

CYPRUS: □ EUROPE'S EMERGING SUCCESS STORY

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For business' looking for a place in Europe to invest or to establish regional headquarters or operations, Cyprus should be at the top of the list. No country has done more in the past year to re-establish its street "cred" as an important international business center full of strategic advantages and abounding with new investment opportunities. As many will recall, in 2013 Cyprus experienced a banking crisis caused by losses from an EU-sanctioned haircut on Greek sovereign bonds. But Cyprus defied all the worrying predictions, and almost immediately began moving forward. It has done so by implementing tough reforms and undertaking structural changes that have made its economy and banking system stronger and better suited for today's internationally competitive world.

Cyprus's hard work over the past year is now beginning to be recognized by international authorities and international investors alike. The European Commission, the European Central Bank, and the International Monetary Fund have all praised Cyprus for its progress.

The credit rating agencies, Standard & Poor's and Fitch, have recently upgraded the creditworthiness of the country, citing its quick return to international markets. International investors are driving the re-capitalization of Cyprus's banks, snapping up the newly issued bonds of the Bank of Cyprus as well as those of the Cyprus government. Meanwhile, independent audits have dismissed money-laundering allegations as unsubstantiated, confirming the earlier favorable reviews issued by the EU, the OECD, and the Financial Task Force that Cyprus is fully compliant with international transparency and anti-money laundering standards. With its fiscal position and banking system on the mend, Cyprus is again re-claiming its place as one of Europe's most attractive locations for new multinational investment and as a gateway for investment into the larger European region. All the more so when one takes into account Cyprus's competitive tax system, its sound Common Law legal system, its unrivaled network of double tax treaties, its highly educated and multilingual workforce, and its strategic location at the crossroads of three continents. But that is only the beginning of the Cyprus story.

Consider these facts and recent developments:

- An international energy consortium led by the American company Noble Energy has announced the discovery of substantial gas reserves (aptly named Aphrodite) in Cyprus's Exclusive Economic Zone, which represents the third largest field discovered to date in the deep-water Levantine Basin. Current drilling by Italian major ENI and the world's largest LNG buyer KOGAS, is anticipated to confirm additional discoveries in 2015. This together with the decision of leading oil service companies, Halliburton and Schlumberger, to establish their East-Med base of operations in Cyprus has made Cyprus an emerging regional energy center.

- Cyprus has recently reformed its Intellectual Property (IP) regime, making Cyprus one of the most attractive locations not only in the European Union but worldwide. The new regime combines an efficient low-tax system with international protections that are fully compliant with EU Directives and Regulations as well as with relevant IP international conventions, guaranteeing a Cypriot resident company virtually worldwide protection with minimum tax exposure.

- Cyprus has continued to improve its position as an internationally renowned shipping center. Cyprus is the home to some of the world's leading names in the global shipping industry. It is the largest Ship Management Center in the EU and second largest in the world and has the 10th largest merchant fleet in the world and the third largest in the EU.

- Cyprus introduced a no-gimmick permanent residence and investment for citizenship program, which offers real value to international investors seeking to establish a legal residency in the European Union. Similar to America's EB-5 program, the program allows foreign nationals to obtain a pathway to an EU passport by investing in Cyprus bonds, real estate, banks and other Cyprus companies.

Opportunities are also emerging in a variety of other sectors such as tourism and land development. Who could ignore Cyprus's natural beauties and quality lifestyle, in addition to its year-round sunshine and the most blue-flag beaches per coastline in the world. Cyprus enjoys one of the top infrastructures for travel and tourism with a new ultra-modern international airport and a network of beautiful Marinas. Moreover, it can boast of even more investment opportunities in casino and gaming projects made possible by its recently approved "integrated casino resort" policy.

No wonder Cyprus is being increasingly recognized as Europe's emerging success story. Not only is it the first country in the EU to successfully return to international markets so soon after a bail out, but it has also introduced other investor and company-friendly measures to make it the perfect place in the European Union to start a new business or from which to base an existing company's regional--indeed, worldwide--operations. Add to this the country's recognized role as a gateway for investment into Europe, Russia, and the surrounding Euro-Med region and Cyprus is emerging as a world-class international business center.

- Fully compliant with EU and OECD standards
- Lowest corporate tax rate in the EU (12.5%)
- Complete exemption on dividends in almost all instances
- Unconditional capital gains exemption from trading in securities
- No withholding tax
- Double Tax Treaties with over 50 countries in addition to EU Directives covering all fellow EU member states

