboard into neighbouring markets. Foreign companies already based in Cyprus comment favourably on their experiences with local employees in terms of productivity, profitability and dependability. Doing business in and from Cyprus is easy and straightforward. Home to a major international business and financial services sector, the country is an ideal base for region-wide corporate coordination and central management functions, sales, marketing and customer service. As a pro-business, neutral, cost-effective and politically stable country, Cyprus offers companies a perfect climate to successfully compete in the region. A fiscally efficient tax structure leads the way and is complemented by a network of almost 60 double-taxation treaties, facilitating international business and ensuring a

NON-DOMS AND HIGH EARNERS

Cyprus has introduced attractive incentives for expatriates and high-net-worth individuals to adopt non-domiciled (non-dom) tax resident status in Cyprus. Under the non-dom rules, Cyprus tax resident individuals who are not domiciled in Cyprus are completely exempt from Special Contribution for Defence (SDC) on dividends, interest and rental income. The total tax exemption makes the holding of investments in dividends and/or interest earning financial assets, including shares and bonds, in Cyprus and anywhere in the world extremely attractive for non-Cyprus domiciled individuals. The maximum income tax rate on personal income in Cyprus is presently set at 35% for income in excess of €60,000. With the new incentive, 50% of remuneration from any employment exercised in Cyprus by a non-Cyprus resident is exempted for a period of ten years provided the annual income exceeds €100,000.

smooth trading environment. In addition to its geographical proximity to major markets, Cyprus also scores high on connectivity. The country is connected by air through its two international airports with major cities in Europe and key destinations in North Africa and the Middle East, most being just a few hours' flight-time away. The country also has long-established links with Eastern European countries with many Cypriot professionals having in-depth knowledge of these markets, and often acting as key business introducers.

THE PULL FACTOR

Cyprus has established itself as a magnet for foreign-owned companies and is continuously improving its competitive position. A stable business environment and excellent quality of life are just a few of the many reasons why companies relocate senior decision makers to perform strategic functions from Cyprus. In the long term, Cyprus has great prospects to benefit from growth in the region and become an increasingly popular choice as a location for international and regional headquarters.

Boasting the lowest crime rate in the EU, a superb Mediterranean climate, competitive personal tax rates, as well as excellent educational and healthcare systems, Cyprus is an easy sell for expatriate executives, particularly those with families. ■



"Substance has become an extremely important issue and as a result of the 'de-offshorisation'

legislation, we are seeing companies and their intermediaries building up substance in their structures by having an operational office in Cyprus, rather than a brass plate company with no substance. New legislation and operating licenses issued by CySec for CIF's, forex and binary companies have thus far proven highly advantageous to Cyprus, enabling the island to attract new business, create more jobs, attract more talent, increase employment and boost the economy."

Donna Stephenson

Co-Founder
GRS Global Recruitment Solutions

Wargaming Global
HQ in Nicosia, Cyprus

A full-length portrait of Yiorgos Lakkotrypis, the Minister of Energy, Commerce, Industry and Tourism of Cyprus. He is wearing a dark navy blue suit, a white dress shirt, and a light blue patterned tie. He is standing against a solid blue background, looking slightly to the right of the camera with a neutral expression.

INTERVIEW

Minister of Energy, Commerce, Industry and Tourism Yiorgos Lakkotrypis

Building Momentum

Investment in energy, special interest tourism and innovation are set to take Cyprus forward, as the country returns to growth, says Minister Yiorgos Lakkotrypis

YOUR MINISTRY HAS A LARGE PORTFOLIO OF SECTORS THAT SIGNIFICANTLY CONTRIBUTE TO THE ECONOMY OF CYPRUS, WHAT KEY PRIORITIES HAVE YOU SET FOR 2016?

.....

We cover a number of sectors and have a set of key priorities for 2016. For tourism, we want to maintain the momentum for growth that we have seen in 2015, both in terms of arrivals and revenue for the country. We also want to promote the large infrastructure projects that we have embarked on, especially the integrated casino resort – the tender of which has attracted major international players – and we expect the license will be awarded to a successful bidder by mid-2016. We also look forward to seeing the completion of other major projects, such as the Ayia Napa Marina and the Paralimni Marina, which is also out to tender at the moment. In addition, we are launching the Science and Technology Park, which is sure to garner much interest from investors as well. Instrumental to our efforts is to complete the structural reforms currently underway at the Registrar of Companies and we will be putting out a tender for a turnkey ICT solution to create a more efficient Registrar. In the field of commerce, we also want to build on the positive momentum we have achieved in 2015 in terms of exports – between January and July 2015, we saw a significant 14% increase in export activities.

CYPRUS HAS SIGNIFICANT DEPOSITS OF NATURAL GAS IN ITS EXCLUSIVE ECONOMIC ZONE (EEZ), WITH THE FLUCTUATING GLOBAL ENERGY MARKET AND RECENT GEOPOLITICAL DEVELOPMENTS, WHAT IS THE CURRENT STRATEGY FOR EXPLOITING THESE RESERVES AND WHAT KIND OF INTERNATIONAL COOPERATION DO YOU SEE CYPRUS DEVELOPING WITH ITS NEIGHBOURS?

.....

It's not just a matter of exploitation, but also exploration. We are continuing our strategy of exporting our gas regionally, which will also enable us to bring our gas to our shores for electricity production. We expect to make solid progress with our commercial agreements in 2016, and to see more exploration activities as well as discoveries in the Cyprus EEZ. There is certainly great momentum at the moment with the recent decision of British multinational oil and gas company BG Group to acquire a 35% stake in Cyprus' offshore Block 12, following an

agreement with concession holder and operator Noble Energy – who made the initial natural gas discovery in 2011. For the time being the plan is to build regional pipelines, but if and when there will be more discoveries in Cyprus' EEZ, further onshore installations and a liquefaction plant could be possible in Cyprus. The excellent relationships that we have with all our regional neighbours establish solid foundations for further cooperation in energy issues in the Eastern Mediterranean. We are expecting to see deepening relationships with Egypt, Israel, Jordan, Lebanon and Greece, as well as other Mediterranean countries such as Italy, who are engaged in these issues.

HOW DO YOU SEE CYPRUS' RENEWABLE ENERGY SECTOR DEVELOPING IN THE NEAR FUTURE?

.....

In regards to renewables we have already exceeded our intermediate 2020 targets, and are at about 8.75% right now, when the threshold for 2015-2016 was 7.45%. We continue to promote renewable sources of energy in Cyprus, and recently approved the new plan for net-metering using photovoltaic installation, which will allow households to go from 3kW to 5kW. In addition, for the first time we are allowing net-metering to be used for commercial buildings as well. Cyprus is also seeing more development in terms of solar energy parks, but more importantly we are seeing individuals being able to generate their own power through renewable energy sources. This is a trend we expect will follow an accelerated growth rate with the maturing of energy storage technologies.

TOURISM HAS BEEN ONE OF THE KEY DRIVERS OF THE CYPRIOT ECONOMY FOR DECADES, YET THE NUMBER OF TOURIST ARRIVALS HAS NOT SIGNIFICANTLY RISEN OVER THE YEARS. HOW IS CYPRUS DEVELOPING AND UPGRADING THIS SECTOR AND WHAT SEGMENTS ARE SHOWING GROWTH AND INVESTMENT POTENTIAL?

.....

It is true, the numbers of arrivals to Cyprus over the past 15 years vis-à-vis the international growth trends have been quite stalled, primarily because more and more markets were coming in with the sun and sea concept and Cyprus found it increasingly harder to differentiate itself. This is why we have embarked on an agenda to diversify our offer-

ing by promoting special interest tourism, lengthening the tourist season to attract more visitors in winter months, and by introducing large tourism infrastructure projects – a highlight of which will be the integrated casino resort. There will be only one licence awarded, with 15 years exclusivity in order to attract serious investors to Cyprus. We will also continue developing nautical tourism with our new marina developments as well as golf tourism with the operation of more courses in Cyprus.

THE PROFESSIONAL SERVICES SECTOR IS ANOTHER KEY PILLAR OF THE CYPRIOT ECONOMY, HOW IS THIS SECTOR DOING AT THE MOMENT AND WITH INCREASED INTERNATIONAL REGULATION HOW DO YOU SEE IT DEVELOPING IN THE NEAR FUTURE?

Undoubtedly this sector will continue to be very important for the Cyprus economy. We offer services of the highest standard in the accountancy, legal and financial fields. Promoting this sector is a top priority for us and we will continue to expand the network of double tax treaties with other countries and our structural reforms with the Registrar of Companies. In 2015, we managed to further cut down the time to set up a company in Cyprus, and today it is from one to three days. Naturally, there is always room for improvement and we are consistently looking at ways to make the business environment more attractive and efficient.

WHAT KEY INVESTMENT OPPORTUNITIES DO YOU SEE IN CYPRUS AT THE MOMENT?

We expect to see more investment in the oil and gas industry, as despite the momentum we have been gaining we are still in a stage of infancy. Cyprus is a strong operating base for companies with activities in the Eastern Mediterranean and we have put in place a transparent and solid legal framework aligned with EU directives, be it in the up-, mid- or downstream. Cyprus also offers a beneficial base for auxiliary services to this industry and we have already seen much interest from international companies in setting up here. Our island could also become a significant fuel hub in the region, evidence of which is the already successful operation of the sophisticated oil storage terminal in Cyprus by Netherlands-based global oil terminal company VTTI. Also the widening and deepening of the Suez Canal will significantly increase the traffic in this region and could bring more opportunities to Cyprus, which is the last landmass before entering and the first coming out of the Suez Canal. In regard to tourism infrastructure projects, we are looking for more hotels of all categories, as we are making concentrated efforts to extend the season. Another area where we would like to see more



“We would like to see more investment in technology, research and innovation projects. This is a sector that we expect will be boosted by the upcoming Science and Technology Park”

investment is in technology, research and innovation projects. This is a sector that we expect will be boosted by the upcoming Science and Technology Park – moreover, its additional development can be amply supported by the various prestigious academic institutions in Cyprus.

HOW DO YOU SEE CYPRUS DEVELOPING IN THE NEXT TWO YEARS?

Cyprus has undergone a difficult period, but we have already come a long way with our robust structural reforms and have beaten all expectations. Now we must keep our sights focused on what needs to be done after we exit the programme in 2016. We must continue to be prudent, strengthen our growth potential and keep improving our framework to attract more investments in the country. I would advise international investors to keep a keen eye on what we are doing and to discover the competitive advantages of our country. ■

Timing is everything.

Timing often makes all the difference. Get it right! Cyprus offers untapped investment opportunities with attractive growth prospects along with a long list of investment advantages:

- Strategic location
 - Attractive and transparent tax system
 - Robust legal and regulatory framework
 - Quality professional services
 - Advanced transport & telecommunications infrastructure
 - Highly qualified and multilingual workforce
 - Envious quality of life
-

Cyprus Investment Promotion Agency



Invest
Cyprus

Invest in Cyprus  Invest in Us

www.investcyprus.org.cy

INTERVIEW

Minister of Foreign Affairs Ioannis Kasoulides

A Shared Vision

FOR THE EASTERN MEDITERRANEAN

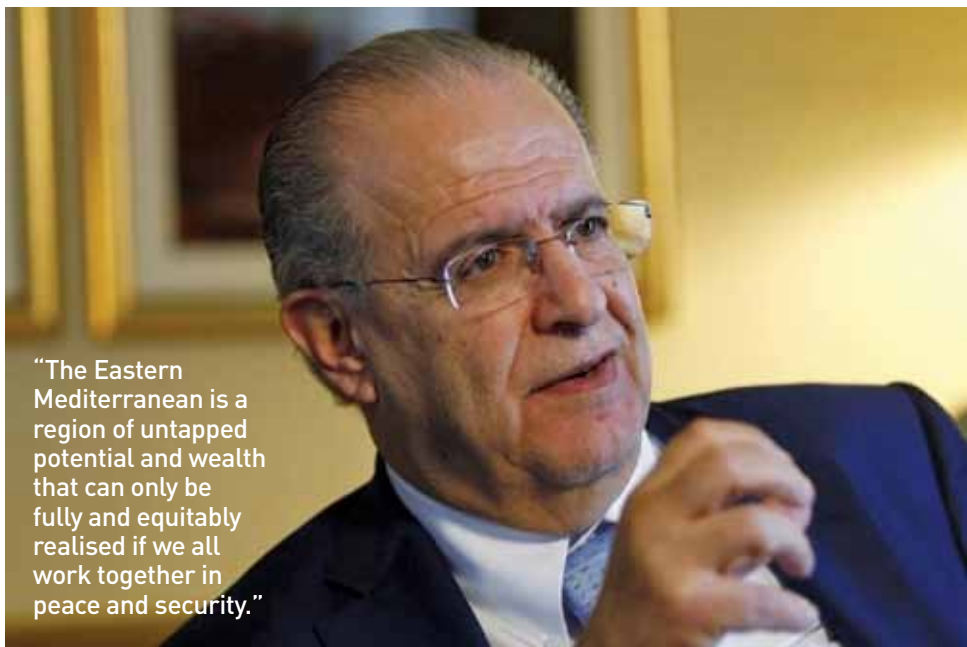
Cyprus is regaining its competitive edge and consolidating its regional outreach in a bid to create a framework conducive for further cooperation and investment in the region, says Minister Ioannis Kasoulides.

HOW WOULD YOU DESCRIBE THE DIRECTION OF CYPRUS' FOREIGN POLICY AND YOUR KEY PRIORITIES FOR 2016?

There are two key considerations that shape our foreign policy outlook and will remain the constants of our approach. Firstly, the political and security developments in our neighbourhood. Considering the volatility of our region, we have sought to engage with our neighbours on a more diverse and comprehensive agenda, which also includes a more active security cooperation dimension. For example, we have donated military materiel worth US\$20 million to the Lebanese Armed Forces, a pillar of stability in Lebanon, as part of their capability development plan. Also, through our trilateral formats of cooperation with Greece and Egypt and with Greece and Israel, we have expanded our joint consultations on regional issues and on responses to particularly asymmetric threats. This trilateral cooperation also focuses on the energy prospects of the Eastern Mediterranean, which is the second key tenet of our foreign policy outlook. Through a shared vision and a series of bilateral agreements with neighbouring countries our aim is to forge a solid legal and political framework, conducive for investments in this sector.

CYPRUS HAS BEEN AN EU MEMBER SINCE 2004 AND PART OF THE EUROZONE SINCE 2008, HOW WOULD YOU CHARACTERISE THE CURRENT RELATIONS BETWEEN CYPRUS AND EUROPE?

It would be naïve to say that Cypriots don't feel a certain bitterness or a let-down by the European



“The Eastern Mediterranean is a region of untapped potential and wealth that can only be fully and equitably realised if we all work together in peace and security.”

response to our financial crisis and from the bail-in of 2013. However, we didn't let this shock bring us down. We rolled up our sleeves and we are now re-defining our economy, and what is crucial at this juncture is that the EU structures are actively supporting our efforts in establishing a new financial paradigm. We also appreciate the more dynamic engagement of the EU with specific aspects of the current negotiations on the Cyprus problem, via the personal envoy of President Juncker. On EU foreign policy, we are particularly active where we can add value on the broader relations of the EU with its Southern partners. We wish to see a more engaged and engaging EU in the Middle East, with a more pragmatic and active foreign policy, and not a technocratic approach to political issues.

A FORMER BRITISH COLONY, CYPRUS HAS A LONG SHARED HISTORY WITH THE UK. HOW DO YOU SEE FUTURE COOPERATION DEVELOPING BETWEEN THE TWO COUNTRIES?

There are strong bonds of friendship and partnership between Cyprus and the UK, and we have a

solid track record of working effectively together, including as partners in the European Union and the Commonwealth. Personal relationships and contacts are a pillar of this relationship, be it through tourism, higher education or business. Our dynamic and comprehensive agenda for co-operation with the UK is mutually beneficial and I am particularly pleased with the intensified security and defence cooperation considering the security situation in our vicinity, as well as the UK's valuable assistance in our efforts to reform our civil service and government structures as we reshape our economy. We shall continue to remain closely engaged with our British counterparts on issues of shared interest, such as EU reform and the challenges posed by massive migration to Europe.

CYPRUS HAS SEEN MUCH INVESTMENT FROM THE US IN THE LAST TWO YEARS, MOST NOTABLY IN THE BANKING AND ENERGY SECTORS, HOW DO YOU SEE THIS RELATIONSHIP DEVELOPING IN THE FUTURE?

Over the last few years, we have seen a stronger interest by US companies in doing business in Cyprus, primarily due to the new opportunities that have arisen. The discovery of hydrocarbons in the Eastern Mediterranean as well as the perks of establishing a business in Cyprus for accessing regional markets, have been a pull-factor. And by perks, I don't refer only to a competitive tax regime, but also to our highly skilled labour, our infrastructure and the stability of the island and its pleasant living conditions. I think Cyprus is still a nascent market for US companies and I am confident that we will see more US business interests developing in Cyprus. This would complement the existing excellent relations between the USA and Cyprus, and we have seen an enhanced partnership especially on regional security.

AS A STABLE AND SECURE EU COUNTRY IN AN INCREASINGLY VOLATILE REGION, HOW ARE THE DIPLOMATIC RELATIONS BETWEEN CYPRUS AND ITS NEIGHBOURS?

Our relations with our neighbours are outstanding, and this is not an exaggeration. Cyprus does not have a hidden agenda for the region nor any ulterior motives. Our vision is simple. The Eastern Mediterranean is a region of untapped potential and wealth that can only be fully and equitably realised if we all work together in peace and security. I think what is also appreciated by our neighbours is that in times of crisis, when for example civilian lives are in danger, Cyprus and the Cypriots, are always willing to lend a helping hand, be that in the evacuation of citizens or putting down fires. What I have also gathered

from my frequent meetings with my counterparts in the region is that our neighbours appreciate the knowledge and perspective we bring into the European Union, when it comes to their EU relations.

EUROPE IS CURRENTLY FACING AN INFLOW OF REFUGEES FROM A WAR-TORN MIDDLE EAST, WHAT IMPACT HAVE THE EVENTS IN SYRIA AND ITS NEIGHBOURING COUNTRIES HAD ON CYPRUS AND HOW IS THE COUNTRY TACKLING THESE ISSUES?

Cyprus has not experienced a massive inflow of refugees for a variety of reasons, the primary reason being that under the current national and EU asylum arrangements, asylum seekers reaching Cyprus won't be able to then travel to mainland Europe and reach their desired destination. Of course, if the security situation deteriorates further in Syria, this might change, therefore we remain vigilant.

CYPRUS IS CLOSER THAN EVER TO FINDING A SOLUTION TO THE CYPRUS PROBLEM, WHAT OPPORTUNITIES DO YOU SEE OPENING UP IF A RESOLUTION IS REACHED?

We are working hard towards finding a viable and enduring solution to the Cyprus problem and I hope that we will be able to reach a settlement in the near future. A solution would allow the proper functioning of institutions and instil confidence in the stability of a re-united Cyprus, ushering a new economic era for the island. Opportunities would be abundant both in terms of inward investment in real estate, tourism and hydrocarbons sectors, as well as in terms of more international companies reaching out to the region via Cyprus. Beyond this, the reunification of Cyprus would have a positive impact on our region, which needs to have a good story amidst the current gloom of conflict and political stalemates.

HOW DO YOU SEE CYPRUS DEVELOPING IN THE NEXT TWO YEARS?

We are working methodically to put Cyprus on the right path for growth and development. We have excellent 'hardware', our people and infrastructure, so we are now updating our 'software', the efficiency of the institutions and our regulatory frameworks. I am confident that in the next two years, Cyprus will emerge stronger from its current predicament, regaining its competitive edge and consolidating its regional outreach. I also hope that Cyprus will be reunited, thus becoming a beacon of stability in our very tumultuous region and an example of co-existence and tolerance. ■

"The discovery of hydrocarbons in the Eastern Mediterranean as well as the perks of establishing a business in Cyprus for accessing regional markets, have been a pull-factor."



Mr Kasoulides and Mr Philip Hammond, the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom.



SECTOR PROFILES

56	Agriculture & Food Quality not Quantity	94	International Financial Services World-Class Services
60	Banking Regaining Confidence	100	Investment Funds A Future in Funds
70	Capital Markets An Emerging Regional Player	104	Manufacturing & Industry Focus on Innovation
74	Construction & Real Estate Real Estate Renaissance	108	Maritime & Shipping A Flag of Progress
80	Education & Research A Centre for Regional Excellence	114	Technology & Communications Global Connections
82	Energy & Environment Regional Energy and Fuel Hub	118	Tourism Cruising to Growth
86	Health Strong Vital Signs	124	Transport & Logistics Leveraging Strategic Location
90	Insurance Insuring Success		

Quality not Quantity

Innovation and diversification of Cyprus' top-quality agricultural produce is strengthening the country's reputation as the 'Food Island' of the Eastern Mediterranean.

Cyprus is opting to identify niche markets for its high-quality produce. Taking a decisive step towards quality, rather than quantity, the agricultural sector is also following the trend in the wider economy. The long-term strategy of Cyprus is to achieve a greener and more resource-efficient economy, as well as developing competitive and sustainable agriculture and fisheries industries. These will also contribute to the stimulation of the Cyprus economy, with the creation of new employment opportunities and growth in rural and coastal areas – while ensuring high quality of life and the protection of the environment.

RESILIENT AND ADAPTIVE

Although abundant with fresh produce and fertile soil, farmers of Cyprus certainly don't have it easy. They face an ongoing struggle for economic relevance, one that has been compounded by both environmental and political challenges. However, the sector has responded by adopting new technologies, bringing new products to the market and seeking out new customer bases. Cyprus is characterised by the growth of the services sector and the downsizing of the more traditional sectors of the economy. Indicative of this trend, is that in the early years of Cyprus' independence, the contribution of the agricultural sector to GDP was

Cyprus is also tackling head-on chronic problems such as water scarcity, while making a turn to a higher quality production of local products such as the famous Cypriot cheese halloumi.

DELECTABLE EXPORTS

Cyprus' main agricultural exports are quintessentially Mediterranean: health-promoting foods such as olives, citrus fruit and grapes, along with potatoes, all of which thrive in a mild, sunny climate. The flipside of the wonderful warm climate is that farming in Cyprus is vulnerable to drought. It relies heavily on irrigation and consumes 70% of the island's valuable water resources. However, thanks to the latest desalination technology, agricultural drought will be mitigated. New state-of-the-art desalination plants mean Cyprus is now self-sufficient in its domestic water needs for the first time in its history. As part of its commitment to reform the rural economy, the government is also promoting the treatment of waste water for use in agricultural irrigation, a reduction in the quantities of water-hungry citrus fruit and the cultivation of more drought-tolerant crops. Aquaculture products are the third most important produce in terms of value and albacore (species of tuna) is the main product in terms of exports, with Spain ranking as the most important trading partner. The annual production of albacore in Cyprus is around 400 tons (2014), with most of it exported, along with sea-bass and sea bream, with 65% of the total national production exported to markets in the Middle East and the US.

KEY MARKETS

The traditional markets for Cypriot citrus products have been Russia and the United Kingdom, both enthusiastic consumers of oranges, tangerines and mandarin, a cross between a mandarin and an orange. Agricultural exports to the EU constitute around 64.2%, other European countries 16.7% and Asia 16.2%. The main exported raw agricultural products are potatoes, citrus, vegetables and grapes, and the main exported processed agricultural products are halloumi cheese, fruit and vegetable juices, meat and wines. The Russian ban on importing EU food products forced citrus farmers to seek EU aid to compensate for the losses they incurred following these developments. But it has also seen the sector responding quickly to seek out new markets. Preliminary talks with importers from the United Arab Emirates and other Gulf countries have been productive and it is hoped may lead to the establishment of a long-term consumer base not just for citrus fruits but also for potatoes, vegetables and dairy products.



Cyprus is fully committed to enhancing competitiveness and achieving both green and blue growth through the implementation of a series of measures to support sustainable development, such as climate-smart agriculture and creating attractive high quality value-added PDO products. We are very optimistic about the agricultural sector and the new opportunities opening up for investment. The markets and investors show trust in Cyprus and it is only a matter of time for new investments to materialise."

Nicos Kouyialis
Minister of Agriculture, Rural Development and Environment

Agriculture contributes about

1.9%
to the GDP and employs around
4.6%
of the workforce

about 20%, whereas today it has dropped to about 1.9% and employs around 4.6% of the workforce. However, the sector has shown remarkable resilience and agricultural production has remained at the same level, despite this challenge and the economic crisis of recent years – proving there are positive future prospects for agriculture in Cyprus if it continues to transform the sector on a more professional and scientific basis. New structural reforms are also set to increase competitiveness and productivity, making it essential for Cyprus to proceed with changes that will allow the sector to become more dynamic, export-oriented and most importantly adopting a mentality of continuous modernisation. Along with the ongoing initiatives,

KEY PLAYERS

GOVERNMENT

Ministry of Agriculture, Rural Development and Environment
www.moa.gov.cy



KEY CROPS

The most important crops produced in Cyprus are: cereals (wheat, barley), vegetables and melons – such as potatoes, carrots, tomatoes, water melons, sweet melons- and cucumbers, and other fruit and tree crops, such as grapes, oranges, lemons, grapefruit, apples, pears, peaches, cherries, bananas, almonds, olives and carobs. An area of success has been the marketing of the Cyprus potato – one of the most important agricultural export products of Cyprus and easily recognisable by its reddish peel and extraordinary taste. Thanks to climatic conditions, fresh new Cyprus potatoes intended for export are available to European markets far before the traditional ‘continental’ season – and have been especially popular in the UK. In 2013, Cyprus potato exports reached over €60 million.

Cypriot farmers are used to adapting to changing market conditions and the recent success in marketing halloumi cheese as an international brand – a Protected Designation of Origin (PDO) – is an achievement that demonstrated how the island can establish a unique identity for its products. The authorities are now seeking to repeat this success with other agricultural produce like processed meat products, olive oil, fruits, vegetables and potatoes – strengthening Cyprus’ reputation as a source of high quality produce for which the consumer is willing to pay more.

In addition, the Ministry of Agriculture continuously evaluates new export opportunities for agricultural products, such as pomegranates, biological potatoes and sweet potatoes, avocados and herbs. One interesting new niche area of cultivation is hemp. A new legal framework for hemp cultivation in Cyprus could be another game changer, creating a sub-sector of agricultural production. Hemp is set to be subsidised from direct payments and the Rural Developing Program and foreign investors have already shown interest in setting up operations in Cyprus for hemp cultivation and to sell it as a natural fibre source – in similar fashion to the industries in France, Spain, the UK, the Netherlands and Germany.



FUNDING

Rural Development Plan 2014-2020: co-financed by the European Agricultural Fund with a total budget of

€243mn

‘Thalassa’ Program for Fisheries and Coastal Areas: co-financed by the European Maritime and Fisheries Fund (EMFF) 2014-2020, with a total budget of

€53mn

Program for Sustainable Development and Competitiveness 2014-2020:

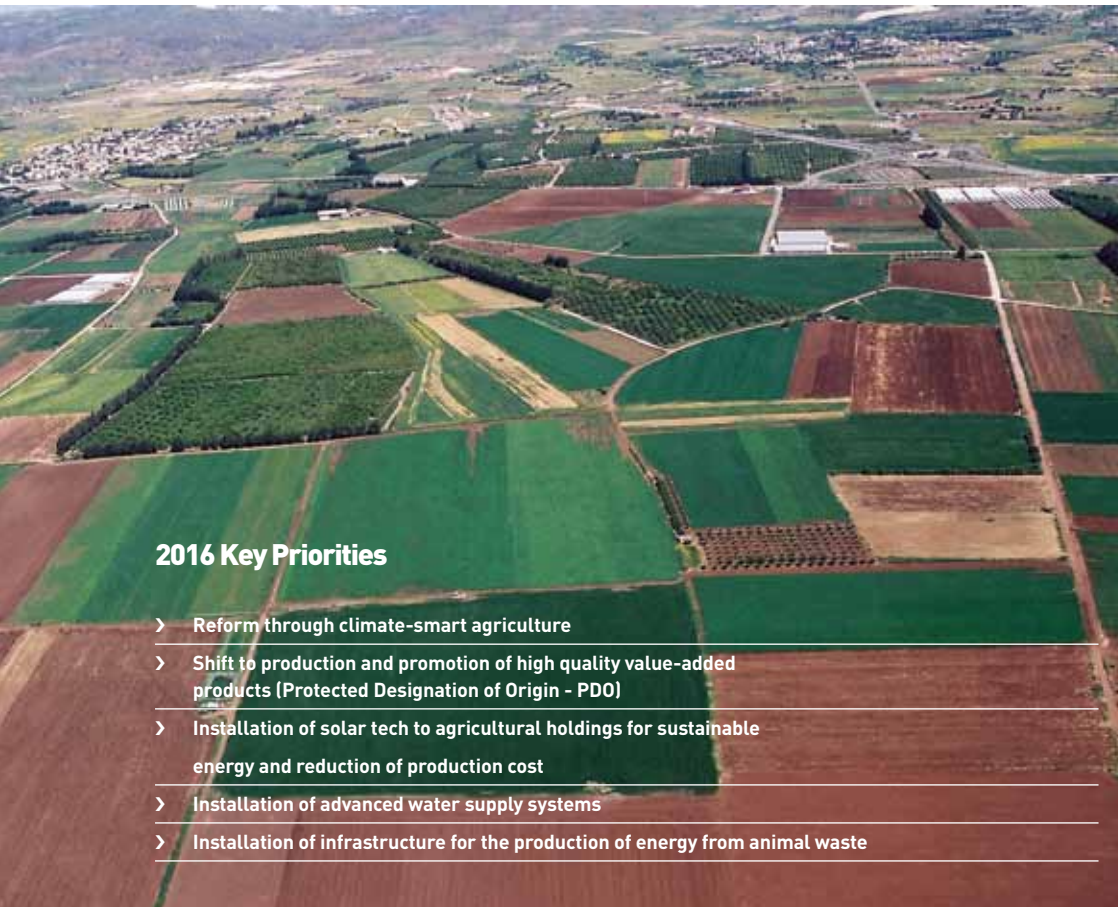
€160mn

allocated to the environment sector



DEVELOPING WINE INDUSTRY

The Wine Products Council (WPC) has also had considerable success in transforming the Cypriot wine industry, which until recently had an indifferent reputation overseas. Adopting the maxim ‘quality not quantity’, the WPC introduced financial incentives for the cultivation of grape strains more suitable for the export market and actively sought experienced international wine makers to invest in high-quality wineries. There are now over 40 local boutique wineries producing high quality wines. To showcase the rich viticulture



2016 Key Priorities

- Reform through climate-smart agriculture
- Shift to production and promotion of high quality value-added products (Protected Designation of Origin - PDO)
- Installation of solar tech to agricultural holdings for sustainable energy and reduction of production cost
- Installation of advanced water supply systems
- Installation of infrastructure for the production of energy from animal waste

of the island, the Cyprus Tourism Organisation (CTO) has created a wine trail project, offering six different organised routes for wine-lovers to tour the island and visit the various wine producing regions and wineries. The reputation of the annual Limassol Wine Festival, launched in 1961, has also spread beyond the country's borders and attracts over 100,000 visitors every year to the city's municipal gardens to discover the wine portfolios of both the smaller independent producers and the four big wine cooperatives – KEO, SODAP, ETKO and LOEL.

ORGANIC GROWTH

Organic farming has shown an increase during the last few years. According to 2014 statistical data, Cyprus has a total area of 3,890 hectares cultivated as organic, a number showing a significant increase compared to 900 hectares in 2004. Organic farming represents 3% of the total utilised agricultural area in Cyprus. Also retail shops selling fresh and local organic products have increased significantly. Cyprus has proposed various measures within its Rural Development Program to support and stimulate the development of the organic sector, ranging from support in applying organic farming

practices, providing marketing and promotion aid, to facilitating more cooperation among different actors of the food industry to create short supply chains.

A FERTILE FUTURE

While challenges remain for agriculture, Cyprus has demonstrated that it is adaptable, resilient and capable of responding to adversity with creativity and vision. Cyprus agriculture may not be able to compete in quantities and prices in the mass production model, but with its supreme produce the real opportunity and key ingredient for success is to invest in quality. Creating more registered Protected Designation of Origin (PDO) products will strengthen regional development through the creation of new small businesses and thus new jobs. A focus on innovation and sustainability will be the key objectives to gradually drive the transition of Cyprus to a low-carbon resource efficient economy, influencing market demand, and creating new investment and employment opportunities. ■

DISCOVER MORE AT
www.cyprusprofile.com

Investment opportunities

Water Infrastructure: Projects to meet water supply needs and improve reliability of drinking water supply system, and to reuse recycled water for irrigation water security.

Waste Management: Landfill upgrades and implementation of waste sorting and recycling systems, and a 'Pay as You Throw' Program (PAYT).

Emission-Reducing Projects: Projects and initiatives related to low-emission and climate-resilient development.

Renewable energy projects: Climate-smart agriculture solutions that reduce production cost.

Animal breeding and milk production: Further development of dairy sector, with the registration of halloumi as a PDO Cyprus must triple production in the next nine years.

Aquaculture projects: A pioneer in the Mediterranean region, Cyprus was first to mass produce sea bass and sea bream fry on a commercial scale. Its open-sea conditions provide excellent conditions for fish welfare and further development.

Development of Troodos Geopark: Registered in the European Geoparks Network, the development of Troodos GeoPark could be further promoted for science, education and geo-tourism.



BANKING

Regaining Confidence

Returning to international markets with a stronger and fully recapitalised banking sector, Cyprus has shown remarkable determination and success in rebuilding its financial institutions.

The performance of Cyprus' economy and the goals achieved by its banking sector over the last two years has been hailed impressive internationally. Credit rating upgrades and positive 2015 bank results have marked an end to prolonged uncertainty in Cyprus' banking sector. Today, the situation is stable, with confidence in the country's banks recovering, following the lifting of all domestic capital controls and a return to international markets with successful bond issues raising well over €2 billion. The banking sector has successfully recapitalised, attracted significant foreign investors, and achieved positive results in the stress tests of the European Central Bank (ECB) and the European Banking Authority thanks to the overall strengthening of liquidity and capital adequacy. The restoration of credibility in Cyprus' banks has been a top priority following the country's €10-billion bailout deal and the unprecedented bail-in decision by the Eurogroup to impose losses on depositors in 2013. However, the hard work is finally paying dividends and Cyprus' economic recovery has been faster than many first projected.

RETURN TO GROWTH

At the height of the eurozone sovereign debt crisis, Cyprus became the fifth EU member state to request a financial assistance package from the European Commission, the ECB and the International Monetary Fund – collectively known as the Troika. The Cyprus 2013 bailout captured the attention of the world, as it was the first and only bailout worldwide with a condition to impose a bail-in of bank deposits – a measure considered inconceivable until then. As part of the terms, Cyprus was also bound by a Eurogroup decision to set the controversial eurozone precedent of imposing losses on shareholders and large depositors in two of its major banks, Bank of Cyprus (BoC) and Laiki Bank. This was immediately followed by a closure of the entire banking sector for nearly two weeks with the imposition of capital controls in a bid to prevent a bank run. Cypriots and the local banking sector were severely hit by the closing of Laiki Bank and the restructuring of BoC, which entailed a haircut of 47.5% imposed on depositors. Deposits exceeding €100,000 were turned into equity to recapitalise BoC, which was also lumped

with most of Laiki's assets and debts, including €9.2 billion in emergency liquidity assistance.

Risky expansion strategies, imprudent lending and weak bank governance all contributed to the downfall of the banks. However, the most significant internal cause was the failure on a national policy level to recognise potential shocks and the risk of running a large bank industry with low supervision. The collapse of the Greek economy and Cyprus' significant exposure to Greek government bonds was the last straw for the sector, destroying the banks' balance sheets. Following the events of March 2013, there were widespread predictions of the destruction of Cyprus' financial sector. However, out more than 40 banks operating in the country only two local banks were affected. The EU-imposed measures were severe, yet unlike other EU countries undergoing bailout programmes, Cyprus did not see a run on the banks or social unrest, but a defiant show of resilience and a sooner-than-expected return to growth. There is no doubt the local banking sector has faced major challenges over the last few years, but the overhaul of the sector has opened up new opportunities, encouraging healthy competition and a wider range of services. With the still-prevailing lack of liquidity, the Cypriot market is thirsty for funding, providing exciting prospects for innovative financial instruments and new players to enter into the market.

THE DEVELOPMENT OF THE CYPRIOT BANKING SECTOR

Enjoying decades of uninterrupted growth before the global financial crisis, Cyprus was considered an economic miracle turning its economy around with strict austerity measures following the 1974 Turkish invasion and the subsequent division of the island. The collapse of the Soviet Union and wars in Lebanon and the former Yugoslavia provided the island's economy with a boost of funds as businesses and individuals began to set up in Cyprus – attracted by the country's stability, efficient infrastructure and straightforward procedures. In addition to Greek banks, Russian, Eastern European and Lebanese banks also began to set up shop in Cyprus to better service their clients, as funds and personnel flowed from their countries to



"Since March 2013, the Cypriot banking sector has come across numerous challenges. It

is not surprising that the banks' overarching priority for 2016 – now with new tools at their disposal – is the resolution of their still large non-performing exposures. It is only through tangible progress in this matter that banks will be able to increase their capacity to grow, while improving their access to new opportunities. We are currently observing an increase in sustainable restructurings and encouraging cure rates. The sector's improved capital and liquidity base has allowed the banks to provide some €1.5 billion in new loans in 2015, largely in the corporate sector, and we expect the pace to accelerate in 2016. The CBC has been supporting the revival of credit by pursuing regulatory refinements that led to a sizeable reduction in interest rates and is currently seeking ways to simplify loan origination procedures."

Chrystalla Georghadji
Governor
Central Bank of Cyprus (CBC)

15.1%
Core Tier One ratio
for the Cyprus
Banking Sector
(June 2015)



"Prospects for the Cypriot economy are enhanced and growth is set to continue. The economy has

access to the markets, not least due to substantial improvements of the public finances. The gradual return to stability in the banking sector also contributes towards the increase in business and consumer confidence. The banking sector of Cyprus is now in the process of recovering, following its successful recapitalisation, the attraction of new foreign investors and the positive outcome of the stress tests. Banks are focused on overcoming the non-performing loans problem, to be able to make a decisive contribution to the development of the Cypriot economy, supporting the traditional economic sectors and taking advantage of new opportunities. Although some challenges remain, we are optimistic that the economy and banking sector will continue to grow steadily."

Michael Kammas

Director General
Association of Cyprus Banks (ACB)

the island. These events played a significant role in the development of the banking sector and the transformation of the country into both a business and financial centre. After Cyprus' accession to the EU in 2004, the island established itself as a gateway to Europe and attracted increasing business from both Eastern European and Arab investors looking to expand into EU markets. Cyprus' attractiveness for establishing holding and finance companies and the significant increase in the number of foreign trading companies and regional headquarters setting up, substantially increased the demand for banking services.

The country's banking sector is comprised of two tiers: domestically-oriented banks and international banks. International banks have long been attracted to the island for its fiscal regime and to use Cyprus as a launch pad into high-growth markets. Over the years, Cypriot banks expanded into Russian and Eastern European markets and sought growth opportunities in China and India. However since 2013, most have divested foreign operations to strengthen their balance sheets. The list of banks of foreign origin in Cyprus consists of around 30 institutions, which mainly carry out international banking business and have limited interaction with the domestic economy.

Banking in Cyprus is regulated by the Central Bank of Cyprus and is fully harmonised with EU legislation and directives, while commercial banking arrangements and practices follow the British model. However, changes introduced by the EU's Single Supervisory Mechanism (SSM) saw the transfer of supervision of all the eurozone's largest banks to the European Central Bank (ECB) in November 2014, harmonising the landscape for all big banks in Europe. For Cyprus, this meant that Bank of Cyprus, the Cooperative Central Bank, Hellenic Bank and RCB Bank are under the supervision of the ECB.



KEY PLAYERS

REGULATORS

European Central Bank
www.ecb.europa.eu

Central Bank of Cyprus
www.centralbank.gov.cy

GOVERNMENT

Ministry of Finance
www.mof.gov.cy

INDUSTRY ASSOCIATIONS

Association of Cyprus Banks
www.acb.com.cy

Association of
International Banks
www.aibcy.com

KEY PLAYERS

Key players in the Cyprus banking landscape are Bank of Cyprus (BoC), the Cooperative Credit Sector, Hellenic Bank and RCB Bank, with the rest of the market made up of smaller banks and foreign subsidiaries. The country's largest lender, BoC, has come a long way since the 2013 events, posting positive results and raising over €1 billion in fresh capital. Despite the enormous task at hand, the Cypriot lender has surpassed expectations, posting a net profit of €73 million in the first nine months of 2015.

Dynamic Irish CEO John Hourican is largely credited for the fast turnaround of BoC and for attracting heavy-weight shareholders, including billionaire venture capitalist Wilbur L. Ross, who pumped €400 million into the bank in 2014, followed by the European Bank for Reconstruction and Development (EBRD) investment of €120 million into BoC. A further vote of confidence for BoC came in late 2015, as Hourican announced he would stay in his position as CEO for another two years. The bank is now opening its horizons and examining the possibility of listing BoC stock in a more liquid, index-driven, European stock exchange. However, an immediate and serious concern remains with the high level of outstanding stock of non-performing loans (NPLs).

Hellenic Bank has also seen positive growth and avoided a state bailout by successfully completing its recapitalisation through private funds. New York-based hedge fund Third Point LLC, Belarus-owned online gaming developer Wargaming.net, and local investment house Demetra, pumped €100 million into the bank taking 75% of the share capital and with a further €20 million investment from EBRD, taking a 5.4% stake in the bank. The Cooperative credit institutions have also progressed with the implementation of their restructuring plans, with a recapitalising cash injection of €1.5 billion.

One of the largest financial institutions, RCB Bank, celebrated 20 years of operation in Cyprus in 2015 – a year, which also saw the expansion of its network of branches on the island and a Moody's upgrade on its deposit ratings to B3 from Caa1, making it the highest rated bank in the country.

European Cooperative Movement



Same values, new perspective.

The Cooperative Movement is based on a unique model, one that is shaped by a value system that generates significant long-term benefits for its members and contributes to enhancing economic, social and environmental sustainability.

Today the Cooperative Movement in Cyprus, as a member of a powerful network of European cooperative banks, holds fast to the same values and principles, creating new prospects for our country, once again making each person the focus of the economy and growth.



www.ccb.coop.com.cy



COOP BANKS

COOPERATIVE CREDIT SECTOR

PERIFERIAKI LIMASSOL CO-OPERATIVE CREDIT SOCIETY LTD • PERIFERIAKI NICOSIA CO-OPERATIVE CREDIT SOCIETY LTD • ALLILEGGYIS CO-OPERATIVE CREDIT SOCIETY LTD • KOKKINOCHORIA CO-OPERATIVE CREDIT SOCIETY LTD • LAKATAMIA - DHEFTERA CO-OPERATIVE CREDIT SOCIETY LTD • LEDRA CO-OPERATIVE CREDIT SOCIETY LTD • MAKRASYKA - LARNAKA - DISTRICT OF FAMAGUSTA CO-OPERATIVE CREDIT SOCIETY LTD • STROVOLOS CO-OPERATIVE CREDIT SOCIETY LTD • TAMASSOS - ORINIS & PITSILIAS CO-OPERATIVE CREDIT SOCIETY LTD • TROODOS CO-OPERATIVE CREDIT SOCIETY LTD • CYPRUS CIVIL SERVANTS CO-OPERATIVE BUILDING & SAVINGS SOCIETY LTD • FAMAGUSTA - LARNAKA CO-OPERATIVE SAVINGS SOCIETY LTD • CYPRUS POLICE & MILITARY COOPERATIVE SAVINGS SOCIETY LTD • CYPRUS EDUCATIONAL COOPERATIVE SAVINGS SOCIETY LTD • LIMASSOL CO-OPERATIVE SAVINGS SOCIETY LTD • NICOSIA CO-OPERATIVE SAVINGS SOCIETY LTD • PAPHOS COOPERATIVE SAVINGS SOCIETY LTD • TELECOMMUNICATIONS ENERGY & BANKS EMPLOYEES COOPERATIVE SAVINGS SOCIETY LTD



Despite the significant progress made, adopting a new mentality in the banking industry is crucial, as is the introduction of fresh ideas and new people to provide sound advice and international expertise. Cyprus has already received praise from its international lenders for taking firm steps to rebuild its financial institutions and received a clean bill of health through rigorous independent audits, which completely discredited floating accusations of a weak anti-money laundering (AML) system. On the contrary, the assessments indicated Cyprus has a high level of compliance across the banking sector, with some statutory requirements being more demanding than in other EU member states.

A STRONGER FUTURE AND NEW OPPORTUNITIES

New opportunities are springing up in the wake of rebuilding the Cypriot banking sector. With the current lack of liquidity, Cyprus is providing opportunities for new players to enter into the market and encouraging healthy competition and a wider scope of services. Investment opportunities that could be tapped into by international banks and

financial groups are mergers and acquisitions, private equity and venture capital projects as well as financing of large infrastructure projects in the oil and gas industry, casino and resort development and other large scale projects. To reduce its bank dependence, Cyprus has already turned its interest into alternative sources of finance such as bond markets and investment funds, also peer-to-peer lending and crowd funding are emerging as new finance models. The rapid downsizing of the banking sector and the economic programme agreement ensure the

public debt of Cyprus will be sustainable. Cypriot banks have already demonstrated resilience in the face of adversity and most industry professionals believe the current overhaul of the sector and increased European supervision has produced a more efficient banking sector to boost the economy. The transition period continues to be tough, but Cyprus has already shown remarkable progress in steering its banks and wider economy back to growth. ■

CURRENT SITUATION AND CHALLENGES

At the end of October 2015, the total amount of deposits in the Cypriot banking sector, including banks and coops, reached just over €47 billion, exhibiting a net increase of €287.9 million and an annual growth rate of 0.4%.

A key hurdle for Cyprus to overcome is the high rate of non-performing loans, which stood at 47.8% of total loans at the end of September 2015. Following the adoption of a law that allows banks to sell loans to third parties, together with the foreclosure law, some banks are looking at opportunities of selling larger exposures in order to diversify risk – a practice applied by other European lenders.

However, the success of these measures will be highly dependent on the price and appetite of international investors. Another challenge on the horizon is the increasing compliance burden with the introduction of the OECD Common Reporting Standards in January 2016. However, this is a challenge all European institutions are facing.

56 credit institutions

7 Banks

18 cooperative credit institutions

4 EU subsidiaries

2 non-EU subsidiaries

9 EU branches

16 non-EU branches

(Central Bank of Cyprus, December 2015)

€47bn
Bank Deposits

0.4%
Annual growth rate
of Deposits

(Central Bank of Cyprus, October 2015)

DISCOVER MORE AT
www.cyprusprofile.com



MICHAEL KYPRIANOU & CO. LLC has established an enviable reputation as a broad based legal practice. Having as its guiding principle to always exceed its clients' expectations the firm has grown to become one of the largest law firms in Cyprus with offices in Nicosia, Limassol and Paphos. The firm also has a strong international presence with fully fledged offices in Greece (Athens and Salonica), Malta (Birkirkara) and in the Ukraine (Kiev). The firm is consistently recommended by reputable international directories such as the Legal 500 and Chambers & Partners for the quality of its services and its international expertise. Amongst its international clientele are included some of the world's most pre-eminent organisations.



MICHAEL KYPRIANOU & CO. LLC

ADVOCATES · LEGAL CONSULTANTS

2 Agias Elenis Str, 6th & 7th floors, 1060 Nicosia - Cyprus
T: (+357) 22 447 777 • F: (+357) 22 767 880 • E: info@kyprianou.com.cy

www.kyprianou.com.cy

CYPRUS – Nicosia, Limassol, Paphos • GREECE – Athens, Thessaloniki • MALTA – Birkirkara • UKRAINE – Kiev

Banking Round Table

What key areas of opportunity or growth do you see in the banking sector, and what are your expectations for Cyprus in 2016?



“There are numerous areas of the economy that show potential and the banking industry is ready to support investment”

Banking in Cyprus has been at the epicentre of the economic crisis since March 2013. Much has been achieved to restore the foundations of the industry, but the country is still blighted by an unacceptably high level of non-performing loans (NPLs). The level of NPLs is a drag on economic growth and remains the single largest issue for the industry to tackle in tandem with society. However, there are numerous areas of the economy that show potential and the banking industry is ready to support investment in these areas. Reinvestment in our Tourist Estate and infrastructure, building out business services and medical capability are areas where we believe well-directed government policy and incentive will yield strong economic outcomes. Bank of Cyprus intends to support the Cyprus economy as it grows in 2016.

John Hourican
CEO
Bank of Cyprus



“Recapitalisation, restructuring and stricter supervision, contributed to the recovery of the economy”

The financial crisis in Cyprus was taken as an opportunity for change and improvement. Fiscal consolidation achieved through aggressive cuts on the expenditure side of the budget and the improved functioning of the banking sector through recapitalisation, restructuring and stricter supervision, contributed to the recovery of the economy. Cyprus has the potential and ability to achieve sustainable and healthy growth rates by enhancing the prospects of our economy. The support of entrepreneurship, if done with specific objectives and incentives, can create new job opportunities, as well as opportunities to invest in development projects. Actions to introduce a more efficient and renewed competitive environment, not only locally but also on an international level, with less bureaucracy will enhance economic activity and growth. The Cooperative Credit Sector has a mission to support every household, business and local community in Cyprus. We believe that the primary sector of the economy is an important area of growth and thus its support continues to be the traditional key aspect of our strategy.

Nicholas Hadjiyiannis
CEO
Cooperative Central Bank



“Financing opportunities exist in various business sectors including tourism, shipping, health and education”

After a tough period of economic turmoil, the country's economy is returning to a path of growth, as 2015 GDP figures indicate. Along with it, the banking sector is now more robust and better skilled to support the economy sustainably moving forward. While the main focus of the banks will continue to be on addressing the pool of problematic loans, financing opportunities exist in various business sectors including tourism, shipping, health and education, which add value on an ongoing basis. 2016 will be an important year for the country, as it exits the Economic Adjustment Programme and continues on its own to implement the much needed reforms, which will make the country more competitive. A more efficient public sector, in combination with new initiatives from the private sector, fresh financing from the banks and foreign direct investments pave a brighter future for the island.

Bert Pijls
CEO
Hellenic Bank



“To facilitate the growth of the economy, we must focus on solving the great number of NPLs in some Cypriot banks”

Cyprus' economy has been recovering faster than expected from the crisis. Today, the banking system is capitalised enough for serving the current needs, but in order to facilitate the growth of the economy, we must focus on solving the great number of NPLs in some Cypriot banks. The successful recovery of the economy requires the raise of Cyprus' international credit rating to an investment grade. This will allow Cyprus to overcome the effects of the economic crisis and ensure the growth of its economy. RCB Bank, as one of the largest banks in Cyprus and under the direct supervision of the ECB, substantially supports the Cyprus economy and through its CSR programme the Cypriot society at large. With an expanded network of branches in Cyprus, RCB supports Cypriot businesses with their lending needs and also facilitates international projects, aiding in reinstating Cyprus as a stable and growing EU economy.

Kirill A. Zimarin
Chief Executive Officer
RCB Bank Ltd

Banking Round Table



“Tourism, professional services and shipping sectors have performed very well throughout the crisis”

Cyprus made great progress with its economic adjustment programme, including recapitalisation of the banking sector, removal of the capital controls, and balancing of the fiscal policy. As a result the country returned to positive economic growth already in 2015. Tourism, professional services and shipping sectors have performed very well throughout the crisis and these areas provide a solid base for strengthening of economic recovery and creation of new jobs. Further efforts are still needed in working out large amount of non-performing loans, attracting strategic investors, and completing planned privatisations, such as the flagship telecommunications sale, as well as making further progress towards awarding port concessions and increasing the role for private investors in the energy sector, including in the renewable power generation and energy efficiency investments. Non-bank sources of finance, such as private equity funds, property funds, leasing, factoring, and corporate bonds have limited outreach and should be also supported.

Libor Krkoska
Head of Office
European Bank for Reconstruction
and Development (EBRD)



“The banks return to profitability and the capital generation will also provide the leverage required for new lending”

The outlook of the Banking sector is interweaved with Economic growth. The economy is expected to grow in the next few years on the back of the implemented measures and reforms of a successfully completed Troika program. Further growth potentials are also envisaged in the event of a solution of the political problem with neighbouring Turkey and the reaping of the forthcoming benefits from gas exploration. The growth momentum is expected to have a positive effect on the Non Performing Loan management issue and will also enhance our credibility as a jurisdiction with a reformed Banking System. This will enable the funding of the growth via increases in Bank deposits as well as from wholesale funding from the markets. Other areas like Funds Administration, Custody, and International Banking will also become more attractive. The Banks return to profitability and the capital generation will also provide the leverage required for new lending that will further enhance growth. In conclusion, the economic growth potential will create a positive virtuous cycle that will present the Banks with real opportunities for lending and growth. The implemented reforms will ensure that this time the growth will be based on solid foundations and be sustainable.

George Appios
Managing Director and Chief Executive Officer
Piraeus Bank



“Technology-driven reshaping of the banks offers the possibility of risk mitigation and more efficient operating models”

Banking is entering a new era of service digitisation, bringing new growth opportunities in coming years. Technology-driven reshaping of the banks offers the possibility of risk mitigation and more efficient operating models for service offering, resulting in cost savings and efficiency gains, and the development of a sustainable competitive advantage. Our focus is on collaborating with our customers to develop and implement new customer-centric business models, aligned with the current transformation of the sector. Non-performing loans are still a challenge for the banks, but hopefully with new legislation we shall see an exponential reduction of these numbers in 2016, which will be key in minimising risks, restoring bank lending functions and enhancing a sustainable stabilisation of the banking system. Despite the challenges Cyprus faced following the financial crisis, the overall economic performance has exceeded expectations. With increasing numbers of global players investing in various sectors of Cyprus' economy, we are optimistic and believe the potential for growth and stability in 2016 is great.

George Georgiou
Managing Director
Alpha Bank Cyprus Ltd



“Tourism infrastructure projects, such as marinas and ports and a new casino development, offer opportunities to overseas property investors”

The lifting of capital controls, the level of stabilised deposits and the arrival of foreign investors injecting new capital in the sector, show an increased confidence in Cyprus. However, risks still remain with the high level of NPLs due to the on-going economic crisis, but with the right approach and continuous efforts together with the economic recovery, the sector will be able to gradually reduce them from these extremely high levels. Sectors such as tourism, energy with natural gas and oil and renewable energy sources, professional services and shipping are areas of growth. The real estate sector complemented with tourism infrastructure projects, such as marinas and ports and new casino development offer opportunities to overseas property investors. Stronger growth is expected in 2016, but ensuring that reforms continue and public finances are kept under control are crucial, to maintain the momentum created and have the benefits reflected in the real economy.

M. Andreas Theodorides
CEO
USB Bank



“The rapidly developing investment funds industry and the discovery of natural gas raise the prospect of a further positive transformation”

As the only international A-rated global financial institution, Barclays aims to further grow its business in Cyprus by continuing to focus on the international corporate business and the intermediaries/fiduciary sector. Cyprus continues to recover from the crisis, and as per IMF, the reform program remains a success. The sovereign ratings of the country are upgraded, there was positive growth and the country went to the markets successfully twice in 2015. The local banking sector is stabilising even though the NPLs in the local banking system remain a challenge. Unemployment is also high, but Cyprus has beat expectations by exiting recession. The economy's positive growth will continue to be supported by the professional and financial services sectors, shipping sector and tourism. The rapidly developing investment funds industry, the discovery of natural gas in Cypriot waters and the efforts of the country to become an energy hub raise the prospect of a further positive transformation of Cyprus in the medium to long term.

Savvas Constantinou
Country Manager
Barclays Bank Cyprus



“2015 ended better than expected, signalling strong growth patterns for the year ahead”

Increased regulation requirements combined with a rapidly changing environment, form a perplexing mixture of challenges for the banking sector. As world economic growth is likely to remain fragile and highly volatile, the anaemic recovery in emerging markets is expected to weigh heavily on global growth. Banking growth is pursued through development of existing core business, with the prudent addition of adjacent business areas, rather than entry to completely new markets. The Cypriot economy has managed to defy expectations by constantly outperforming projections with substantial margins, while government finances are in order. 2015 ended better than expected, signalling strong growth patterns for the year ahead. Cyprus gathers pace with tourism and professional services being the main driving sectors for growth, while sectors such as construction and exports are recovering with a satisfactory pace. I remain optimistic that Cyprus' economy will adjust to the new economic environment and is on the right path to continue growing, despite the challenges the world economy may be facing in the short to medium term.

Michalis Louis
CEO
Eurobank Cyprus

An Emerging Regional Player

The Cyprus Stock Exchange (CSE) has set its sights on becoming the region's leading specialist securities exchange and gateway to the EU capital market for small cap and non-European issuers.

A specialisation in niche markets has helped the development of the Cyprus Stock Exchange (CSE), and today international investors and issuers are increasingly recognising the CSE as a credible European listing location and a provider of high-quality ancillary services. With Cyprus' economy returning to growth, projects in sectors such as energy, tourism and real estate, as well as a burgeoning fund industry, are spurring investor interest.

FULL SUITE OF SERVICES

The CSE offers fully computerised online trading, clearing and settlement, as well as access to the Athens Exchange through its Common Trading

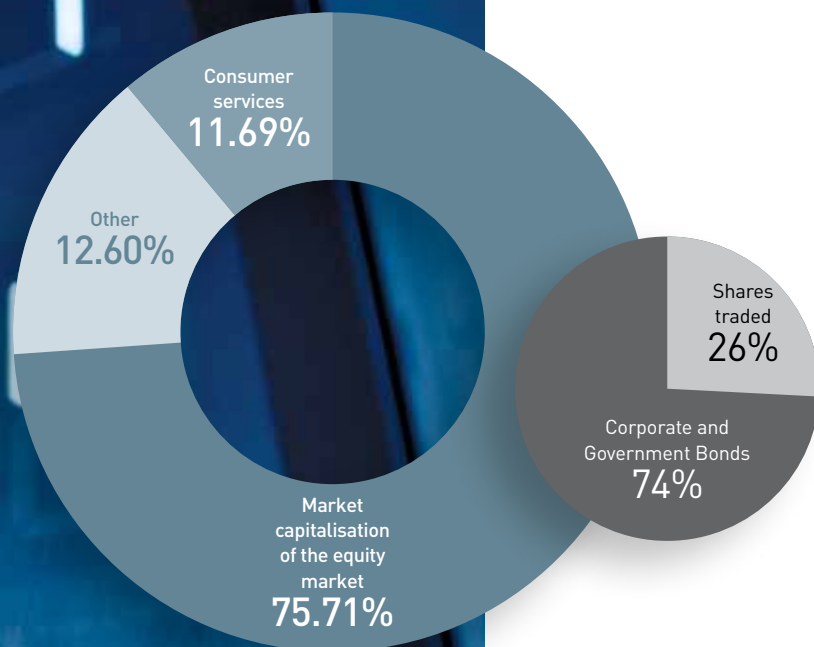
Platform. Through the same platform, Greek market participants (Brokerage and Custodians) are able to have access in the Cyprus Securities Market. The CSE has also introduced a new service, whereby non-listed companies can submit their registries for handling to the Cyprus Central Depository and Central Registry. A regulatory framework has also been prepared for the introduction of Global Depository Receipts (GDRs). These certificates are traded in international and developing stock exchanges and represent the ownership stake in a company which can be converted at any time to shares. A new innovative initiative has been the introduction of a system for the electronic online submission of applications for Listing by the issuers via the CSE'S website (online Application Portal).

KEY PLAYERS

SUPERVISING BODY
Cyprus Securities and Exchange Commission
www.cysec.gov.cy

GOVERNMENT
Ministry of Finance
www.mof.gov.cy

EXCHANGE
Cyprus Stock Exchange
www.cse.com.cy



REGIONAL PLAYER

A key strategy of the Cyprus Stock Exchange is one of regional growth and collaboration with neighbouring stock exchanges. The signing of Memorandums with other exchanges has provided the opportunity to collaborate on a wide spectrum of reciprocal issues of interest. These collaborations also contribute to creating comparative advantages and healthy competition, while also increasing awareness of smaller regional exchanges to large international institutional investors, in a bid to attract investments.

GAINING MOMENTUM

The total volume of trading on the CSE during 2015 was around €150 million, compared to €75 million in 2014. Total market capitalisation, including the Bonds Market, reached €5.7 billion in December 2015, compared to €8.4 billion at the end of 2014, showing a decrease of 32%. The financial sector was the largest group, as far as market capitalisation of the equity market, with 74.71%, followed by consumer services with 11.69%. The total number of securities traded in 2015 reached 2.6 billion, which constitutes a significant increase of 32.73%, compared to the previous year. Shares traded contributed around 26% of the total volume, while Corporate and Government Bonds contributed



"Cyprus is an attractive and promising business destination. More specifically,

in relation to the Cyprus Stock Exchange (CSE), there is significant potential. The CSE provides the necessary access and options to interested companies, issuers and investors, at competitive pricing policies. The CSE is a fully recognised Exchange and an efficient and modern institution, continuously developing according to its strategic plan."

Nondas Cl. Metaxas
Director General & CEO
Cyprus Stock Exchange

Cost-Effective Listing

To list in the Tradable Collective Investment Schemes Market, the key requirements are to obtain a license from the competent authorities of the country of origin, assets of at least €200,000 and the appointment of at least one Market Maker on a continuous basis, for the purpose of sufficient trading. Also, a submission of the registry of unit holders or shareholders to the central depository of the CSE is required. In the case of an Exchange Traded Fund (ETF), the index provider must have granted the ETF issuer a license to legally use an underlying index in the name of the ETF and that it has the license to offer its units to investors in Cyprus. The key listing requirements for the Non-Tradable Collective Investment Schemes market are to have a license from the competent authorities of the country of origin and the common fund's assets, or the variable capital investment company's assets, must be at least €200,000. The CSE's listing fees in regard to Collective Investment Schemes are considered very competitive, when compared to larger exchanges across Europe. The listing fee or application fee for the Tradable Collective Investment Schemes is €1,000 and for Non-Tradable Collective Investment Schemes €500. In addition to the application fee, there is an annual subscription fee of €1,000 for single funds and €1,000 for umbrella funds plus €400 per class or sub-fund.

just over 74% of the total turnover. Investors primarily focused their interest on the shares of Bank of Cyprus Public Company Ltd and also on shares of Hellenic Bank Public Company Ltd, with 65% and 7.4% of the total value respectively.

GROWING ECONOMY SPURS INVESTMENT

The improving economic climate and the increase of business activities in Cyprus also bring benefits to the CSE. Specific sectors of the economy, such as banking, are under transformation and have successfully been recapitalised by the private sector – a fact that has instilled much confidence in the market and created new opportunities for the future. Other sectors of the economy, such as tourism, real estate and the implementation of large scale projects, are also expected to spur increased investor interest in the future. Another significant prospect is the oil and gas sector, where in the medium term a number of international organisations are expected to launch exploitation and commercial activities thanks to the hydrocarbons find in the EEZ of Cyprus. These promising sectors could enable foreign investors to geographically diversify their investments and operations. Similarly, new business and investment opportunities would arise as a result of a possible settlement on the political problem of Cyprus.

NEW MARKET INITIATIVES

In April 2015, the CSE brought significant changes to the categorisation and structure of its markets, with the aim of aligning itself with relevant international trends and the economic and market conditions in Cyprus. The new segments on the Regulated Markets are the Main Market, the Alternative Market, the Market of Bonds (Corporate), the Market of Government Bonds and the Market for Funds. In addition, the Emerging Companies Market (ECM) of the Cyprus Stock Exchange offers simplified listing criteria at a lower cost and is successfully attracting companies both locally and internationally. The boutique size allows the Exchange to provide a more personalised service at very competitive fees, particularly to companies too small to list on a larger exchange or who wish to gain initial experience with EU capital markets. The ECM Market is comprised of the Equities Segment and the Bonds Segment, and has proved resilient and successful in the last years, despite the adverse economic climate. With staunch efforts to continuously improve its service to the market and broaden the range of products and services, the Cyprus Stock Exchange has also amended the Council's Regulatory Decisions and the OASIS Trading System, with the aim of creating two new markets in the Emerging Companies

Markets: a Shares Market for issuers whose Registry is not kept with the Central Depository/Registry and a Bonds Market for issuers, whose Registry is not kept with the Central Depository/Registry.

BUILDING AN INTERNATIONAL PROFILE THROUGH INVESTMENT FUNDS

A CSE listing provides a number of advantages for fund managers and investors. The CSE is an EU-regulated and recognised exchange, which provides a better fund profile and credibility to investors. It has fast and simple listing procedures with minimum bureaucracy, advanced technology, infrastructure, flexibility and effectiveness at a low cost. There is great potential for listing Collective Investment Schemes, both UCITS and Alternative Funds (AIFs) on the Exchange, allowing fund promoters to attract greater interest from institutional investors. The CSE's top priorities include the development of an Exchange Traded Funds (ETFs) Market. This, together with its other advantages such as Cyprus' 12.5% corporate tax, access to European and other regional capital markets, could significantly help to further raise the CSE's profile.

The listing of UCITS units or shares and various other types of units of collective non-private investment schemes on the CSE became possible in 2012, following a relevant amendment of the Cyprus Stock Exchange Law. The Exchange amended its regulatory decisions to cover the listing process of these investment schemes (with or without trading) in December 2013. In regard to Alternative Investment Funds, Cyprus' new fund framework allows the licensing of AIFs marketed to retail investors. Following an initiative taken by the CSE, an amendment to the legislation was brought into effect to also provide for the listing of AIFs on the CSE.

MoUs

- › Bucharest Stock Exchange (Romania)
- › The Egyptian Exchange
- › OJSC VTB Bank (Russia)
- › Tehran Stock Exchange Corporation (Iran)
- › Malta Stock Exchange
- › MICEX Group (Russia)
- › RTS Stock Exchange (Russia)
- › Damascus Securities Exchange
- › Tel-Aviv Stock Exchange (Israel)
- › Mongolian Stock Exchange
- › Qatar Exchange
- › Amman Stock Exchange (Jordan)

Total market capitalisation,
including Bonds Market

€5.7 million

(Year End 2015)

Securities
traded in

€2.6 billion

(Year End 2015)

Total volume of trading:

€150 million

(2015)

(€75 million in 2014)

The CSE has a competitive pricing policy for both market participants and investors, with the potential to increase a fund's investor base. Funds that obtain a listing can be more effectively marketed to investors and can therefore be considered as an eligible investment proposition for particular institutional investors, overcoming specific restrictions from investing in non-listed securities, or in investments that are not listed on a recognised exchange. A CSE listing also provides visibility and transparency to investors with the prices of Listed Funds posted on the CSE's website and additionally disseminated to the market through the Exchange by major data vendors. Adequate price mechanism is provided, either through net asset value (NAV) postings or market prices, if traded. This parameter is important for fund managers who require a

publicly quoted Securities Exchange price for their investments.

The Cyprus Stock Exchange has already accepted its first listings of 16 non-negotiated Collective Investment Funds – more specifically, two single scheme UCITS funds and 14 sub-funds of one UCITS umbrella scheme. In September 2015, an additional sub-fund was accepted, increasing the total assets under management of these Listed Funds to €60 million. With the sector gaining momentum, more funds are expected to follow. Since the beginning of 2014, Cyprus has already received a number of enquiries from fund managers interested in listing their funds on the Exchange, following the amendment of CSE's regulatory decisions covering the listing process of investment schemes (with or without trading).



"The outlook for Cyprus is potentially positive, benefitting from a healthy, recently

recapitalised banking sector and strong ongoing support from the government for growth in capital markets. The additional advantages of the new Cyprus Securities and Exchange Commission (CySEC) fast-track licensing of AIF & UCITS funds and its status as a low tax environment, with access to a workforce of highly educated professionals make it a highly competitive hub for capital markets in the region."

Nicholas Kaltsogiannis

Chairman
International Capital Market
Association (ICMA) Greece,
Turkey, Cyprus and the
Balkan States Chapter



2015 Top Shares

Bank of Cyprus Public Company Ltd

Hellenic Bank Public Company Ltd

Vassiliko Cement Works Public Company Ltd

Petrolina (Holdings) Public Ltd

Demetra Investment Public Ltd

A FUTURE OF GROWTH

The small yet dynamic Cyprus Stock Exchange is continuously diversifying its activities and services, and is committed to enhancing the competitiveness and accessibility of Cyprus for foreign investors. The CSE is establishing itself as an integral part of the country's growth strategy, supporting efforts to strengthen Cyprus' role as both a regional business hub and a financial centre. ■

DISCOVER MORE AT
www.cyprusprofile.com

Real Estate Renaissance

The Cyprus real estate market is more attractive to foreign buyers now than it has been for decades. A combination of legislative changes together with strategic planning by the construction industry, mean this is the optimum time for overseas investors to move into Cypriot real estate.



Cyprus, with its year-round sunshine, high quality of life, and convenient location between three continents, has long been a magnet for international investors, expats, retirees and those looking to enjoy a second home in a mild and hospitable climate. It seems that despite the uncertainty of fluctuating global economic cycles, these factors continue to have enduring appeal. The 2013 Knight Frank Global Lifestyle Review ranks Cyprus as the fifth best place in the world to relocate, establishing the island as the only European location alongside Switzerland to make it into the top five – ahead of London, Madrid and Monaco. Cyprus ranks highly because of its favourable tax regime for new residents – particularly for high-net-worth individuals. In May 2014, the island ranked 11th out of 40 countries in the Top of the Props chart, which records the most searched for overseas destinations to buy property. Recent legislation, coupled with a continuing fall in real estate prices, has triggered new interest in the middle and lower end of the market, while sales of luxury, top-end developments have surpassed expectations.

INCREASING SALES AND NEW INCENTIVES

As corrections to the overheated Cyprus property market continue, the numbers of completed sales are on the rise. Transaction volume rose by around 9% in the first eleven months of 2015, compared to the same period in 2014, with October 2015 seeing a 23% rise in property sales. Although a positive development, the volume was significantly lower than the peak recorded before the recession. Limassol had the highest number of transactions, accounting for 31% of the total volume, while Famagusta accounted for just 6% of the total. According to RICS (Cyprus) residential property prices continued to fall, with the most resilient property types being residential houses, where prices have fallen 4% since 2014 and 30% since the fourth quarter of 2009.

The island's once-booming construction industry contributes around 2% to Cypriot GDP, and the sector has certainly felt the chill winds of global economic austerity over recent years. During the first ten months of 2015 the number of building permits authorised for both residential and non-residential projects fell by 0.5% compared to



"2016 has very positive prospects and we believe it will be a year of dynamic growth for the

Cypriot real estate sector. Sales of property, both to domestic and to foreign buyers, continued to register very satisfactory growth in 2015, while prices, which in previous years receded to very attractive levels, are now on the increase. Unemployment in the construction industry is continuing to fall, while the value of building permits rose by 21.7% clearly showing the positive business forecast for the sector. Cyprus remains a very attractive EU destination for real estate purchases for foreigners. It combines security, high quality of life, good weather, low crime rate and a cosmopolitan lifestyle. These factors are further reinforced by a series of significant tax, immigration and other incentives, as well as by the prospects of a Cyprus settlement and the exploitation of the island's huge energy wealth."

Pantelis Leptos

Chairman
Cyprus Land & Building
Developers Association

KEY PLAYERS

INDUSTRY ASSOCIATIONS

The Building Contractors
Association of Cyprus (OSEOK)
www.oseok.org.cy

The Cyprus Real Estate
Association (CREAA),
Cyprus Chamber of
Commerce and Industry
www.ccci.org.cy



“Cyprus has always been a popular destination for property buyers. It offers an

attractive package for those relocating with their families, setting up businesses or looking for a new location for a second home. Versatile and easy to adapt to, Cyprus continues to entice the higher end of the market, the discerning buyer with an appreciation for the benefits of a safe and secure international business community, with easy access to two international airports. New projects like Limassol Marina and The Oval are continuing to drive high-net-worth individuals looking for sound investments in Cyprus. We do not anticipate this interest waning in 2016. There is ample potential for growth and favourable schemes, like the EU citizenship and permanent residency, will also continue to create a demand for real estate.”

Michalis Hadjipanayiotou
Chief Executive Officer (or CEO)
Cybarco Development Limited

2014, but their value saw an increase of 18.3% to €846 million and their area increased by 14.2%. Although the recovery of this sector has been modest, there are signs of a possible stabilisation of construction activity in the short term.

New legislation has been enacted providing additional benefits to investors in the property market, such as a 50% reduction in transfer fees for all sales and a 100% exemption from capital gains tax for profits on properties purchased by 31st December 2016. Prospective purchasers will also be attracted by recent changes to the rating bands for immovable property tax (IPT). New legislation means that properties valued at less than €200,000 are now exempt from the tax, which constitutes around 54% of all properties on the island.

Perhaps not surprisingly, local financiers remain cautious, but foreign investors are showing increasing interest in the Cypriot real estate sector. The latest reduction in property prices on the island provides an ideal opportunity for the foreign investor to enter the market, and the chance to acquire extraordinary properties at exceptional prices. Around 20% of sales are driven by foreign buyers, proving Cyprus continues to be on the list for investors, holiday-home seekers, expats and retirees, with the traditionally popular areas of Paphos and Limassol leading the way. This trend is likely to continue throughout 2016, when new legislation allowing banks to foreclose on unserved debts is expected to release a significant tranche of repossessed properties onto the market. There has already been strong local interest in the asset sales by Bank of Cyprus and Hellenic Bank and analysts speculate that as more properties become available, Cyprus will be an even more attractive proposition for the canny bargain hunter.

It is expected that transactions in the property market will remain concentrated on prime assets while overseas buyers, encouraged by the government’s Naturalisation Scheme, will focus almost exclusively on high-end residential properties in the over €300,000 bracket, according to a report published by Resolute Asset Management, while institutional investors are focused on producing income from their investments, such as grade A properties and sizeable plots of land with tourism development potential.

PROTECTING BUYERS

New property legislation was passed in 2015, ramping up protection for buyers in Cyprus, allowing owners to apply for their own title deeds. A contentious issue for years, the new property law is a welcome move, and aims to correct the failures of previous years of not issuing title deeds to people who have paid for property, either because the property was mortgaged by the developer, or the state could not go ahead with the transfer because of outstanding taxes. The new law grants the head of the land registry department the authority to exempt, eliminate, transfer and cancel mortgages and or other encumbrances, depending on the case and under certain conditions. Thanks to the new amendment, the process is set to become more efficient while giving prospective buyers more peace of mind and security.

MOVING UPMARKET

Traditionally, Cypriot developers have provided holiday homes for British buyers, due to the countries’ historical ties, strong tourist market and attractive tax treatment – particularly for expats and retirees (5% tax on pensions). Today, the sector is pursuing a more innovative strategy, targeting top-end clients with a range of exclusive villas in five-star gated complexes, golf course and sea-front developments and luxury townhouses. Many buyers are non-EU nationals who have taken advantage of Cyprus’ residency and citizenship programmes to relocate to a European base. These programmes, which require the purchase of property, brought in over €2 billion in revenue over the past two years, with most enquiries coming from Russia, China and the Middle East. Recent studies conducted by global immigration experts rank the Cyprus’ Citizenship by Investment programme amongst the top ten worldwide. The scheme was introduced by the Cypriot government two years ago to attract high-net-worth individuals, investors and entrepreneurs with all the benefits available to a Cyprus and EU national.



live LUXURY

by the sea from **Cybarco**



Limassol Marina



The Oval, Ready 2016



Akamas Bay Villas

Experience an elite Mediterranean lifestyle at spectacular beachfront properties, or join the new business class at The Oval, the most iconic office building in Cyprus. From Cybarco, the leading luxury developer since 1945.

Please contact us for further information, to arrange a viewing and to find out more about obtaining EU Citizenship / Cypriot Passport.

Более подробную информацию о наших проектах, организации ознакомительного тура и получении гражданства ЕС/паспорта Республики Кипр.

Сyprus/Кипр **8000 50 30**

Russia/Россия **+7 495 643 1901**

Cybarco offices:

Moscow / St. Petersburg / Cyprus / Athens



Member of the Lanitis Group of Companies



5th
best place in the
world to relocate
 2013 Knight Frank
 Global Lifestyle Review

Despite the general economic downturn, this elite market continues to do well, as illustrated by the recent success of Limassol Marina, which enjoyed another successful year of sales. Other luxury developments approved in 2014, include a €25 million commercial construction project operated by Cybarco, called The Oval, which, at 75 metres tall, is set to become the highest commercial building in Limassol. Russian developers Lanomex are also reaching for the sky in Larnaca, where the new multimillion-euro Kimon project will include a state-of-the-art 70 metre-high hotel, apartments, shops and offices on the popular Phoinikoudes beachfront promenade. Meanwhile, outside Paphos, exclusive villas at the multi-million euro Minthis Hills sport and leisure resort are being snapped up, mostly by Russian and Chinese buyers purchasing off-plan.

REGAINING MOMENTUM

Although still recovering, the real estate and construction sector is slowly making a comeback, with prestigious new developments in the pipeline and corporates investing in new ambitious premises. Landmark buildings have begun to spring up, such as the new global headquarters of Wargaming in the capital city Nicosia. The company, also a strategic shareholder of Hellenic Bank, bought the impressive 75 metre 'President' building from Rotos

Developers for €20 million. An office building developed by Cyfield on Limassol Avenue, was sold for €3.7 million to a Belgian fund, which has also invested €7.4 million in other prime real estate, while the Embassy of Kuwait bought the 'City Link' building for €5.1 million.

Oil and gas exploration in Cypriot waters along with new investments in tourism infrastructure and hotels have also given the ailing sector a boost. Projects with a special focus on golf courses and marinas have spurred new interest in large scale projects in Cyprus, and the country has seen a surge of investors looking into the acquisition of entire complexes and into projects that are both in the planning stages and already under construction. Cyprus' ongoing process of establishing its first ever luxury casino resort, is set to boost tourism and fuel demand for holiday rentals. These premier developments will become the driving force behind the construction industry in years to come. The varied range of exceptionally priced properties together with Cyprus' 2016 growth prospects, make this a golden opportunity to invest. The real estate sector is still in the early stages of recovery, but it already has firm foundations in place to underpin its re-emergence as a star performer in the island's economy. ■

DISCOVER MORE AT
www.cyprusprofile.com

Top 10 reasons to live in Cyprus

1

Member of the European Union

2

English-speaking population

3

High quality of life and low crime rates

4

Temperate climate with 340 days of sunshine

5

Uncongested and unpolluted environment

6

Crystal clear seas and clean beaches

7

Fresh locally-grown produce

8

Excellent healthcare

9

High standard of education

10

Convenient airline connections and good telecoms

A Centre for Regional Excellence



Cyprus is well on its way to becoming a major educational hub in the Eastern Mediterranean, and is rapidly establishing an international reputation as a centre of excellence for scientific research and development.

Cyprus spends an impressive 6.67% of GDP on education, ranking the country in fifth place among the EU27, while almost 50% of Cypriots aged 30 to 34 have university degrees, putting the island well above the EU average of 40%. The country's educational institutions maintain consistently high academic standards and attract students from all over the world.

INVESTING IN EDUCATION

Since joining the EU in 2004, the number of foreign students studying in Cyprus has doubled and the country has ambitious plans to develop the island into a regional education centre. Today 30% of students, around 8,000, are foreigners – a figure which highlights the great opportunities that exist in Cyprus for the establishment of new international universities, colleges and research institutes. The widespread use of English, the application of EU standards, a safe environment and good weather, all make the island an ideal place for foreign students seeking a rigorous, value-for-money education. Over the past year Cypriot universities have been actively promoting themselves as providers of high-quality yet affordable tertiary education. President Anastasiades underlined his government's determination to build on this reputation

by outlining plans to enable more tertiary courses to be offered in English and for the creation of an institutional framework to attract foreign post-graduate students.

EXCELLENT UNIVERSITIES

The island has eight universities offering a wide range of courses and degree programmes. The oldest of these is the University of Cyprus, which teaches mainly in Greek. The University's partner institution, Cyprus University of Technology, aims to bridge the gap between pure and applied research and to forge close ties with Cypriot commerce and industry. The government also provides state funding for the Open University of Cyprus, as part of its commitment to lifelong learning. Cyprus also boasts a number of private universities, the oldest of which are the University of Nicosia, the European University in Cyprus and Frederick University. The University of Nicosia launched the island's first degree programme in medicine, the result of a unique collaboration with St George's Medical School at the University of London. In October 2012, the first British university to be established on the island, the University of Central Lancashire – Cyprus (UCLAN), accepted its first students. UCLAN-Cyprus offers courses in busi-



Cyprus University of Technology in Limassol

ness, law and the sciences and provides students with a unique opportunity to study in both Cyprus and the UK. Another relatively new university is Neapolis, located in Paphos, which attracts both foreign and home-grown students.

WORLD-CLASS RESEARCH

When it comes to science and technology, Cyprus punches way above its weight. This was dramatically highlighted in 2014 by an innovative new global ranking scale, which assesses nations by their contribution to the good of society and humankind. According to the Good Country Index, compiled from UN and World Bank data, Cyprus ranks an astonishing 3rd out of 125 countries for its contribution to science and technology relative to its GDP. The recent discovery of offshore hydrocarbons in Cyprus has also prompted a new collaboration between the University of Nicosia and the Mediterranean Institute of Hydrocarbons Technology (MIHT). Plans are underway to develop a comprehensive training programme designed to provide well-qualified personnel capable of filling the thousands of posts that are expected to arise from the exploitation of the gas fields. Collaboration with international educational institutions is a priority to ensure appropriate level

knowledge transfer and for Cyprus to be developed into a hydrocarbon research base. Historically, research and development (R&D) has been low in Cyprus compared with the rest of Europe. However, the economic challenges of recent years have prompted an increased appreciation of ways in which research can generate new models of economic development and its potential to cultivate a knowledge-based economy in Cyprus.

President Anastasiades recently underlined his commitment to maximising the commercial potential of research and innovation and his faith in the ability of Cypriot enterprises to benefit from the knowledge transfer opportunities provided by EU-funded research initiatives. There is a renewed impetus towards the development of such opportunities, and employers' organisations and research consultancies have agreed to collaborate in an effort to capture more EU research funds. Over the past six years, Cyprus harnessed nearly €80 million of EU funding for Cypriot-led research projects, but there is scope for this figure to increase if Cypriot funding bids are simplified and co-ordinated.

The highly regarded Cyprus Institute (CyI) a non-profit science and technology research and educational institution, is at the forefront of much of the R&D conducted on the island today. CyI has close links with the renowned Massachusetts Institute of Technology (MIT), a collaboration which has produced ground-breaking work on the production of solar-generated electricity and methods of monitoring climate change. In recognition of its growing international reputation, CyI was recently selected to play a leading role in an ambitious 10-year international initiative on global sustainability called Future Earth, which will attempt to co-ordinate new, interdisciplinary approaches to research sustainable development and the management of the transition to sustainability. CyI will act as a regional hub, managing the participation of the Middle East and North African scientists in the programme.

AN EXPANDING KNOWLEDGE HUB

Government and private sector investment, combined with careful strategic planning, has produced impressive results. Renewed emphasis on research and development and the cultivation of a knowledge-based economy has resulted in the production of innovative research across a range of disciplines, and the consolidation of the island's role as an expanding knowledge hub for the Eastern Mediterranean. ■



The establishment of Cyprus as an education hub and destination for international students is supported by our high quality education and facilities, safe environment and affordable cost. Our universities are engaged in research synergies and student exchanges worldwide, and through these collaborations our graduates will be readily equipped to meet the expectations of the 21st century. The benefits of international cooperation extend beyond the strictly academic and research fields, in connecting nations and cultures and fostering a close relationship between the education and business sectors."

Costas Kadis
Minister of Education and Culture

KEY PLAYERS

GOVERNMENT

Ministry of Education
and Culture
www.moec.gov.cy

Cyprus Higher Education
(Ministry of Education
and Culture)
www.highereducation.ac.cy

DISCOVER MORE AT
www.cyprusprofile.com

Regional Energy and Fuel Hub



Cyprus' energy profile has changed with the discovery of significant hydrocarbon reserves in the country's Exclusive Economic Zone (EEZ), and with the government's strategic decision to become a key energy player in the Eastern Mediterranean.

Energy is the new boom industry in Cyprus, attracting worldwide attention and serious international investment following the discovery of vast natural gas reserves in its Exclusive Economic Zone (EEZ) and the Eastern Mediterranean region. One of the biggest opportunities for foreign investment in Cyprus in the coming years will be the budding oil and gas sector and the island has begun developing strategies and ambitious plans to exploit its new-found hydrocarbon wealth. In 2011, US firm Noble Energy, who is developing Israel's giant Tamar and Leviathan gas fields in the Eastern Mediterranean Sea, announced a world-class discovery of natural gas in Cyprus' offshore EEZ block 12 – known as Aphrodite. Two years later, Noble carried out appraisal drillings in block 12 and the results confirmed natural gas reserves of 4.54 trillion cubic feet (tcf) – enough to meet Cyprus' domestic gas demand for over 100 years – and exploration continues with good prospects for more discoveries.

EXPLORATION RACE

Noble Energy's success story in block 12 caught the attention of energy companies worldwide and created huge interest in Cyprus' last licensing round. Today, giants such as French Total and a consortium of Italy's Eni and South Korean Kogas have secured exploration rights in Cypriot waters along with Noble. Offshore drilling in Cyprus is expected to resume in the second half of 2016 and 2017 by all three companies, and in preparation for these activities, a new drilling support base is being set up in Limassol Port with previous operations being moved over from Larnaca. The country's energy sphere saw yet another boost in November 2015, with British oil and gas company BG Group acquiring a 35% stake in Cyprus' offshore Block 12, following an agreement with concession holder and operator Noble Energy. The other stakeholders in Noble's Block 12 are Delek Drilling Limited Partnership and Avner Oil Exploration Limited Partnership, each with a 15% working interest. The recent world-class find of 30tcf of natural gas in Egypt by Eni has also spurred on exploration in the Eastern Mediterranean. The discovery – named Zohr – located just 6.5km from the boundary of Cyprus' Block 11 has led to renewed hopes that the East Med and Cyprus' EEZ could hold more hydrocarbons discoveries. In addition, BG's entry into the Cypriot EEZ constitutes a potential alignment of interests in the natural gas production and distribution chain, with BG Group being a partner and operator in the liquefied natural gas terminal at Idku, Egypt.



Cyprus is forging ahead with its strategy to exploit its natural gas reserves domestically and to export Aphrodite gas regionally. We expect to make progress with our commercial agreements in 2016 and to see more exploration and discoveries in our EEZ. Cyprus could also become a significant fuel hub, with the widening of the Suez Canal increasing traffic in our region. Our excellent relationships with neighbours establish solid foundations for further energy cooperation in the EU and Eastern Mediterranean.”

Yiorgos Lakkotrypīs
Minister of Energy, Commerce,
Industry and Tourism



4.54tcf
confirmed natural
gas reserves



“Noble Energy was the first operator to discover natural gas resources offshore

Cyprus. The natural gas resources from the Aphrodite field we discovered in 2011 in Block 12 are positioned to play an important role in meeting the demand of the substantially underserved regional market. We are working with the government and our partners to finalise a Field Development Plan to safely and responsibly develop these natural gas resources, and help Cyprus and the region realise the economic benefits and energy security these resources can provide.”

L. Gene Kornegay

Cyprus Country Manager & Vice President
Noble Energy International Ltd



“The confirmed gas discoveries by Nobel Energy and its partners BG and Delek, requires the

Cypriot authorities to pursue various monetisation plans. The upcoming exploration program of Total in the third quarter 2016 and possibly ENI’s in 2017 set a new round of activity in the East Mediterranean with possibilities of new gas finds. The industry is in its infancy and many new developments will surface in the years to come. The strategy of Cyprus should include the formation of a comprehensive operational framework for the petrochemical industry to fully maximise returns for the benefit of the economy. Without discounting the need for more renewable and green energy technologies, petrochemical industries and in particular hydrogen generation will set the way forward in the decades to come.”

Andy Varoshiotis

President - Cyprus Oil & Gas Association (COGA)

A REGIONAL ENERGY AND FUEL HUB

The Cyprus Government had hopes it would complete the necessary infrastructure of an energy centre at Vasilikos by 2018 and begin exporting natural gas from Aphrodite in the 2020s. However, the decision on whether Cyprus will proceed with the LNG plant construction is on hold awaiting more discoveries, and more focus has been placed on prospective regional pipelines and deeper multilateral cooperation with neighbouring countries in exploiting the reserves. A stronger momentum has been seen in developing Cyprus into a significant fuel hub in the region, with the successful operation of the sophisticated oil storage terminal in Cyprus by Netherlands-based global oil terminal company VTTI. In 2015, the company’s Cyprus subsidiary VTTV announced expansion plans to also take advantage of the regional natural gas opportunities. Currently, VTTV is evaluating a further expansion of 13 tanks with total capacity of 305Km³ for fuel oil and crude oil and accommodating a Floating Supply Regasification Unit (FSRU) at a recently completed jetty to regasify LNG. Another key activity in 2016 is the relocation of the existing Larnaca oil storage facilities to Vasilikos. Cyprus could become a regional fuel hub thanks to its strategic location, connecting Europe and the Black Sea with markets in the Middle East and Asia. Also the widening and deepening of the Suez Canal could significantly increase traffic in the region and bring more opportunities to Cyprus, which is likely to entice more oil product transshipment companies to its shores.



KEY PLAYERS

GOVERNMENT

Ministry of Energy, Commerce, Industry and Tourism
www.mcit.gov.cy

REGULATOR

Cyprus Energy Regulatory Authority (CERA)
www.cera.org.cy

PUBLIC ORGANISATION

Cyprus Energy Agency
www.cea.org.cy



BOOST FROM CYPRUS SOLUTION

One of the most beneficial scenarios for Cyprus and its hydrocarbon-rich neighbours could emerge from a solution to the Cyprus problem, the de-facto division of the island. A reunification would open the possibility for joint gas exports via Cyprus’ EEZ to Turkey and on to Europe – which could be a cost-effective way of monetising the gas and done in cooperation with Israel’s giant Leviathan gas field. The next few years and significant deposit discoveries will be key to determining Cyprus’ hydrocarbon potential – and the involvement of major international oil and gas companies could help bring Cyprus’ plans to fruition.

RISING RENEWABLES

As Cyprus looks forward to a day when its power plants can be run on the island’s own gas, rather

The solar thermal field designed and installed by CSIRO in Pentakomo, on the southern coast of Cyprus.



than expensive imported liquid fuels, it is undertaking other initiatives to achieve its national energy and climate targets. The Renewable Energy Sources (RES) target is to supply 13% of the island's energy by 2020, and will be generated by wind farms, photovoltaic (PV) systems, concentrated solar thermal plants and from biomass and biogas utilisation plants. Cyprus is already one of the highest users per capita in the world of solar water heaters in households, with over 90% of households equipped with solar water heaters and over 50% of hotels using large systems of this kind.

In regards to renewables, Cyprus has already exceeded its intermediate 2020 targets, and is at about 8.7% compared to the 7.45% threshold for 2015-2016. The Cypriot National Renewable Energy Action Plan (NAP) targets the largest renewable electricity share from wind power by 2020, and development has been fast, going from no wind energy in 2005, to launching its first wind farm in

2011 and now boasting six farms on the island.

The island is in a strong position to build on the use of solar energy and so far four PV parks have been connected to the national grid, generating 1,000,000 kWh. Another area aimed at facilitating development of photovoltaics in Cyprus is the large-scale application of net metering, to reduce electricity prices for the households. Cyprus introduced net metering as a pilot program in 2012, and in 2015 the government opened the possibility of using net metering also for commercial buildings. However, there continues to be much ground to cover in terms of energy production from RES.

International interest in developing the sector in Cyprus has remained steady and 2015 saw the launch of a solar field, which places the island nation at the frontier of solar energy research in Europe. Australian company CSIRO won the international tender to provide its technology to Cyprus for a trial, which could lead to multi-million returns and a broad solar take-up in the country and wider region. In this respect, the production of renewable energy is expected to experience considerable growth in coming years, and significant investment is required in order for Cyprus to achieve its targets – opening the field for companies with expertise in renewables.

EXCITING FUTURE PROSPECTS

Cyprus' energy developments have certainly placed the country centre stage with the unfolding discoveries in the Eastern Mediterranean. Offering a stable and secure base in an increasingly turbulent region, Cyprus is also a convenient location to set up operations for various auxiliary services to the oil and gas industry and for company headquarters to support activities in the EMEA region. Utilising its own resources, Cyprus could also have a unique opportunity to develop a specialised industry in petrochemicals, according to industry professionals, who have been calling for the national framework to include the formation of a comprehensive operational strategy for a petrochemical industry. Furthermore, the country's excellent infrastructure and business environment, coupled with an advantageous tax and legal framework, establishes it as a competitive and efficient location for multinationals. The developing oil and gas sector and the still relatively untapped potential in renewable energy offer expanding opportunities, and Cyprus' energy industry will need investors and partners to fulfil its ambition to become a regional energy hub. ■



"The longer term potential of hydrocarbons in Cyprus' EEZ looks very positive. The key activity

in 2016 will be resumption of offshore drilling by TOTAL, Noble and ENI, probably during H2 2016. This will require the setting up of a new drilling support base at Limassol Port. Another major activity is the start of relocation of the oil storage facilities from Larnaca to Vasilikos, and the decommissioning of old facilities and refinery. Total investment may reach US\$400m-500m, due to the high cost of deep water drilling."

Charles Ellinas
CEO - EC Cyprus Natural Hydrocarbons Company Ltd (eCNHC)



"Cyprus has much potential, its geographic location, geology, competent resources and the political

decision to develop its energy sector. VTTV is planning to expand the terminal, diversify customers' portfolio, and evaluate regional opportunities in both LPG and LNG and a further expansion in Cyprus. In November 2015, VTTV completed a milestone of one year of successful operation. Among the important factors is the terminal's strategic location that makes it the first of its kind in the Eastern Mediterranean region, connecting Europe and the Black Sea with markets in the Middle East and Asia. The terminal itself is the result of four years of development, with planning beginning during September 2010 and involving preparation, design, tenders, contracts, construction and finally the serving of oil traders and other interested parties and this shows that Cyprus was very strategically selected."

George Papanastasiou
Managing Director, VTTV

DISCOVER MORE AT
www.cyprusprofile.com

Strong Vital Signs



Internationally trained health professionals and rigorous adherence to high standards ensure the quality of private healthcare in Cyprus is second to none. Thanks to advances in medical research, Cyprus can legitimately claim to be a world leader in certain fields of medical innovation.

The Cyprus healthcare sector is going through exciting times, with final moves to roll out a new national health scheme and upgrade and automate facilities to offer better care and service. Cyprus is also renowned for its world-class medical research and is becoming a popular destination for medical tourists thanks to its top quality medical professionals, most of whom are educated at reputable universities in the UK, Greece, Western Europe, Russia and the US. In Cyprus, healthcare is provided by both the state and the private sector, with an impressive 74 private hospitals and clinics. The presence of numerous prestigious private healthcare facilities significantly enhances the island's reputation as a centre for medical excellence and highlights the opportunities available to foreign investors. The island has also opened more opportunities for foreign doctors to carry out procedures in the country, a move that is fostering more cooperation in the international medical field. The American Medical Centre, which started life as a specialist cardiovascular institute, is one such state-of-the-art facility and now offers a wide range of medical services.

70.6%

of total R&D expenditure (GERD) was financed by the government, the highest percentage in the EU and considerably above the EU average of 34.9%. (2011)



PUBLIC AND PRIVATE EXCELLENCE

The public sector is highly centralised and most planning, organisation, administration and regulation is under the responsibility of the Ministry of Health. It is exclusively financed by the state budget, with services provided through a network of hospitals and health centres directly controlled by the Ministry. Substantial investment in the state sector has meant that procedures such as kidney transplants and open heart surgery, which once necessitated a journey overseas, are now routinely carried out within Cyprus.

The private system is financed mostly by out-of-pocket payments and to some degree by voluntary health insurance (VHI). It largely consists of independent providers, and facilities are often physician-owned or private companies in which doctors are usually shareholders. Cyprus has one of the highest shares in out-of-pocket expenditure in Europe with 47.2%. The general government healthcare expenditure is 45.7% and the share of private insurance enterprises expenditure is only 4.5%.

Cyprus ranks 24th out of 36 in the Euro Health Consumer Index 2014, although it has gained 40 points since 2013. Health expenditure decreased from 6.8% of the GDP in 2011 to 6.6% in 2012 and increased to 6.7% in 2013. Although the total expenditure on health in Cyprus as a percentage of the GDP (6.7%) in 2013 was lower than the Organization for Economic Cooperation Development (OECD) average, which was 8.9% in 2013, the healthcare statistics are in fact performing better than the EU average and can be easily compared with the large and developed EU member states. This can be attributed to the Cypriot physicians' qualifications and the combined efforts of the Ministry of Health, Cyprus Medical Association and Cyprus Medical Council to keep the bar high in Cyprus.

CREATING AN EFFICIENT NHS

Plans to roll out the much-anticipated and needed National Healthcare Scheme (NHS) are in the pipeline with aims to upgrade public healthcare services and restructure health centres to make them autonomous. Cyprus has been working overtime in a bid to reform the sector and create a system that provides affordable care by reducing the cost of quality healthcare to all. A top priority for the government and the Ministry of Health in 2016 is to make healthcare more patient-oriented, reliable and accessible. In the short term, steps have been taken to reduce patient waiting time through the introduction of minor injuries units and an automated bed availability system, and, in a separate development, the Ministry of Health has embarked on a seven-year programme to computerise medical provision and develop an integrated health monitoring system. This will involve the introduction of digitised health records, the expansion of medical services to remote areas via telemedicine and robotics, and access to international medical data banks.

INVESTING IN MEDICAL TOURISM AND E-HEALTH

On a global scale, the world medical tourism industry is worth as much as \$40 billion and accounts for approximately 2.5% of international tourism revenue with very positive growth prospects. Cyprus' excellent and sophisticated medical infrastructure of medical facilities, hospitals, laboratories and other diagnostic centres, as well as the highly educated healthcare professionals and top-class health services, are rapidly establishing the island into a centre for health tourism in the Mediterranean region. This coupled with the country's the ideal climate conditions through-

“Cyprus is in the process of implementing a new National Health System (NHS), upgrading facilities and providing better healthcare at lower cost by implementing e-Health applications. The establishment of medical schools in Cyprus is a decisive step in the ongoing process of improving the sector and proving a catalyst to boost the economy as well as research and innovation. With our highly skilled medical staff, excellent clinics, well-structured private healthcare sector and wide range of treatments, Cyprus has the potential of becoming a strong player in medical tourism in the region. Cyprus is as competitive as ever and back in business.”

George Pamborides
Minister of Health



The majority of the doctors are educated at advanced and reputable universities in the UK, Greece, Western Europe, Russia and the US

One of top 3 countries in terms of MRIs (19.9) and CT scanners (33.6) per million population



Health Expenditure
6.7%
of GDP (2013)

Health sector employs
16,642
(2012) accounting for
3.9%

Life Expectancy Rate
 
Men **80.1** Women **85.0**
(EU28 = 77.8) (EU28 = 88.3)

of the total economically active population and
4.5%
of the total gainfully employed population



Hospital Beds
2,938
(1525 in the public sector and 1413 in the private sector)



Practicing nurses
4,260
4.9 nurses per 1000 population (OECD average: 9.1)



Practicing physicians
3,027
3.5 physicians per 1000 population (OECD average: 3.3 / UK 2.7 / Germany 3.9)



Infant Mortality Rate
1.6/1000
living births (2012) (EU28: 3.7)



MEDICAL TOURISM

Most popular medical treatments in Cyprus:

check-ups & diagnostic tests

elective surgery

dentistry

cosmetic & plastic surgery

fertility treatments

eye surgery

out the year make it an attractive destination where patients can combine treatment with a holiday and recovery with relaxation. The majority of medical tourists come from the UK, Germany, the Netherlands, Russia and the Middle East and most seek either dental or cosmetic procedures. However, increasing numbers now visit

Cyprus for fertility treatment, while the island is gaining a reputation for other specialist procedures such as cancer surgery, minimally invasive spinal surgery and facial reconstruction. Another investment opportunity is e-Health solutions. A cornerstone for the new NHS, health information systems and specialist ICT solutions will be in high demand in the next few years as Cyprus builds up its unified national health system.

DOCTORS WITHOUT BORDERS

The Cyprus government took concrete measures to promote medical tourism as well as cross-border medical cooperation in 2013 by welcoming doctors worldwide to also conduct procedures in Cyprus. Doctors from Israel, the United States and other third countries (non-EU member states) are now allowed to provide services in Cyprus, under certain conditions, with procedures overcoming bureaucracy and delays. This decision not only promotes medical tourism and generates income mainly for private hospitals, but also promotes further training and knowledge exchange for Cypriot doctors, with a number of hospitals becoming Centres of Excellence for the Eastern Mediterranean region, the Middle East and Europe. Cyprus is also gaining a reputation for other specialist procedures. A vast array of quality medical treatments for patients from all over the world are offered in Cyprus, from basic check-ups and diagnostic tests to major surgery, such as kidney haemodialysis, transplants and cardiothoracic surgery procedures, orthopaedic, musculoskeletal surgery and many more.

INNOVATIVE EDUCATION AND RESEARCH

The establishment of medical schools in Cyprus was a decisive step in the ongoing process of improving the health sector as well as fostering world-class research and innovation. Over the last five years, three medical schools, one public and two private, have been established in Cyprus – all affiliated with hospitals throughout Cyprus. The sector's development as a centre for medical excellence received a significant boost with the launch of a four-year postgraduate Bachelor of Medicine and Bachelor

KEY PLAYERS

GOVERNMENT

Ministry of Health
www.moh.gov.cy

ASSOCIATION

The Cyprus Health Service
Promotion Board
www.cyhealthservices.com

of Surgery (MBBS) course at the University of Nicosia (launched autumn 2011). The qualification combines the convenience of training within Cyprus, with all the benefits involved in accessing international expertise. It arose from a unique collaboration between the University of Nicosia and St George's Hospital (University of London) and it

is expected that in time its graduates will make a significant contribution to medical research on the island.

Over the past 25 years Cyprus has made highly commendable achievements in the fields of medical research and innovation. Pioneering research work has been undertaken at the Cyprus Institute of Neurology and Genetics, which has developed a ground-breaking, non-invasive prenatal test for Down Syndrome. Research in the biomedical field has had a tremendous increase, especially in the field of genetic diseases, hereditary cancer and biotechnology. These ambitious research projects, funded by both local and foreign sources, mostly through the European Union, resulted in data and new knowledge benefitting the local population and the international community. The top-quality academic work in Cyprus is evidenced by important European funding, including 10 European Research Council (ERC) grants, hundreds of high-impact publications in international peer-reviewed journals and invitations to present their work at major medical conferences around the world.

HEALTHY PROGNOSIS

The calibre of healthcare in Cyprus is truly remarkable. The combination of internationally experienced personnel, advanced technological capabilities, and cost-effective, world class medical services mean that this sector will continue to flourish and expand. The worldwide health workforce shortage challenge may emerge as an opportunity for this growing educational industry in Cyprus. The country's geographic position and EU membership provide opportunities for well-trained students, originating from third countries, to acquire qualifications recognised by the EU. Cyprus has the potential of developing the sector even further and establishing itself as a strong player in the health and medical field in the wider region. ■



"European and other patients stand to benefit from the vast quality treatments that Cyprus

offers. The Cyprus health industry has an excellent reputation for essential operative care, while its Mediterranean climate, with dry summers and mild winters, is ideal for recuperating patients and for those accompanying them. Most of the island's physicians have trained at world-recognised medical schools, thus providing a valuable range of knowledge, experience and innovation."

Polis Georghiades

President
Cyprus Health Services
Promotion Board

WORLD CLASS RESEARCH

In 2010-2011, Cyprus was classified as fourth at the EU country level in terms of the percentage increase of publications in biomedical research, with a growth index of 1.47 compared to 1.05 of EU-27 average. Cyprus was also classified as fourth in the percentage increase of publications in clinical medicine with a growth index of 1.81 compared to 1.06 of EU-27 average. In the field of public health Cyprus was first with a growth index of 4.89 when EU-27 average is 1.22.

DISCOVER MORE AT
www.cyprusprofile.com

Insuring Success

Cyprus hosts a number of foreign insurance operators successfully transacting business in, or through the island, and with new EU regulation coming into play the sector could see more consolidation to the benefit of larger sized insurance firms with high capital.

As an EU member state, Cyprus offers insurance and reinsurance companies a straightforward and transparent framework in which to offer services in both the domestic and international markets. With 34 insurance companies operating on the island, and only a handful of companies dominating the market, Cyprus' insurance sector is highly concentrated. New opportunities lie mainly in creating innovative services and products, new synergies and using the country as an advantageous gateway to develop and expand business into new markets. EU passporting rights have attracted international industry players to the country, and Cyprus is positioning itself to play a key role serving the markets of the Eastern Mediterranean, Middle East, Russia and the CIS region.

BRITISH HERITAGE AND INTERNATIONAL INFLUENCE

As a former British colony, insurance in Cyprus was mainly provided by the large UK insurance houses, represented by agents in Cyprus. The companies themselves were registered in England under the English Insurance Law. It was not until the late 1960s that the island passed the Insurance Companies Law allowing the establishment of local insurance companies, which led to several of the agencies transforming themselves into fully-fledged independent insurance companies. Developments since then have seen both the number of companies and the volume of business increase considerably. Today, the domestic insurance sector is considered to be highly competitive and sophisticated due to the large number of insurance suppliers on the island in relation to the size of the population. There are 34 insurance companies operating in the domestic market. All are regulated by the Superintendent of Insurance at the Ministry of Finance, while the Insurance Companies Control Service (ICCS) assists in the supervision of the insurance companies.

KEY PLAYERS

GOVERNMENT

Ministry of Finance
www.mof.gov.cy

REGULATORS

Office of the Superintendent
of Insurance
(Ministry of Finance)
www.mof.gov.cy

INDUSTRY ASSOCIATION

Insurance Association
of Cyprus (IAC)
www.iac.org.cy

MARKET LEADERS WITH A BANKING BACKGROUND

Some of the largest insurance companies operating within Cyprus are subsidiaries or affiliates of banks, although following current international trends many are making efforts to break away and form new companies independent of the banks. Today, almost 450 EU insurance companies are exercising their right to provide cross-border services in Cyprus, and insurance experts estimate that this type of business will see further expansion in the coming years.

CRISIS-RELATED DROP IN PREMIUMS

Over the years the industry developed impressively, as figures released by the Insurance Association of Cyprus (IAC) attest, with the total gross premiums written almost doubling between 2001 and 2010. However, the international financial crisis and the 2013 Cyprus banking crisis have taken their toll. The Cypriot insurance sector continued to shrink in 2014, with operating companies seeing their total life and non-life premiums fall an annual 3.9% to €699.3 million, according to the Insurance Companies Control Service (ICCS). Life premiums and non-life premiums fell 7.3% and 1.4% to €289.4 million and €410 million respectively in 2014, compared to the year before. The drop, the third in three consecutive years, accompanied a drop in gross claims and expenses incurred. Gross claims in the life business and the non-life business fell 37% and 5.3% respectively in 2014 to €249.1 million and €195.2 million, while expenses fell 5.6% and 8.2% to €62.7 million and €115.2 million respectively. In 2014, total admissible assets of insurance companies in both life and non-life business increased by 4.9% to over €1.9 billion compared to 2013, according to ICCS. During 2014, the total gross premiums written by International Business Undertakings and by Branches of Non-EU Undertakings, which transact mostly International Business, and are all supervised by ICCS, presented an increase of 7.22%.



"The Cyprus economy returned to growth in 2015 and GDP is forecast at +1.5%. The

economic outlook for the medium term is positive. This is largely attributed to positive macro developments. However, the economy faces the challenges of the high levels of non-performing loans and unemployment. The insurance industry exhibits continued improvement and is expected to register a small positive growth for 2015 and a healthier growth rate for 2016. The major challenge is the transition to the Solvency II regime in January 2016 – which is expected to be smooth."

Artemis Pantelidou
Chairman
Insurance Association
of Cyprus (IAC)

34

Insurance Companies

25 domestic

8 International

1 Foreign



"Cyprus could serve as an insurance hub. Its strategic location and EU membership, as well as

the large pool of insurance professionals, low taxation and multicultural society are certainly positive factors to be considered. Insurance and reinsurance companies from the Middle East, Africa, Asia and CIS region can either be headquartered in or operate through Cyprus to serve EU and vice versa."

Christos Christodoulou
CEO
Trust Insurance

2014 Domestic Business Premiums

Life Premiums written in Cyprus:

€289.4 mn

Ratio of Life Premiums to GDP:

1.81%

Non-Life Premiums written in Cyprus:

410 mn

Ratio of Non-Life Premiums to GDP:

2.57%

Aggregate Premiums written in Cyprus:

€699.3 mn

Ratio of Aggregate Premiums to GDP:

4.39%

CHALLENGES AND INCREASING OVERSIGHT

With Solvency II regulatory compliance obligations and tightened oversight coming into play in 2016, the insurance industry is expecting to face higher solvency capital requirements and increased pressure on earnings. Insurers must maintain sufficient levels of risk-based regulatory capital as well as establish strong and on-going risk management and corporate governance systems. Solvency II is the largest-ever change to European Insurance solvency regulations and constitutes a significant transformation process for insurers – a move well-anticipated by Cyprus professionals, who have taken relevant measures to prepare for the change. The move to a harmonised International Financial Reporting Standard (IFRS) for insurance contracts is also gathering momentum, with a new standard on the horizon expected to fundamentally change the accounting for insurance contracts. Insurers are also facing a shake-up in other key areas of financial reporting, including the basis for financial instrument measurement. Insurance executives believe that the coming years will also see a major shift in attitude and a corresponding increase in underwriting in Cyprus, where the penetration rate for insurance policies has historically been lower than in other countries, particularly in Western Europe. Insurance premiums in Cyprus are around 4.5% of GDP, compared to 9% in the UK, demonstrating there is still room for growth. As Cyprus tackles the challenges of an ageing population, a greater demand for life insurance is now being felt and pension reform is high on the agenda. 2014 and 2015 saw reforms in the legal framework in terms of tax treatment of pensions and currently foreign pension income is taxed at a flat rate of 5%, but an annual exemption of €3,420 is granted. However, a taxpayer can elect to be taxed at the normal tax

rates, a choice which can be made year-on-year.

MERGERS ON THE HORIZON

New Solvency II regulatory requirements could also give impetus to more mergers and acquisitions in 2016. Given the high number of companies competing in the sector, it is expected that Cyprus could see more consolidation in the near future, thereby further reducing the number of current players in favour of larger sized insurance firms with high capital.

ATTRACTING INTERNATIONAL INSURANCE GROUPS

Although relatively saturated, Cyprus' insurance landscape is an interesting area of the island's diversified financial services industry, being equally attractive to EU and non-EU based insurance companies and managers. The country aims to become a centre for insurance management and reinsurance activities, encouraging companies seeking to enter the EU, Russia, CIS countries, the Middle East or Mediterranean, to choose Cyprus as their regional headquarters, benefiting from the easy market access and the fact that it has a stock of insurance professionals to service the industry and a reputable international financial centre. Among the most attractive aspects is also Cyprus' tax system. The strong network of double tax agreements, the absence of tax on capital gains, and the participation exemption for dividends – both receivable and payable – without onerous conditions and without any thin capitalisation rules has already made Cyprus an attractive option for holding companies for multinational groups. Now Cyprus is also being considered as the location of choice for group insurance operations.

SEASONED INSURANCE PROFESSIONALS TO DRIVE EXPANSION

While Cyprus' domestic market remains small by international comparison, the island's insurance industry believes the reservoir of experience and large number of qualified professionals gives it an edge when seeking to attract international insurance management and reinsurance operations to the island. Cyprus' EU membership and strategic location offers great potential for companies seeking to expand into the EU and surrounding markets of the Mediterranean region, while simultaneously enjoying the low taxation, extensive number of tax treaties and a host of other fiscal advantages. ■

European Insurance/ Reinsurance Undertakings Operating in Cyprus under the Freedom of Establishment: 5

European Insurance/ Reinsurance Undertakings Operating in Cyprus under the Freedom to Provide Services: 445

(ICCS, September 2015)

DISCOVER MORE AT
www.cyprusprofile.com

IN TRUST. WE TRUST.

Looking for the most professional insurance services advice?

Number one criterion: Trust!

Trust Insurance Cyprus, is the most rapidly expanded company in the island for the last six years: *proving it is worthy of its name.*

Member of Nest Group with presence in 23 countries and net assets of \$2.5 billion, Trust has a dynamic presence in Cyprus.



Personal Solutions Home | Medical | Yatch | Personal Accident | Travel | Motor

Business Solutions Business| Motor | Medical| Employer's Liability | Public Liability | Foreignner's Medical | Machinery Breakdown | Hotel | Renewable Energy | Cargo

Trust International Insurance Company (Cyprus) Ltd

79, Limassol Ave, 1& 3 Kosti Palama Corner, 2121, P.O.Box 20344,2151 Aglantzia

T: 22 05 01 00 | F: 22 05 02 90

E: enquiries@trustcyprusinsurance.com

W: www.trustcyprusinsurance.com



World-Class Services

Cyprus has spent decades building an economy based on the provision of top-quality services and with its strong shipping sector, thriving forex industry and burgeoning funds business the country has established itself as a key European services hub in the Eastern Mediterranean.



“The increasing interest for setting up investment services companies in

Cyprus demonstrates the growth prospects for the financial sector, particularly in the very promising emerging area of collective investment funds. Coupled with the opportunities arising from the discovery of hydrocarbons in Cyprus’ Exclusive Economic Zone, this growth is expected to create new investment opportunities, provide alternative forms of financing of the real economy and further boost foreign investor confidence in Cyprus.”

Demetra Kalogerou
Chairperson - Cyprus
Securities and Exchange
Commission (CySEC)

The extensive offering of business services continues to be a cornerstone of the Cypriot economy. The island has established itself as a leading provider of corporate structuring, international tax planning and other professional and financial services. Since gaining EU and eurozone memberships, in 2004 and 2008 respectively, Cyprus further enhanced its appeal and transformed from an outpost into a key services hub in the Eastern Mediterranean, serving as a business bridge between Europe, the Middle East, Africa and Asia. Cyprus’ efforts to streamline its business environment have seen success, with the country jumping up 13 places in the 2016 World Bank’s Doing Business Report to a rank of 47 out of 189 economies for ease of doing business. An added convenience is that English is the business language and the internationally-trained service providers – mostly educated in the UK or the US – have created a global outlook in the local industry to best serve their clients worldwide. With an EU and OECD-approved tax system and with one of the lowest corporate tax rates (12.5%) in Europe, Cyprus has become one of the most attractive international business centres in the region.

WIDE RANGE OF PROFESSIONAL SERVICES

With over 80% of the economy based on services, Cyprus has a wide range of expertise and experience to cater to the needs of international business. For companies and individuals requiring an ideal location to structure their investments into Europe, the Middle East and Africa, as well as Russia and Eastern Europe, Cyprus offers unique benefits that have already attracted thousands of companies. Key activities include international business structures such as holding and finance companies, shipping companies, forex and investment firms, trusts and investment funds. The most dominant activities include using Cyprus as a holding and finance company jurisdiction, thanks to the numerous tax benefits provided under Cypriot law. Cyprus has proven itself a resilient and dynamic business centre, despite being one of the smallest economies in the European Union. Although the country is still recovering from a recession, the professional services sector has proven formidable and grew by 5% on average in 2015, compared with 1% for the economy as a whole. Cyprus continues to offer one of the most

business-friendly, international and cost-effective environments in the EU and with hydrocarbons exploration in its waters gaining momentum and drawing significant foreign investment, Cyprus' energy know-how and service base are set to expand further.

FIRM FOUNDATIONS

Cyprus' geographical location and thousands of years of trading with its neighbours, has shaped the country into the strong contender it is today. Since gaining independence from Britain in 1960, Cyprus focused on laying the groundwork to establish a services-based economy. Over the years, its favourable regulatory regime, experienced law firms, accountants and professional services providers have further strengthened the country's position as a key corporate location. International companies were quick to identify the opportunities of setting up corporate structures in Cyprus and using the country as a launch pad to manage their investments. As a jurisdiction, Cyprus has various unique characteristics. It has one of the most advantageous tax frameworks in the EU and its legal system is based on Common Law. The island is part of the EU, the eurozone and the Commonwealth and has the advantage of being positioned strategically between three continents – Europe, Africa and Asia. The island already hosts hundreds of thousands of registered companies from across the world, attracted by its world-class business services and preferential access to high-growth markets, its highly educated and multilingual workforce, advanced telecommunications and close to 60 Double Tax Treaties (DTTs). An added benefit for foreign business will be the launch of a One Stop Shop in June 2016, which will make the process of setting-up and investing in Cyprus even more efficient.

HOLDING & TRADING COMPANIES

Cyprus continues to be one of the leading jurisdictions used by blue chip corporations and corporate planners to establish holding, trading and

investment companies to channel investments into key markets worldwide. The current double tax treaties include most major Western 'high tax' countries, Russia, the majority of Central and Eastern European states, China, Iran and India. The popularity of the Cyprus Company has seen the jurisdiction grow to be one of the largest single foreign investors in Russia, Ukraine and India, and is uniquely used by local and foreign investors as a key pillar in their investment planning and tax strategies.

REGIONAL HEADQUARTERS

Although maintaining its pole position as a top holding and trading company jurisdiction, Cyprus' comparative advantages are also strengthening the country's status as an attractive headquartering location – especially with the global changes in regulation and the increasing demand for companies to create business substance. An added benefit to the country's offering is the launch of new legislation and tax incentives for high-net-worth individuals and high-earning expat executives, providing a 50% exemption on personal income tax for those earning more than €100,000 and a 20% exemption (subject to a maximum of €8,550 per annum) from income tax from any employment exercised in Cyprus by an individual who was not Cyprus resident before commencing such employment. Many multinationals already use Cyprus as an administration, sales and marketing centre to manage and launch their products or services into regional markets. Companies such as NCR, Kardex, Weatherford, AMDOCS, Bernard Shultz Shipmanagement and Wargaming have all established headquarters on the island. Evidence of the appeal of Cyprus as an HQ location is also the thriving forex industry as well as the strong shipping sector. The success of shipping, an industry which contributes approximately €1 billion each year to the economy, has also developed clusters and auxiliary services – a model that could be successfully replicated for the burgeoning oil and gas sector.



"Cyprus can capitalise on its strategic geographical location, we are close to some very

important areas and we need to build more bridges to markets such as the Middle East, North Africa and the Balkans. The combination of being an established international business centre with great access to these areas coupled with a system based on English law gives us a solid platform to grow and prosper."

Elias A. Neocleous

Partner & Vice Chairman
Andreas Neocleous & Co LLC



"Our clients need to adapt to the international transparency requirements, the introduction

by many countries of the automatic exchange of tax information, and implement the requirements of the EU 4th AML Directive. STEP Cyprus members will offer advice and support on these and will expand their wealth administration offering by taking advantage of the recently introduced notional interest tax deduction and non-domiciled concept. I expect further improvement in Cyprus' economic climate in 2016."

Yiannis Demetriades

Chairman - STEP Cyprus



“Cyprus has a unique opportunity to re-establish itself as a business centre that promotes substance, leveraging on the high quality of professional services and the highly educated workforce at a very competitive cost. But this needs to be combined with higher, more relevant regulation that precludes questionable business and providers and gradually increases the reputation of the jurisdiction. 2016 will test the sustainability of our model and our ability to attract new business that will substitute the one that we need to let go.”

Christos Michael
Managing Director - First Names



“The Cyprus economy is stabilising and after fourteen quarters, it has experienced positive growth rates. The fiscal indicators are improving, while the financial sector is closely supervised by the Single Supervisory Mechanism [SSM]. Professional services, tourism and shipping in particular, mainly due to the country’s location and competitive advantages, have shown resilience. Through a strategic plan, these sectors, together with energy, construction and real estate, innovation and education and the primary sectors, can assist in putting the economy in sustainable growth.”

Demetris Vakis
President - Institute of Certified Public Accountants of Cyprus (ICPAC)

BANKING

Cypriot banks have demonstrated their resilience in the wake of the financial crisis and most industry professionals believe the overhaul of the industry and its institutions has produced a more efficient banking sector. Successful recapitalisations, credit rating upgrades and positive 2015 bank results have marked an end to the prolonged uncertainty and the sector is opening up to new opportunities and attracting significant foreign investors. Cyprus’ banking sector is comprised of two tiers: domestically-oriented banks and international banks. The main domestic credit institutions include; Bank of Cyprus, Cooperative Central Bank, Hellenic Bank and RCB Bank. International banks have long been attracted to the island for its fiscal regime and to use Cyprus as a launch pad into high-growth markets. The list of banks of foreign origin in Cyprus consists of around 30 institutions, which mainly carry out international banking business and have limited interaction with the domestic Cypriot economy. Banking in Cyprus is regulated by the Central Bank of Cyprus and the European Central Bank, and is fully harmonised with EU legislation and directives, while commercial banking arrangements and practices follow the British model. At the end of October 2015, the total amount of deposits in the Cypriot banking sector, including banks and coops, reached just over €47 billion.

FAVOURABLE TRUST REGIME

With an industry valued at more than €1 trillion globally, the importance of trusts in financial planning is undeniable. Cyprus has one of the most modern and favourable trust regimes in Europe and with an updated legal framework, the Cyprus trust has become an instrument of choice for many wealth advisors. The Cyprus Trust can be used in a range of international structures, because it is flexible enough to accommodate the objectives of the most demanding client. These include: discretionary trusts, fixed trusts, trading trusts and purpose trusts. The main uses for Cyprus Trusts include: asset protection, estate planning, tax planning, charitable/purpose, confidentiality, wealth management/investment, share ownership/pension fund, insurance and protection against exchange control. Cyprus has a liberal tax system, under which the income of an international trust is tax exempt as long as it is earned outside of Cyprus.

KEY PLAYERS

REGULATORS

Cyprus Securities and Exchange Commission
www.cysec.gov.cy

Cyprus Bar Association
www.cyprusbarassociation.org

The Institute of Certified Public Accountants of Cyprus (ICPAC)
www.icpac.org.cy

ASSOCIATIONS

Cyprus Fiduciary Association
www.cfa.org.cy

Association of Cyprus International Investment Firms
www.aciif.org

SOPHISTICATED WEALTH SOLUTIONS

An increasing number of high-net-worth individuals are discovering Cyprus as the ideal place to live and work through a number of flexible and competitively priced structures combining investment flexibility with tax advantages. Cyprus is also attracting wealthy individuals wishing to relocate to the island and take advantage of favourable citizenship and residency schemes. With an extensive banking network and with the availability of a variety of investment vehicles, Cyprus is a natural hub for wealth management and family offices.

INTELLECTUAL PROPERTY

As one of the most valuable assets for businesses, choosing the right Intellectual Property (IP) regime is becoming increasingly vital. With an effective tax rate of 2.5%, Cyprus offers one of the most attractive IP locations in the EU. The IP Box Scheme is a package of incentives and tax exemptions for income from intellectual property rights, intended to encourage investment in research and development. The Cyprus corporate income tax rate at 12.5% would normally apply to 100% of net profits produced. However, following the applicable tax exemptions, only 20% of the profits will be taxed. Cyprus’ efficient IP tax regime coupled with the protection offered by EU and all major IP treaties and protocols to which Cyprus is signatory, establishes the country as a highly attractive jurisdiction for the acquisition or development of IP assets.

INVESTMENT FUNDS

Cyprus’ investment fund sector is poised for growth with the modernisation of its regulatory framework and with updated legislation set to come into play in 2016 the number of funds is expected to surge. This sector has the potential to develop into a multi-billion-euro industry, and the island is currently emerging as an interesting EU-regulated jurisdiction for the global asset management industry. Today, the majority of alternative investment funds in Cyprus are of a small- and medium-size and focused on debt and equity securities, real estate and private equity. However, Cyprus has also attracted larger funds including one with assets of €500 million under management. The number of alternative investment funds has doubled in the



CONSTANTINOS

THE FIRST NAME IN
GOOD MANNERS

We are one of the world's largest independent providers of trust, fund and corporate administration services.

We are committed to helping our clients protect, nurture and grow their wealth.

Above all, we are a people business.

To find out more about our services
and to get to know us better, visit
www.firstnames.com

FIRST / NAMES
GROUP

First Names (Cyprus) Ltd is regulated by the Cyprus Securities and Exchange Commission





"Cyprus managed to retain all major advantages as a financial centre, although under a Troika

program. The financial services sector showed resilience and the last enactment of the tax reform package will make Cyprus a more attractive investment destination. Cyprus continuously enhances the variety of financial instruments, with investment funds being the most recent example. The country now has an attractive and competitive legal and tax framework in relation to the funds industry."

Angelos Gregoriades
Chairman
KPMG Limited



"We expect to see growth in Cyprus as an international business centre as the economy and reputation

recovers from the banking crisis of 2013. All the economic indicators point to positive growth in 2016 and we have personally seen more interest in companies moving into Cyprus as a low-tax jurisdiction, with particular interest coming from the shipping sector. There is definitely a more positive outlook from our international clients, and with the return of domestic economic confidence to pre-crisis levels and good fiscal performance, the outlook for growth in 2016 and 2017 is excellent."

Steve Slocombe
Co-founder - Fairfax Yeaman

last five years and foreign UCITS are now widely marketed in Cyprus, including ones promoted by international financial institutions such as JP Morgan, UBS and Julius Baer.

INSURANCE

Cyprus has 34 insurance companies offering a wide range of services and products for both individuals and international business. Considering the size of the country, this is a substantial number, and although this sector has traditionally been more focused on the local market, the industry is increasingly looking at expanding cross-border business and synergies to establish Cyprus as a gateway into neighbouring markets. Total life and non-life premiums reached €699.3 million in 2014 and with the sector constituting only 4.5% of GDP (UK 9%), there is room for growth and the potential for Cyprus to develop into an insurance hub and a convenient regional headquartering location for international insurance companies. Cyprus has also made pension reform a key aspect of its national structural reform programme in a bid to streamline benefits, address weaknesses and to boost competitiveness and growth.

FOREIGN EXCHANGE

For more than 20 years, Cyprus has been the jurisdiction of choice for Foreign Exchange (Forex) brokers and the country hosts a thriving industry and headquarters for many global giants such as FXTM, FXPro and IronFX. The last decade has seen particular growth in the number of retail forex brokers locating their operations to Cyprus, thanks to low corporate tax rates and the country's excellent infrastructure. Another key advantage is Cyprus' efficient regulatory framework under the supervision of the Cyprus Securities and Exchange Commission (CySEC), which is fully aligned with EU directives and European MiFID regulations. Cyprus was the first in the EU to regulate the foreign exchange market and CySEC is credited for attracting foreign investors to set up Cyprus Investment Firms (CIFs). CySEC-regulated CIFs have multiplied from just 18 in 2003 to over 200 in 2015, while also expanding in size and types of investment services. The total volume of CIFs transactions at the end of 2014, amounted to more than €7 trillion, and their total assets topped €21 trillion, which demonstrates the scale and growth of the sector. As a result, the contribution of CIFs to the Cyprus economy is substantial, providing valuable employment opportunities and enhancing local expertise in the provision of investment and ancillary services. With years of expertise and advanced infrastructure in electronic platforms, which have also contributed to the building of a

successful binary options business, Cyprus offers strategic advantages that have positioned it among the most attractive destinations for international forex business.


BINARY OPTIONS

Cyprus is the world's top regulator of binary options with the best brokers in the business, such as 24Option, Banc de Binary and OXMarkets, operating from the country and licenced by the Cyprus Securities and Exchanges Commission (CySEC). The key to the country's success in attracting binary options brokers to locate in Cyprus can be attributed to the fact that CySEC was the first financial regulator to include binary options in the MiFID definition of financial instruments and as a consequence regulate the investment firms offering this product. Today, Cyprus' binary options laws and brokers are some of the best in the world, and the jurisdiction continues to attract increasing numbers of firms seeking a CySEC license. As part of its continuous effort to enhance information disclosure, investor awareness and to improve supervision, CySEC has decided to formally bring binary options under its supervision, with the purpose of ensuring the maximum possible degree of investor protection.

AN ATTRACTIVE PACKAGE

Companies have long been attracted to Cyprus for a number of factors, and not all are tax-related. Cyprus has a high-quality of life, excellent infrastructure and the lowest crime rate in Europe. Business service fees are competitive and the quality is internationally recognised. Thanks to its location, Cyprus also enjoys business-friendly time zones, enabling international companies to do business with the East in the morning, Europe throughout the day and with the West in the afternoon. The country has a fully digital national network and a reliable, high-speed connectivity to other economies via satellite and fibre optic submarine cable systems. Its modern road network, extensive port facilities and two international airports, make travel and transport in and beyond Cyprus fast and economical. Cyprus' offering of specialised and internationally-recognised services, unrivalled access to key markets along with rewarding business opportunities has proven attractive for decades and continues to cater to the diverse needs of international companies and individuals. Its sophisticated business infrastructure, advantageous and transparent regulatory environment coupled with the current structural reforms is set to further boost Cyprus' reputation as an international centre of business excellence. ■

DISCOVER MORE AT
www.cyprusprofile.com



12.5%
Corporate Tax Rate

2.5%
IP Tax Rate

A Future in Funds



The modernisation of Cyprus' regulatory framework for investment funds is strengthening the island's profile as an emerging European funds and asset management domicile.

The European asset management industry has seen formidable growth in the last few years with assets under management reaching €19 trillion in 2014. Following this trend, Cyprus is setting its sights on becoming a strong contender as an emerging European domicile for the global investment fund and asset management industry, with its investment fund sector showing potential to develop into a multi-billion-euro industry. To achieve this, Cyprus is modernising its regulatory framework, with its current funds law bearing hallmarks of the regimes in Luxembourg and Ireland. These efforts have begun to bear fruit and the country has already seen increasing interest and appetite from investors and fund service providers looking for interesting EU-regulated jurisdictions. Cyprus offers both EU-regulated Undertakings of Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs), and is confident that it will make significant progress in attracting fund managers in the foreseeable future.

A YOUNG INDUSTRY

Initiated in the late 1990s and with substantial flows only in the past few years, the Cypriot fund sector is a relative newcomer in many respects. In 1999, the country introduced the International Collective Investment Schemes Law that allowed the set-up of private International Collective Investment Schemes (ICIS). There is no doubt that Cyprus' growth in this sector has been driven by the country's tax treaty network, rendering it a launch pad for investment funds primarily into Russia, the former Soviet republics and Eastern Europe. However, in the past two years, an increasing number of funds have also been set up for investment into Asia, primarily in debt and equity securities as well as in real estate. At the moment, Cyprus may have only a few custodians and managers, but with its large pool of world-class auditors, tax advisers, lawyers and administrators, it has the potential to support the development of the industry. International industry

leaders, such as IKOS, Albourne Partners and Apex Fund Services have already set up in Cyprus attracted by its cost-effective economies of scale, back office support, administration and other specialised services.

A NEW BEGINNING

The Cypriot regulatory authorities have worked diligently to bring the funds and asset management framework on par with other international jurisdictions. These efforts include the enactment of the Alternative Investment Funds (AIF) Law in July 2014, which replaced in its entirety the ICIS Law. ICIS wishing to continue operations in Cyprus under the new law converted to AIFs. There are currently around 25 authorised AIFs and 70 pending applications, which include new funds as well as applications for conversions from ICIS to AIFs. The 2014 AIF law is set to see another revision by early 2016 in cooperation with world-renowned firm King & Wood Mallesons. The firm has made various suggestions to enhance the attractiveness of the framework – such as the introduction of a Limited Partnership (LP) with legal personality to allow for internally managed LPs, the introduction of a *de minimis* asset management regime for managers below the AIFM thresholds and an unregulated AIFs regime under strict conditions.

Cyprus also transposed the UCITS IV Directive in 2012 and the Alternative Investment Funds Managers Directive (AIFMD) in 2013, becoming the third country in Europe to transpose the latter. The island now offers a European passport to the fund management industry providing exceptional possibilities for cross-border and global fund distribution. This should bring more business to the country and attract both EU and non-EU firms keen to gain the badge of an 'EU-compliant' manager and access to European Union investors. Another area where Cyprus is finally seeing growth is UCITS. A non-existent segment until very recently, it received a fresh boost with the launch of three UCITS funds (including 14 sub-funds) and two international UCITS management companies setting up on the island.

COMPETITIVE FRAMEWORK

Many industry experts believe that UCITS will remain more of a niche market, while alternative investment funds will continue to dominate the fund business in Cyprus. The new law on AIFs provides for a framework that is as competitive as those of Europe's main investment fund hubs

KEY PLAYERS

REGULATOR

Cyprus Securities and Exchange Commission (CySEC)
www.cysec.gov.cy

ASSOCIATIONS

Cyprus Investment Fund Association (CIFA)
www.cifacyprus.org

like Luxembourg, Ireland and Malta. The new legislation increases Cyprus' competitive offering by modernising the existing legal framework and opening the market to the registration of new types of funds. The AIF law also provides for the establishment of funds marketed to professional and retail investors, as well as for the introduction of umbrella funds with segregated investment compartments. It has also expanded the scope of legal forms by introducing the Common Fund together with the existing legal forms of Variable Capital Companies, Fixed Capital Companies, and Limited Partnerships.

SINGLE REGULATOR

The Cyprus Securities and Exchange Commission (CySEC) is taking steps to increase Cyprus' appeal as a fund domicile. Regulatory power was previously shared between CySEC and the Central Bank of Cyprus, but with the implementation of the new framework for alternative investment funds, all regulation has been brought under the aegis of CySEC, which will result in more streamlined procedures and further enhance Cyprus' attractiveness as a jurisdiction. CySEC now regulates AIFs, UCITS funds, AIFMs (Alternative Investment Fund Managers) and UCITS Management Companies, as well as MiFID regulated investment firms.

STRONG SERVICE PROVISION

There is already a number of recognised fund service providers established in Cyprus, ranging from global names to local independent operators servicing all types of funds at very competitive rates. Set-up costs for a fund in Cyprus are significantly lower than in the more mature fund centres such as Luxembourg and Ireland. In addition, the 'Big Four' accounting firms have a presence on the island while a number of law offices also have cooperation agreements with international law firms, instilling confidence that Cyprus has the capacity and expertise to help the fund industry expand. Despite having a versatile industry cluster, Cyprus seeks to attract more service providers to the island in order to gain critical mass and to win a bigger share of the global funds business. In terms of custodians, Cyprus' new AIF framework allows financial entities other than banks, to also offer custody services, being subject to prudential regulation and meeting capital adequacy requirements.



"The ultimate goal of CIFA is to position Cyprus as a jurisdiction of choice in the field

of investment funds and asset management. It is anticipated that the modernisation of the relevant regulatory and legal framework of Cyprus and the implementation of the action plan currently being finalised, in cooperation with King & Wood Mallesons, will further contribute to the rapid development of the funds sector, attracting additional investments for the Cyprus economy."

Angelos Gregoriades

President
Cyprus Investment Funds Association (CIFA)



"The European asset management industry has seen continuing strong growth throughout

the last years, with total assets under management reaching €19 trillion in 2014. This reinforces the position of the industry as a key player in the wider financial system. Cyprus, as an emerging jurisdiction for funds and management companies, can certainly benefit from this strong growth by 'building' its own profile based on the particular links it holds with third countries and on its long-term experience on professional services and business operations."

Agathi Pafili

Senior Regulatory Policy Advisor
European Fund and Asset Management Association (EFAMA)



Assets under Management:
€2.9 billion
 (Sept 2015)

By Investment Focus:

Equity
€2.3bn

Bond
€26.9mn

Mixed
€366.7mn

Real Estate
€154.7mn

Other
€97.4mn

By Type:

Open-end
€2.4bn

Closed-end
€497mn

GLOBAL REACH

Going forward, the island's vision is the development of a world-class fund sector. There is now increasing awareness that diversity provides stability, and the expansion of the funds sector is seen as the natural extension of the island's finance sector. Cyprus has good prospects to achieve its goals as the introduction of the EU regulatory framework places the island on the map as a growing domicile for investment funds and asset management. Cyprus provides a lower cost structure and distribution opportunities to a wide range of markets, including but not limited to, the EU. The country has a vast network of double taxation treaties with close to 60 countries, which offer interesting tax planning opportunities and key advantages for funds following investment strategies in emerging markets.

Determined to build up this sector, the industry is also increasing its marketing efforts. The Cyprus Investment Funds Association (CIFA) was set up to raise awareness of what Cyprus has to offer among international managers, administrators and investors. Cyprus operates within a regulated fund regime that is in tune with the requirements of the modern fund industry. The recent changes in the fund landscape are expected to raise investor confidence in the jurisdiction by creating a European passport of quality and compliance. This coupled with Cyprus' attractive fiscal framework, English-speaking workforce and its competitive operating environment, will likely increase the island's ranking as a domicile and servicing centre for both alternative funds and UCITS. This type of growth will not happen overnight, however, the fact that fund managers are increasingly moving to Cyprus demonstrates what the regulatory shift in the European funds landscape could mean for the Cypriot investment fund industry. ■

Advantages of Cyprus

EU Member: Single market directives apply

Cost-effective jurisdiction

Established connections to diverse investor markets

Potential hub for investment into Middle-East and North Africa

Professional acumen in international structuring

English language and Common Law heritage

Solid legal, regulatory & professional foundations

Interesting emerging market with a commitment to develop funds industry

International Memberships:

International Organization of Securities Commissions (IOSCO), European Fund and Asset Management Association (EFAMA)

DISCOVER MORE AT
www.cyprusprofile.com

EVERYTHING

YOU NEED TO DO
BUSINESS IN CYPRUS



MANUFACTURING & INDUSTRY

Focus on Innovation

Cyprus is focusing on advanced high-tech products for niche markets, with hope that these value-added activities could facilitate a resurgence of productivity and protect the island's production heritage.

Cyprus is the perfect base for the small-to-medium-sized manufacturer seeking access to both the European Union market of 500 million and the burgeoning markets of the Middle East, North Africa and Asia. Its strategic location, coupled with its sophisticated transport and logistics infrastructure, offers considerable advantages to the producer hoping to expand into new markets. Companies forming links with Cyprus are able to benefit from the country's EU and eurozone memberships and from numerous tax advantages. Businesses located in Cyprus are superbly placed to supply new and existing markets in the region, while benefiting from the island's well-developed infrastructure and highly skilled labour force.

GOING HIGH-TECH

Cyprus is radically restructuring its manufacturing base and actively seeking to attract new high-tech and knowledge-based industries. Regrettably, the sector has been hit hard by the economic recession of recent years. Prior to the 2013 bailout, Cypriot manufacturers were slowly emerging from a lean period when they were squeezed between high-wage producers in the west using cost-efficient modern production techniques, and low-wage mass producers in South-East Asia. They responded by repositioning themselves to focus on higher-value niche production, more appropriate to Cyprus' modern-day economy and its highly educated workforce.



for 9% of people in employment. The main destination for Cypriot manufactured exports is the European Union, which constitutes over 50% of the market, while exports to the Middle East make up around 15%.

SMES LEADING THE WAY

The majority of manufacturers are small and medium-sized enterprises (SMEs), which employ less than 10 workers. This makes the sector flexible and open to innovation. The government is seeking to improve SMEs' access to finance and overseas markets, and to maximise the commercial potential of local research and development in order to open up untapped areas of productivity. The adoption of modern production technologies has already created new opportunities for traditional enterprises to compete globally and the sector is attempting to secure its future by establishing itself afresh in specific niche markets. The pharmaceutical and non-metallic mineral sectors have already succeeded in making this transition towards the provision of value-added products for a specialist market. Since 1999, both areas have shown consistent growth. In a bid to support SMEs, Cyprus also offers opportunities to make use of 10-year tax breaks for new export orientated companies, access to training grants and soft loans, as well as funding opportunities for small start-up companies.

QUALITY PHARMA

Demonstrating consistent excellence and conformance to internationally approved quality standards, consumers are using and trusting Cypriot-made pharmaceuticals in over seventy countries worldwide. Cyprus is in a unique position to exploit its position in Europe with respect to the manufacture and distribution of pharmaceuticals. Cypriot pharmaceutical products can be found from the EU to Australia, Costa Rica, the Gulf and Middle East, Africa and all across Asia and the Pacific, establishing 'Made in Cyprus, Made in EU' synonymous with quality.

SUCCESS STORIES

One such niche success story is leading Cypriot pharmaceutical company Medochemie Ltd, which develops, manufactures and distributes generic pharmaceuticals. It has nine plants in Cyprus, one in the Netherlands, and last year expanded still further, opening its eleventh plant in Vietnam.

Copper mining and metallurgical production in Cyprus commenced 5,000 years ago, and although due to the size of the island there is limited scope for a big mining industry, a few players have been successful in Cyprus, despite the size



"The timely implementation of the Memorandum of Understanding with Troika,

the successful completion of the macroeconomic adjustment program, the recurring positive evaluations by the international credit rating agencies and most recently the return to the international markets with the issue of a ten-year bond, have marked the beginning of a new era for Cyprus. The economic situation in our country is no longer considered as suspicious."

Christos Michaelides
Chairman
Cyprus Employers and Industrialists Federation (OEB)

KEY PRODUCTS

From being traditionally agricultural, Cyprus embraced industrial development in the 1960s and today specialises in the manufacture of medium- and high-technology products and semi-customised small-batch products. Main growth industries have been in ICT sector manufacturing parts, instruments and electronics, as well as consumer products such as food and cosmetics. Cyprus' key industrial products are: pharmaceuticals, food, beverages, chemicals, mineral products, machinery and equipment. Of these, only pharmaceuticals and non-metallic minerals have experienced growth in recent years. Today, manufacturing contributes approximately 5% of GDP and accounts

Manufacturing
contributes approximately

5%
of Cyprus' GDP

**Industrial Output
Prices Index**

100.9

units (base 2010=100),
recording an increase of 0.1%
compared to September 2015.

Manufacturing Index

103.0

units, remaining stable
compared to September 2015.
(CyStat October 2015)



of the island limiting the scope. Hellenic Copper Mines have the only active mine in Cyprus, constituting the world's longest continuously producing copper mine with over 4,000 years of history. Due to the technical challenges of operating in a small market, the company places strong emphasis on innovation – an indicator Cyprus ranks well on – and was the first to introduce hydrometallurgy in Europe. Other areas of potential interest include the preliminary surveys done by mineral exploration company BMG, which is in the process of identifying sites for high impact exploratory drilling in the Kalavassos district of the Troodos Mountains.

Food and beverage manufacturers are also attempting to grow and develop specialist markets for their products and are marketing halloumi cheese, olive oil, fruit and vegetable juices and wine to a more specialist customer base.

KEY PLAYERS

ASSOCIATIONS

Cyprus Employers and Industrialists Federation (OEB)
www.oeb.org.cy

The Cyprus Association of Research and Development Pharmaceutical Companies (KEFEA)
www.kefea.org.cy

Cyprus Chamber of Commerce and Industry
www.ccci.org.cy

SOLUTIONS THROUGH INNOVATION

To continue to meet the rigors of the global market, Cypriot manufacturers are constantly following developments and technological advances in their field of activity, while the government continues to encourage manufacturing by improving the infrastructure and creating industrial parks and free industrial zones. Innovation is the pivotal driving force in this sector and could bring new opportunities and open new niche areas of industry. Also, due to the

high cost of electricity production in Cyprus, the use and development of renewable energy is seeing a boost, with manufacturers striving to become self-sufficient and add value to the production process. However, the recent discovery of natural gas is expected to further facilitate innovation and growth within the manufacturing sector, with prospects of using the island's own energy supply to lower the cost of production. ■

DISCOVER MORE AT
www.cyprusprofile.com

EVERYONE

YOU NEED TO DO BUSINESS IN CYPRUS

CyprusProfile.com



MARITIME & SHIPPING

A Flag of Progress

Firmly established as an international maritime centre, the strength, breadth and experience of Cyprus' shipping sector is attracting quality tonnage and increasing numbers of first-rate shipping companies from around the world.



1st

third-party shipmanagement
centre in the EU

10th

largest fleet
worldwide

3rd

largest ship register
in Europe

Shipping accounts for

7%

of Cyprus' GDP

(including auxiliary services)

The maritime industry has been one of Cyprus' most successful export services, with the island considered one of the top global hubs for ship owning and shipmanagement services. The country's maritime capital, Limassol, is home to some of the world's most influential names in shipping such as the German-owned company Bernhard Schulte Shipmanagement, the Russian-owned company Unicom Management Services, the Indian-owned company Fleet Management and the Italian-owned company MSC Mediterranean Shipping Company. Today, Cyprus is the largest third-party shipmanagement centre in Europe and the largest crew management centre in the world, while the island's international ship register is the third largest in Europe and the 10th largest in the world.

A STRONG MARITIME HISTORY

Merchant shipping has long been of great importance to the island. A seafaring nation since antiquity and located along important trade routes, Cyprus has actively developed its shipping sector for decades. The international maritime industry began flocking to its shores in the early 1960s, when Cyprus introduced legislation providing ship managers and owners with a more tax-efficient business environment. This paved the way for the expansion of an industry that now contributes approximately €1 billion each year to the economy, accounting for over 7% of GDP (including auxiliary services) and directly employing 4,000 shore-based personnel and 55,000 seafarers from around the world. Cyprus has built up an exceptional maritime infrastructure and a high level of expertise, particularly in the fields of surveying, ship-brokering and maritime insurance, while the country's legal, accounting, tax and IT professionals offer high-quality support services to the sector. In addition, Cyprus' low corporation tax of 12.5% and its extensive network of Double Tax Treaties (DTTs) with close to 60 countries, make it a tax-efficient business location.

MAINTAINING COMPETITIVENESS

The Cyprus flag is considered one of the highest quality EU flags available today, and ranks at the top of various Port State Control Agreement 'white lists' – including the Paris and Tokyo MOUs. An important factor in the development of the industry has been the support and lobbying efforts of the Cyprus Shipping Chamber (CSC) – essentially the voice of the resident industry – and the efficiency of the Department of Merchant Shipping (DMS). Through continuous evaluation of the opportunities and challenges facing the sector, the DMS is determined to establish Cyprus as a five-star flag and to modernise its operations to better cater to shipping companies. Offering 24/7 support servic-



Shipping is a formidable sector in Cyprus offering a number of advantages to companies worldwide. Cyprus is implementing various measures in cooperation with the private sector, to improve service to our clients and to become more effective in promoting its shipping worldwide. Additionally, in recent months we have introduced further horizontal incentives to attract more companies to the island, enhancing the Maritime cluster."

Marios Demetriades
Minister of Transport,
Communications and Works



“EY Cyprus has long-term commitment to the shipping industry, and recently conducted a

development study on shipping for the Department of Merchant Shipping of the Ministry of Transport, Communications and Works. Our findings show that the attractive legislative and operational shipping infrastructure has the advantages to develop Cyprus into an even greater pole of attraction for first-rate shipping companies, both from countries within and outside the EU.”

Stavros Pantzaris
Country Managing Partner
EY Cyprus



“We are looking forward to the continuous expansion of our registered fleet, and to see more

companies choose Cyprus as an operation base. Key priorities will be to develop our services with a more 2020 approach, by providing more efficient electronic services and establishing a one-stop-shop for all shipping-related services for our customers. We expect 2016 to bring more growth to Cyprus, and the country will continue to go from strength to strength.”

Andreas Chrysostomou
Director
Department of Merchant Shipping

es and rapidly reacting to emergencies, while moving towards more sophisticated electronic and mobile communications as well as reinforcing its staff and supervisory ships in international ports, are all part of the DMS’ efforts to maintain Cyprus’ position as a key shipping hub. In order to combat the growing international threat of piracy, Cyprus also led the way as one of the first countries to approve detailed legislation allowing armed guards aboard Cypriot-flagged vessels in June 2012.

Through its attractive legislative and operational shipping infrastructure, Cyprus has the relevant advantages to develop into an even greater pole of attraction for top shipping companies, both from countries within and outside the EU. One of only two ‘Open Registries’ in the EU, Cyprus provides ship owners with considerable advantages in terms of the legal framework surrounding ship operations, such as crew recruitment, training and safety of seafarers and environmental protection policies – advantages that have direct implications for shipmanagement operations.

Cyprus’ low company set-up and operating costs and its advantageous tax framework continue to be a pull-factor for shipping companies. In a determined effort to ensure the industry’s competitiveness, the government introduced an upgraded, EU-approved, tonnage tax system (TT) in 2010, which enhanced the island’s reputation as a top location for ship managers, owners and charterers. The overall gross tonnage of ships sailing under the Cypriot flag rose 2% in 2014 to 22,708,248 tonnes after rising 3.2% the year before, according to the Department of Merchant Shipping. A key benefit of the TT regime is the certainty it provides on the amount of annual payable tax. In addition, the regime covers a wide range of qualifying activities and vessels and crew members of qualifying Cyprus-flagged ships (including parallel in registration) are exempt from income tax.

RISE IN SHIPMANAGEMENT REVENUES

More than 130 shipowning, shipmanagement and shipping related companies maintain fully-fledged offices and conduct their international operations and activities from Cyprus. It is estimated that approximately 4% of the world’s fleet and around 20% of global third-party shipmanagement activities are controlled from Cyprus. From the companies established in Cyprus, around 87% are controlled by EU interests, including Cypriot. There was a no-

KEY PLAYERS

GOVERNMENT

Ministry of Communications & Works
www.mcw.gov.cy

Department of Merchant Shipping (DMS)
www.shipping.gov.cy

ASSOCIATIONS

Cyprus Shipping Chamber
www.csc-cy.org

Cyprus Union of Shipowners
www.cus.com.cy

ticeable increase in shipmanagement revenues during the first half of 2015, with total revenues increasing to €464 million. As a percentage, the total revenues now correspond to 5.4% of Cyprus’ GDP, the highest reported since 2010. Cyprus has also become more attractive to Greek shipping professionals, with Greek shipowners and shipmanagement companies seeking to transfer part of their operations to Cyprus amid the uncertainty in the Greek economy. The share of revenue from Greece increased to 6% in the first half of

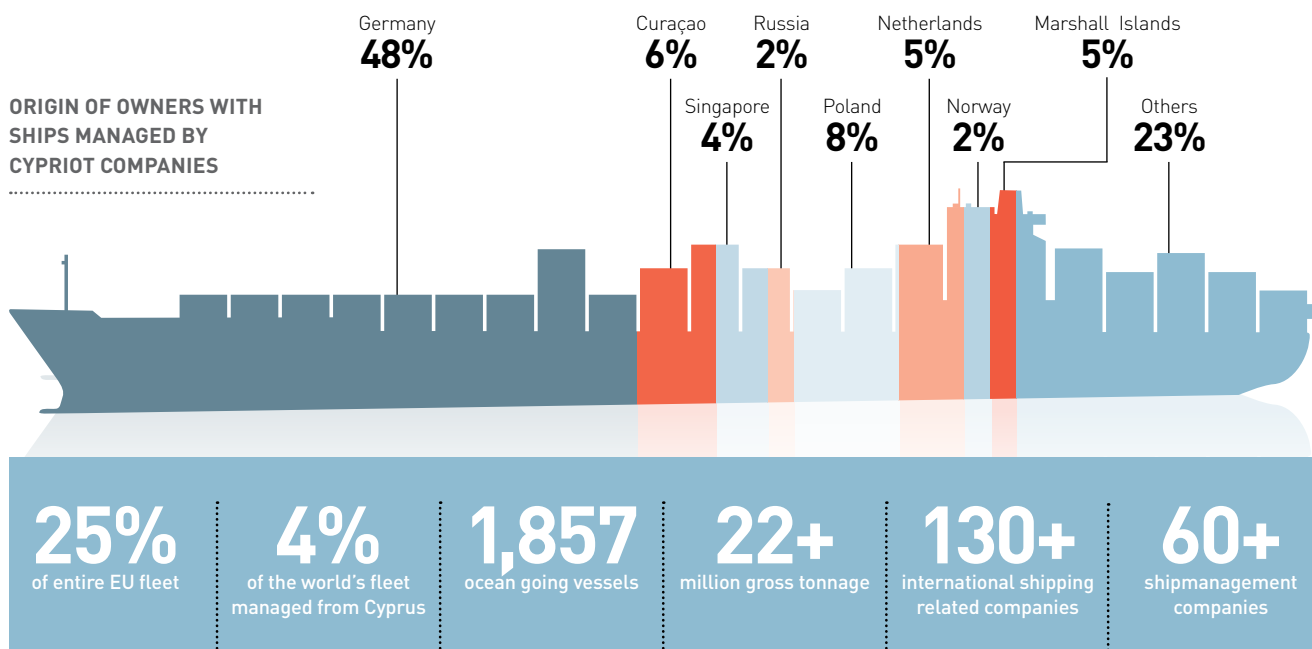
2015, from 2% the year before.

An important benefit for shipping companies based in Cyprus is the ease with which they can source highly educated personnel. Shipping continues to be one of the highest paid industries in the country, providing a great opportunity to retain a highly trained workforce in a country still facing economic challenges and high numbers of unemployment. An added boost has come from new legislation providing tax incentives for high-earning expats, establishing Cyprus as a top location for foreign shipping executives – thus importing more expertise to the sector.

CYPRUS PORTS

Its geographical position at the crossroads of three continents, and its proximity to the Suez Canal, has long promoted the merchant shipping industry in Cyprus. Historical shipwrecks off the ancient ports of Kyrenia and Amathus, give evidence to the prominent role Cyprus has played for centuries. Today, around 80-90% of the country’s merchant fleet rarely calls at a Cypriot port as they trade globally and Cyprus’ ship inspectors cover all important ports worldwide. However, Cyprus has an advanced maritime infrastructure with two deep-sea multipurpose ports in Limassol and Larnaca, with the majority of ships docking at its shores for local import and export purposes.

The sector is set to benefit from the privatisation of the operations of the Limassol Port. The port will see an imminent expansion of 220,000m² of land, which is expected to contribute greatly to the expansion of the Cyprus shipping industry and support the further development of the island as a logistics and transshipment centre. The widening and deepening of the Suez Canal could also increase traffic in the region and bring more opportunities to Cyprus, in terms of transshipment, break bulk, fuel bunkering, as well as maintenance and repair.



Tonnage Tax (TT) Regime

Benefits of Cyprus

- › Ship owners of community flag ships and foreign flag ships may opt to be taxed under the tonnage system
- › Ship managers who provide crew and/or technical ship management services eligible for the TT system (must satisfy certain criteria)
- › Certainty on the amount of annual payable tax
- › Wide range of qualifying activities and vessels
- › Crew members of qualifying Cyprus flagged (including parallel in registration) ships are exempt from income tax
- › Submission of TT returns can be effected electronically
- › TT Regime can be easily used alongside income tax if both qualifying and non-qualifying activities are conducted

Cyprus Ship Registry

- › One of the largest registries in the EU and worldwide
- › Competitive registration fees
- › Availability of provisional registration (valid for 6 months)
- › Availability of two forms of parallel (bareboat) registration enabling chartered ships to be registered under two flags for a period of time

Tonnage Tax (TT) Rates / per 100 units

Units of net tonnage	Ship owners & charterers	Ship managers
0-1,000	€36.50	€9.13
1,001 - 10,000	€31.03	€7.76
10,001 - 25,000	€20.08	€5.02
25,001 - 40,000	€12.78	€3.20
excess of 40,000	€7.30	€1.83

*Any residual tonnage of less than 100 units of net tonnage shall be charged proportionally

WHY CYPRUS?

- › EU flag
- › One of only two 'Open Registries' in EU
- › Advanced maritime infrastructure (two deep sea multipurpose ports in Limassol and Larnaca)
- › Favourable EU-approved tonnage tax scheme
- › High safety standards – included in the White List of Paris MOU and Tokyo MOU
- › Low set up and operating costs for companies
- › High-quality services by the Department of Merchant Shipping and wider services sector
- › Cyprus ships' inspectors cover all important ports worldwide
- › Bilateral Agreements of Cooperation in Merchant Shipping with 23 countries including major labour supplying countries
- › Signatory to numerous international maritime conventions



“The recent discovery of natural gas in Cyprus’ Exclusive Economic Zone creates great

prospects for Cyprus shipping and the Cyprus off-shore sectors. It is therefore imperative to proceed with an upgrading of the Maritime Administration based on the findings of a study on the future of shipping in Cyprus recently commissioned by the Ministry of Transport, Communications and Works, which also recommends the preparation of a unique tailor-made maritime framework, focusing on education, training, research and innovation.”

Thomas A. Kazakos
Director General
Cyprus Shipping Chamber



“Cyprus’ economy has staged an impressive recovery over the last couple of years and is

expected to grow between 1 and 1.5% in 2015, with similar or better performance in 2016. Shipping has more than played its part in this and contributes around 7% of GDP. Cyprus’ maritime cluster is growing with the addition of quality ship owners and ship managers and the stable taxation and regulatory environment that Cyprus offers shipping companies is helping companies already on the island and attracting others to consider Cyprus.”

Themis Papadopoulos
CEO
Interorient



A GLOBAL PLAYER

Signatory to numerous international maritime conventions and with bilateral cooperation agreements with 23 countries, including major labour supplying countries, Cyprus is a strong global contender. The island’s active participation in various shipping related fora, such as The International Maritime Organization (IMO), the International Labour Organization (ILO) and the European Maritime Safety Agency (EMSA), ensure that the resident industry’s voice is heard internationally. The government has a continued commitment to the sector and fosters strong ties with industry associations, such as the Cyprus Shipping Chamber and Cyprus Union of Shipowners, and is determined to ramp up the promotion of this formidable sector. A pivotal element of these efforts is the biennial conference ‘Maritime Cyprus’, which was launched in 1989. The event has grown into one of the world’s most significant shipping conferences, placing Cyprus in a prominent position to offer international shipping executives a platform to influence international policy and global shipping trends.

NAVIGATING THE FUTURE

There is no question that global shipping was severely hit by the international financial crisis, but

the fact remains that almost 90% of world trade is transported by the international shipping industry – and with recovery of economies worldwide prospects for the industry is set to grow further. Today, Cyprus has a robust shipping sector offering a solid tax framework and one of the widest scopes of coverage for shipping activities in Europe, through clear-cut separate inclusions of shipowning, ship-management and chartering. However, the key challenge for the industry remains the Turkish embargo on Cyprus-flagged vessels entering its ports. There are hopes that ongoing political dialogue will lead to a settlement in 2016, which would give a significant boost to the sector. There is also tremendous potential for positive developments in the shipping industry due to the discovery of hydrocarbons in Cyprus’ EEZ as well as the wider Eastern Mediterranean region. The exploration of hydrocarbons and the development of offshore installations provide both the Cyprus economy and its shipping industry with emerging opportunities. Through its attractive shipping infrastructure, Cyprus has all the key advantages to attract more quality tonnage and increasing numbers of first-rate shipping companies from around the world in the years to come. ■

DISCOVER MORE AT
www.cyprusprofile.com

...not just a flag



CYPRUS

a maritime centre
of excellence and quality



For further information please contact:
DEPARTMENT OF MERCHANT SHIPPING, MINISTRY OF COMMUNICATIONS AND WORKS
P.O.Box 56193, 3305 Limassol, Cyprus. Tel.: +357 25848100, Fax: +357 25848200
e-mail: maritimeadmin@dms.mcw.gov.cy website: www.shipping.gov.cy



TECHNOLOGY & COMMUNICATIONS

Global Connections

Immediate access to the latest advances in information technology is vital to business success and Cyprus has made innovation a top priority in its strategy to develop a digital economy.



Cyprus has managed to successfully exploit its strategic location at the crossroads of Europe, Asia and Africa – establishing it as a thriving international business centre with global connections. This success could not have been achieved without the support of an advanced communications infrastructure. Promoting the digital economy and developing secure electronic communications networks is high on the agenda in 2016, including creating more efficient e-solutions across all sectors. The government's commitment to attracting foreign investment into Information and Communications Technology (ICT) projects and with start-ups springing up, Cyprus is being noticed internationally and was recently included in a list of eight emerging global technology hubs by Transfer Wire.

ALL THE RIGHT CONNECTIONS

Cyprus has a fully digital network with reliable high-speed international connectivity via eight fibre optic submarine cables, including the world's longest optical submarine telecommunications cable, SEA-MEWE-3, which links directly with South East Asia, the Middle East and the rest of Western Europe. Cyprus' network boasts 100% broadband coverage, with DSL network capacities of at least 2Mbps, while telecommunications costs are among the cheapest in Europe. Satellite communications are an important part of business in Cyprus and the country has developed a simple, flexible and competitive licensing model. Cyprus has already issued three authorisations, resulting in one satellite in operation and four new satellites expected to be launched in the next three years. In

the last five years, investments of companies in the sector reached €300 million. In addition, Cyprus has secured a significant amount from EU structural funds for the deployment of step-change technology, for the roll-out of Fibre-To-The Home (FTTH) networks. By 2020, FTTH networks are expected to extend to every private residence.

TELECOMS AND PRIVATISATION

Mobile operators in Cyprus offer high speed broadband mobile access through 3G and 4G technologies, with constant investment in new technologies. Cyprus also boasts some of the most cost-effective call rates within the EU and plans to proceed with the authorisation of new frequency bands (800/2600 MHz) by early 2016, which will give the opportunity for current and new providers to further enhance their networks in terms of speed, capacity and quality of service.

Increasing numbers of technology companies are choosing to locate their operations in Cyprus, attracted by the island's high-quality services, skilled workforce and favourable tax and business environment. The Cypriot government also offers financial incentives for innovative small and medium-sized enterprises setting up on the island.

State-owned operator Cyprus Telecommunication Authority (Cyta) continues to dominate the market offering a full range of telecommunications services. Other key players with a prominent role in the telecoms landscape are MTN, Primetel and Cablenet. 2016 will be a critical year for the country, and following the stabilisation of the economy, the country is focused on attracting significant FDI to Cyprus. An ambitious privatisa-

“We are very proud of our excellent telecommunication infrastructure. Cyprus has managed to successfully exploit its strategic location at the crossroads of Europe, Asia and Africa for telecommunication purposes. We have developed an excellent satellite and submarine cable infrastructure, which is not only used to connect the island with its neighbouring countries and the rest of the world, but also to transfer traffic between continents.”

Marios Demetriades
Minister of Transport,
Communications and Works

NEW SUBSEA FIBRE CONNECTIONS

The KIMONAS subsystem will connect Cyprus and Greece through subsea fibre pair between Cyta's landing station at Pentaskhinos and MedNautilus landing station at Chania, Crete. KIMONAS will be Cyta's first wholly-owned optical fibre cable subsystem. The subsystem complements Cyta's alternative segments on the MedNautilus subsea cable network and in particular the MINERVA and ATHENA rings, which connect Cyprus with Sicily, and Athens with Crete, respectively. The agreement for KIMONAS subsystem fosters a new partnership between the Cyta Group and Telecom Italia Sparkle, enhancing the strategic role of Cyprus as a major cable hub in the Eastern Mediterranean.



“Cyprus, through Cyta, serves as a major regional telecommunications hub in the Eastern

Mediterranean, operating multiple satellite teleports and cable stations, linking Cyprus with the world. Cyta’s new subsea cable systems linking Cyprus to neighbouring countries and European destinations will complement existing facilities, enhancing the robustness of Cyta’s international access through physical diversity and significant increase in bandwidth, thereby creating Eurasian business opportunities and a bridge between East and West.”

Yiannis Koulias

Managing Director Cyta Hellas – Director National & International Wholesale Market Cyta Group



“4G and the convergence with IT are gradually transforming the sector and improve

the international position of our country, by turning Cyprus into an important, secure and developed service hub in the SE Mediterranean region. The undisputed strategic location and its political stability make Cyprus a business safe-haven in a troubled region. This will be complimented by the development of cloud and virtualised technologies that will serve the wider Middle East and North Africa regions.”

Philip Van Dalsen
CEO - MTN Cyprus

tion programme is in place with government-controlled Cyta earmarked for privatisation, presenting foreign investors with a unique opportunity.

GROWING POTENTIAL

With increased competition, the roll-out of 4G and expanding development in new solutions such as cloud services, Cyprus is continuously re-evaluating and upgrading its technology sphere. A key development in support of Cyprus’ digital strategy is the launch of the country’s first-ever Science and Technology Park (STP) in Pentakomo, near Limassol. The large scale project is a welcome move and will create applied research and development centres as well as office and support facilities tailored for science and technology companies. A key objective is also to promote business incubators in a bid to expand the range of opportunities for research and development. The planned STP, located near the country’s main electricity power station and a short distance from the island’s main ports and airports, provides strategic investors with an interesting opportunity to finance, design, build and manage a landmark project. The tender notice was published in 2015 and has already attracted international interest. To sweeten the deal for foreign investors, Cyprus offers various incentives, such as tax breaks, greater flexibility in authorisation procedures and easier application process for residence and employment permits. In addition, investors will have tax-breaks for expenditure on acquiring patents or copyrights, buying shares in innovative businesses and start-ups, and additional breaks for the cost of buying fixed assets to be used in innovative operations. To expand the scope of the project, strategic investors could build an on-site hotel accommodating up to 100 guests, featuring restaurants and a conference centre, and an array of government-funded projects up to €3 million, including the road network and setting up power, telecommunications and water supply.

KEY PLAYERS

REGULATOR

The Office of the Commissioner for Electronic Communications and Postal Regulation
www.ocecpr.org.cy

GOVERNMENT

Ministry of Transport, Communications and Works
www.mcw.gov.cy

As a business services hub it is crucial for Cyprus to keep up with cutting-edge technology, and a new mentality geared towards innovation is slowly opening the market for more current and sophisticated tech solutions. International giants such as Microsoft, Oracle, SAP and IBM have been on the ground, supporting Cyprus’ tech evolution for many years, but there is room for further development and growth in

the sector. Recognising that Information and Communication Technologies (ICT) are a catalyst to increase productivity and economic growth, Cyprus launched its ‘Digital Strategy’ in 2012. The strategy, which is line with the Digital Agenda for Europe, promotes the use of ICT in all sectors of the economy in a bid to increase private sector competitiveness and to modernise the public sector.

DIGITAL CYPRUS

The country’s digital agenda outlines a series of key objectives, which include connecting Cyprus with high-speed networks and to promote competition to create a more sophisticated infrastructure and cost-effective services. Modernising public administration through electronic services is a top priority, and in January 2016 Cyprus signed a memorandum with Estonia in the field of eGovernance and ICT. Through the agreement, Cyprus will benefit from Estonia’s extensive knowledge and pioneering know-how in eGovernance, which could result in annual savings of 2% of GDP. Another aspect is the creation of tools to promote eDemocracy, by consolidating government data centres and setting up call centres and online services to better inform both citizens and businesses about government services. Cyprus has also been looking at ways to encourage economic institutions, including government departments, to use technologies or implement policies and practices that are environmentally friendly both in production cycles and operations.

With plans to roll-out a national health scheme by 2017, the importance of eHealth solutions in Cyprus is rising. Installing an eHealth system in all hospitals is a strategic aim at controlling both the quality of service and cost. Cyprus' performance in eHealth can be greatly improved by encouraging a greater adoption of medical data exchange. Currently, only 24% of Cypriot general practitioners exchange medical data electronically, versus 36% in the EU. In addition, Cyprus needs to increase its performance in relation to ePrescriptions, where only 16% of its general practitioners transfer prescriptions to pharmacists electronically.

An important aspect of the agenda is also the inclusion of vulnerable groups into the helm of digital Cyprus, as well as promoting learning through ICT – using it as a dynamic tool to upgrade and reform the educational process. Digital entrepreneurship is an objective that goes hand in hand with this, in an bid to help businesses use ICT extensively to increase their productivity and become more competitive in domestic and international markets. In addition, a strong focus has been placed on increasing public and private spending on research and innovation in the ICT sector, which opens ample opportunities for foreign expertise.

INNOVATION AND START-UPS

Compared to many of its European counterparts and regional neighbours such as Israel, Cyprus is still in its infancy in terms of its start-up ecosystem. However, the past few years have seen a leap in the provision of funding, support and mentoring opportunities to aspiring entrepreneurs and innovators. Start-up accelerators such as the Cyprus Business Angels Network, Cypriot Enterprise Link, Chrysalis Leap and Repower Cyprus have all boosted the environment, along with events such as Hack Cyprus Hackathons, the CleanLaunchpad Competition, as well as Startup Weekend and Startup Live.

Youth unemployment is a serious challenge Cyprus has yet to overcome, but is also breeding more innovation in the ranks of the young. Home-grown talent and a burgeoning tech landscape have already launched some inspirational success stories. InfoScreen is revolutionising the corporate



services industry in Cyprus, while 3D-construction toys system ENGINO is snapping up awards. Teach'n Go is a learning management system designed for professional education providers, while Cove has turned a simple concept into a powerful product to facilitate business. Diyful is taking the hard work out of do-it-yourself by offering an online platform and Ladybug is a monitoring and controlling system allowing users to regulate their household energy consumption.

AN EMERGING TECH HUB

Cyprus has big plans to become a centre of excellence for technology development, and with so much untapped potential the island provides interesting opportunities for tech-savvy investors and innovators. Both Cyprus University of Technology and the University of Cyprus are providing increasing numbers of highly qualified graduates to meet the sector's growing demand, while the Cyprus Institute – a world class research establishment – is engaged in several ground-breaking and technologically innovative projects. With its strategic geographical location and established framework for technology and research initiatives, Cyprus is perfectly placed to realise the European vision of a digitally democratised society and see substantial growth in coming years. ■



"Continuous investment in the telecommunications infrastructure of Cyprus is supporting the

island in making the most out of its geographical location. PrimeTel operates the largest privately-owned fibre optic network in Cyprus and a new state-of-the-art 4G network, centred on providing unparalleled fast broadband speeds. Furthermore, our landing station and data centres, which have been accredited with the most rigorous and globally recognised information security standards, provide trusted services to our customers."

Theodosios Theodosiou
Chief Commercial Officer
PrimeTel

DISCOVER MORE AT
www.cyprusprofile.com



TOURISM

Cruising to Growth

The most resilient of Cyprus' commercial sectors, tourism saw a boost in 2015 bringing in a record number of tourist arrivals in over a decade. With efforts to diversify its tourism product, new foreign investment in the sector and plans for a world-class casino resort, the future of Cyprus' tourism looks bright.

Tourism has been a key pillar of the Cyprus economy for decades. The sector has remained economically robust and is the only commercial sector in Cyprus to see continuous growth throughout the global financial crisis. The number of tourists visiting the island in 2015 reached almost 2.7 million, matching a previous record set in 2001. With a strong focus on further developing niche tourism and extending the season, the country's efforts to diversify its offering are beginning to bear fruit.

A WINNING PACKAGE

Cyprus is well known for its hospitality and is renowned for its excellent quality of life, evidence of this are the numerous prestigious awards bestowed on its tourism industry, spanning from the Sustainable Destinations Global Top 100, VISION on Sustainable Tourism, Totem Tourism and Green Destination titles presented to Limassol and Paphos in December 2014. Cyprus ranks at the top of the EU for clean waters for swimming and has been awarded 53 Blue Flags, achieving three records: the most Blue Flags per capita in the world, the densest concentration of Blue Flag beaches and the most Blue Flag beaches per coastline. However, Cyprus is much more than just a 'sun and sea' and package-tour destination, with a new offering of niche segments such as sports and cultural tourism on the rise. Although tourists are spoilt for choice in terms of accommodation ranging from budget-priced two and three-star hotels to a growing range of upmarket hotels with four and five-star status, a key growth segment is agrotourism, giving travellers a unique opportunity to enjoy and experience authentic Cyprus village life.

POISED FOR GROWTH

Cyprus saw record-breaking arrivals in 2015 and indications are that 2016 will build on this growth. There was an 8.9% increase overall in 2015, bringing total arrivals up to 2,659,405, according to the Cyprus Tourism Organisation (CTO). This is the second best record following the 2001 landmark of 2.69 million. Cyprus attracted increasing numbers of visitors from Germany, Israel, Austria, France and the Netherlands as well as the Middle East, but most notably 2015 saw the total number of British tourists exceed the one-million mark for the first time since 2011, constituting a 20% rise. The significant rise in UK arrivals has been attributed to the favourable exchange rate between the pound and the euro, and lower fuel prices which have reduced airlines' cost of flying to Cyprus. Efforts by the government and the CTO to 'reinvest' in traditional tourist markets such as Britain and Germany has also helped reintroduce Cyprus to a new generation of tourists. The number of visitors from Greece and Germany rose 38% and 30% respectively in 2015 compared to 2014, while tourists from Sweden rose 1.8% and Israel 43%.

Russia, a traditionally strong market, has been a source of some concern with arrivals falling almost 18% to 524,853 in 2015 due to the devaluation of the rouble making international travel unaffordable for many. However, Russian tourists remain the second largest tourist market for Cyprus and the negative performance is considered to be a temporary lull by Cyprus tourism chiefs. Long-term forecasts issued by the World Travel and Tourism Council, an authority on world tourism, paint a positive picture for



Cyprus tourism saw a boost in 2015 and we are committed to maintaining this momentum in 2016 and beyond. We are diversifying our offering by promoting special interest tourism, lengthening the tourist season, and introducing large tourism infrastructure projects – a highlight of which will be the integrated casino resort. New marina developments are promoting further nautical tourism and golf tourism is rising with the implementation of more courses in Cyprus."

Yiorgos Lakkotrypīs
Minister of Energy, Commerce, Industry and Tourism



Key Tourist Markets:





"2015 was one of the best years in the history of our tourism, with the best summer period

ever. For 2016, we expect to solidify our significant gains, aiming for improved performance during the promising winter months. Besides our prized, traditional European markets, we intend to pursue favourable opportunities from the East and Far East. There is substantial potential for further development and diversification in all aspects of our product, and we will increase quality levels for all links of our tourism value chain."

Angelos Loizou
Chairman
Cyprus Tourism Organisation (CTO)



"The key areas of opportunity and growth for Cyprus tourism are in the direction of mitigating

the seasonality problem, through the extension of the summer season from seven to nine months and in further improving the competitiveness of the tourist product of Cyprus. As for our expectations for Cyprus tourism in 2016, we are cautiously optimistic for the continuation of the positive signs in both our tourist arrivals and revenues."

Haris Loizides
President
Cyprus Hotel Association



Tourism
accounts for about
11%
of Cyprus' economy

Cyprus. By 2025, international tourist arrivals are forecast to total 3,734,000, generating expenditure of €3.5bn – an increase of 4.2% per annum. Analysts are confident that by consolidating its core attractions, while at the same time diversifying and developing niche areas in response to changing consumer demand, Cyprus tourism will continue on a path of steady growth.

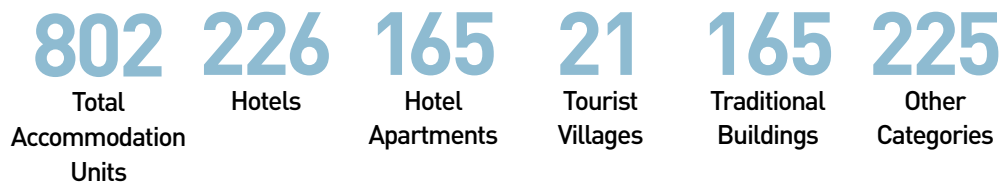
EXPANDING CONNECTIONS

Cyprus is forging ahead on multiple fronts regarding the 'Open Skies' policy, to extend both the number of originating airports, as well as aircraft operators. Cyprus has completed several new agreements with countries such as Bahrain and Oman, and is in talks with various countries from Asia, Africa and South America. Although the demise of national carrier Cyprus Airways in 2015 has inevitably been a blow to the industry, over 70

airlines continue to operate in and out of Cyprus with many expanding existing routes. Airlines such as British Airways, Emirates and Etihad have increased capacity to the island, along with commercial carrier Germania, low-cost Austrian airline NIKI and Qatar Airways.

DIVERSIFICATION TO BOOST INVESTMENT

Efforts continue to maximise the commercial potential of the island's mild winter climate and to develop the sector as a year-round tourism destination, particularly for niche areas, such as agrotourism, health and wellbeing, nautical, religious, conference, sports and wedding tourism. In fact, 2015 saw increased interest in bookings for March and November, the two months which have been identified as a first stage priority in the plan to expand the season beyond summer months. The CTO also supports external investment through



[CTO, June 2015]

KEY PLAYERS

GOVERNMENT

Ministry of Energy, Commerce,
Industry and Tourism
www.mcit.gov.cy

TOURISM BOARD

Cyprus Tourism
Organisation (CTO)
www.visitcyprus.com

ASSOCIATIONS:

Cyprus Hotel Association
(CHA)
www.cyprushotelassociation.org

The Cyprus Association
for Culture and Special
Interest Tourism
www.specialcyprus.org



numerous incentive schemes and opportunities remain for investors wishing to target high-quality niche tourists seeking special interest holidays.

DEVELOPING NICHE TOURISM

Cyprus has a top position among Mediterranean and European wedding tourist destinations, with around 8,000 couples from abroad tying the knot on the island in 2015. In terms of promoting its wedding tourism product, Cyprus' key markets are the United Kingdom, Israel, Lebanon and Russia – with British holiday makers constituting around half of the weddings in Cyprus. Destination wedding site MarryAbroad ranks Cyprus as one of the top ten wedding destinations in the world for British couples planning to get married. The island also has a reputation as a popular winter practice venue for international sports groups and athletes, a field with considerable growth potential. Diving tourism is another area where growth is confidently predicted. An estimated 50,000 divers visit the island each year, many attracted by the opportunity to explore one of the top five dive sites in the world, the Swedish cargo vessel Zenobia, which sank off the coast of Larnaca in 1980. The CTO acquired four ships in 2015 in order to create more artificial diving reefs for tourists. Golf tourism is also

expanding rapidly and Cyprus boasts four 18-hole international standard courses, with plans to construct an additional seven to establish the island as a year-round destination for golfers. Other developing areas include health and wellbeing holidays, with the recent creation of several exclusive spa hotels to pamper the visitor as well as a number of large scale projects open for investment in the fields of rehabilitation and other wellness services. Medical tourism is experiencing unprecedented growth, due to Cyprus' world-class reputation for high-quality private health care in a technologically advanced environment. Cosmetic surgery, diagnostic tests and fertility treatment top the list as the most popular procedures for medical tourists from the UK, Germany, the Netherlands, Middle East and Russia.

GAME CHANGERS

The newly approved luxury casino resort offers particularly exciting investment potential. Legislation has been passed to award the first and only casino licence, and preliminary studies by the CTO predict annual government revenues of between €35 and €50 million. The licence has garnered much interest worldwide, with the expectation of awarding it to one of the successful bidders

2.7 million
tourists visited
Cyprus in 2015

By 2025, international tourist arrivals are forecast to total

3.7 million
generating expenditure of
€3.5bn
an increase of 4.2% pa



“Cyprus needs to be pushed more strongly as a cultural and special interest tourism centre

to capitalise on what could be a lucrative attraction. By promoting special interest tourism, we contribute to the use of unexploited possibilities and the promotion of the human dimension of tourism in Cyprus and its cultural heritage. Special Interest Tourism and especially Agrotourism is becoming a vital sector of our tourist Industry and we anticipate further increase in 2016.”

George Michaelides
President
Cyprus Special Interest
and Tourism



**First-ever luxury
casino resort
coming into play**



**New marinas planned
for Larnaca, Ayia
Napa and Paphos**



**8,000+ international
weddings in Cyprus**

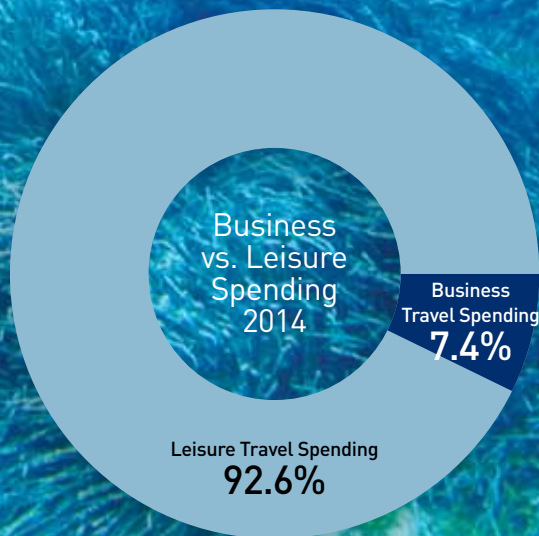


**50,000+ divers and
world-famous
wreck dive site**



2014 Sector Employment:
22.6% of total employment (82,500 jobs)

Forecast: expected to fall by 0.8% in 2015 and rise by 0.5% pa to 29,000 jobs (7.1% of total employment) 2025



by mid-2016. At the time of writing, the names of the bidders have not been officially announced, but it has been widely reported that the three frontrunners in the race are international hotel operator Hard Rock, resort hotel and casino chain Sun International which has extensive interests in South Africa, and French company Bouygues, specialists in online gaming. The plans are to create a casino resort exceeding five-star requirements, including various leisure services such as hotels, spas and conference centres.

Following the success of Limassol Marina, new luxury marinas are in the pipeline for Larnaca, Ayia Napa and Paphos in a bid to boost nautical tourism. Another potential game changer for the sector has been the deal with the Buena Vista Hospitality Group. A leading player in the world of hospitality and golf management, Buena Vista has plans to construct Europe’s largest integrated sports, health and wellness resort near Limassol. The company will also base its regional headquarters for the Eastern Mediterranean, Middle East, and Balkans on the island. The Cyprus hotel industry has also seen a boost from foreign investment. Limassol hotel Alexander the Great was sold in a multi-million-euro deal, Le Meridien received a €20 million cash injection (75% investment), while the Amathus Hotel sold for €71 million. Larnaca is also seeing its fair share of investment, with a new Radisson Blu set to be completed and welcome its first guests by the summer of 2017. These deals have shown foreign investor confidence in the potential of the sector and are helping it move further upmarket.

CHALLENGES AND THE FUTURE

Cyprus tourism has emerged fighting fit from the recession and is ready to play a leading role in the country’s economic renaissance. However, in order to reach its growth targets and stave off increasing competition, Cyprus must tackle challenges head on in the short and long term. Still comparatively more expensive than other Mediterranean holiday destinations, Cyprus must see through its initiatives to upgrade and develop its infrastructure and product offering to meet the demand of visitors paying more for their holidays. Nevertheless, there are great opportunities and potential to develop the sector further thanks to its robust foundations and decades of experience in catering to tourists from around the world. Maintaining and boosting the success of this formidable sector will continue to take Cyprus from strength to strength. ■

DISCOVER MORE AT
www.cyprusprofile.com



TRANSPORT & LOGISTICS

Leveraging Strategic Location

Cyprus will always have a trump card when it comes to transport and logistics thanks to its geostrategic location. With port privatisation on the cards for 2016, the island is set to strengthen its position as a key regional transport hub.

44th
Overall
Infrastructure
Quality

World Economic Forum Global
Competitiveness Report 2015–2016
(out of 140 countries)

Cyprus' strategic location has been a major factor in shaping its history throughout centuries and has established it as an attractive hub for inter-regional maritime traffic. Following the country's accession to the European Union in 2004, Cyprus was transformed into a key outpost in the Eastern Mediterranean. A natural transshipment centre for Europe-Far East trade, and located along the coasts of the Levant, North Adriatic and Black Sea, Cyprus is easily accessed with minimum diversion from the main arterial routes. The country's sophisticated infrastruc-

ture has already made a significant contribution to economic development and is the driving force behind its emergence as a regional hub for cost-effective cargo transport and processing. In 2014, around 7.84 million metric tonnes of cargo passed through Cypriot ports and terminals, representing an increase of 12% on the previous year. The ports and airports of Cyprus provide international business with efficient sea and air logistics solutions, and with multinationals competing to win the privatisation bid of Limassol Port, the island is set to see competitive boost.



MULTIPURPOSE PORTS

The importance of the East Mediterranean in world shipping continues to increase as a result of enhanced trade, regional port expansions and the discovery of significant hydrocarbons deposits in its waters. The widening and deepening of the Suez Canal – currently handling 7% of global maritime trade – could also significantly increase traffic in the region and bring more transshipment companies to Cyprus.

Responding to increasing interest from major shipping lines to choose hub ports in the region, Cyprus has consistently raised the bar and adapted its port systems to better cater to the demands of international trade. The island's two deep-sea ports of Limassol and Larnaca have been extended three times since their construction in the mid-1970s. Over the years, Cyprus has transformed from being a small traditional break bulk handler exclusively serving domestic imports and exports, to a fully-fledged container and cruise port hub for international trade, shipping and passenger services. Cyprus Ports Authority has focused its efforts on establishing its ports as efficient transit centres and upgrading its services in terms of security and safety, as well as invested in information technology applications to reduce the time that ships berth in its ports – resulting in less cost for shipowners.

Over the last decades, Cyprus has invested in developing an efficient transport and communications infrastructure in order to support all sectors of the Cyprus economy. The Global Competitiveness Report 2015–2016 of the World Economic Forum ranks Cyprus 44th among 140 countries in Overall Infrastructure Quality. The ambitious ports development programme has already produced results, with the EU 'Transport Scoreboard' ranking Cypriot port infrastructure amongst the best in Europe. The island's position as a bridge between the EU and the Middle East markets was further strengthened with one of Cyprus' leading logistics services companies, Eurofreight Logistics, signing a major agreement with UAE-based Al-Futtaim Logistics for supply-chain services and processing of European goods heading to the Middle East.

Both Limassol and Larnaca handle passenger and freight cargo. Limassol Port – set to be privatised in 2016 – handles around 2,000 vessels per year and has an annual capacity of 600,000 twenty-foot equivalent units (TEUs). In addition to being one of the major container transshipment centres in the Eastern Mediterranean, Limassol is also a significant cruise liner hub for mini-excursions in the region and has become a key stopover point for international liners that include Cyprus in their regular schedules. Larnaca Port, with an annual capacity of 250,000 TEUs, has undergone significant improvements in recent years. Plans have also been drawn up to expand the port to accommodate large cruise liners, establishing Larnaca as the island's main gateway for passenger traffic. In addition to the two main ports, there are also specialised oil terminals at Larnaca, Dhekelia and Moni, as well as the industrial port of Vasilikos – which hosts VTTV's €300 million oil and gas terminal.



Our primary vision is to establish Cyprus as a regional centre, providing modern and efficient infrastructure and services. We intend to further develop the national transport and communications infrastructure as a prerequisite in order to convert Cyprus as a regional centre of excellence in business development and service provision."

Marios Demetriades
Minister of Transport,
Communications and Works

Major Airlines

Aegean Airline
Aeroflot
Austrian Airlines
British Airways
easyJet
Emirates
Etihad Airways
Gulf Air
Jet2.com
LOT Polish Airlines
Lufthansa
Middle East Airlines
Monarch Airlines
Norwegian
Qatar Airways
Royal Jordanian
Ryanair
Scandinavian Airlines
Thomas Cook Airlines
Thomson Airways
Transavia
Wizzair



"A number of developments could be game changing for the aviation industry and present new

opportunities for traffic growth. The area transfer traffic expansion through Cyprus, the Fifth Freedom Rights granted to main carriers, the base of new carriers in Cyprus and relevant growth potential, are only some of these opportunities. Tourism is expected to continue growing in 2016 with all significant benefits for the country."

Wes Porter
Chief Executive Officer
Hermes Airports



"Cyprus' port industry will grow substantially in 2016, as the commercialisation of Limassol port

is under way. This entails licensing part of the commercial operations to strategic investors, who will in turn promote and enhance the port industry in terms of cargo and passenger traffic. It is expected that the implementation of this project, alongside other development plans for all ports, will create positive prospects and improve the competitiveness of Cyprus' ports."

Alecos Michaelides
Chairman
Cyprus Ports Authority (CPA)

2016 Key Priorities

Successful completion of Limassol Port privatisation

Further development of aviation and restructuring of Civil Aviation Department

Upgrading road infrastructure and supporting sustainable urban mobility

Further development of Cyprus as a naval freight transhipment centre

PRIVATISATION OF LIMASSOL PORT

2016 marks a pivotal year for Limassol Port, which is set to be privatised as part of Cyprus' 2013 bail-out agreement with the European Union, the European Central Bank, and the International Monetary Fund. According to the privatisation plan, Limassol Port services will be offered in three parts: the licensing for the container terminal and for the provision of maritime services for 25 years, and the licensing for a multi-purpose passenger terminal for 21 years.

The tender has attracted big-name operators interested in developing the port into an international hub, and received 14 bids in January 2016 – including six proposals for the container terminal, three for the marine services and five for the multipurpose terminal. Unconfirmed reports reveal the bidders include global players, such as Dubai's port operator DP World, APM Terminals and China Ocean Shipping Company (COSCO). The plan is to finalise the preferred bidders during the first quarter of 2016. Compared to regional rivals, such as Piraeus and Haifa, Limassol Port has lagged behind in recent years. However, Cyprus is confident that with the help of strategic investors and international expertise, Limassol will attract more international business and establish itself as a key port and logistics hub.

MOMENTUM FROM HYDROCARBONS EXPLORATION

Following the 2011 discovery of significant natural gas deposits in Cypriot waters, the country's ports have also managed to attract a number of companies offering regional services to the hydrocarbon industry. The commercialisation process of both Limassol and Larnaca Ports will further improve the level of service offered and significantly expand port activity. With Cyprus' plans of developing into a regional energy hub, the country can capitalise on its geographical position and offer specialised services to its regional neighbours – such as storage, servicing supply vessels, repair and maintenance. As an established and secure international business centre with an attractive fiscal regime, Cyprus can also provide good administration, banking and legal services to the sector.

GLOBAL AIR LINKS

Air connectivity is crucial for the island economy, particularly because it relies heavily on international trade, global business and tourism. In 2014,

EU 'Transport Scoreboard' ranks Cyprus' port infrastructure amongst the best in Europe

Cyprus adopted an Open Skies aero-political strategy, with the aim to lift any restrictions in terms of the number of designated airlines, frequencies, types of aircraft, cargo flights and charter flights. In addition, the government in cooperation with Hermes, the management company of its two airports, has created a number of incentive

schemes to reward airlines for growth, operation on new routes or year-round operations.

2015 saw record-breaking numbers of arrivals and international airlines have been quick to recognise the growing potential of Cyprus – with many launching and expanding existing routes. The country's two international airports, Larnaca and Paphos, received a €650 million upgrade in 2009 and 2008 respectively, resulting in a combined capacity of more than 10 million passengers. The two airports are currently served by 70 airlines, operating to more than 110 destinations in 40 countries.

Opportunities from both tourism expansion and geopolitical developments in the area are expected to increase the operations of carriers and attract new ones to enter the market. Also the Department of Civil Aviation is currently examining the application for an Airline Operators Certificate (AOC) of three locally created airlines, which – if they fulfil all regulatory requirements – can enhance Cyprus' connectivity even further.

AN EMERGING HUB

With significant investment in infrastructure, privatisations and a range of qualified service providers meeting the needs of international trade, Cyprus has a promising future as an international transport and logistics hub. Its importance in world shipping can only increase, as the countries surrounding the Mediterranean basin continue to develop economically and with hopes of a 2016 solution to the longstanding Cyprus problem – the de fact division of the island. The country's pro-business government is committed in its quest to enhance Cyprus' role as an international shipping centre and further develop naval freight transhipment services. Already one of the most important stopping points for goods travelling between East and West, and with easy access to Egypt's Suez Canal – the fastest crossing between the Atlantic and Indian Oceans – Cyprus is well placed to act as a central distribution point for markets in Europe, the Middle East, and North Africa. ■

DISCOVER MORE AT
www.cyprusprofile.com



BUSINESS OPERATING ENVIRONMENT

Cyprus offers a winning package for both international entrepreneurs and investors with its sophisticated business environment, highly skilled work force and cost-effective, yet high quality of life. Cyprus' business-friendly infrastructure and can-do attitude has brought it worldwide recognition as an international business centre.

BUSINESS CULTURE

Respect, hospitality and personal trust are the cornerstones of the Cypriot business environment. An island nation that has long experience dealing with foreign traders and businesses, Cypriot businesspeople are international in their outlook and astute and knowledgeable in their negotiations. Punctuality is expected, business dress is formal for both men and women, especially at the beginning of a business relationship, and even in warm weather. Most Cypriots prefer face-to-face meetings to telephone conferences or written communications, which are regarded as too impersonal, and place great importance on building personal relationships with business partners or connections. Trust is the key to successful business dealings in Cyprus.

LANGUAGE

Greek and Turkish are the official languages of Cyprus. However, English, the legacy of the British who ruled Cyprus from 1878 to 1960, is widely spoken and is the language for business. Many Cypriots speak also French, German or Russian.

BUSINESS HOURS

Office hours are generally 8.30am to 1.00pm and 2.00pm to 5.30pm, Monday to Friday. Although in summer some offices take a longer lunch break or finish early.

BUSINESS COSTS

An EU base within the eurozone, Cyprus remains one of the few international financial centres offering low operational costs and a high standard of living. Office space and residential property in Nicosia, the capital and major business centre, is relatively inexpensive when compared to other European capitals. In terms of cost of living, Cyprus remains one of the most advantageous places to live, with cost of living lower than in most Western European countries. At the same time, residents of Cyprus enjoy a high standard of living and exceptional quality of life, as the balmy climate and low crime rate offer both comfort and peace of mind.

LABOUR COSTS

Cyprus offers a well-educated and multilingual workforce at significantly lower costs compared to Western European countries. According to Eurostat figures for 2014, labour costs per hour in the business sector were estimated at €15.80, with the EU average being €24.60.

Cyprus Job Positions: Annual Base Salary (€)

Management	Low (€)	Mid (€)	High (€)
CEO	70,000	100,000	150,000
CFO	50,000	80,000	120,000

Finance Department

Financial Controller	50,000	65,000	70,000
Finance Manager	40,000	45,000	50,000
Accountant (Qualified)	30,000	38,000	45,000
Accountant (Part Qualified or QBE)	20,000	25,000	30,000
Account Assistant	12,000	15,000	18,000

HR Department

Head of HR/Group HRM	60,000	80,000	100,000
HR Manager	35,000	50,000	65,000
HR Executive	15,000	20,000	24,000

Legal Department

Head of Legal/ Group Legal Head	50,000	80,000	120,000
Legal Manager	60,000	65,000	70,000
Legal Assistant	12,000	15,000	18,000

IT Department

Head of IT	50,000	55,000	60,000
IT Manager	35,000	48,000	50,000
IT Supervisor	20,000	25,000	30,000
IT Technician	12,000	15,000	18,000

Marketing Department

Head of Marketing	40,000	50,000	60,000
Head of Sales	40,000	50,000	60,000
Marketing Officer	24,000	28,000	35,000
Marketing Executive	12,000	15,000	20,000
Accounts Manager	18,000	20,000	24,000
Accounts Executive	12,000	14,400	18,000

Engineering Department

Engineer	35,000	50,000	65,000
Technical Officer	30,000	38,000	45,000
Procurement / Warehouse Officer	20,000	25,000	30,000
Technician	12,000	15,000	18,000

Note: The above statistics are based on permanent job placements made by GRS in Cyprus. These statistics do not necessarily reflect a complete overview of the Cyprus recruitment and labour market.

TELECOMMUNICATIONS COSTS

Telecommunications costs are also one of the lowest in the European Union. For instance, in 2010, consumers were charged €0.18 for a 10-minute local call in Cyprus and €0.65 for an overseas call, with the EU average being €0.41 and €1.71 respectively.

ELECTRICITY COSTS

Electricity tariffs are similar to those in other Western European economies. According to Eurostat (2015), the cost for electricity in Cyprus is €0.1957/kWh compared to €0.2078/kWh in the EU28.

BUSINESS INCENTIVES

The government has introduced a variety of incentives aimed at attracting investment in industries that will enhance the development and reconstruction of the economy. These incentives are intended to: encourage the development of new high-tech industries and skill-intensive products, reconstruct Cyprus' traditional economic sectors, improve productivity and labour skills, and attract capital-intensive foreign investment. The following incentives are available:

- ▶ *low taxation at 12.5% with zero tax on certain types of income*
- ▶ *industrial free zone and exemption from customs and excise charges for operations in the industrial free zone*
- ▶ *industrial training schemes*
- ▶ *subsidised industrial estates*
- ▶ *grants and other financial assistance to investors, particularly in the areas of energy, the environment, industrial development, technology, research and innovation, trade and services*

CONTACT AGENCY

Cyprus' investment promotion agency, InvestCyprus, is responsible for attracting foreign direct investment to Cyprus, and supporting investors through the entire process. The agency has direct access to ministries, government departments and stakeholders, with the ability to influence fast-tracking set-up requirements and to provide investor aftercare services. The government provides grants and other forms of financial assistance to encourage the growth of higher-value sectors, such as energy and environment, research and development, technology and trade and services.

www.investcyprus.org.cy

EXPORTING TO CYPRUS

As a European Union member state, Cyprus applies European Union Customs Procedures to imported goods, and EU trade policy such as anti-dumping and anti-subsidy measures are followed as well as the EU import regime, which is fairly liberal, though some goods or products, including farm products, may still require import licences. Import prohibitions include narcotics, counterfeit goods, nuclear, chemical or toxic weapons, firearms and weapons, lottery tickets, gambling machines and imitation foodstuffs amongst others, as well as any goods shipped or originating in any country under embargo from the United Nations Security Council and the European Union. Restrictions are also applied to a number of other products that may require an import licence, police permit or other official permission from the relevant authorities.

IMPORT TAXES

For products and goods coming from other European Union countries, there are no customs duties, though Value Added Tax (VAT), which is applied throughout the Union in the country of consumption, will likely apply. For goods from third countries, Cyprus has adopted the EU's Common External Tariff, and customs duties are calculated as a percentage of the CIF value of the goods, in accordance with the Common Customs Tariff. Customs duties for goods from non-European countries are relatively low, especially for manufactured goods, which are subject to an average general rate of around 4.25%, though some goods, such as textiles, clothing and processed food products, may still be subject to protective measures. Full details of import prohibitions and import restrictions can be found on the website of the Cyprus Department of Customs and Excise.

www.mof.gov.cy/mof/customs/customs.nsf

FINANCIAL SUPPORT SERVICES

Cyprus has a sophisticated and advanced financial services sector, which is expanding year on year. Banking is the largest component of the sector, and is regulated by the Central Bank of Cyprus. The banking system is fully harmonised with EU legislation and directives. Commercial banking arrangements and practices follow the British model and there are currently over 40 Cypriot and international banks operating in Cyprus. All banks maintain correspondent networks around the world and are able to carry out both traditional and specialised financial transactions. Short and long-term borrowing is available from the Cyprus banking system and from the other financial insti-

tutions. Companies locating to Cyprus typically find that the financial institutions offer a tailored package drawn from a wide range of basic financing products. For eligible companies, capital funding can also be raised through the Cyprus Stock Exchange (CSE). There are no restrictions on foreign investors' access to financing in Cyprus and borrowing from foreign sources is not restricted.

www.centralbank.gov.cy

www.cse.com.cy

HUMAN RESOURCES

Well-trained and versatile, the Cypriot workforce is one of the island's most valuable resources, offering high standards of productivity, technical expertise and professional excellence at reasonable costs to businesses. The island's labour force numbers some 434,500 persons in the Republic of Cyprus, with some 80.1% working in the services sector, 16% in industry and only 3.9% in agriculture.

Since Cyprus' accession to the EU, the European Union's legislation framework regarding labour regulations has been adopted. The Cypriot labour market has a tradition of social dialogue and a well-developed institution of free collective bargaining. Terms and conditions of employment are negotiated either directly between the employer and the employee or through collective bargaining between trade unions and employers' organisations. Approximately 65 to 70% of the labour force is unionised and/or is covered by collective agreements. Collective agreements regulate employment conditions such as remuneration, working hours, health and safety, annual holidays and contributions to the national retirement fund (provident fund).

Various branches of industry are represented by registered employers' associations, the purpose of which is to promote and safeguard the interests of their members. Most of these associations belong to the Cyprus Employers and Industrialists Federation (OEB), a body established to provide information to its members on labour, collective bargaining, and social and economic problems, as well as representing members and their viewpoints to the government, the trade unions and the public.

www.oeb.org.cy

EXPAT EMPLOYEES AND IMMIGRATION

Cypriot laws on immigration have been amended to conform to the European Union's *acquis communautaire* and thus visa obligations for foreign nationals reflect EU regulations and obligations. While Cyprus is a signatory to the Schengen agreement, it has not implemented the agreement yet and is not expected to do so before the Cyprus problem has been resolved.

EU-NATIONALS: EU-Nationals are free to live in Cyprus. They can enter the Republic without a work contract and search for work for a period of three months. However, EU citizens planning to stay in Cyprus for longer than three months or beginning employment must apply for a registration certificate, as soon as they secure employment and in any case within a period of four months from the date of entry to Cyprus. The relevant application form (MEU1) is available at the Civil Registry and Migration Department of the Ministry of Interior and at the District Aliens and Immigration Branch of the Police.

NON-EU NATIONALS: Non-EU nationals wishing to work in Cyprus require an employment visa, issued by the Immigration Office. Non-EU nationals employed at the top level of management by international companies with operations in Cyprus are generally granted employment visas with no problems, however professional and clerical staff are only granted employment visas if no suitably qualified Cypriot candidate is available. In the case of executive directors, middle management staff and other key personnel, the applications (Form M61 and M64) are submitted to the Civil Registry and Migration Department, while in the case of supporting staff the application (M61 and M64) is submitted to the District Aliens and Immigration Branch of the Police. In the latter case, the application must be accompanied by a contract of employment stamped by the Labour Office. Companies may approach private employment agencies for recruiting suitable staff. In addition, local unemployed staff may be found through the Department of Labour while EU staff may be found through the European Job Mobility Portal.

RENEWAL OF PERMITS

Residence and employment permits are granted mainly on a temporary basis and for a specified position. In case of Business Companies (BCs), the Civil Registry and Migration Department is the authority responsible for the first issue and subsequent renewal of residence permits granted to all non-Cypriots employed by BCs in Cyprus. The Civil Registry and Migration Department acts in consultation with other competent authorities such as the Registrar of Companies, the Labour Department and the Cyprus Police. EU citizens may enter the Republic without work contract and search for work for a period of three months before applying for a residence permit.

ICT AND COMMUNICATIONS

Cyprus has invested heavily in state-of-the-art systems to serve the needs of international business. The country has a fully digital national network, along with reliable, high-speed connectivity to other modern economies via satellite and fibre optic submarine cable systems. With its advanced telecoms network and excellent regional and global connectivity, Cyprus is fast being recognised as a leading telecommunications hub in the Eastern Mediterranean.

PROFESSIONAL SERVICES

With around 80% of Cyprus' economy based on the provision of services, this sector is one of the most important in the country. Professional services are a cornerstone of the economy, and continue to show rapid growth year on year. Manned by an experienced and highly qualified contingent of professionals, this sector underpins many of the most rapidly growing areas of Cypriot business, from company registration, to finance, insurance, investment funds, ship management and others. The expertise of the country's lawyers, accountants, auditors and other specialists, often European or US trained, offer full and efficient services in all aspects of company law and tax planning, and the world's leading accountancy and consultancy firms are all present on the island, as are all the leading insurance, ship management and trust companies. While professional services costs are generally lower than in other Western European locations, the level and quality of service is not. According to Eurostat figures for 2014, labour costs per hour in the business sector were estimated at €15.80 on the island, with the EU28 average being €24.60. Cyprus' reputation as an international centre of excellence for the provision of professional services has also been strengthened by the decision of two of the world's leading accountancy organisations,

the Institute of Chartered Accountants in England and Wales (ICAEW) and the Chartered Institute of Management Accountants (CIMA), who chose the island as the first country in the world outside the UK to train ICAEW and CIMA accountants.

MARKET ACCESS

As an EU member state within the eurozone, Cyprus offers instant access to both the EU's internal market of over 500 million people and the key markets of Russia and the former CIS countries, the Middle East and Asia, as well as the emerging markets of Africa and beyond. Following Cyprus' accession to the European Union, Cypriot companies are able to establish their business or provide their services in any of the other EEA states through the European Single Passport. The island's pivotal position as the eastern-most country of the EU means it is naturally placed as a gateway between East and West, and it is rapidly emerging as one of the most important business centres in the region. Cyprus also has a vast network of almost 60 double taxation treaties, which offers attractive tax planning opportunities for a number of markets. The country also lies in a convenient time zone for doing business across the world, two hours ahead of GMT, meaning office hours coincide with Asia in the morning, Europe throughout the day and the US in the afternoon. Cyprus' ability to bridge the cultural and business divide between North Africa, the Middle East and Europe is helping to pave the way for the country's future prosperity. The island has now become a key trading post for the EU in the Eastern Mediterranean, acting as the ideal hub for goods and services exchange between Europe, Africa and Asia. A growing transshipment centre, Cyprus has become a key distribution point for goods travelling into and out of the EU.

LEGAL AND REGULATORY FRAMEWORK

Cyprus' legal framework is particularly strong, due in part to mandatory compliance with European Union regulations. The legislation governing Cyprus' financial services sector underpins the island's ambition to become a leading international financial centre. As a former British colony, Cyprus law is based on English Common Law and was amended in recent years to meet European Union requirements. Offering foreign business a familiar and reliable framework within which to operate, the island's legal and regulatory system is considered to be one of the most favourable in Europe, whilst at the same time being fully compliant with the EU, the Financial Action Task Force on Money Laundering (FATF), the Organization for Economic Co-operation and Development (OECD) and the Financial Stability Forum.

REGULATORS AND AUTHORITIES

Financial institutions are regulated and supervised by three authorities in Cyprus: the Central Bank of Cyprus (CBC), which is responsible for the supervision of commercial banks and the cooperative credit institutions; the Superintendent for Insurance Control (SI); and the Cyprus Securities and Exchange Commission (CySEC). However, changes introduced by the EU's Single Supervisory Mechanism (SSM) in 2014, saw the transfer of supervision of all the eurozone's largest banks to the European Central Bank (ECB). For Cyprus, this meant that Bank of Cyprus, the Cooperative Central Bank, Hellenic Bank and RCB Bank were transferred from the supervision of the CBC to the ECB.

ANTI-MONEY LAUNDERING

Cyprus has put in place all necessary mechanisms for the prevention and suppression of money laundering and terrorist financing activities. In 2007 the House of Representatives enacted 'The Prevention and Suppression of Money Laundering Activities Law' by which the former Laws on the Prevention and Suppression of Money Laundering Activities of 1996-2004 were consolidated, revised and repealed. Under the current Law, which came into force on 1 January 2008, the Cyprus legislation has been harmonised with the Third European Union Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing. The law obliges all individuals and legal entities that perform financial and other business activities, to protect themselves, their companies and the financial system of Cyprus from money laundering, by setting standard procedures. These procedures aim at identifying and reporting suspicious transactions, as well as applying the 'know-your-client' principle which requires the entire industry to adhere to strict procedures for maintaining records.

TRANSPORT AND LOGISTICS

Cyprus is well connected to the rest of the world through air and sea links. With two international airports, Larnaca and Paphos, served by over 70 international airlines, a wide network of air routes connects Cyprus with Europe, Africa, the Middle East and Asia. The island is an established international transit station for commercial air transportation with excellent connection with the entire region. Cyprus is also one of the leading maritime centres of the world. Three main ports, the multi-purpose ports of Limassol and Larnaca and the industrial port of Vassiliko, as well as three specialised oil terminals situated at Larnaca, Dhekelia

and Moni, ensure that Cyprus is well connected via sea links to all five continents. Thousands of ships call at Cypriot ports every year, which are served by some 70 shipping lines. The country's road network is also well maintained and sophisticated, making it easy to get around the island and ensuring commuting distances are relatively short and stress-free compared to mainland Europe.

COMMERCIAL AND RESIDENTIAL PROPERTY

Cyprus offers a full range of properties for both commercial and residential use situated in key locations across the island. While the exclusive, top-level market is currently the most sought after, the island has a good stock of properties available, from townhouses and apartments, to villas and sea-side bungalows in five-star gated developments. Nicosia and Limassol are the main business centres. Office space is available in purpose-built office blocks, in converted houses or flats. A number of business centres also offer ready-to-move into offices. They usually include fully equipped offices that are available on demand with flexible terms, meeting rooms and a receptionist service. Overall, rentals are around two-thirds of those charged for comparable commercial spaces in continental Europe, and offices, retail or other commercial space is widely available for purchase or for rent. Since joining the European Union in 2004, restrictions on buying property have been lifted. Citizens of EU member states who are permanent residents of the Republic of Cyprus are permitted to acquire any amount of immovable property in Cyprus without restriction and without needing permission. Transfer of ownership from vendor to buyer is processed by the Cyprus Land Registry Office and in order to ensure the buyer's rights to the property are safeguarded, it is advised that the contract of sale is registered at the district land registry office within two months of the contract date. The title deed is subsequently issued and registered in the name of the purchaser and recorded in the Registry archives. There are no restrictions on reselling or disposing of the property later, provided the owner has a valid contract. More recently, Cyprus has introduced additional incentives to buy property, with real estate purchased by the 31 December 2016 being exempt from capital gains tax and a 50% discount in transfer fees.

UTILITIES

The Electricity Authority of Cyprus (EAC) owns and operates three power stations with a total nominal capacity of 1,118 MW. The three power stations are Vasilikos Power Station (428 MW), Dhekelia Power Station (360 MW), and Moni Power Station (330 MW). The government has also





approved the construction of a new gas-powered station in the Vasiliko Area. Two licences have been given to Power Energy Cyprus Ltd (PEC) to build and run a 230 Megawatt Gas Turbine Power station. Cyprus has six wind farms with a total of 92 turbines generating 153,900 kW. Electricity tariffs are similar to those in other Western European economies. According to Eurostat (2015), the cost for electricity in Cyprus is €0.1957/kWh compared to €0.2078/kWh in the EU28. Nevertheless, the discovery of natural gas is expected to bring down costs in the long term. Cyprus makes use of the BS 1363, British 3-pin, 13A, 240V, 50Hz earthed and fused plug. The BS 1363 plug, also known as a '13 amp plug', is a large plug that has 3 rectangular prongs forming a triangle. Live and neutral are 4×6×18mm spaced 22mm apart. 9mm of insulation over the base of the pins prevents people from touching a bare connector while the plug is partly inserted. Earth is 4×8×23mm. On plugs for Class II appliances that do not require an earth, the pin is often plastic. Water is provided by the Water Authority of Cyprus, and charged quarterly at rates

set by the individual municipalities. Cyprus currently operates six desalination plants.

www.eac.com.cy

TAXATION

Cyprus offers one of the most attractive tax regimes in Europe. A member of the European Union since 2004, Cyprus' regulatory regime is in full compliance with the requirements of the EU and OECD. Cyprus has one of the lowest EU corporate tax rates at 12.5%. The island's advantageous tax rate coupled with an extensive list of double tax treaties places it high on the list of preferred jurisdictions for international tax planners.

CORPORATION TAX

Corporation Tax Rate: 12.5%

BASIS OF TAXATION

All companies that are tax residents of Cyprus are taxed on their income accrued or derived from all sources in Cyprus and abroad. A non-Cyprus tax resident company is taxed on income accrued or derived from a business activity which is carried out through a permanent establishment in Cyprus and on certain income arising from sources in Cyprus. A company is resident of Cyprus if it is managed and controlled in Cyprus.

Special Types of Companies

SHIPPING COMPANIES

The Merchant Shipping Legislation, fully approved by the EU, provides for exemption from all direct taxes and taxation under tonnage tax regime of qualifying shipowners, charterers and shipmanagers, from the operation of qualifying community ships (ships flying a flag of an EU member state or of a country in the European Economic Area) and foreign (non community) ships (under conditions), in qualifying activities. The legislation allows non community vessels to enter the tonnage tax regime provided the fleet is composed by at least 60% community vessels. If this requirement is not met, then non community vessels can still qualify if certain criteria are met. The legislation includes an "all or nothing" rule, meaning that if a shipowner/ charterer/ shipmanager of a group elects to be taxed under the tonnage tax regime, all shipowners/ charterers/ shipmanagers of the group should elect the same. Exemption is also given in relation to the salaries of officers and crew aboard a Cyprus ship.

INSURANCE COMPANIES

Profits of insurance companies are liable to corporation tax similar to all other companies except in the case where the corporation tax payable on taxable profit of life insurance business is less than 1.5% of the gross premium. In this case the difference is paid as additional corporation tax.

ADMINISTRATION AND COMPLIANCE

TAX YEAR: The tax year is the calendar year. The accounts of a company may be closed on a date different from 31st of December, in which case taxable profits are apportioned on a time basis relevant to the tax years.

KEY FEATURES OF THE CYPRUS TAX SYSTEM

- ▶ OECD approved / EU compliant tax system
- ▶ One of the lowest tax rates in the European Union at 12.5%. The effective tax rate can be reduced further due to specific exemptions provided by the tax legislation
- ▶ Wide network of favourable tax treaties with almost 60 countries
- ▶ Reasonable tax administration
- ▶ Tonnage Tax (TT) regime attractive to ship owners, managers and charterers.
- ▶ Possibility to obtain tax rulings in advance by the tax authorities provides flexibility and minimisation of tax risk
- ▶ IP Box regime: effective tax rate of 2.5% on profits from the use and sale of qualifying intangible assets (restrictions may apply)
- ▶ No taxes on entry, reorganisations and exits. Company reorganisation rules ensuring tax neutrality for group restructuring transactions
- ▶ Low transaction taxes
- ▶ No thin-capitalisation rules or Debt/Equity ratios
- ▶ No withholding taxes on payments to non-residents (apart from royalties paid for IP economically utilised in Cyprus)
- ▶ No wealth taxes and only minimal stamp and local taxes
- ▶ No exchange controls
- ▶ No detailed transfer pricing rules (arm's length principle only)
- ▶ Most international transactions free of VAT
- ▶ Foreign source income generally tax exempt
- ▶ Profits on transactions in shares tax exempt
- ▶ Unilateral credit relief for foreign taxes
- ▶ No CFC legislation
- ▶ Capital Gains Tax only on gains from sale of real estate situated in Cyprus or sale of shares owning real estate situated in Cyprus
 - Exemption applies if shares are listed on recognized stock exchange
 - Exemption from Capital Gains Tax on Immovable Property acquired between 16th July 2015 and 31st December 2016
- ▶ Tax incentives for expatriate employees taking up employment in Cyprus
 - 50% exception of remuneration from any office or employment exercised in Cyprus that exceeds €100,000 per annum by an individual who was not tax resident of Cyprus prior to the commencement of employment (applicable for 10 years)
 - 20% exception with a maximum of €8,550 of remuneration from any office or employment exercised in Cyprus by an individual who was resident outside Cyprus before the commencement of his employment (applicable for 3 years - for employment which commenced during 2012 or after 2012 this exemption applies for 5 years with the last year for which the exemption will be available being 2020)
- ▶ 'Non-dom' rules for Cyprus tax resident not domiciled in Cyprus. Any interest, rents or dividends (whether actual or deemed) regardless of whether such income is derived from sources within Cyprus and regardless of whether such income is remitted to a bank account or economically used in Cyprus, is exempt from special defence contribution.

Double Taxation Treaties

Cyprus has concluded double taxation treaties with almost 60 countries which provide important tax advantages.

Armenia • Austria
Azerbaijan • Belarus
Belgium • Bosnia
Bulgaria • Canada
China • Czech Republic
Denmark • Estonia
Ethiopia • Egypt • Finland
France • Germany
Greece • Hungary
Iceland • Ireland
Italy • India • Iran
Kuwait • Kyrgyzstan
Lebanon • Malta
The States of Guernsey
Kingdom of Bahrain
Mauritius • Moldova
Montenegro • Norway
Poland • Portugal
Qatar • Romania
Russia • San Marino
Serbia • Seychelles
Singapore • Slovakia
Slovenia • South Africa
Spain • Sweden
Syria • Tajikistan
Thailand • Ukraine
United Kingdom
United States
Uzbekistan • Saudi Arabia
United Arab Emirates
Lithuania • Georgia
Swiss Confederation

CONSOLIDATED RETURNS: Taxation on a consolidated basis is not permitted and each company is required to submit a separate return. A setoff of group losses is possible provided there is a 75% parent subsidiary relationship, including subsidiaries under 75% control of a common parent company. Group loss relief is available only between resident companies.

FILING REQUIREMENTS: Tax returns must be filed by 31st December following the accounting year end. Companies are required to pay provisional tax in 3 equal instalments on 1st August, 30th September and 31st December. Any underpayment payable is due by 1st August of the following year. If the income declared for the payment of the provisional tax is lower than 75% of the income as finally determined, an additional amount equal to 10% of the difference between the final and provisional tax is payable.

Personal Income Tax

BASIS OF TAXATION

All Cyprus tax residents are taxed on all income accrued or derived from all sources in Cyprus and abroad. Individuals who are not tax residents of Cyprus are taxed on income accrued or derived from sources in Cyprus. An individual is tax resident in Cyprus if he spends more than 183 days in any one calendar year in Cyprus.

PERSONAL TAX RATES

The following income tax rates apply to individuals:

Taxable Income (€)	Tax Rate (%)	Tax (€)	Cumulative Tax (€)
0-19,500	0	0	0
19,501- 28,000	20	1,700	1,700
28,001-36,300	25	2,075	3,775
36,301-60,000	30	7,110	10,885
60,001 and over	35		

*Foreign pension is taxed at the rate of 5%.
An annual exemption of €3,417 is granted.

VALUE ADDED TAX

Imposition of Value Added Tax (VAT) is imposed on the supply of all goods and services in Cyprus, on the acquisition of goods from other Member States and on the importation of goods from third countries. The standard rate of 19% applies to the supplies of all goods and services in Cyprus which are not subject to the zero rate, the reduced rates (5% and 9%) or are not exempt.

SPECIAL CONTRIBUTION FOR DEFENCE

Special contribution for defence is imposed on income earned by Cyprus tax residents. Non-tax residents are exempt from special contribution for defence.

SUBMISSION OF TAX RETURNS

The tax year is the calendar year. Tax on employment income is withheld by the employer under the PAYE system and remitted to the tax authorities. Self-employed individuals pay tax through the provisional and self-assessment systems. Tax returns must be filed by 30th of April following the tax year for employees, 30th June for self-employed persons who are not required to file audited accounts and 31st of December for self-employed persons whose returns are accompanied by audited accounts. Sole proprietors with an annual turnover more than €68,344 are obliged to prepare audited financial statements. ■

Καλωσορίσατε

kalosórisate - Welcome

COUNTRYPROFILER'S CYPRUS ARRIVAL AND SURVIVAL GUIDE

A relaxed lifestyle in a Mediterranean atmosphere has established Cyprus as not only a popular tourist destination, but as one of Europe's top spots for expats, business professionals and retirees.





COUNTRY

Located in the Eastern Mediterranean at the crossroads of Europe, the Middle East, Asia and Africa, Cyprus' strategic position has played a key role in shaping its history and in developing the island into a centre for trade and international business. Cyprus enjoys around 340 days of glorious sunshine a year and boasts a coastline teeming with endless stretches of golden sands, secluded bays and rocky coves. Surrounded by the crystal clear waters of the Mediterranean Sea, the island is dotted with the fascinating remains of history from Neolithic settlements and ancient city-kingdoms to exquisite Byzantine art and magnificent Venetian architecture.

HISTORY

Cyprus' long and winding history offers visitors a journey of discovery paved with ancient archaeological treasures. The ancient city-kingdoms of Kourion and Amathus, and the Mosaics of Paphos, are considered among the finest mosaic floors in the Eastern Mediterranean. Other must-see historic sites include the Neolithic settlements of

Choirokoitia and Kalavassos-Tenta, the Tombs of the Kings and the famous Sanctuary of Aphrodite, the Goddess of Love, who legend claims was born on this island.

In more recent times, Cyprus gained independence from Britain in 1960, however a Greek-sponsored coup d'état in 1974 was swiftly followed by an invasion of Turkish forces which occupied the northern one-third of the island. Despite numerous efforts over the intervening decades, the island remains de facto divided, and the self-declared Turkish Republic of Northern Cyprus (TRNC) remains unrecognised by the international community.

The Greek Cypriot and Turkish Cypriot leaders continue to look for a solution to end the division of the island, but while negotiations have been slow, some progress is being made. The capital city, Nicosia, is still split between the two sides though visitors can access either side from checkpoints at Ledra Palace and Ledra Street, and today Nicosia is the last remaining divided capital city in the world.

CLIMATE

Cyprus enjoys a Mediterranean climate, with long, warm, dry summers from May to October and mild winters with occasional rain, lasting from December to February. Summer and winter in Cyprus are separated by short autumn and spring seasons. The average daytime temperatures during summer range from +21 to +34°C, although in high summer temperatures can reach as high as +40°C. During the cooler months, temperatures can range between +7 and +15°C although even during the height of winter there are generally six hours of bright sunshine during the day.

LANGUAGE

Cypriots are highly educated and multilingual. The official languages of Cyprus are Greek and Turkish, however English is widely spoken and written and is the language of international business. German, French and Russian are also widely spoken in commerce, due both to the number of Cypriot graduates from overseas universities and the island's commercial ties with the global business community.

GETTING THERE

Popular since the early 1980s with British and other European holidaymakers, Cyprus is well connected to the continent's main cities, as well as to Asia and the Middle East. Flights from mainland Europe are quick, frequent and increasingly low cost. By air, Cyprus is 1.5hrs away from Athens, 4hrs from Frankfurt, 3.5hrs from Dubai and 5hrs from London.

Φιλοξενία filoxenía - hospitality

Cyprus is well known for its hospitality, a fact reflected in the Greek word, 'xenos', used for both stranger and guest, and an indication of the warm welcome that awaits visitors to the island. Life is meant to be enjoyed in Cyprus, which is renowned for its excellent quality of life, with the emphasis on working to live, as opposed to living to work. Cafe culture predominates, with both business and social meetings taking place over a leisurely frappé (iced coffee) in the numerous cafes in every town and city.

HOTELS / ACCOMMODATION

When it comes to a place to stay, Cyprus offers every conceivable type of accommodation, from budget-priced two and three-star hotels to a large range of upmarket and boutique hotels with four and five-star status. Agro-tourism houses are available for rent all over the island, often in the most picturesque villages, and give the traveller a unique opportunity to experience authentic Cyprus village life.

CULTURE & ENTERTAINMENT

More than a place just for lounging in the sun, there are lots of things happening in Cyprus all year round. From music concerts and cultural performances with big name stars, sports events, religious festivals with all the pomp and circumstance of the Greek Orthodox Church, to informative conferences where you can meet like minds. The Cyprus Rally has been held every year since 1970 and forms part of the World Rally Championship and the FIA Middle East Rally Championship, and attracts hordes of car enthusiasts, while the annual Historic Cyprus Rally draws crowds of vintage car enthusiasts. Cultural events such as the Kypria International Festival, comprising music, dance and performance arts, and the 'Thalassa' International Festival, which includes photographic exhibitions, movie screenings and music performances, ensure there's something to interest everyone on the annual calendar of events.

SHOPPING

In Cyprus you can shop till you drop. The island is supplied with stores catering for all tastes and requirements. Most major British and European chains are represented on the island and there is a plethora of fashionable boutiques and big malls in Nicosia, Limassol and Paphos, selling designer brands including Dolce & Gabbana, Gucci, Roberto Cavalli, Calvin Klein, Kenzo, Gianfranco Ferré and many more.

SPORTS & OUTDOOR ACTIVITIES

Cyprus offers a host of energetic pursuits to engage the visitor. Becoming increasingly popular as a destination for golfers, Cyprus offers first-class facilities with four professional courses on magnificent locations, and the development of several new courses in the pipeline. Spectacular pine-clad mountains in the centre of the island offer walkers and cyclists welcome respite from the heat. Breathe in the bracing pine scented air, whilst admiring the series of Venetian stone bridges and waterfalls that pepper various hiking trails in scenery that



Typical Cypriot Dishes

Halloumi: the quintessential Cypriot cheese made from a mixture of sheep's and goat's milk, usually served grilled

Afelia: a delicious slow-cooked pork casserole

Moussaka: the famous dish of layered meat, potatoes and aubergine topped with creamy béchamel sauce

Pastichio: similar to moussaka but with pasta instead of aubergine and potato

Ofto Kleftiko: a hearty dish of lamb baked in an outdoor oven in its own juices until it is so tender that it falls off the bone



looks as if it has been lifted from a book of fairy tales. In winter months, skiers can test the slopes on Troodos whilst the rest of the island wear short sleeves and bask in winter sun. The island provides excellent opportunities for water sports, such as windsurfing and kitesurfing. There are also excellent dive sites and facilities, with one of the best wreck dives in the world, the Zenobia, situated off Larnaca. Other popular dive sites include Ayia Napa, Paphos and the Akamas Peninsula, where divers are often able to see artefacts such as Roman pottery on the seabed.

CUISINE

It is of course impossible to talk about Cyprus without mentioning the food. As with most Mediterranean countries food plays an important role and is to be enjoyed at a leisurely pace with friends and family. One of the first Greek phrases to learn in Cyprus is 'siga siga' which means 'slowly slowly', and is a mantra one will hear almost daily. The fabulous Cypriot food is to be savoured unhurriedly, usually al fresco with friends and family. Even a cup of coffee can be a two hour past time. Cypriot food bears a distinct resemblance to Greek cooking, but also has Turkish and Lebanese influences. As in other Mediterranean countries, eating is an activity to be savoured and enjoyed and is certainly not to be rushed in any way. Which is a good job as a traditional Cypriot meze – a meal of small plates similar to tapas – can consist of up to 30 dishes.

Cypriot cuisine features lots of fresh fish, meat, beans, pulses and vegetables flavoured with lemon, fresh herbs and spices.

Cyprus is also one of the world's oldest grape-growing and wine-making regions, with its fruits of the grape ranging from delicate whites and full-bodied reds to the rich sweet amber-coloured dessert nectar known as Commandaria. This is one of the oldest wines in the world, representing an ancient wine style documented in Cyprus back to 800 BC and has the distinction of being the world's oldest named wine still in production, with the name Commandaria dating back to the crusades in the 12th century.

PUBLIC TRANSPORT

Within urban areas, buses run on fixed routes roughly every half hour, with services ending in the evenings at about 18:00 Monday to Friday and earlier on Saturdays. Some routes have no service on Sundays. Hours are extended until midnight during the tourist season and some urban routes now offer a night bus service on Fridays and Saturdays. Timetables are available from tourist offices or directly from the bus companies. Rural

buses connect towns and villages and make frequent stops. The service is infrequent with schedules limited to one or two routes per day. These buses can often be smaller mini-buses. There are also buses providing a service linking all major towns. These are generally very regular and all buses are modern and comply with European standards. A private company, Kapnos, provides a regular daily airport shuttle service between Nicosia and both of the island's airports. There are no trains in Cyprus.

www.cyprusbybus.com

www.kapnosairportshuttle.com

CAR HIRE & TAXIS

Car and motorcycle rental firms have offices in all towns, as well as at Larnaca and Paphos International Airports. Their rates vary according to the rental period, season of the year and extras. They usually offer unlimited mileage and their cars can be delivered and collected at the airports by prior arrangement. Rental cars and bikes are usually delivered to the customer with a full tank of fuel paid for by the customer. When the car is returned, the customer receives a refund for any remaining fuel, unless stated otherwise in the contract. Drivers under 25 years of age holding a driving license for less than three years must inform the car rental company so special insurance cover can be provided. Foreign visitors are strongly advised to read the rental agreement carefully and demand fulfilment of all their rights. Taxis are also very common, but before setting off on your journey discuss the pricing with the driver and ensure the meter is functioning.

DRIVING

Roads are well maintained in and between the main towns, and there are four-lane motorways connecting Nicosia with Limassol and Larnaca. Driving is on the left in Cyprus and the maximum speed limit on motorways is 100 kph (60 mph). Cyprus accepts the driving licences of all EU Member States and any person with a valid licence may drive legally in Cyprus. According to EU rulings, driving licences issued before 1996 do not have to be exchanged for the new Community Model and remain valid until their expiration. Non-EU citizens may drive on valid foreign licences for a certain period (for those with a US licence the period is six months). Relevant Consular authorities can provide further information.

BUSINESS HOURS

Office hours are generally 8:30am-1:00pm and 2:00pm-5:30pm, though in summer some offices take a long lunch break or finish early. Government



Rent per Month

Apartment (1 bedroom)
in City Centre

€344.26

Apartment (1 bedroom)
Outside of Centre

€283.82

Apartment (3 bedrooms)
in City Centre

€574.79

Apartment (3 bedrooms)
Outside of Centre

€441.44

[Source: Numbeo]

offices are generally open from 7:30am-2:30pm, from Mondays to Fridays and until 6pm on Thursdays. Banks typically open at 8:30am and close at 1:30pm. Shops are generally open from Mondays to Saturdays from 9am-7pm, with larger supermarkets, malls and tourist areas open all day on Sundays as well.

BUYING & RENTING PROPERTY

Cyprus offers a full range of properties for both commercial and residential use, situated in key locations across the island. While the exclusive, top-level market is currently the most sought after, the island has a good stock of properties available, from townhouses and apartments, to villas and sea-side bungalows in five-star gated developments. Nicosia and Limassol are the main business centres. Office space is available in purpose-built office blocks, in converted houses or flats. A number of business centres also offer ready-to-move into serviced offices. They usually include fully equipped offices that are available on demand with flexible terms, meeting rooms and a receptionist service. Overall, rentals are around two-thirds of those charged for comparable commercial spaces in continental Europe, and offices, retail or other commercial space is widely available for purchase or for rent.



EDUCATION

There is a wealth of excellent private schools on the island, the majority of which are English speaking, but there are also French, Russian and Greek-speaking private schools. Fees are generally less than for the equivalent education in the UK. Public schools are free, but teaching is conducted in Greek. Tertiary education is provided by the six universities in Cyprus as well as several other colleges that offer a variety of vocational and academic courses.

HEALTHCARE

Ranked by the World Health Organisation as one of the healthiest countries in the Mediterranean, Cyprus has an excellent healthcare system provided through both the private and public sector. The public health service is funded through the social security payments of those who work on the island, whether Cypriots or foreign residents. The system provides free or low cost healthcare for those who contribute to social security, plus their families and retirees, and emergency treatment for everyone. However, the full public health service isn't available to foreign visitors, who require private health

insurance unless they wish to pay high medical bills. EU citizens who are visiting Cyprus can receive free outpatient or inpatient treatment with a European Health Card, an EHIC (the old E111), which is issued by the health authority in their home country. However, this covers only essential treatment and not routine treatment. Non-EU visitors must pay for healthcare. There are a number of private clinics throughout the island that specialise in all in all fields of healthcare and their fees are low compared to most European countries.

RELIGION

Religious freedom is written into the Cypriot constitution and Greek Orthodox, Muslims, Catholics, Jews, Armenians and Maronites co-exist peacefully on the island. However, the overwhelming majority of Cypriots are members of the Greek Orthodox Church, an institution that plays an important role in both personal and public life on the island.

PETS

Cyprus is a member of the Pet Travel Scheme which allows pets from any of the countries covered by the scheme to enter Cyprus without quarantine provided they meet specified anti-rabies, blood sampling and anti-worm/anti-tick hygiene requirements. The pet must be micro-chipped, vaccinated against rabies and blood tested, and can be brought into Cyprus only after six months have elapsed after a satisfactory blood test.

COMMUNICATIONS

Cyprus has an efficient and reliable postal service as well as an excellent telecommunications network. Telecommunications costs are among the cheapest in Europe. Cyprus Telecommunication Authority (Cyta), remains the main provider, offering a full range of telecommunications services. Other main providers are MTN, Primetel and Cablenet. Cyprus' network boasts 100% broadband coverage.

MEDIA AND TV

Ten daily and five weekly newspapers are published in Cyprus, two of which are in the English language – the Cyprus Mail and the Cyprus Weekly. Many UK, European, Russian and Arabic newspapers can be bought in Cyprus a day or two after publication. There are a number of terrestrial TV stations in Cyprus broadcasting locally produced programmes as well as international films, dramas and TV series. Cable and satellite television is widely available.

Important Numbers

Direct Dialling Code (Cyprus)

+357

International Airports –
both Larnaca and Paphos:

77 778 833

Ambulance & Emergency

199 or 112

Directory Enquiries - local

11892

outside Cyprus

11894

Doctors on call

90 901 432

Emergency Air and
Sea Rescue

1441

TAXATION

Cyprus offers one of the most attractive tax regimes in Europe. A member of the European Union since 2004, Cyprus' regulatory regime is in full compliance with the requirements of the EU and OECD. Cyprus has one of the lowest corporate tax rates in the European Union at 12.5%, while the maximum personal tax rate is 35%.

PERSONAL FINANCIAL SERVICES

Cyprus has a well-developed banking system modelled on the British banking system. The Central Bank of Cyprus has responsibility for monetary and credit policy. There are currently a number of domestic banks operating in Cyprus, including commercial banks and specialised financial institutions. Standard branch opening hours are usually from 8:15am-1:30pm Mondays to Fridays and from 3:15pm to 4:45pm on Monday afternoons only. International banks are open from 8:30am to 5:30pm.

HOME HELP

Many expatriates find they can afford domestic help that they could not have afforded at home and often choose to employ a helper for cleaning, cooking, general household chores and child minding.

UTILITIES

Electricity = 240V 50Hz, 5 amp or 13 amp square three-pin British-style plugs. Electricity is provided by the Electricity Authority of Cyprus (EAC) and water is provided by the water board of the nearest main town. Many properties have solar water heating systems. Cyprus has no piped gas, but bottled gas is widely available in supermarkets.

CRIME

Cyprus is one of the safest countries in the EU – and crime is virtually non-existent. It is safe to walk around all towns and villages whether day or night. Few locations in the world can offer the same level of security and stability that Cyprus does.

VISAS & EMBASSIES

As a member of the EU, under community laws EU nationals have the right to enter the country with an identity card or valid passport and to seek work.

“

Useful Greek Phrases

Hello

yassas

Pleasure to meet you

harika

Goodbye

andio

Good morning

kalimera

Good evening

kalispera

Good night

kalinichta

Please

parakalo

Thank you

efharisto

Yes

No

*ne**chi*

Sorry

sighnemi

How are you?

Ti kanete?

I'm well thanks

kala efharisto

What's your name?

pos sas lene

My name is...

me lene ...

Do you speak English?

milate anglika?

”

For non-EU nationals, employment permits have to be obtained before entering Cyprus. The nationals of many non-EU countries do not require a visa to enter Cyprus for a stay not exceeding three months. Details of visa-exempt countries and visa application procedures are available on the Ministry of Foreign Affairs website.

www.mfa.gov.cy

VISITING THE OCCUPIED AREA

Following the Turkish occupation of the north of the island in 1974, the island has been divided. In 2003 checkpoints opened for the first time allowing both sides to cross over with a passport or valid ID. It is perfectly safe to visit and explore the area. If travelling by car, insurance has to be purchased at the checkpoint. Various policies are available covering vehicles from three days to a full year. Cigarettes and alcohol cannot be taken from the north to the Republic of Cyprus and there are restrictions on certain foodstuffs, such as meat and dairy produce. There is a maximum limit of €260 of goods per person allowed to be brought across the UN-controlled buffer zone.

STANDARD OF LIVING

Other factors that contribute to the enviable lifestyle of Cyprus include a superb road system with signs in both Greek and English, a reliable and efficient postal service, a large choice of schools, clubs, restaurants, gyms, theatres, cinemas, museums and art galleries. The local infrastructure is ideally suited for business people who need to get things done. Thanks to its modern road network, extensive port facilities and two international airports, travel and transport in and beyond Cyprus is fast, efficient and economical.

LARGE EXPAT COMMUNITY

A notable British presence remains to this day and Cyprus has become home to a large expat community. Today, Cyprus has the third highest percentage of foreign citizens in the European Union, with a total of 128,000. Around 9.8% (78,000) of the total population are from other EU member states, and 6.3% (50,000) from non-EU countries according to a survey of the EU's statistical office. The biggest group of expats living in Cyprus consists of British nationals, but there are also large communities of Americans, Russians and other Eastern European nationals. ■



WHO'S WHO

CYPRUS BUSINESS PROFILES

Accounting & Auditing

Anthony Ashiotis & Co	146
Deloitte Ltd (Cyprus)	151
EY Cyprus	152
HLB Cyprus Limited	154
Joannides + Co. Ltd.....	154
K. Treppides & Co Limited	155
KPMG (Cyprus)	155
PwC Cyprus	158

Automated Storage & Retrieval Systems

Kardex Systems Ltd	155
--------------------------	-----

Banking

Alpha Bank Cyprus Ltd	146
Bank of Cyprus Plc.....	147
Cooperative Credit Sector	147
Eurobank Cyprus Ltd.....	152
Hellenic Bank.....	153
RCB Bank Ltd	158
USB Bank Ltd.....	159

Construction

Cybarco Development Ltd	147
Joannou & Paraskevaides Limited	154

Consulting

e-CNHC - E-C Natural Hydrocarbons Company Ltd..	152
---	-----

Corporate & Fiduciary Services

Bizserve Consultants Ltd.....	147
Cyproman Services Ltd.....	148
Fiducenter (Cyprus) Ltd	152
First Names (Cyprus) Limited	153

Engineering Services

Solvingos Services Limited.....	159
---------------------------------	-----

Executive Education

European Institute of Management and Finance (EIMF)	152
--	-----

Fintech

Point Nine Limited 157

Fund Management

GMM Global Money Managers Ltd 153

IKOS 154

KMG Capital Markets Ltd 155

SCSS Fund Management Ltd 158

Government Organisations

Cyprus Investment Promotion Agency (CIPA) 149

Cyprus Tourism Organisation (CTO) 150

Department of Merchant Shipping 151

Hotels & Hospitality

Londa Beach Hotel Limassol..... 156

HR & Recruitment

GRS Professional Recruitment Services Ltd 153

Insurance

Trust International Insurance Company (Cyprus) Ltd. 159

Law Firms

Chryssafinis & Polyviou LLC 147

L Papaphilippou & Co LLC 155

Michael Kyprianou & Co LLC 156

Patrikios Pavlou & Associates LLC 157

Polakis Sarris Law Firm 157

Scordis, Papapetrou & Co LLC 158

Postal & Courier Services

DHL Cyprus 151

Professional Bodies & Industry Associations

Association of Cyprus Banks 146

Association of Large Investment Projects 146

Cyprus Bar Association 148

Cyprus Chamber of Commerce

and Industry (CCCI) 148

Cyprus Computer Society (CCS)..... 148

Cyprus Employers and

Industrialists Federation (OEB)..... 148

Cyprus Fiduciary Association (CFA) 149

Cyprus Hotel Association 149

Cyprus International

Business Association (CIBA) 149

Cyprus Investment Funds Association (CIFA) 149

Cyprus Oil and Gas Association 150

Cyprus Shipping Chamber 150

Cyprus Union of Shipowners (CUS) 150

Insurance Association of Cyprus (IAC) 154

Society of Trust and Estate Practitioners (STEP)..... 159

The Institute of Certified Public

Accountants of Cyprus (ICPAC)..... 159

Real Estate & Property

Aristo Developers Ltd 146

Cybarco Development Ltd 147

Limassol Marina..... 156

S. Droussiotis Real Estates Ltd..... 158

Software & IT Services

Microsoft (Cyprus) 156

Oracle Cyprus Solutions 157

Stock Exchange

Cyprus Stock Exchange (CSE) 150

Telecoms & Internet

Cyta 151

Cytglobal 151

MTN Cyprus 156

Primetel 157

Transport & Logistics

Hermes Airports..... 153



GEORGE GEORGIU
MANAGING DIRECTOR

ALPHA BANK CYPRUS LTD

Alpha Bank Cyprus Ltd established its operations in Cyprus in 1998 and is a fully owned subsidiary of Alpha Bank. The Alpha Bank Group is one of the leading financial Groups in Greece, with a strong presence in the Greek and international banking market. Alpha Bank Cyprus operates a successful business model, covering a wide range of banking services including retail, SMEs, corporate, and international banking, through a modern Branch Network, which is supplemented by alternative electronic channels. The Bank's aim since the beginning of its operations has been to support retail and business clientele, to satisfy their needs, to provide high quality services with consistency and credibility, and to create products which correspond to their financial requirements.



ALPHA BANK

3, Lemesou Avenue, 2112 Aglantzia
P.O.Box 21661, 1596 Nicosia - Cyprus
T: (+357) 22 888 888 • F: (+357) 22 773 788
Contact: Irene Charitou - Marketing
& Products Division Manager
E: marketing@alphabank.com.cy
W: www.alphabank.com.cy



ANTHONY ASHIOTIS FCCA
MANAGING PARTNER

ANTHONY ASHIOTIS & CO

Anthony Ashiotis & Co (established in 1990) is a well known firm of auditors, accountants and consultants offering a wide range of services of the very highest standard to a large portfolio of clients based in Cyprus and abroad. Our head offices are based in the centre of Nicosia, house state of the art technology and meeting facilities and a team of professionals who aim to add value to the level of our work and protect the interests of our clients. Our services are: Audit and Accountancy Services, Bookkeeping services, Taxation Services, Business Advisory Services, Assistance with Legal and Corporate Work, setting up and managing companies, provision of virtual and serviced offices, tax residency services etc.



ANTHONY ASHIOTIS & CO
Auditors • Accountants • Consultants

8 Samou Street, St. Omologites 1086,
P.O. Box 26613, Nicosia 1640 - Cyprus
T: (+357) 22 455 455 • F: (+357) 22 516 333
Contact: Anthony Ashiotis - Managing Partner
E: ashiotis@ashiotis.com.cy
W: www.ashiotis.com.cy



THEODOROS ARISTODEMOU
CEO AND MANAGING DIRECTOR
OF ARISTO DEVELOPERS
GROUP OF COMPANIES

ARISTO DEVELOPERS LTD.

Aristo Developers prides itself on being one of Cyprus' leading construction and development companies. Founded in the early 1980s by Theodoros Aristodemou, Aristo Developers is today the largest landowner on the island of Cyprus with over 250 island wide developments, and 50 new projects currently in the market. Having delivered infrastructure throughout Cyprus and Greece for more than thirty years, Aristo Developers assures its services are built on the cornerstones of quality and commitment. Their successful performance in this sector is supported by an extensive client base of 12,000 satisfied homeowners. Aristo Developers has also been a pioneering force behind large-scale investments, such as the *Venus Rock Golf Resort* and the *Kings Avenue Mall*.



Aristo Centre, 8 Aprilou
1st Street, 8011 Pafos - Cyprus
P.O. Box 60269, 8101 Pafos - Cyprus
T: (+357) 26 841 800 / 841
Cyprus Call Free: 8000 27 47
F: (+357) 26 938 290
Contact: Pavlos Charalambous - Marketing Manager
E: pavlos.ch@aristodevelopers.com
W: www.aristodevelopers.com



MICHAEL KAMMASS
DIRECTOR GENERAL

ASSOCIATION OF CYPRUS BANKS

The ACB is a non-profit organization that represents and promotes the interests of its member banks on banking business and practices. The ACB puts forward its members' views when local legislative and governmental policies are determined. Common positions are formulated on several banking and financial issues, especially in compliance with EU regulations and guidelines. In communicating the industry's views, the ACB cooperates closely with the Central Bank of Cyprus, the House of Representatives and various Ministries as well as other private and public bodies. The Association also has a close relationship with media representatives, the European Banking Federation (of which it is a member), national banking associations and global organizations.



**ASSOCIATION OF
CYPRUS BANKS**

15 Demetriou Karatasou Str, Office 401,
P.O. Box 16113, 2086 Nicosia - Cyprus
T: (+357) 22 664 293 • F: (+357) 22 665 135
Contact: Dr. Michael Kammass - Director General
E: info@acb.com.cy
W: www.acb.com.cy



ANDREAS DEMETRIADES
PRESIDENT

ASSOCIATION OF LARGE INVESTMENT PROJECTS

The mission of the Association of Large Investment Projects is to promote and realise large scale development projects in Cyprus. Its goal is to restart the economy and contain unemployment. The Association is a member of the Cyprus Chamber of Commerce and Industry (CCCI) and represents more than 25 companies active in Cyprus. The Association's members come from the entire spectrum of the Cyprus economy and represent projects with a total value in excess of € 8 billion. Among the Association's main priorities is the issue of creating a friendly business environment, so as to overcome barriers that discourage or eliminate foreign investors.



Association of Large Investment Projects

38, Grivas Dhigenis Ave. & 3, Deligiorgis
Str., P.O.Box 21455, 1509 Nicosia
T: (+357) 22 889 990 • F: (+357) 22 667 593
Contact: Andreas Demetriades - President
E: bigprojects@ccci.org.cy
W: www.cypriusinvestments.com.cy



JOHN HOURICAN
CEO

BANK OF CYPRUS PLC

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group operates through a total of 135 branches, of which 129 operate in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 4.610 staff worldwide. At 30 September 2015, the Group's Total Assets amounted to €24,2 bn and Total Equity was €3,5 bn.



51 Stassinou, 2002 Strovolos, Nicosia - Cyprus
T: (+357) 22 121 801 • F: (+357) 22 378 970
Contact: Costas Argyrides - Director Wealth,
Brokerage & Asset Management
E: wealth@bankofcyprus.com
W: www.bankofcyprus.com



CHRIS KOUTOUROUSHIS
MANAGING DIRECTOR

BIZSERVE CONSULTANTS LTD

Bizserve Consultants is a leading Administrative Service Provider regulated by the Cyprus Securities & Exchange Commission under license number 66/196. Our main line of business focuses on incorporating and managing corporate structures. At the same time we provide nominee and trustee services in Cyprus and in other jurisdictions as well as the opportunity to create permanent establishments and enhance the tax residency of Companies under our administration. Our management team consists of individuals with over 20 years of experience in servicing international clients, composing a strong team able to operate in any business environment ready to give bespoke solutions in any inquiry.



32 Georgiou Griva Digeni Ave.,
1066 Nicosia - Cyprus
T: (+357) 22 375 504 • F: (+357) 22 377 583
Contact: Chris Koutouroushis - Managing Director
E: info@bizserve.eu
W: www.bizserve.eu



STELLA KAMMITSI
HEAD OF THE INTERNATIONAL
CORPORATE DEPARTMENT

CHRYSSAFINIS & POLYVIU LLC

Chryssafinis and Polyviou LLC was established in 1903, it operates in Nicosia, Cyprus and its clients include mainly banks, investment and insurance companies, utilities and public enterprises, airlines, petroleum companies and others. The firm currently employs over 65 people, 25 of whom are highly qualified lawyers in their own fields - Banking Law, Company Law, Insurance Law, Competition Law, Business Law, Employment Law, Aviation Law, Media Law, Arbitration Law, Taxation and other. The Firm's extensive and powerful network of correspondent Law firms, which includes some of the world's leading firms, allows it to provide an effective and efficient response to the needs of its clients worldwide.



37 Metochiou Street, Agios Andreas
CY 1101, Nicosia - Cyprus
T: (+357) 22 361 100 • F: (+357) 22 679 750
Contact: Ms Stella Kammitisi - Head of the
International Corporate Department
E: skammitisi@cplaw.com.cy
W: www.cplaw.com.cy



NICHOLAS HADJIYIANNIS
CEO OF COOPERATIVE
CENTRAL BANK

COOPERATIVE CREDIT SECTOR

The Cooperative Credit Sector (CCS) is one of the largest credit institutions in Cyprus. In February 2014, the European Commission approved the restructuring plan of CCS, releasing a €1,5 billion disbursement for its recapitalization under state aid rules. CCS, respecting the cooperative values and principles, aims to support every household, business and local community to safeguard Cyprus' prosperous society and to enhance the long term value of the sector for the benefit of its customers by offering them accessible, affordable and competitively priced services and products.



COOP BANKS

8, Gregori Afxentiou str 1096 Nicosia - Cyprus
T: (+357) 22 743 000 • F: (+357) 22 676 510
Contact: Yiannos Stavrinides - Manager
of Strategy and Transformation
E: pressoffice@ccb.coop.com.cy
W: www.ccb.coop.com.cy



**MICHALIS
HADJIPANAYIOTOU**
CEO

CYBARCO DEVELOPMENT LTD

Cybarco is Cyprus' leading luxury property developer. Established in 1945 and part of the prestigious Lanitis Group of Companies, Cybarco has earned its reputation for outstanding quality and customer satisfaction delivered to the highest standards. The company is behind many of the island's landmark projects including Akamas Bay Villas, Sea Gallery Villas, The Oval - the tallest commercial building in Cyprus - and Limassol Marina, the country's first residential marina development.



10 Tefkrou Anthia Street,
Dali Industrial Zone, 2540 Nicosia - Cyprus
T: (+357) 22 741 300 • F: (+357) 22 741 400
Contact: Michalis Hadjipanayiotou - CEO
E: info@cybarco.com
W: www.cybarco.com



COSTAS CHRISTOFOROU
CHIEF EXECUTIVE OFFICER

CYPROMAN SERVICES LTD

CPM is a leading international professional services provider operating from Cyprus. We are dedicated to offering the best possible tailor-made multi-jurisdictional fiduciary, corporate administration, trustee, accounting and bookkeeping and fund administration services to institutional, corporate and private clients since 1996. Our approach is relationship-driven which is why many of our clients have been with us for many years. We foster an internal culture of co-operation and teamwork across service groups to ensure an integrated service to our clients. CPM is organized into a customer centric structure with one point of contact and one service team dedicated to each client. CPM is regulated by the Cyprus Securities and Exchange Commission under license number 56/196.



Head Office: 12 Esperidon Street,
4th Floor, CY-1087 Nicosia
P.O. Box 22096, CY-1517, Nicosia - Cyprus
T: (+357) 22 474 000
Contact: Costas Christoforou -
Chief Executive Officer
E: costas.christoforou@cpm.com.cy



KOULIA VAKIS
CHIEF EXECUTIVE OFFICER

CYPRUS BAR ASSOCIATION

The Cyprus Bar Association (CBA) is the regulatory and professional body for over 3000 registered practicing advocates in Cyprus and was first established under Advocates' Law Cap.2 in 1960. Its major objective is the representation of the interests and the assistance of its members. The CBA is a full member of the Council and Bars of the European Union representing over 700,000 practicing lawyers. CBA is also a member of the International Bar Association and the Commonwealth Lawyers Association, Mediterranean Bar Association, and the Union of the Balkan Bar Associations.



11 Florinis str., City Forum, Off.101,
1st Floor, 1065, Nicosia - Cyprus
T: (+357) 22 873 300 • F: (+357) 22 87 3013
Contact: Koulia Vakis - Chief Executive Officer
E: cybar@cytanet.com.cy
W: www.cyprusbarassociation.org



PHIDIAS PILIDES
PRESIDENT

CYPRUS CHAMBER OF COMMERCE AND INDUSTRY

The Chamber's membership exceeds 8500 enterprises representing more than 95% of the business community of the country. More than 140 Professional Associations are also affiliated to the Chamber including 34 Bilateral Associations with other countries. Its wide range of services include advisory services, provision of business information, participation in foreign trade exhibitions, organisation of trade missions and business fora abroad for promoting Cyprus as an International & Financial Center, business training courses and seminars, advice on European Union issues, labour relations matters, issue of Certificates of Origin and ATA Carnets, participation in EU programmes, etc. The Chamber is a full member of Eurochambers, the International Chamber of Commerce (ICC), the European Association of Craft, Small and Medium Sized Enterprises, Eurocommerce, GS1 and many other international business representative organisations.



38, Grivas Digenis Ave. & 3 Deligiorgis
str. Chamber Building, P.O.BOX
21455, CY1509 Nicosia - Cyprus
T: (+357) 22 660 066 • F: (+357) 22 669 048
Contact: Marios Tsiakkis - Secretary General
E: secgen@ccci.org.cy • W: www.ccci.org.cy



COSTAS AGROTIS
CHAIRMAN OF THE BOARD

CYPRUS COMPUTER SOCIETY (CCS)

CCS is a professional and independent not-for-profit organization, seeking to improve and promote high standards amongst informatics professionals, in recognition of the impact that informatics has on employment, business, society as well as on the quality of life of the citizen. Through the advancement of Computer Science, Informatics and good practice our organization promotes wider social and economic progress, bringing together industry, academics, practitioners and government to share knowledge, promote new thinking, inform the design of new curricula, shape public policy and inform the public. CCS is the national licensee for the leading international computer skills certification programme - ECDL (European Computer Driving Licence)



PO Box 27038, 1641 Nicosia - Cyprus
T: (+357) 22 460 680 • F: (+357) 22 767 349
Contact: Panicos Masouras -
Secretary of the Board
E: info@ccs.org.cy
W: www.ccs.org.cy



CHRISTOS MICHAELIDES
CHAIRMAN

CYPRUS EMPLOYERS AND INDUSTRIALISTS FEDERATION (OEB)

The Cyprus Employers and Industrialists Federation (OEB) was founded in 1960 by 19 pioneering entrepreneurs. Today, its members are active in all sectors of the economy and employ more than 60% of the private sector's workforce. OEB is a pan-cyprian independent organisation comprising of 64 of the main professional/ sectoral Associations as well as hundreds of companies from the Manufacturing, Services, Commercial, Construction and Agricultural Sectors. In total, OEB has more than 5,000 Member/Enterprises. OEB is established as a dynamic force in Cyprus' socio-economic development and welfare and acts as the main advocate and representative of the entrepreneurial community.



2, Acropoleos Ave. & Glafkou, Strovolos, 2000
Nicosia / P.O.Box 21657, 1511 Nicosia - Cyprus
T: (+357) 22 665 102 • F: (+357) 22 669 459
Contact: Mr. Costas Christofides
- Deputy Director General
E: info@oeb.org.cy
W: www.oeb.org.cy



GEORGE SAVVIDES
PRESIDENT

CYPRUS FIDUCIARY ASSOCIATION

The Cyprus Fiduciary Association was established in November 2011 by the initiative of leading Fiduciary Firms in Cyprus providing fiduciary, management and administration services to companies engaged in international business activities. The following are the main goals and objectives of our Association: To protect, support and promote the common interests of our members; To raise the standard of quality of services provided; To act as a contact point for all international clients requiring information on the Cyprus jurisdiction; To educate our members on topics related to our sector; To liaise with all related authorities for the development of the fiduciary sector in Cyprus; To promote Cyprus as a reputable business and financial centre.



115 Griva Digeni Avenue, PO Box 58184,
3731 Limassol - Cyprus
T: (+357) 22 122 100 • F: (+357) 25 590 089
Contact: George Ioulianos - General Manager
Contact: Maria Kyprianou - Operations
OfficerE: info@cfa.org.cy
W: www.cfa.org.cy



HARIS LOIZIDES
PRESIDENT

CYPRUS HOTEL ASSOCIATION

The Cyprus Hotel Association is the Hoteliers National Trade Union. The history of its foundation goes back to the beginning of the 1930s. Today the vast majority of all hotel establishments and other licensed tourist accommodation units in Cyprus, are members of the CHA. The most important aims of the Association are: The protection and promotion of the interests of the hoteliers as employers and as professionals, as well as of the interests of Cyprus in general; The promotion and upgrading of the Cyprus tourism development; The upgrading and development of the hotel establishments in Cyprus and the improvement of the professional level of the hoteliers; The solidarity between its members.



A. Araouzou Street 12A, Esperides Building,
P.O.Box 24772, 1303 Nicosia
T: (+357) 22 452 820 • F: (+357) 22 375 460
Contact: Haris Loizides - President
E: cha@cyprushotelassociation.org
W: www.cyprushotelassociation.org



FRIXOS SAVVIDES
PRESIDENT

CYPRUS INTERNATIONAL BUSINESSES ASSOCIATION

CIBA is a non-governmental fully independent association, financed by membership fees only. Its activities and initiatives are organised and carried out by its General Secretary and an Executive Committee of (max.) 12 persons. The President and the members of the Executive Committee are volunteers and do not receive any compensation. Ever since its creation, CIBA has gone to great lengths to represent and safeguard the interests of the international businesses, their international shareholders, managers and staff. The authorities recognize that CIBA represents the whole of the international business community in Cyprus and that it is instrumental in finding compromises between the required EU-driven legislation and international business requirements. The prestigious CIBA Excellence award is awarded annually to a member company that fulfils the specific criteria as set out by the Association. The 2015 CIBA excellence award was presented to RCB Bank Ltd in recognition of their commitment to Corporate Social Responsibility and their contribution to the restoration of confidence to the Cyprus economy.



John Kennedy Street, Iris House 8th Floor
Office 840A, 3106 Limassol - Cyprus
T: (+357) 25 583 400 • F: (+357) 25 581 531
Contact: Margarita Alexandrou -
Assistant General Secretary
E: ciba@ciba-cy.org
W: www.ciba-cy.org



ANGELOS GREGORIADES
PRESIDENT

CYPRUS INVESTMENT FUNDS ASSOCIATION (CIFA)

CIFA is the Association of professionals, businesses and organizations offering services and being involved in the Investment Funds Sector in Cyprus. CIFA focuses on enhancing the high level of sophistication of the Investments Funds Industry and addresses the broad range of needs and issues faced by service providers and businesses involved in the sector. The Mission of CIFA is to: Help its members capitalize on industry trends; Shape regulation; Enhance professionalism, integrity and quality and Promote the Cyprus Investments Fund Industry. The first Board of CIFA is comprised of highly reputable industry professionals experienced in all aspects of the industry, including fund management, advisory, banking, audit and legal.



Severis Building, 9 Makarios III Ave.,
4th Floor, Lefkosia 1065 - Cyprus
T: (+357) 22 441 133 • F: (+357) 22 441 134
Contact: Marios Tannousis -
Board Member & Secretary
E: info@cifacyprus.org
W: www.cifacyprus.org



**CHRISTODOULOS E.
ANGASTINIOTIS**
CHAIRMAN

CYPRUS INVESTMENT PROMOTION AGENCY (CIPA)

The Cyprus Investment Promotion Agency (CIPA) operates since 2008, taking the lead in promoting Cyprus as an attractive FDI destination, under the brand "Invest Cyprus". CIPA follows a threefold mandate: To promote Cyprus as an attractive international investment centre in key priority growth sectors; To advocate reform in Cyprus required to improve the regulatory and business environment and infrastructure; To provide investor support with after care and further development services. CIPA encourages foreign businesses to explore opportunities for investment in Cyprus, working closely in conjunction and partnership with public and private institutions and organizations, having also established its membership with the World Association of Investment Promotion Agencies (WAIPA) and the ANIMA Investment Network.



9 Makarios III Avenue, 4th Floor,
Nicosia 1065 - Cyprus
T: (+357) 22 441 133 • F: (+357) 22 441 134
Contact: Marios Tannousis, Senior
Investment Promotion Officer
E: mtannousis@investcyprus.org.cy
W: www.investcyprus.org.cy



ANDY VAROSHIOTIS
PRESIDENT

CYPRUS OIL AND GAS ASSOCIATION (COGA)

The Cyprus Oil and Gas Association (COGA) was founded by a group of professionals under the auspices of the Cyprus Chamber of Commerce and Industry, with the aim of serving the interests of the companies and professionals in the oil and gas industry within the Cyprus Exclusive Economic Zone. Main Objectives: To protect and promote the interests of its members; to provide a forum for discussion on issues of common interests; to promote co-operation among members and create investment opportunities; to promote the use and development of local resources in the oil, gas and petrochemical industries.



38, Grivas Dhigenis Ave. &
3, Deligiorgis Street - Cyprus
T: (+357) 22 889 744 • F: (+357) 22 667 593
Contact: Polis Peratikos - Executive Secretary
W: www.cyoilgas.org



THOMAS A. KAZAKOS
DIRECTOR GENERAL

CYPRUS SHIPPING CHAMBER

The Cyprus Shipping Chamber is the trade association of the Shipping Industry in Cyprus. The main purpose of the Chamber is to promote the interests of Cyprus Shipping and to further the reputation of the Cyprus flag. The Chamber also acts as a lobbying group for the promotion and safeguard of the legitimate interests of its Member-companies, at national and international level. On the local front, the Chamber co-operates very closely with the Government in all shipping related matters. Moreover, the Chamber operates as a roving ambassador of Cyprus Shipping through its membership and active participation at the International Chamber of Shipping (ICS) and the European Community Shipowners' Associations (ECSA).



City Chambers, 6 Regas Fereos Str.
P.O. Box 56607, 3309, Limassol - Cyprus
T: (+357) 25 360 717 • F: (+357) 25 358 642
Contact: Thomas A. Kazakos - Director General
E: csc@csc-cy.org
W: www.csc-cy.org



NONDAS CL. METAXAS
DIRECTOR GENERAL - CEO

THE CYPRUS STOCK EXCHANGE (CSE)

The Cyprus Stock Exchange (CSE) is a regulated exchange where all activity concerning corporate and public listed securities is carried out. More specifically, the CSE offers a full range of products and services including among others, listing, trading, clearing, settlement and registration in its Central Securities Depository. Within its strategic aim of better servicing the investors and market participants, the CSE has recently introduced in the market a full range of new services and products, focusing on offering them at even more simplified procedures and at a lower cost level.



71-73 Lordou Vironos Avenue, 1096,
P.O.Box 25427 Nicosia, 1309 - Cyprus
T: (+357) 22 712 30 • F: (+357) 22 570 308
Contact: Nondas Cl. Metaxas -
Director General - CEO
E: info@cse.com.cy
W: www.cse.com.cy



ANGELOS LOIZOU
CHAIRMAN OF THE BOARD

CYPRUS TOURISM ORGANISATION

The Cyprus Tourism Organisation is a semi-governmental organisation, which promotes and supports tourism in Cyprus, either via developing, regulatory or marketing activities. The Organisation was founded in 1969 and currently maintains offices in Cyprus (its Head Offices being in Nicosia) as well as in numerous European countries. The Organisation works closely with the tourism industry in Cyprus as well as partners abroad to make recommendations for the improvement of the Cyprus tourist product, to attract interest and raise demand in source markets, to improve accessibility to the destination and to address issues of seasonality.



19 Leoforos Lemesou, P.O.Box
24535, 1390 Nicosia - Cyprus
T: (+357) 22691100 • F: (+357) 22334696
Contact: Sophia Charalambous - Tourism Officer
E: cytour@visitcyprus.com
W: www.visitcyprus.com



MICHAEL FILIPPOU
CHIEF EXECUTIVE OFFICER

CYPRUS UNION OF SHIPOWNERS (CUS)

The Cyprus Union of Shipowners is the major representative organization of the international shipping community with vessels under the Cyprus Flag. Over the years, the Cyprus Union of Shipowners has managed to register under its membership the vast majority of the Cyprus Flag ships. The Cyprus Union of Shipowners provides a strong voice representing the interest of its members worldwide. As the main representative of the Shipowning Community, the Union, has the responsibility of informing and educating its Members to ensure that they comply with all their obligations and commitments, stemming from International Regulations that have been implemented.



17 Gordonos Street, Suite 301,
3070 Limassol - Cyprus
T: (+357) 25 818 161 • F: (+357) 25 818 160
Contact: Katerina Michael -
Administration & Public Relations Officer
E: cus@cus.com.cy • W: www.cus.com.cy



MICHALIS ACHILLEOS
CEO

CYTA

Cyprus Telecommunications Authority (Cyta), the leading telecommunications company in Cyprus, is a service provider of the whole spectrum of electronic communication products, ranging from fixed and mobile communication, internet service provision and digital applications. Cyta, through its strategic business unit Cytglobal, is particularly active in the area of international submarine fibre optic cables and satellite connectivity, providing wholesale products and services on a global basis and establishing Cyprus as a regional telecommunications hub in the Eastern Mediterranean.



Telecommunications Street,
P.O. Box 24929, 1396 Nicosia - Cyprus
T: (+357) 22 701130 • F: (+357) 22 494940
E: gm@cyta.com.cy
W: www.cyta.com.cy



YIANNIS KOULIAS
DIRECTOR - NATIONAL
& INTERNATIONAL
WHOLESALE MARKET

CYTAGLOBAL

Cyta, the primary telecommunications provider in Cyprus, covers the whole spectrum of electronic communications ranging from fixed and mobile voice and data communications, Internet, IPTV and broadband services. Taking advantage of the island's strategic geographical position, Cytglobal, a strategic business unit of Cyta, has developed an extensive subsea fibre optic cable network, which connects Cyprus with its neighbouring countries and thereafter with the rest of the world. Cytglobal also operates an extensive satellite network with two teleport sites, providing connectivity with major satellite systems. Through its global network, Cytglobal provides a wide range of international telecommunications products, services and total solutions, making Cyprus a major telecommunications hub in the Eastern Mediterranean and an excellent international electronic communications center.



Telecommunications Str,
PO Box 24929, 1396 Nicosia - Cyprus
T: (+357) 22 701 652 • F: (+357) 22 494 155
Contact: Yiannis Koulias, Director - National & International Wholesale Market
E: global@cyta.com.cy
W: www.cytglobal.com



CHRISTIS M. CHRISTOFOROU
CEO - DELOITTE CYPRUS

DELOITTE CYPRUS

Deloitte, with more than 550 professionals locally, is one of the largest and fastest-growing professional services organisations in Cyprus. Its services include audit, tax, consulting, financial advisory, wealth advisory and an integrated services offering addressed primarily to the international business community, focusing on accounting and payroll, tax compliance and the formation and administration of companies, partnerships and trusts. As part of the Deloitte global network, with more than 220,000 people in over 150 countries, it has the advantage of a global sharing of knowledge with a local adaptation and personal approach, built on the solid foundations of more than 55 years of successful operation on the island. For more information about Deloitte Cyprus visit www.deloitte.com/cy



24 Spyrou Kyprianou Avenue,
CY 1075 Nicosia - Cyprus
Other offices in Limassol and Larnaca
T: (+357) 22 360 300 • F: (+357) 22 360 400
Contact: Mr Lakis Koutsokoumnis - Director
| Marketing & Communications
E: lkoutsokoumnis@deloitte.com
W: www.deloitte.com/cy



ANDREAS I. CHRYSOSTOMO
DIRECTOR - DEPARTMENT
OF MERCHANT SHIPPING

DEPARTMENT OF MERCHANT SHIPPING

Cyprus Department of Merchant Shipping is responsible for the development of maritime activities which include: registration of ships, administration and enforcement of the Merchant Shipping Laws, administration of the tonnage tax system, control of shipping and enforcement of international conventions ratified by the Government of Cyprus, Vessel traffic monitoring around Cyprus, resolving labour disputes on board Cyprus ships and training and certification of seafarers. Cyprus is one of the largest third-party ship management centres in the world. Cyprus Registry ranks in tonnage terms as one of the ten largest in the world with a merchant fleet exceeding 22 million gross tons.



Kyllinis Street, Mesa Geitonia,
4007 Limassol - Cyprus
T: (+357) 25 848 100 • F: (+357) 25 848 200
Contact: Andreas Chrysostomou - Director
E: maritimadmin@dms.mcw.gov.cy
W: www.shipping.gov.cy



CONSTANTINOS CHRISTODOULIDES
MAJOR CUSTOMER MANAGER

DHL

DHL is the leading global brand in the logistics industry that offers an unrivalled portfolio ranging from parcel delivery, international express, road, air and ocean transport to industrial supply chain management. DHL Express was the first international courier, setting up business in Cyprus in 1980. DHL is the market leader on the island with a share of around half the express courier market. DHL offers an unparalleled service to its customers and has established a reputation as a socially responsible organization that strives to improve its offerings to its customers, its people and the environment it works in.



PO Box 22002, 1515 Nicosia - Cyprus
T: (+357) 25 871 049 • F: (+357) 22 799250
Contact: Constantinos Christodoulides
- Major Customer Manager
E: constantinos.christodoulides@dhl.com
W: www.dhl.com.cy



CHARLES ELLINAS
CEO

E-CNHHC – E-C NATURAL HYDROCARBONS COMPANY LTD

The company provides advisory, project management and consultancy services in the oil & gas and energy sectors and aims to contribute to the successful development of these Sectors for the future of Cyprus. The CEO has over 35-years international experience in promoting and developing oil & gas business and projects spanning Europe, Asia and Africa. We can assist our clients in developing their business in Cyprus, evaluating opportunities and providing in depth professional advice and support.



11 Tyrtaiou Street, 1087 Nicosia - Cyprus
T: (+357) 97 705 060 • F: (+357) 22 764 018
Contact: Dr Charles Ellinas - CEO
E: Charles.ellinas@yahoo.com
W: www.e-cnhc.com



MICHALIS LOUIS
CEO

EUROBANK CYPRUS LTD

Eurobank Cyprus has been operating in Cyprus for the past eight years. Focusing on the wholesale side of business – specifically on Corporate & Investment Banking, Wealth Management, International Business Banking, and Treasury Sales – its operating model is distinct from the rest of the banking industry in Cyprus. Its strong capital base, substantial liquidity, and solid financial results allow Eurobank Cyprus to continue its dynamic growth and its ongoing support of the Cyprus economy. Eurobank Cyprus Ltd is a Cyprus registered company founded in 2007, operates autonomously and is subject to all laws and regulations of the Republic of Cyprus.



41, Arch. Makarios Avenue,
1065 Nicosia - Cyprus
T: (+357) 22 208 000
E: info@eurobank.com.cy
W: www.eurobank.com.cy



MARIOS SIATHAS
GENERAL MANAGER

EUROPEAN INSTITUTE OF MANAGEMENT AND FINANCE (EIMF)

The European Institute of Management and Finance (EIMF) is a leading provider of premium executive education courses, eLearning and tailored learning solutions with emphasis on the Financial and Professional Services Sector. The EIMF is an accredited training provider by the Human Resources Development Authority, and a training partner of the Chartered Institute of Securities and Investments UK (CISI), and the Association of Certified Anti-Money Laundering Specialist (ACAMS). The EIMF's comparative advantage is being at the forefront of changes in the financial sector and the European and Local Legislations through the employment and partnership with specialised professionals and collaborations with other organizations.



101 Acropolis Avenue, Third Floor,
2012 Nicosia - Cyprus
T: (+357) 22 274 470 • F: (+357) 22 274 475
Contact: George Stylianou - Programmes Manager
E: info@eimf.eu
W: www.eimf.eu



STAVROS PANTZARIS
COUNTRY MANAGING PARTNER

EY CYPRUS

EY is a global leader in assurance, tax, transactions and advisory services. The firm employs over 210.000 people based in 728 offices in over 150 countries. It is organized into 28 Regions and four Areas – Americas, Asia-Pacific, EMEA and Japan. By organizing across national borders, into a few integrated and effective business units, EY has created a truly global culture and mind-set, which is the best response to the 21st century business landscape. EY in Cyprus has its origins dating back to the 1930's. It is part of EY's Europe, Middle East, India and Africa Area and one of the 21 countries that comprise the Central and Southeast Europe Region.



6 Stasinou Avenue, P.O.Box 21656,
1511, Nicosia, Cyprus
T: (+357) 22 209 999 • F: (+357) 22 209 996
Contact: Stavros Pantzaris -
Country Managing Partner
E: stavros.pantzaris@cy.ey.com
W: ey.com/cy



GEORGE SAVVIDES
PARTNER

FIDUCENTER (CYPRUS) LTD

Fiducenter is an independent provider of professional services, with more than 35 years of existence. We provide a comprehensive range of international business services, including professional consultation, advisory services on specific transactions, formation of investment funds, companies, trusts and other investment and business vehicles, bespoke services related to specific sectors and structures and much more. Fiducenter Cyprus Ltd is among the very first firms licensed by the Cyprus Securities and Exchange Commission for provision of administrative (corporate, fiduciary, trust) services (L/N: 8/196) and is a founding member and the president since establishment, of the Cyprus Fiduciary Association.



1 Iakovou Tompazi Street, Vashiotis Business
Center, CY-3107 Limassol, Cyprus
T: (+357) 25 504 000 • F: (+357) 25 504 100
George Savvides, Partner
george.savvides@fiducenter.com.cy
www.fiducenter.com.cy



CHRISTOS MICHAEL
MANAGING DIRECTOR

FIRST NAMES (CYPRUS) LIMITED

First Names Group may be a new name in the global trust and corporate services sector but we've been around for more than 30 years. Our experienced and well qualified teams of in house professionals provide advice on the day to day management of simple and complex structures established for both private and corporate clients. Often, these structures are established for the purposes of the mitigation of tax and the protection of wealth within a secure environment. The uses of such structures are broad and almost limitless and a bespoke approach and interpretation is required in order to ensure that client objectives are met.

FIRST / NAMES
GROUP

20 Spyrou Kyprianou avenue, Chapo
Central 3rd floor, 1075 Nicosia - Cyprus
T: (+357) 22 749 000 • F: (+357) 22 749 100
Contact: Christos Michael – Managing Director
E: christos.michael@firstnames.com
W: www.firstnames.com



ALEXIOS KARTALIS
GENERAL MANAGER

GMM GLOBAL MONEY MANAGERS LTD

GMM Global Money Managers Ltd was established in 2013 and is the first Cyprus-based UCITS management company, setting up, running and managing UCITS mutual funds, as well as Alternative Investment Funds (AIFs), in line with the most recent EU Directives, as incorporated in the Cypriot legislation. The company through an extensive range of potential investment options (mutual funds and related products such as ETFs, AIFs etc.), is seeking to provide effective geographical coverage and achieve diversification of investment risk in international money and capital markets. GMM's management team and associates are well reputed with many years of experience and their primary aim is to safeguard invested capital and generate optimal yields for the small, medium and large portfolios of both private individuals and institutional investors.



36 Stasinou Str., Strovolos 2003,
Nicosia - Cyprus
T: (+357) 22 205 858 • F: (+357) 22 378 194
Contact: Alexios Kartalis - General Manager
E: info@global-mm.com
W: www.global-mm.com



**STEVE SLOCOMBE &
DONNA STEPHENSON**
FOUNDERS

GRS PROFESSIONAL RECRUITMENT SERVICES LTD

GRS Global Recruitment Solutions is the leading international Recruitment and Payroll Consultancy specialising in the provision of human capital resourcing solutions. As Cyprus' largest and most successful recruitment agency, GRS has more than 10 years of experience recruiting for jobs in Cyprus and Malta. The GRS team, possess in-depth knowledge and expertise of the market, as well as the networking skills required to source the most talented candidates. GRS, is renowned island-wide for its professional, precise recruitment and payroll services that deliver exceptional results.



The Hawk Building, 124 Gladstonos Street,
3rd Floor, Limassol 3032 Cyprus
Clarion House, 2nd Floor,
25 Aphrodite Street, Nicosia, 1060, Cyprus
T: (+357) 25 342 720 / 22 769 369 • F: (+357) 25342718
Contacts: Steve Slocombe / Donna Stephenson (Directors)
E: jobs@grsrecruitment.com • W: www.grsrecruitment.com



BERT PIJLS
CEO

HELLENIC BANK

Hellenic Bank is a systemic Cyprus bank, listed on the Cyprus stock exchange and supervised by the SSM of the ECB. The Bank is currently at the forefront of financing the recovery and transformation of the island's most important industries and is regarded as Cyprus's key agent for growth. With an enhanced international shareholder base, a renewed BOD, Hellenic Bank's 40 year old heritage and strong workforce, is focused on addressing key challenges faced by the financial sector in Cyprus and at the same time jump the innovation queue to lead the way in technological transformation and banking digitalization.



HELLENIC BANK

P.O. Box 24747, 1394 Nicosia - Cyprus
T: (+357) 22 500 500 • F: (+357) 22 500 083
Contact: Persis Christodoulou -
Chief Marketing Officer
E: marketing@hellenicbank.com
W: www.hellenicbank.com



WES PORTER
CEO

HERMES AIRPORTS

Hermes Airports comprises of an international consortium of nine shareholders, managing and operating Larnaka and Pafos airports since 2006 under a 25-year concession agreement with the Republic of Cyprus. It significantly contributes to the country's tourism growth, through an active air service development strategy, consisting of incentive schemes' provision and joint marketing activities with airlines, as well as the collaboration with the Government and tourism stakeholders for the expansion of tourism related opportunities. The company contributes 3% to the country's GDP, whereas 12,700 jobs are sustained by its operation. 2015 ended with a historical record in traffic, recording 7.6m passengers.



P.O. Box 43027, 6650 Larnaka International
Airport, Republic of Cyprus
T: (+357) 24 742 174 • F: (+357) 24 643 633
Contact: Panicos Tsolias - Senior Business
Development Officer, Marketing Department
E: panicos.tsolias@hermesairports.com
W: www.hermesairports.com



COSTAS AFXENTIOU
CEO

HLB CYPRUS LIMITED

HLB Cyprus is among the largest accounting and financial consulting firms in Cyprus with specialized departments providing services in audit & assurance, accounting, financial advisory, transaction services, tax compliance and planning to a wide range of businesses from the small owner-managed business to multinational groups and listed companies. Our firm provides services to a diversity of clients in a wide range of operations, both locally and internationally and has affiliated entities offering professional services including corporate, trust and management services. No matter the size of our client's business, our professional staff provides the guidance needed for successful and well-considered decisions.



Palaceview House, Corner of Prodromos & Zinonos Kitieos 2, CY-2064 Nicosia - Cyprus
T: (+357) 22 002 700 • F: (+357) 22 002 800
Contact: Costas Afxentiou – CEO
E: nicosia@hlb.com.cy
W: www.hlb.com.cy



ELENA AMBROSIADOU
CEO

IKOS

Established in 1991, IKOS is amongst Europe's top 5 award-winning and longest-standing fund managers. Our success is founded on the application of the scientific method in investment analysis, algorithmic model generation and portfolio construction. IKOS delivers consistent and reliable returns through the continuous development of cutting edge investment strategies, traded through our proprietary state-of-the-art automated trading platform and through the application of rigorous systematic risk management. IKOS is regulated by CySEC, and the US SEC as an Investment Adviser. It is also an NFA member and registered with the CFTC as a CPO and a CTA.



3107 Limassol, Cyprus
T: (+357) 25 814 714
E: marketingoperations@ikos.com.cy
W: www.ikosam.com



ARTEMIS PANTELIDOU
CHAIRMAN

INSURANCE ASSOCIATION OF CYPRUS

The Insurance Association of Cyprus is the accredited and representative body of the Cypriot insurance industry, with 28 member insurance companies operating in Cyprus, accounting for approximately 95% of total gross written premiums. As the leading and united voice of the Cyprus insurance market its mission is to promote the industry's views and positions to policymakers and legislators. It is also particularly active with respect to work aiming at the modernization of the sector, the continuous improvement of the level and quality of service to the public, the enhancement of consumers' trust and confidence in insurance products and their providers, and the strengthening of the institution of insurance.



P.O. Box 22030, 1516 Nicosia
T: (+357) 22 452990 • F: (+357) 22 374288
Contact: Stephie Dracos – Director General
E: info@iac.org.cy
W: www.iac.org.cy



LEFKIOS JOANNIDES
MANAGING DIRECTOR

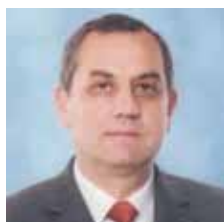
JOANNIDES + CO. LTD

Joannides + Co. Ltd is a leading firm of accountants and management consultants established in Cyprus for over 30 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 88 countries. Joannides + Co. Ltd is an approved training centre of the professional accounting institutes ICAEW and ACCA and in 2010 was awarded the quality award certification from the Institute of Certified Public Accountants of Cyprus. The firm's stated objective is to add significant value to its clients' business performance.

Joannides+Co.

Accountants and Management Consultants

Head Office Address: 13, Agiou Prokopiou Str., 2406 Egkomi, Nicosia - Cyprus
Postal Address: P.O.Box 25411, Nicosia 1309, Cyprus
T: (+357) 22 556 556 • F: (+357) 22 556 300
Contact: Lefkios Joannides – Managing Director
E: cy@joannides.com.cy
W: www.joannides.com.cy



EFTHYMOULOS IACOVIDES
GENERAL MANAGER

JOANNOU & PARASKEVAIDES LIMITED

Joannou and Paraskevaides was founded by its two major shareholders, Mr. Stelios Joannou and Mr. George Paraskevaides in the 1940's and evolved to an international contracting giant, who undertakes a wide spectrum of construction work in four continents. J&P maintains distinct position amongst the international constructing organizations. J&P undertakes projects regardless of their complexity, in private and public sector and works requiring self-financing. With its extensive experience of seven decades, latest equipment and experienced personnel, J&P delivers on time, within budget and within the specifications the projects it undertakes. J&P undertakes in collaboration with other international companies BOT type projects.



1 Byron Avenue, 1096 Nicosia, Cyprus
P.O. Box 21178, 1503 Nicosia, Cyprus
T: (+357) 22 868 600 • F: (+357) 22 818 868
Contact: Mary Andreou - Human Resources & Administration Manager
E: m.andreou@jandp.com.cy
F: www.jandpcy.com



KIKIS TREPPIDES
CHAIRMAN

K.TREPPIDES & CO LTD

Actively in business since 1985, K. Treppides & Co Ltd has become an established global service provider for international business ventures with presence in Nicosia, Limassol, Malta and London. Our service lines include: Audit & Assurance - Statutory Audit for multiple jurisdictions; Audit Reports; Consolidated Financial Statements; Forensic Reporting. Direct and Indirect Tax Services - International Tax Planning; Complex Group Structuring; Obtaining Tax and VAT rulings; Personal Taxation. Financial Reporting Services - Accounting Services; Financial Statements preparation; IFRS Advice Desk. Financial and Regulation Advisory Services - Licensing; Internal Audit; Compliance and AML Services; Risk Management; Advisory & Corporate Finance; Insolvency; Liquidation; Investment Funds.



Kafkasou 9 Street, Aglantzia,
CY 2112, Nicosia - Cyprus
T: (+357) 22 678 944 • F: (+357) 22 681 887
Contact: Kikis Treppides - Chairman /
Marios A. Cosma - Senior Partner
E: info@treppides.com
W: www.treppides.com



DEMETRIS KOULOUNDIS
REGIONAL SALES DIRECTOR

KARDEX SYSTEMS LTD

KARDEX REMSTAR is one of the market leaders in Automated Storage / Retrieval Systems, Document Management and in Materials Handling Systems with manufacturing facilities in Germany, USA and Australia. KARDEX REMSTAR is an operating division of KARDEX AG which is based in Zurich, Switzerland, is listed on the Swiss SIX Stock Exchange since 1987 and employs around 2,200 people in more than 30 countries worldwide. KARDEX SYSTEMS LIMITED, a wholly owned subsidiary of the Group, is based in Cyprus and is the Kardex Remstar Company responsible for sales, marketing and technical support for the entire product portfolio in the Middle East, Gulf, Africa, Balkans and Central Asia.



P. O. Box 53133, CY 3300, Limassol - Cyprus
T: (+357) 25 875 600 • F: (+357) 25 590 091
Contact: Demetris Kouloundis -
Regional Sales Director
E: demetris.kouloundis@kardex.com
W: www.kardex.com



KEVIN MUDD
CEO

KMG CAPITAL MARKETS LTD

With over 25 years of extensive experience, KMG Capital Markets works in partnership with its clients to create successful funds, providing regulatory and compliance support alongside portfolio and risk management. Our mission is to inspire you to achieve your goals, matching your fund proposition to your investors' needs. KMG is a fully licensed, CySEC-regulated AIFM and UCITS management company and our team is composed of highly-qualified financial specialists with a proven track record in excellence. We are dedicated to supporting and empowering our clients, ensuring that our working relationship is built upon trust, confidence and transparency.



Harmony House, 1st Floor, 4 Theklas
Lyssiotti Street, 3030 Limassol - Cyprus
T: (+357) 25 818 412 • F: (+357) 25 749 755
Contact: Kevin Mudd, CEO
E: kmudd@kmgcapitalmarkets.com
W: www.kmgcapitalmarkets.com



ANDREAS K. CHRISTOFIDES
MANAGING DIRECTOR

KPMG LIMITED

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We have more than 174,000 outstanding professionals working together to deliver value in 155 countries worldwide. We have a clear vision of what we want to achieve as a network. We continuously take important steps to ensure that KPMG delivers market-leading, world-class professional services that are aligned with the changing needs of our clients and global markets.



14 Esperidon 1087, Nicosia - Cyprus
P.O. Box: 21121, 1502, Nicosia - Cyprus
T: (+357) 22 209 000 • F: (+357) 22 678 200
Contact: Demetris S. Vakis - Board
Member, Head of Sales and Markets
E: Demetris.Vakis@kpmg.com.cy
W: www.kpmg.com.cy



**LEANDROS
PAPAPHILIPPOU**
MANAGING PARTNER

L PAPAPHILIPPOU & CO LLC

L Papaphilippou & Co LLC was founded in 1963. Through constant and consistent work, it is now one of the leading and most respectable law firms in Cyprus. The firm quickly established strong presence in the fields of corporate and shipping law, litigation, banking and finance, wealth management, immigration and citizenship, thus achieving good cross-border reputation, which led to the development of a concrete international professional network and client base. Our list of clients includes governments, governmental and regulatory bodies, local and international banking and financial institutions, insurance, shipping and listed companies, multinationals and high net worth individuals.

L PAPAPHILIPPOU & CO LLC

17 Ifigenias Street, 2007 Strovolos,
P.O.Box 28541, 2080 Nicosia - Cyprus
T: (+357) 22271000 • F: (+357) 22271111
Contact: Leandros Papaphilippou
- Managing Partner
E: info@papaphilippou.eu
W: www.papaphilippou.eu



ANDREAS O. CHRISTODOULIDES
CEO

LIMASSOL MARINA LTD

Limassol Marina Ltd is the company responsible for the development and operation of Limassol Marina, an exciting new destination for living, yachting, dining and shopping in the Mediterranean. Located in the heart of the most vibrant city in Cyprus, it combines elegant residences and a full service marina with an enticing mix of restaurants and shops, a spa, gym and cultural centre, to create a lifestyle uniquely shaped by 'living on the sea'. With 162 luxury apartments and 74 exclusive villas, featuring private berths or direct access to the beach, Limassol Marina is also the only superyacht marina on the island.



P.O. Box 50160, 3601 Limassol - Cyprus
T: (+357) 25 020 020 • F: (+357) 25 022 699
Contact: Sophia Paraskeva - Marketing & PR Manager
E: sparaskeva@limassolmarina.com
W: www.limassolmarina.com



KALLIS SPYROU
SALES MANAGER

LONDA BEACH HOTEL LIMASSOL

A refined boutique hotel that blends Mediterranean flair and modern lifestyle, the Londa has 68 carefully created rooms and suites offering guests a relaxing atmosphere and personal paradise. Classic yet stylish, the Londa is the island's must-visit lifestyle hotspot. Londa recently joined the elite global consortium of Small Luxury Hotels of the World™, a list of just 520 hotels in 80 countries, all chosen for their unique character, personal service and memorable experiences. Their vision and brand value to extend outstanding quality, passion for excellence and top personal service, combined with Londa's vision to create unique moments, create the perfect setting for exceeding guest expectations.



72 Georgiou A Street, Potamos Gernasogeia, Limassol 4048 - Cyprus
T: (+357) 25 865 555 • F: (+357) 25 320 040
Contact: Kallis Spyrou - Sales Manager
E: info@londahotel.com
W: www.londahotel.com



MENELAOS KYPRIANOU
MANAGING PARTNER

MICHAEL KYPRIANOU & CO. LLC

MICHAEL KYPRIANOU & CO. LLC has established an enviable reputation as a broad based legal practice. Having as its guiding principle to always exceed its clients' expectations the firm has grown to become one of the largest law firms in Cyprus with offices in Nicosia, Limassol and Paphos. The firm also has a strong international presence with fully fledged offices in Greece (Athens and Salonica), Malta (Birkirkara) and in the Ukraine (Kiev). The firm is consistently recommended by reputable international directories such as the Legal 500 and Chambers & Partners for the quality of its services and its international expertise. Amongst its international clientele are included some of the world's most pre-eminent organisations.



2 Agias Elenis Str, 6th & 7th floors, 1060 Nicosia - Cyprus
T: (+357) 22 447 777 • F: (+357) 22 767 880
Contact: Menelaos Kyprianou - Managing Partner
E: info@kyprianou.com.cy
W: www.kyprianou.com.cy



GEORGE PETRAKIDES
GENERAL MANAGER
MICROSOFT CYPRUS & MALTA

MICROSOFT CYPRUS LTD.

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. With 90,000 employees in over 190 countries, Microsoft has been established in Cyprus since 2003 and employs 18 people. Some of the most popular products and services of Microsoft are: Windows, Office, Office 365, Windows Server, Microsoft Azure, Exchange Server, SQL Server, Windows Phone, Xbox, Surface, Visual Studio and Microsoft Dynamics. For more information about Microsoft Cyprus, please visit www.microsoft.com/cyprus



11 Limassol Avenue, Galatariotis Building, 1st floor, 2112 Aglantzia, Nicosia, Cyprus
T: (+357) 22 456 077 • F: (+357) 22 681 961
www.microsoft.com/cyprus



PHILIP VAN DALSEN
CEO

MTN CYPRUS

MTN is one of the largest telecommunications providers in Cyprus. It offers integrated telecommunications solutions for mobile, fixed telephony, broadband and IT services for private and business clients. With MTN's private fiber network and 4G technology, its subscribers enjoy high quality and reliability. The company's experienced staff comprises 400 professionals with relevant background. MTN is the owner of a retail chain with 16 MTN Stores all over Cyprus. MTN contributes to the society through sports, education, youth entrepreneurship, culture programmes and corporate volunteerism. MTN is a member of the MTN Group, a multinational telecommunications company which operates in 22 countries.



87, Kennedy Avenue, 1077 Nicosia - Cyprus
T: (+357) 96 222 222
W: www.mtn.com.cy



ANTONIS SKOULLOS
MANAGING DIRECTOR,
ORACLE CYPRUS; GB LEADER,
GREECE, CYPRUS, MALTA

ORACLE CYPRUS SOLUTIONS

Oracle offers a comprehensive and fully integrated stack of cloud applications, platform services, and engineered systems. With more than 420,000 customers—including 100 of the Fortune 100—in more than 145 countries, Oracle provides a complete technology stack both in the cloud and in the data center. Oracle's industry-leading cloud-based and on-premises solutions give customers complete deployment flexibility and unmatched benefits including application integration, advanced security, high availability, scalability, energy efficiency, powerful performance, and low total cost of ownership. For more information about Oracle (NYSE:ORCL), visit oracle.com.

58, Acropoleos Avenue, P.O.Box 28950, CY-2084,
Nicosia - Cyprus
T: (+357) 22 694 694 • F: (+357) 22 317 979
Contact: Antonis Skoullou - Managing Director,
Oracle Cyprus; GB Leader, Greece, Cyprus, Malta
E: antonis.skoullou@oracle.com
W: www.oracle.com



STAVROS PAVLOU
SENIOR & MANAGING PARTNER

PATRIKIOS PAVLOU & ASSOCIATES LLC

Patrikios Pavlou & Associates LLC is a top tier, multi-award winning law firm based in Cyprus with considerable expertise in the international legal market. In 2013, the firm proudly announced its 50th anniversary for the provision of professional, efficient and dedicated legal services in Cyprus and abroad. With their combined skills and knowledge, lawyers provide expert legal solutions on: Dispute Resolution & ADR; Corporate Law and M&A; Commercial Law; Banking & Finance; Capital Markets; International Tax Planning; Real Estate, Trusts & Asset Protection; Ship Registration & Ship Finance and others. Today, the firm is one of the largest and most successful law firms in Cyprus with an esteemed network of associates and a strong client portfolio worldwide.



Patrician Chambers, 332 Agiou Andreou Str.,
3035 Limassol - Cyprus
T: (+357) 25 871 599 • F: (+357) 25 344 548
Contact: Stavros Pavlou - Senior
& Managing Partner
E: spavlou@pavlaw.com
W: www.pavlaw.com



YIANNIS MATSIS
PARTNER

POINT NINE LIMITED

Founded in 2002, Point Nine is one of the industry leaders in post transaction processing, covering affirmations, matching, settlements of cash and assets, corporate actions processing, regulatory reporting, dissemination of trades details to third parties and reconciliations.



Chrysorrogiatissis 11, 3032 Limassol - Cyprus
T: (+357) 25 028 241
Contact: Andreas Roussos -
Head Of Business Development
E: Andreas.roussos@p9ft.com • W: www.p9ft.com



POLAKIS K. SARRIS
MANAGING PARTNER

POLAKIS SARRIS & CO LLC

Established in 1970, Polakis Sarris & Co LLC has grown over the years into a sizeable and versatile law firm. The company started off as a "one-man show", run by the founder Polakis K. Sarris, the current Managing Partner of the firm. Today, the company consists of over 30 employees, including lawyers, accountants, corporate managers, paralegal secretaries, assistants and supporting staff. Polakis Sarris & Co LLC has become one of Cyprus' leading firms in the corporate, tax, trust and shipping industry as well as litigation. The success of the office, its rapid expansion and the awards won are the direct result of the personal attention, quick response and high standards of excellence reflected in the services carried out.

POLAKIS SARRIS + CO LLC

36 Vyronos Avenue, Nicosia Tower
Center, 8th Floor Flat 801 - Cyprus
T: (+357) 22 456 000 • F: (+357) 22 675 605
Contact: Christina Sarris - Partner
E: info@polakissarris.com
W: www.sarris.com.cy



HERMES STEPHANOU
CEO

PRIMETEL

PrimeTel is one of the leading providers of mobile, broadband, fixed telephony, and television services in Cyprus. Founded in 2003, the company has invested in an advanced network that remains to this day one of its most competitive assets. With its advanced and independent national broadband network, PrimeTel is able to offer both personal and business customers a variety of complete communication solutions, supported by competitive offers aiming to meet the market's need for quality, reliability and economy. In 2014, PrimeTel secured the license for a 3rd Mobile Network in Cyprus, evolving from being a Mobile Virtual Network Operator (MVNO) to a Mobile Network Operator (MNO), and the company currently operates its own private 4G mobile Network.

141 Omonoia Avenue 304, Limassol - Cyprus
T: (+357) 25 867 000 • F: (+357) 25566 746
Contact: Rodinis Kyriacou - Assistant
Marketing Manager
E: rodinisk@prime-tel.com
W: www.primetel.com.cy



EVGENIOS C EVGENIOU
CEO, PwC CYPRUS

PwC CYPRUS

We support you to create the value you are looking for by providing specialised solutions based on quality. Together we build relationships based on trust and we say things as they are, to assist you to deal with issues that tomorrow will prove important. We adapt the expertise of our almost 1,000 professionals in Cyprus and the power of our global network of 208,000 experts in 157 countries to your specific needs, helping you make the difference. www.pwc.com.cy



PwC Central, 43 Demostheni Severi Avenue,
CY-1080 Nicosia
P O Box 21612, CY-1591 Nicosia - Cyprus
T: (+357) 22 555 000 • F: (+357) 22 555 001
Contact: Konstantina Logotheti - Senior Manager
Marketing & Communications
E: konstantina.logotheti@cy.pwc.com
W: www.pwc.com.cy



KIRILL ZIMARIN
CHIEF EXECUTIVE OFFICER

RCB BANK LTD

RCB Bank Ltd was established on August 1st 1995, is one of the largest banks in Cyprus and is one of the European significant Banks, members of the SSM mechanism and under direct supervision of the European Central Bank. The Bank operates 6 branches in Nicosia and Limassol, a branch in Luxembourg and representative offices in Moscow and London.



2, Amathountos Street, P.O. Box 56868,
3310 Limassol - Cyprus
T: (+357) 25 837 300 • F: (+357) 25 342 192
E: rcb@rcbcy.com
W: www.rcbcy.com



SPYROS DROUSSIOTIS
MANAGING DIRECTOR

S. DROUSSIOTIS REAL ESTATES LTD

S. Droussiotis Real Estates Ltd ("SD") is one of the leading real estate property consultants in Cyprus based in Limassol. With 20 years' of experience and always committed to excellence and to best serve and protect their clients' interests, SD apart from the core real estate services of buying, owning and selling property in Cyprus and abroad spanning across all property markets (residential, commercial, industrial), SD also offer several supporting services – these include extensive property management services, property financing, competitive Rental Guarantee programs and financial/legal advice services through SD's network of trusted professionals. SD's vast experience, professionalism, efficiency, accountability and highest ethical standards lead in long term relationships of trust with clients.



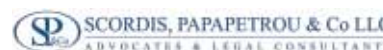
Louki Akrita 18B, P.O.Box 53161
3301 Limassol - Cyprus
T: (+357) 25 747 080 • F: (+357) 25 747 710
Contact: Spyros Droussiotis
E: info@droussiotis.com
W: www.droussiotis.com



KYRIACOS SCORDIS
MANAGING PARTNER

SCORDIS, PAPAPETROU & CO LLC

SCORDIS, PAPAPETROU & CO LLC, is a full service Law Firm in Cyprus (established in 1973) offering, together with its affiliates and subsidiaries (the "SPC Group"), a wide range of services such as International Litigation, Arbitration & Dispute Resolution, Corporate & Commercial, Mergers & Acquisitions, Estate & Tax Planning & Trusts, Company / Fund Formation and Administration, Fiduciary & Trustee Services, Accounting & Tax Advisory and Financial Services in addition to other traditional services of a law firm. The SPC Group currently has offices in Nicosia, Limassol, Athens, Moscow and Valletta.



30, Karpenisi Street, P.O. Box
20533, 1660 Nicosia - Cyprus
T: (+357) 22 843 000 • F: (+357) 22 843 444
Contact: Kyriacos Scordis - Managing Partner
E: k.scordis@scordispapapetrou.com
W: www.scordispapapetrou.com



YIANNOS CHRISTOFIDES
CEO

SCSS FUND MANAGEMENT LTD

SCSS, the acronym of success, is an independent Alternative Investment Fund Manager (AIFM) regulated by CySEC, license number (AIFM04/56/13). SCSS specializes in managing AIFs and provides tailor made solutions for Private Equity, Real Estate, Fixed Income and other specialist funds. SCSS offers customized solutions to clients who wish to set-up or redomicile existing funds from other jurisdictions and exploit the benefits of EU domiciled AIFs. Our expertise will warrant a smooth transition to a new structure without detriment to existing operations. SCSS is currently the largest AIFM in Cyprus with total Assets Under Management exceeding €2 bln.



18 Kyriacou Matsi, Victory Tower
1st floor, Nicosia 1082 - Cyprus
T: (+357) 22 376 006 • F: (+357) 22 255 318
Contact: Yiannos Christofides - CEO
E: info@scSSFunds.com
W: www.scSSFunds.com



YIANNIS DEMETRIADES
STEP CYPRUS CHAIRMAN

SOCIETY OF TRUST AND ESTATE PRACTITIONERS (STEP)

STEP is the worldwide professional association for those advising families across generations, & helps people understand the issues families face in this area. Today STEP has more than 20,000 members across 95 countries from a range of professions, including lawyers, accountants and other specialists. The Cyprus branch of STEP numbers over 185 experienced professionals from all over Cyprus, and is active in the spread of industry related knowledge, through regular conferences and presentations. The Cyprus committee of STEP is comprised of the following: Yiannis Demetriades – Chairman; Stella Kammitisi – Secretary; Chrysthia Papacleovoulou – treasurer, and members Peter Economides, Elias Neocleous, Andrew Demetriou, Margarita Hadjitofi & Panicos Loizou.



8 Stassinou Avenue, Photiades Business Center,
1st Floor, 1060, Nicosia - Cyprus
T: (+357) 22 755 656 • F: (+357) 22 452 055
Contact: Yiannis Demetriades -
STEP Cyprus Chairman
E: yiannisd@crowehorwath.com.cy
W: www.step.org



YULIA BYUS
DIRECTOR

SOLVINGOS SERVICES LIMITED

The PROGRESSTECH GROUP of COMPANIES is an international engineering services organisation. The head office, operating under the name SOLVINGOS SERVICES LTD, is based in Nicosia, Cyprus and includes under its guidance ten international offices, located in Russia, Ukraine, Armenia, France and the USA. Established in 1991 in Russia, Progresstech is an international player that uniquely exports strong engineering school and technology thinking from Russia and CIS. Progresstech has been providing engineering services to Boeing Company for over 25 years. Apart from engineering, we design, construct or supervise construction/ repair of airport and airfield facilities; provide testing and certification of airfields and runways; and also provide expertise in airport operations: accountancy, software solutions, workmen force training.



25 Aphroditis Street, Office 203,
1060, Nicosia - Cyprus
T: (+357) 22 479 326 • F: (+357) 22 479 300
Contact: Yulia Byus - Director
E: yulia.byus@solvingos.com
W: www.solvingos.com



KYRIAKOS IORDANOU
GENERAL MANAGER

THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF CYPRUS (ICPAC)

The Institute of Certified Public Accountants of Cyprus (ICPAC) is the competent authority for regulating the accounting and audit profession in Cyprus. Established in 1961, ICPAC currently has more than 3.600 professional accountants as members and 3.000 students. ICPAC houses all professional accountants, supports and promotes the activities and interests of the accountancy profession, safeguards the reputation of the profession and adherence to the Code of Ethics, as well as, provides for the continuous professional development and updating of members. In addition, ICPAC is also a competent authority under the Anti-Money Laundering laws, the laws on the Regulation of Enterprises Providing Administrative Services and the Insolvency Practitioners Law.



11 Byron Avenue, CY-1096 Nicosia, PO Box 24935,
CY-1355, Nicosia - Cyprus
T: (+357) 22 870 030 • F: (+357) 22 766 360
Contact: Mr Kyriakos Iordanou - General Manager
E: kyriakos.iordanou@icpac.org.cy
W: www.icpac.org.cy



CHRISTOS CHRISTODOULOU
CHIEF EXECUTIVE OFFICER

TRUST INTERNATIONAL INSURANCE COMPANY (CYPRUS) LTD

The greatest competitive advantage of Trust Insurance Cyprus is the way of doing things. The loyalty and ownership of business by its staff. The company offers "tailor made" products and services to its clients in order to best suit their individual needs; adding value to their insurance policies and money spent. Trust Insurance Cyprus, has a strong capital base, is a member of a large Group, Nest Investments (Holdings) Ltd, with net assets in excess of \$ 2.5 billion, nine Insurance companies and one Reinsurance Company Rated A- from both A&M Best and Standard and Poors.



79, Limassol Avenue, 1 & 3 Kosti Palama Corner,
2121, P.O.Box. 20344, 2151, Aglantzia - Cyprus
T: (+357) 22 050 100 • F: (+357) 22 050 290
Contact: Galatia Loizou, Marketing Officer
E: enquiries@trustcyprusinsurance.com
W: www.trustcyprusinsurance.com



ANDREAS THEODORIDES
CHIEF EXECUTIVE OFFICER

USB BANK PLC

Started in 1925 to evolve in 2009 to USB Bank PLC and in 2011 to become a member of the International BLC Bank – FRANSABANK Group, fourth-largest banking group in Lebanon with active presence in 10 countries. With an innovative and dynamic approach, USB Bank aims to support its customers with integrity and professionalism, offering flexible solutions tailored to their traditional and newly emerged market needs with efficient products and services. USB Bank focuses on growing its business locally and internationally, capitalizing on the opportunities arising from the Group's wide network and leveraging on their know-how and expertise, while benefiting from the continuous support of BLC Bank. USB Bank offers a wide range of financial products and services in the Retail and Corporate Division as well through its International Division with International Business Units in Nicosia and Limassol and a representative office in Moscow, Russia.



International Business Units
Nicosia: T: (+357) 22883740
Limassol: T: (+357) 25314160
Moscow Representative Office:
Presnenskaya Nab.10, Block C, Office 549,
123317, Moscow T:(+7) 4956516690
Contact: Nicolas Yiannakas - Manager
International Business Division
E: yiannakas.n@usbbank.com.cy
W: www.usbbank.com.cy
Customer Teleservice Centre: 8000 2323

Key Government Contacts

Office of the President

Presidential Palace
Nicosia, 1400
T: +357 22 867 400
W: www.presidency.gov.cy
The President of the Republic of
Cyprus: Mr Nicos Anastasiades

Ministry of Transport, Communication & Works

Achaion 28, Nicosia
1424 Nicosia
T: +357 22 800 102
W: www.mcw.gov.cy
Minister: Marios Demetriades

Ministry of Agriculture, Rural Development & Environment

Amfipoleos 6, 2025 Nicosia
T: +357 22 408 327
W: www.moa.gov.cy
Minister: Nicos Kouyialis

Ministry of Energy, Commerce, Industry and Tourism

6 A. Araouzou Street,
1424 Nicosia
T: +357 22 867 100
W: www.mcit.gov.cy
Minister: Yiorgos Lakkotrypis

Ministry of Defence

4 Emm. Roides Avenue,
1432 Nicosia
T: +357 22 807 500
W: www.mod.gov.cy
Minister: Christoforos Fokaides

Ministry of Education & Culture

Corner Thoucydides & Kimon
Streets, 1434 Nicosia
T: +357 22 800 600
W: www.moec.gov.cy
Minister: Costas Kadis

Ministry of Finance

Grigori Afxentiou, 1439 Nicosia
T: +357 22 602 722
W: www.mof.gov.cy
Minister: Harris Georgiades

Ministry of Foreign Affairs

Presidential Palace Avenue
1447 Nicosia
T: +357 22 651000
W: www.mfa.gov.cy
Minister: Ioannis Kasoulides

Ministry of Health

1 Prodomou and 17 Chilonos
1488 Nicosia
T: +357 22 605 300
W: www.moh.gov.cy
Minister: Dr George Pamborides

Ministry of Interior

Dem. Severis Avenue,
Ex-Secretariat Offices,
1453 Nicosia
T: +357 22 867 600
W: www.moi.gov.cy
Minister: Socrates Hasikos

Ministry of Justice and Public Order

125. Athalassas Avenue
1461 Nicosia
T: +357 22 805 950/51
W: www.mjpo.gov.cy
Minister: Ionas Nicolaou

Ministry of Labour, Welfare and Social Insurance

7 Bironos Avenue, 1463 Nicosia
T: +357 22 401 600
W: www.mlsi.gov.cy
Minister: Zeta Emilianidou

Cyprus Trade Centre in Athens

Xenofontos 2A, Athens
105 57 - Greece
W: www.cyprustradecenter.gr
T: +30 210 3734822

Cyprus Trade Centre in Beirut

M.N.C. Bldg, Debbas Str. ,
Rmeil, Achrafieh,
Beirut - Lebanon
W: www.ctcbeirut.com
T: +9611 320806

Cyprus Trade Centre in Berlin

Wallstrasse 27
Berlin D- 10179 - Germany
W: www.zypern.com
T: +49 30 2844596

Cyprus Trade Centre in Dubai

Al Ghurair City Office Tower,
6th Floor, Office 635, Dubai 11294
United Arab Emirates (UAE)
W: www.ctcdubai.org
T: +971 4 2282411

Cyprus Trade Centre in London

13 St. James's Square
London SW1Y 4LB
United Kingdom
W: www.cyprustrade.co.uk
T: +44 20 7321 4145

Cyprus Trade Centre in Moscow

9, Povarskaya Str.,
Moscow - Russia
W: www.ctcmoscow.ru
T: +7 495 744 29 48

Cyprus Trade Centre in New York

13, East 40th Street
New York,
New York N.Y. 10016 - USA
W: www.cyprustradeny.org
T: +1 212 2139100

Cyprus Trade Centre in Paris

42, Rue de la Bienfaisance
Paris 75008 - France
W: www.commerce-chypre.fr
T: +331 42896086

Cyprus Trade Centre in Vienna

Parkring 20
Vienna A-1010 - Austria
W: www.cyprustrade.at
T: +43 1 5130634

Cyprus Trade Centre in Warsaw

4 Pilicka Str., Warsaw - Poland
W: www.cyprustrade.pl
T: +4822 8540177

Embassy Of The Republic Of Cyprus In Beijing

Commercial Section
2-13-2, Ta Yuan Diplomatic
Office Building, 14 Liang
Ma He Southern Road,
Chao Yang District, Beijing
100600, P.R.China
T: +86 10 6532 5057/9,
+86 10 6532 7056/7
W: www.mfa.gov.cy/embassybeijing

Embassy Of The Republic Of Cyprus In Tel Aviv

Commercial Section
50 Dizengoff Street, Dizengoff
Center, Gate 3, Top Tower, 14th
floor, Tel Aviv - 64332, Israel
T: +972 3 525 0212
W: www.mfa.gov.cy/embassytelaviv



CONNECTING CYPRUS WITH THE REST OF THE WORLD

ONE COMPANY. ONE CURRENCY. ONE INVOICE.

Imports, exports and shipments to third countries have never been easier.

DHL Express handles your shipments quickly and efficiently, dealing with regulations and intermediaries, all on one invoice in a single currency.

Sit back and enjoy the speed, convenience and flexibility of DHL's services and online tools.

For further information, visit www.dhl.com.cy or contact us at 77777 345 for calls from abroad +35722799000



Is your biggest tax burden the one you can't see?

Taxes can quickly become prohibitive. Find out how we can help navigate your tax complexities at ey.com/tax #BetterQuestions

