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The International Comparative Legal Guide to:

Private Client 2016

5th Edition

A practical cross-border insight into private client work

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EDITORIAL

Welcome to the fifth edition of *The International Comparative Legal Guide to: Private Client*.

This guide provides corporate counsel and international practitioners with a comprehensive worldwide legal analysis of the laws and regulations of private client work.

It is divided into two main sections:

Eight general chapters. These are designed to provide readers with a comprehensive overview of key issues affecting private client work, particularly from the perspective of a multi-jurisdictional transaction.

Country question and answer chapters. These provide a broad overview of common issues in private client laws and regulations in 29 jurisdictions.

All chapters are written by leading private client lawyers and industry specialists and we are extremely grateful for their excellent contributions.

Special thanks are reserved for the contributing editors Jonathan Conder and Robin Vos of Macfarlanes LLP for their invaluable assistance.

Global Legal Group hopes that you find this guide practical and interesting.

The *International Comparative Legal Guide* series is also available online at www.iclg.co.uk.

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1 Pre-entry Tax Planning

1.1 In your jurisdiction, what pre-entry estate and gift tax planning can be undertaken?

This is not applicable to Cyprus. There is no estate or gift tax in Cyprus.

1.2 In your jurisdiction, what pre-entry income and capital gains tax planning can be undertaken?

All newcomers to Cyprus who will establish tax residency on the island, should be aware of the newly introduced Cyprus “non-domicile” regime.

Prior to this amendment, Cyprus tax resident individuals earning Cyprus or foreign-sourced income in the form of dividends or “passive” interest were subject to Cyprus Special Defence Contribution (“SDC”), at the rate of 17% on dividends and 30% on interest, irrespective of their domicile status.

With this amendment, individuals who have non-dom status are no longer subject to SDC.

Coupled with the income tax exemptions existing for such income, this amendment means that non-doms are exempt from taxation in Cyprus on their dividends and “passive” interest, irrespective of whether such sources of income are earned in Cyprus or abroad.

Further, for rental incomes, whether Cyprus or foreign-sourced, Cyprus tax resident individuals who have non-dom status are now only subject to income tax on rental income.

1.3 In your jurisdiction, can pre-entry planning be undertaken for any other taxes?

With regards to Cyprus, please see the comments above regarding Special Defence Tax on dividend income.

2 Connection Factors

2.1 To what extent is domicile or habitual residence relevant in determining liability to taxation in your jurisdiction?

As mentioned above, a Cyprus “non-domicile” regime has recently been introduced in Cyprus, exempting eligible persons from Special

Defence Contribution, which is applicable to dividends, interest, and rental income.

2.2 If domicile or habitual residence is relevant, how is it defined for taxation purposes?

For the purposes of the SDC Law, an individual has his/her domicile in Cyprus if he/she is either:

- 1) an individual who has a domicile-of-origin in Cyprus, as defined in the Wills and Succession Law with the exception of:
 - a) an individual who has acquired and maintains a domicile-of-choice outside Cyprus, based on the provisions of the Wills and Succession Law, and such individual was not a tax resident of Cyprus per the Income Tax Law (“ITL”) for any period of at least 20 consecutive years prior to the tax year of assessment; or
 - b) an individual who was not a resident of Cyprus per the ITL for a period of at least 20 consecutive years immediately before these amending provisions enter into force; or
- 2) irrespective of (1) above, an individual who is a resident of Cyprus per the ITL for a period of at least 17 years out of the last 20 years prior to the tax year of assessment.

Domicile-of-origin, per the Wills and Succession Law, is acquired at birth and, as a rule, is the same as the domicile of the father at the time of birth, and in exceptional cases of the mother. Referring to the exception in (1)(a) above, the Wills and Succession Law provides that a domicile-of origin may be changed with a domicile-of-choice if in *actual fact* an individual ‘permanently’ establishes himself/herself in another country with the intention to permanently live and die there.

The amendment introduces anti-avoidance provisions which restrict its application in cases where domiciled individuals transfer assets to non-doms in order to take advantage of these provisions of the SDC law.

This amendment is effective as from July 16, 2015.

2.3 To what extent is residence relevant in determining liability to taxation in your jurisdiction?

In Cyprus, any individual physically present in Cyprus for 184 days or more in a calendar year is deemed tax resident, and subject to tax on worldwide income. This is subject to numerous exemptions i.e. dividend income, profit on disposal of securities, applicability of SDC, etc.

2.4 If residence is relevant, how is it defined for taxation purposes?

With regards to Cyprus, please see question 2.3 above.

2.5 To what extent is nationality relevant in determining liability to taxation in your jurisdiction?

In Cyprus, nationality is not a relevant factor in the determination of liability to tax.

2.6 If nationality is relevant, how is it defined for taxation purposes?

This is not applicable.

2.7 What other connecting factors (if any) are relevant in determining a person's liability to tax in your jurisdiction?

Foreigners establishing tax residency for the first time in Cyprus will likely qualify as “non-domicile”, and, as such, be exempt from SDC. The full provisions of the personal income tax regime will apply to tax residents, however, many exemptions are provided i.e. dividends, passive interest income, etc.

3 General Taxation Regime

3.1 What gift or estate taxes apply that are relevant to persons becoming established in your jurisdiction?

Gifts are not taxable. There are no estate taxes in Cyprus.

3.2 How and to what extent are persons who become established in your jurisdiction liable to income tax?

In Cyprus, residents, as defined in question 2.3 above, are liable to income tax on their worldwide income.

3.3 What other direct taxes (if any) apply to persons who become established in your jurisdiction?

In Cyprus, the two main taxes applicable to individual/personal tax residents of Cyprus are:

- personal income tax; and
- Special Contribution for Defence.

3.4 What indirect taxes (sales taxes/VAT and customs & excise duties) apply to persons becoming established in your jurisdiction?

In Cyprus, VAT is charged at the current standard rate of 19% with the possibility of reducing this rate in certain scenarios, for example on the purchase of yachts through a Cyprus yacht leasing arrangement.

3.5 Are there any anti-avoidance taxation provisions that apply to the offshore arrangements of persons who have become established in your jurisdiction?

In Cyprus the general anti-avoidance rules described in question 3.6 below apply in such circumstances.

3.6 Is there any general anti-avoidance or anti-abuse rule to counteract tax advantages?

Cyprus follows the “substance over form” and “business purpose test” doctrines, which allow the Cypriot tax authorities to re-categorise an artificial or fictitious transaction. At the same time Cyprus, like many other countries, recognises the right of a taxpayer to arrange his affairs in a way which attracts minimum tax liability, and therefore to choose legal forms which are in his view the most suitable for the disposition of his affairs. However, under the “substance over form” doctrine a taxpayer may be restricted in the reduction of his liability to pay tax in circumstances where his business arrangements are carried forward, with the object or intent of tax avoidance and substantially without a *bona fide* purpose.

General anti-avoidance rules are maintained in the Assessment and Collection of Taxes Law, which was amended to transpose the EU Mutual Assistance Directive 77/799/EEC into domestic legislation. Under the anti-avoidance provisions, the Commissioner of Inland Revenue may disregard artificial or fictitious transactions and assess the person concerned on the proper object of tax. The provisions apply to local or international transactions, and to residents and non-residents.

4 Taxation Issues on Inward Investment

4.1 What liabilities are there to tax on the acquisition, holding or disposal of, or receipt of income from investments in your jurisdiction?

Cyprus does not impose tax on a remittance basis. There is no liability to tax on the acquisition, holding or disposal of investments that qualify as “securities/titles” as per the Income Tax Law and relevant Circular defining “securities/titles”.

Tax may arise on the disposal of investments that do not qualify as “securities/titles” i.e. a foreign permanent establishment.

Receipt of income from investments is taxed depending on its characterisation as dividends (almost always exempt), capital gains (always exempt, provided the investment qualifies as a “security/title”), or interest (exempt in certain cases).

4.2 What taxes are there on the importation of assets into your jurisdiction, including excise taxes?

In Cyprus there are import taxes on goods, depending on their category. EU members have no import duty, excise duty or VAT to be paid on new or used personal belongings when taking up Cyprus residence. For non-EU member countries there will be no import duty, excise duty or VAT on used household items and personal effects provided the following apply:

- The consignee’s place of residence has been outside the EU for a continuous period of at least 12 months.

- The goods are imported within 12 months of transfer of residency.
- The goods have been owned and used by the consignee in their former place of residence for at least six months.

4.3 Are there any particular tax issues in relation to the purchase of residential properties?

When buying property in Cyprus property owners are subject to a one-time transfer tax, with various exemptions. One also finds an annual property tax, which is typically not material.

5 Taxation of Corporate Vehicles

5.1 What is the test for a corporation to be taxable in your jurisdiction?

A company is tax resident of Cyprus if its “management and control” is exercised in the Republic. There is no specific definition in Cyprus tax legislation of the term “management and control”, but in practice and based on UK Common Law, it is considered that management and control is exercised where:

- the majority of the directors reside;
- the majority of board meetings are held; and
- the majority of significant decisions are taken.

A Cyprus-registered company which is managed and controlled outside the Republic is treated as non-tax resident and cannot rely on the Cyprus double tax treaties and/or the EU Directives.

A tax residency certificate can be obtained from the Cypriot Tax Authorities within three business days if the CyprusCo is up to date with its filing requirements and payment of taxes. A confirmation that the management and control is exercised in Cyprus signed by a director of the CyprusCo and the payment of a stamp duty of €80 is required for obtaining the tax residency certificate.

5.2 What are the main tax liabilities payable by a corporation which is subject to tax in your jurisdiction?

In accordance with Article 2 of the Cyprus Income Tax Law, a “company” (“εταιρεία”) as defined by the Companies Law, includes anybody with or without legal personality, or public corporate body as well as every company, fraternity or society of persons, with or without legal personality, including any comparable company listed in the first schedule but it does not include a partnership.

The main taxes are Corporate Income Tax, and Special Defence Tax.

5.3 How are branches of foreign corporations taxed in your jurisdiction?

“Permanent Establishment” is defined in Article 2 of the Cyprus Income Tax Law as follows:

- a) A fixed place of business through which the business of an enterprise is wholly or partly carried out.
- b) The term permanent establishment includes especially:
 - (i) a place of management;
 - (ii) a branch;
 - (iii) an office;
 - (iv) a factory;
 - (v) a workshop; and

- (vi) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.
- c) A building site or construction or installation project or supervisory activities constitute a permanent establishment only if they last more than three months.
 - d) Notwithstanding the provisions of paragraphs (a), (b) and (c) of this definition, the term permanent establishment shall be deemed not to include:
 - (i) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
 - (ii) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
 - (iii) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - (iv) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;
 - (v) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character; and
 - (vi) the maintenance of a fixed place of business solely for any combination of activities mentioned in sub-paragraphs (i) to (v), provided that the overall activity of the fixed place of business resulting from this combination has a preparatory or auxiliary character.
 - e) Notwithstanding the provisions of paragraphs (a) and (b), where a person – other than an agent of an independent status to whom paragraph (f) applies – is acting on behalf of an enterprise and has, and habitually exercises, in the Republic an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in the Republic in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph (d) which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.
 - f) An enterprise shall not be deemed to have a permanent establishment in the Republic merely because it carries out business in the Republic through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.
 - g) The fact that a company which is a resident in the Republic controls or is controlled by a company which is not a resident in the Republic, or which carries on business outside the Republic (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

In accordance with article 36(4) of the Cyprus Income Tax Law, the profits of a foreign permanent establishment of a Cyprus tax resident company are exempt if:

- a) the permanent establishment directly or indirectly engages more than 50% in activities which lead to investment income; **and**
- b) the foreign tax burden on the income of the permanent establishment is substantially lower than the tax burden of the resident company or person controlling the permanent establishment and resident in the Republic.

Tax payable in Cyprus upon receipt of a distribution from a foreign permanent establishment, if any, can be offset with any foreign tax paid by the permanent establishment.

6 Tax Treaties

6.1 Has your jurisdiction entered into income tax and capital gains tax treaties and, if so, what is their impact?

Cyprus has a strong and expansive network of Double Tax Treaties (“DTT”) relating to income tax and capital gains tax with over 60 countries.

It is further noted that under Article 169(3) of the Cyprus Constitution, international treaties (such as the DTT) have, from the date of their publication with the Cyprus Gazette, superior effect from any conflicting domestic laws, unless they conflict with the Cyprus Constitution or with EU Directives.

6.2 Do the income tax and capital gains tax treaties generally follow the OECD or another model?

Cyprus’ double taxation treaties generally follow the OECD model.

6.3 Has your jurisdiction entered into estate and gift tax treaties and, if so, what is their impact?

This is not applicable.

6.4 Do the estate or gift tax treaties generally follow the OECD or another model?

This is not applicable.

7 Succession Planning

7.1 What are the relevant private international law (conflict of law) rules on succession and wills, including tests of essential validity and formal validity in your jurisdiction?

In Cyprus, the law of inheritance is embodied in a system of “forced heirship”. This means that (for those to whom the rules apply and who have not made or cannot make a will in Cyprus) the law itself determines who will inherit a person’s estate when they pass away. The rules of forced heirship in Cyprus are fairly complex and inheritance depends upon which family members (degree of family) survive the deceased.

The Wills and Succession Law, which applies to the devolution of all immovable property in Cyprus, requires that wills should be in writing and attested by two competent witnesses, and they should reflect clearly the free and true wishes of a sane and competent testator.

7.2 Are there particular rules that apply to real estate held in your jurisdiction or elsewhere?

With regards to Cyprus, please refer to question 5.1 above.

Property located in Cyprus will always follow the heirship rules of Cyprus Law, unless it has been settled into a Cyprus Trust, in which case the Trust provisions would normally prevail.

With regard to the substance and legal effect of wills, for provisions referring to immovable property the applicable law is the law of the country or countries where such immovable property is situated (*lex rei sitae*) and for provisions referring to movable property, the

country where the deceased was domiciled at the time of death (*lex domicilii*), which may not necessarily be the country of residence.

8 Trusts and Foundations

8.1 Are trusts recognised in your jurisdiction?

Cyprus has two laws that regulate trusts, these being the Cyprus International Trusts Law (L.69(I)/1992, as amended) and the Trustee Law, Cap. 193. Trusts governed by other jurisdictions are also recognised in Cyprus to the extent possible pursuant to the applicable laws in Cyprus.

8.2 How are trusts taxed in your jurisdiction?

As a general rule Cyprus trusts are transparent in tax terms. The trustee is responsible for discharging the beneficiaries’ tax liabilities on their behalf, but the income of the trust is not assessed on the trustee.

The amending law of 2012 on International Trusts introduces a uniform tax regime applicable to all persons on the basis of the tax residency test – this amendment is the basis for my advice on your present query. Income and profits of an international trust which are earned or deemed to be earned from sources within and outside Cyprus are subject to every form of taxation imposed in Cyprus in the case of a beneficiary who is resident there. In the case of a non-resident beneficiary only Cyprus-sourced income and profits are subject to Cyprus tax.

These provisions ensure that there will be no discriminatory taxation or undue tax advantage available to anyone. Beneficiaries who are Cyprus tax residents will be subject to Cyprus tax on their worldwide income in the same way as any other Cyprus tax residents and non-resident beneficiaries will be subject to Cyprus tax only on Cyprus-sourced income.

The application of these provisions is clear and straightforward when all the beneficiaries of the trust concerned are non-resident or (no doubt less frequently) resident in Cyprus. Where there is a mixture of resident and non-resident beneficiaries it will be necessary to apportion the various forms and sources of income between them. The Inland Revenue Department has announced that it will issue guidance on the application of the new provisions regarding the tax treatment of the various forms of trust structure that may be established under the new regime and that the tax laws will be amended if necessary.

After discussions between the Inland Revenue, the Institute of Certified Public Accountants of Cyprus and other interested parties, the following principles have been agreed:

- The trustee will continue to be the person responsible for the payment of any taxes due, as is the case under existing legislation.
- The trustee will be responsible for maintaining and collating all the relevant information concerning the trust and its beneficiaries. The trustee will also be responsible for compliance with anti-money laundering legislation and for providing information to the Inland Revenue. This is analogous to the arrangements for international business companies held through nominees such as fiduciary service providers.
- If any beneficiary is a Cyprus tax resident the trustee will be the person responsible for registering the beneficiary for Cyprus tax purposes if they are not already registered.

- Insofar as taxation of the trust and its beneficiaries is concerned, the tax residency status of the beneficiaries will be the determining factor.

The Inland Revenue will adopt the following approach for the purposes of taxation of trusts under section 12(1) of the International Trusts Law as amended:

- If all the beneficiaries are Cyprus tax residents the trust will be treated for tax purposes as a domestic trust and will be subject to every form of taxation in Cyprus on all income, regardless of the source.
- If all the beneficiaries are non-residents the trust will be deemed to be an international trust and will be subject to taxation only on Cyprus-sourced income.
- In cases where the trust has both resident and non-resident beneficiaries, the tax treatment will be determined by reference to the scope of rights that the respective beneficiaries have in the trust, as set out in the trust instrument.

In the case of a trust with a mixture of non-resident and resident beneficiaries the overall tax treatment of the trust will be determined according to a simple majority test. Where more than 50 per cent of the rights attach to beneficiaries who are resident in Cyprus then the trust will be treated as a domestic trust and will be liable to Cyprus tax on worldwide income. Where more than 50 per cent of the rights attach to non-resident beneficiaries, the trust will be treated as an international trust liable to Cyprus tax only on Cyprus-sourced income.

However, even in the latter case, any distribution of income to a Cyprus-resident beneficiary will be subject to Cyprus tax and the trustee will be responsible for deducting tax and paying it to the Inland Revenue to the extent that the income has not already suffered taxation.

8.3 How are trusts affected by succession and forced heirship rules in your jurisdiction?

Under a properly established Cyprus International Trust (“CIT”), where the transfer of the assets is properly effected during the lifetime of the Settlor, any and all property transferred to the Trust is not affected by successions and forced heirship rules in Cyprus.

8.4 Are foundations recognised in your jurisdiction?

Although foundations as entities exist in Cyprus (pursuant to Law N.57/1972), they are set up primarily for charitable purposes subject to the approval of the Commissioner regulating foundations. A new draft law has been prepared and is still being discussed among the relevant bodies, introducing foundations as commercial entities. It is expected the draft law will be enacted by the end of 2015.

8.5 How are foundations taxed in your jurisdiction?

This is not applicable, as Cyprus foundations are rarely used in practice because of the high degree of bureaucracy under the Associations and Foundations Law of 1972 and trusts overwhelmingly predominate. However, a new law on foundations is expected to be enacted shortly, which will simplify procedures and which should lead to an increase in the use of foundations.

8.6 How are foundations affected by succession and forced heirship rules in your jurisdiction?

See above, question 8.5.

9 Matrimonial Issues

9.1 Are civil partnerships/same sex marriages permitted/recognised in your jurisdiction?

In Cyprus, same-sex marriage or civil partnerships are not recognised.

Nevertheless, on 6 May 2015, the Cypriot Cabinet approved a gender-neutral civil partnership bill with many of the rights of marriage. The bill will now come to a full parliamentary vote. On 6 June 2015, the ruling party DISY announced their support for the partnership law.

This gender-neutral civil partnership bill outlines the conditions under which two people are allowed to form a civil partnership, regulates matter of property and alimony, and the conditions under which the partnership can be dissolved.

9.2 What matrimonial property regimes are permitted/recognised in your jurisdiction?

Under Cyprus law (section 13 of Law 232/91), marriage does not affect the proprietary independence of the spouses; each spouse retains and acquires his/her own property.

However, if the marriage is annulled, or dissolved, or if the parties have been separated, then either party may claim his/her contribution to the increase of the property of the other spouse.

9.3 Are pre-/post-marital agreements/marriage contracts permitted/recognised in your jurisdiction?

Marriage settlements, either prenuptial or post-marital agreements, between the spouses are not binding upon the parties under Cypriot law. Therefore, once the spouses are separated, the claimant can apply under section 14 of the Law 232/91 and claim for the contribution made to the increase of the matrimonial property.

However, the Parties may settle their matrimonial property without applying to the family court and they may proceed with a settlement after the parties have separated.

9.4 What are the main principles which will apply in your jurisdiction in relation to financial provision on divorce?

Section 14 of the Law 232/91 states that, if the marriage is annulled, or dissolved, or if the parties have been separated, then either party may claim his/her contribution to the increase of the property of the other spouse if such property has increased during the marriage and the claimant has contributed to such an increase.

Therefore, the spouse, who is claiming his/her contribution to the property, shall file an application to the family court and his/her contribution is presumed to be one third of the increase, unless it is proven to be greater or smaller than one third.

Under common law, it was also decided by the family court that a spouse taking care of the minor children and the household may be considered as contribution to the increase of the other spouse's property.

10 Immigration Issues

10.1 What restrictions or qualifications does your jurisdiction impose for entry into the country?

EU Citizens entering Cyprus

Nationals from EU Member States have the right to enter Cyprus by simply showing a valid EU passport or ID card without having to register upon arrival. If there is an intention to stay for more than three months (and/or take up employment), then they have to:

- Apply within eight (8) days of their arrival for an Alien Registration Certificate (ARC), at the local Immigration Branch of the Police (issued automatically for monitoring purposes) and pay the relevant fee.
- Apply for a social insurance number securing employment in Cyprus (if they will take up employment).
- Apply for a residence permit (the application must be submitted before the expiration of this three-month period to the Civil Registration and Migration Department, through the local Immigration Branch of the Police). The said residence permit is issued within six months from the date of application and the submission of the required documents by the applicant (please note that a fine is imposed in case of non-compliance).

Third-country nationals entering Cyprus

Third-country nationals are required to obtain a valid entry visa before entering the Republic. For a valid stay in Cyprus they can apply for an Immigration Permit (Temporary or Permanent) on the basis of one of the Categories referred to in Regulation 5 of the Aliens and Immigration Regulations of 1972.

There are three types of Cyprus visas: short-term; long-term; and permanent.

- Short-term visas apply to visits of up to 90 days.
- The long-term residence visa is required for a stay of up to one year and is applicable to employees and self-employed people; it can be renewed.
- The permanent visa only applies to the married partner of a Cypriot national.

A Cyprus Residence Visa is only issued if a person can prove they have employment, are appropriately qualified for self-employment or have sufficient funds to be financially independent.

The relevant Governmental Authority monitoring residency is the Civil Registry and Migration Department (CRMD) of the Ministry of Interior of Cyprus.

10.2 Does your jurisdiction have any investor and/or other special categories for entry?

Yes. Cyprus offers two investment programmes for entry. The first relates to obtaining permanent residency by investment, and the second relates to obtaining Cypriot citizenship by investment.

The Cypriot government has formulated a fast-track Cyprus citizenship by investment programme aimed at high net worth individuals making significant investments in the Island of Cyprus to enjoy Cypriot and European citizenship.

Legal basis of Cyprus Citizenship by Investment

Cyprus citizenship by investment is available to investors pursuant to the “Scheme for Naturalisation of Investors in Cyprus by Exception” on the basis of Section 111A (2) of the Civil Registry Laws of 2002-2013, based on a Council of Ministers decision dated 19th March 2014. In virtue of this law, the Cyprus Council of Ministers may grant citizenship by naturalisation to foreign

entrepreneurs. Additionally, the law provides for the granting of Cypriot citizenship by investment to the spouse as well as financially dependent adult children of the investor. Neither the spouse nor the children are obliged to meet any additional financial criteria.

Eligibility for Cyprus Citizenship by Investment

- The Investor must have a clean criminal record from his country of origin and the country of residence (if it differs).
- The Investor’s name must not be included on the list of persons whose property is ordered to be frozen by the EU.
- The Investor must be aged 30 or over.
- The Investor must visit Cyprus at least once.
- The Investor can include their dependent spouse and children on the application. Children includes those up to the age of 18 and children from the ages of 18-28 if they are financially dependent on the main applicant. Additionally, an investors’ child with severe physical or mental disability that makes him or her unable to work is also considered as financially dependent.
- The Investor must own a private residence in the Republic of Cyprus, the purchase cost of which must exceed the amount of €500,000 plus VAT and must be fully paid. It is to be noted that members of the same family, which apply separately as investors, can collectively acquire a residence, provided that the total value of this home property covers the amount of €500,000 per each applicant.

10.3 What are the requirements in your jurisdiction in order to qualify for nationality?

- Residence of a duration of a total of seven (7) years in Cyprus and a total of twelve (12) consecutive months during the applicant’s last year of stay in Cyprus (for this to be possible, the applicant must have obtained a temporary resident’s permit in Cyprus); or
- marriage with a Cypriot for at least three (3) years, which must still be in force (the applicant must not be divorced at time of application); or
- application for Cypriot citizenship based on a number of legislative financial exceptions, provided that certain financial criteria are met, as described in question 7.2 above.

10.4 Are there any taxation implications in obtaining nationality in your jurisdiction?

As mentioned in question 2.3 above, individuals are considered Cypriot tax residents if they are physically present in Cyprus for 184 days or more in a calendar year. Hence obtaining Cypriot nationality does not give rise to any taxation implications.

10.5 Are there any special tax/immigration/citizenship programmes designed to attract foreigners to become resident in your jurisdiction?

Yes, the Cyprus non domicile regime – see previous answers.

11 Reporting Requirements/Privacy

11.1 What automatic exchange of information agreements has your jurisdiction entered into with other countries?

Cyprus is an early adopter of the Global Common Reporting and Due Diligence Standard (CRS), and also the Multilateral Competent Authority Agreement.

11.2 What reporting requirements are imposed by domestic law in your jurisdiction in respect of structures outside your jurisdiction with which a person in your jurisdiction is involved?

There are none.



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Jean-Philippe is a co-founder and managing partner of Chetcuti Cauchi. He has significant experience in advising local and foreign corporations and investors in Europe, and acts as legal counsel and tax consultant to individuals, business families and companies seeking a tax-efficient commercial or residential base in Malta and/or Cyprus. His main specialisation is supporting UHNWI and private clients in relation to their immigration and estate planning requirements.

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His leadership is especially recognised in the area of Maltese immigration law and he has represented a number of professional associations on policy reform issues concerning Malta's attractiveness for foreign retirees and expatriates.

11.3 Are there any public registers of owners/beneficial owners/trustees/board members of, or of other persons with significant control or influence over companies, foundations or trusts established or resident in your jurisdiction?

Registered shareholders of Cyprus companies are detailed in the public files of the Registrar of Companies.

Trustees of Cyprus trusts are detailed in the official Trusts register.



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Charles Savva is the managing partner of Chetcuti Cauchi in Nicosia, Cyprus, a leading firm with offices in Valletta and London. Charles Savva is a UK qualified Chartered Accountant and heads the firm's Cyprus tax advisory & Cyprus immigration practices in Cyprus.

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An immigrant himself, being a Greek-Cypriot born and educated in Toronto, Canada, Charles moved to Cyprus over 14 years ago. Charles has delivered numerous presentations on the uses of Cyprus in International Tax planning and has spoken on the subject at various international conferences and fora.

Since 2012 he has been a board member of the Cyprus-Canada Business Association, organised by the Cyprus Chamber of Commerce and Industry.



Chetcuti Cauchi Advocates is a law firm serving successful entrepreneurs, business families and institutions using the financial centres of Cyprus and Malta, and their advisors around the globe. With offices in Cyprus, Malta and London, we advise clients seamlessly on their business and private legal needs both at home and abroad. Our unique multi-disciplinary set-up of over 80 lawyers, tax advisors, accountants, company administrators and relocation advisors allows us to provide the full spectrum of legal, tax, company formation, immigration, corporate relocation, Malta Residency, Malta Citizenship by Investment, Cyprus Citizenship by Investment and fiduciary services to clients using Malta and Cyprus for international tax planning, cross-border business structuring and wealth management solutions. This cross-functional arrangement appeals to discerning clients that range from High Net Worth individuals and families, to entrepreneurs and blue chip companies. The firm serves as a trusted advisor to personal and corporate end-clients as well as international law firms, tax advisors, accountants, private bankers and family offices worldwide.

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