

# CYPRUS REVISITED

**PETER G. ECONOMIDES**  
Founder and Honorary Chairman

TTN Conference Milan | 27 September 2024

**TOTALSERVE**  
*50 Years of Excellence*



# HOW TO GET HERE

- 2 Airports and over **50 airlines** fly to and from Cyprus, all year round
- 2 modern Ports, facilitating **cargo ships and cruisers**
- 7 **Marinas** servicing 100s of yachts

Limassol coastline



# THE TOTALSERVE GROUP

- **Established in 1972**, on solid foundations based on integrity and respect for our clients and associates.
- **Totalserve Management Ltd** is the corporate services arm of the Totalserve group with 50+ professionals. Core services include **corporate, international tax, banking, trusts** and **fiduciary services worldwide**.
- Headquartered in Limassol Cyprus. Offices in Athens, London, and the BVI, indicative of our global reach, as well as our **global clientele**.

**TOTALSERVE**

Tax & Corporate Services

E&G **ECONOMIDES** LLC

Legal Services

**TOTALSERVE**  
**TRUSTEES**

Trust & Trustees Services

# AFFILIATED, ASSOCIATED FIRMS

## PGE & CO

A member of the Institute of Certified Public Accountants (“ICPAC”), the regulatory body of the accounting profession in Cyprus.

Audit



A premier real estate agency in Cyprus, offering a comprehensive and personalized approach to buying, selling, and managing properties across the island.

Property consulting

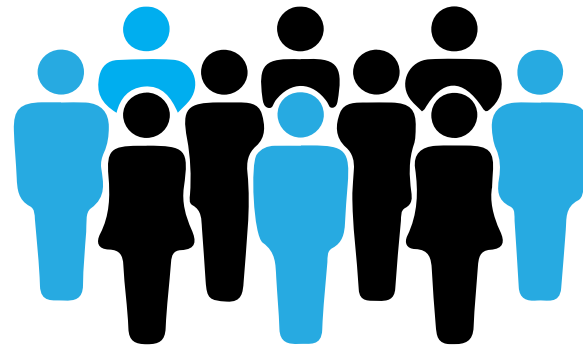
## ALMA.advisors

A European mid-market corporate finance firm. They help sector leaders and upcoming challengers to solve business problems and structure successful transactions.

M&A, corporate finance

# THE TOTALSERVE GROUP & AFFILIATED

We have the knowledge, experience, ability and willingness to serve all our clients needs and fully assist in a **taylor-made** and **one-stop-shop** approach, every step of the way.



200

Cedar Valley, Troodos



# WHY CYPRUS?

- Destination of choice for business. An **international** “centre of excellence”
- Comprehensive **one-stop-shop**
- **Investor-friendly** environment
- International companies establishing/relocating **main or regional headquarters**
- **Sector Opportunities:** “**Traditional**” such as real estate, financial services, tourism, shipping, as well as **new sectors** such as IT, energy, start-ups & innovation, investment funds, filming.

# WHY CYPRUS?

- EU and Eurozone member with **proximity and access to all major markets**
- Robust and pro-business **legal system**
- Attractive, practical and efficient **tax system**. Significant **tax and other incentives** for relocation of workforce, managers and owners
- **Advanced infrastructure**
- Comparative **cost advantage**
- High level of **professional services**
- Highly skilled **human talent**
- **Cosmopolitan life**, with **high standard** of living and education

Nissi Beach, Agia Napa



# A BEACON OF STABILITY

- At the **crossroads** of Europe, Middle East and Africa
- Key position as a **stabilizing** factor in the wider region.
- A safe destination, both for **investments** and for **personal relocation**
- Business environment **free of the shocks** of geopolitical unrest and conflicts in the area

\*On September 9th, 2024, Cyprus and the USA **signed an agreement** to enhance their **bilateral defence cooperation**, focusing on joint exercises and regional security.

# AN EMERGING TECH HUB

- A key player in **technological** landscape, attracting foreign capital, a pivotal role of **growth**
- Large number of **international** companies/groups/start-ups establishing or relocating headquarters in Cyprus
- **Favourable** business environment:
  - Favourable IP Box regime (exemption of up to 80% of IP profit)
  - Up to 50% tax exemption for natural persons investing in qualifying startups
- Relaxed **immigration** rules

\* ICT sector in Cyprus is employing more than **20000 professionals** and their families, working for more than 400 companies and contributing more than **3 billion euros** in GDP.

Ski Club, Troodos



# CYPRUS INVESTMENT FUNDS

- Cost-efficient, **simple** to set up and run
- Robust, business-friendly **regulatory** framework
- Most income realised by a CY tax resident Fund is **tax free** (e.g. dividend income and capital gains)
- **No regulatory restrictions** on type of investments
- **Tax resident Fund Managers** may select to be taxed at a flat rate of 8% on their variable employment remuneration, with a minimum tax obligation of €10,000

"Our aim is to target the Kremlin's enablers and oligarchs, **not Cyprus**. Cypriot banks have reduced their Russian client exposure from 12.78% in 2014 to under 1% today."  
US Ambassador **Julie Fisher**, speaking to bank representatives in Nicosia, Cyprus, September 11<sup>th</sup>, 2024.

# TAX INCENTIVES

- Attractive corporate tax at a rate of **12.5%**
- No tax on profit from **sale of shares**, dividend participation **exemption**
- **No withholding tax** on outbound payments to non-CY residents
- **Notional Interest Deduction** on “new equity” - up to 80% of taxable income
- Excellent IP box regime - **80% of IP profit** is exempt
- Obtain CY tax residency by staying for 60 days in any given year. “**Non-domiciled**” status → **tax exempt** passive income (i.e. dividends and interest) for **17 years**
- **No inheritance** tax, **no wealth** tax

Flamingos, salt lake Larnaca



# WHAT ABOUT SPORTS?

- Famous **sports** in Cyprus: mainly football, basketball, volleyball, and tennis
- Other popular sports: swimming, athletics, and water sports
- Strictly speaking, no specific tax provisions for sports people, except:

Gross receipts of theatrical/ musical/ public entertainers, including **football clubs** and other **athletic missions** from abroad, derived from performances in Cyprus, is subject to **10% withholding tax** (unless lower rate provided by a tax treaty)



Cyprus 3x3 tournament, Limassol

primetel  
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primetel  
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Scaffolding Solutions  
THE SCAFFOLDING SPEED  
OPPOSITE A DREAM

ΑΝΑΓ  
ΚΥΠΡΟΥ  
24

# SPORTS PROFESSIONALS **what are they looking for**

- Sports **professionals**: Unique financial business and tax requirements
- What are these people looking for?
  - **Personal** financial planning, optimize benefits, wealth protection & preservation
  - **Hedge** against financial pitfalls
  - Retirement/ inheritance **planning**
  - **Risk** management planning (life/ health/disability insurance)
  - **Post-career** planning, parallel resources on income development
- Cyprus can cater to all the above needs, and more.

Sailing tournament, Limassol



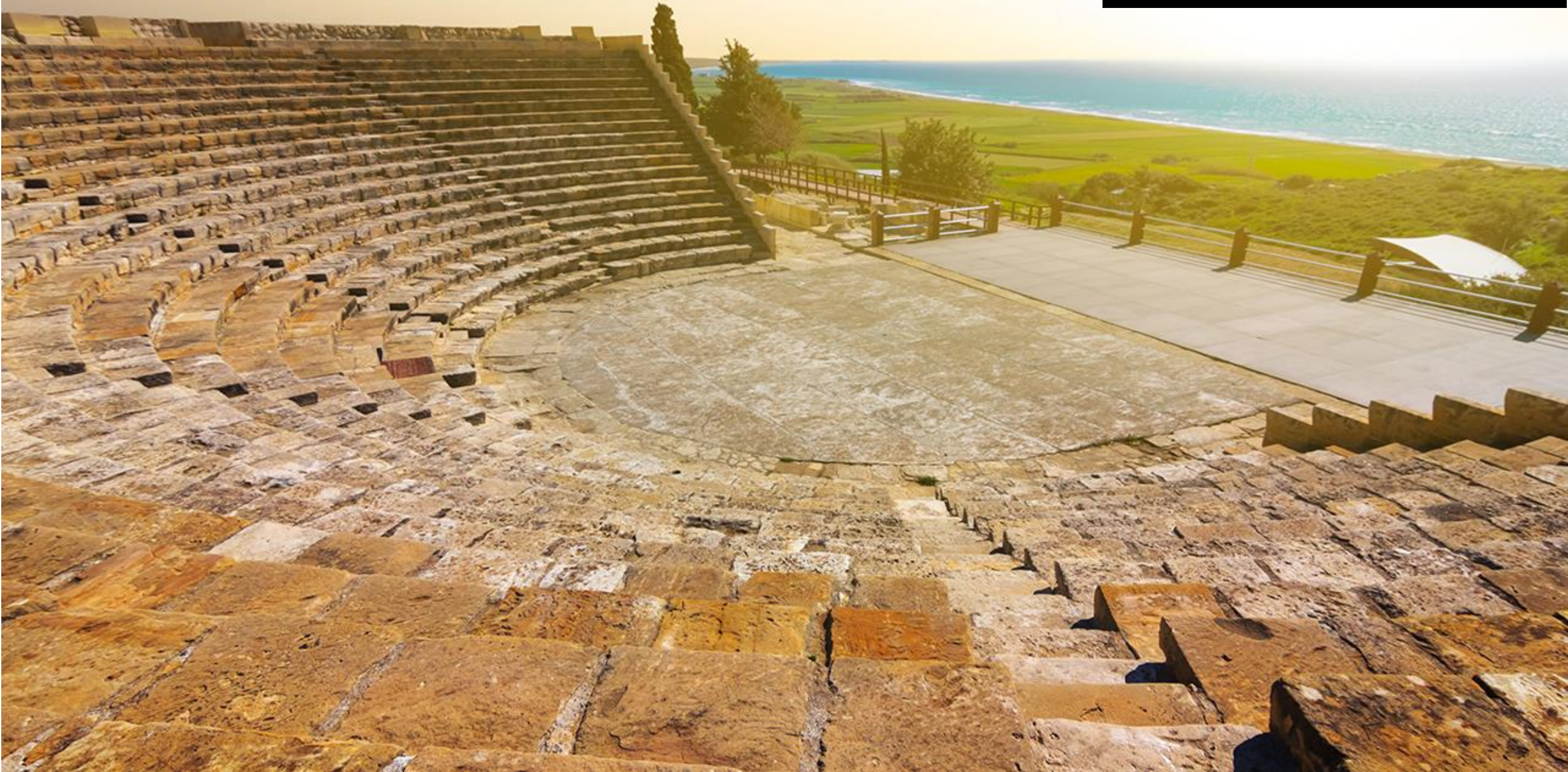
# INCENTIVES FOR SPORTS PROFESSIONALS

- Substantial incentives for professional sportspersons and teams to use Cyprus as a **base** for carrying out their activities
- Substantial sponsorships (**EU grants**) for organizing sports events in the island
- Easy/fast-track relocation for athletes and their **families**
- Personal tax incentives, including CY **non-dom** tax status and **50% exemption** on salaried income
- For third-country nationals, facilitates their participation in European Leagues and assists their transition in European Leagues.

# TAX STRUCTURING - ENDORSEMENTS

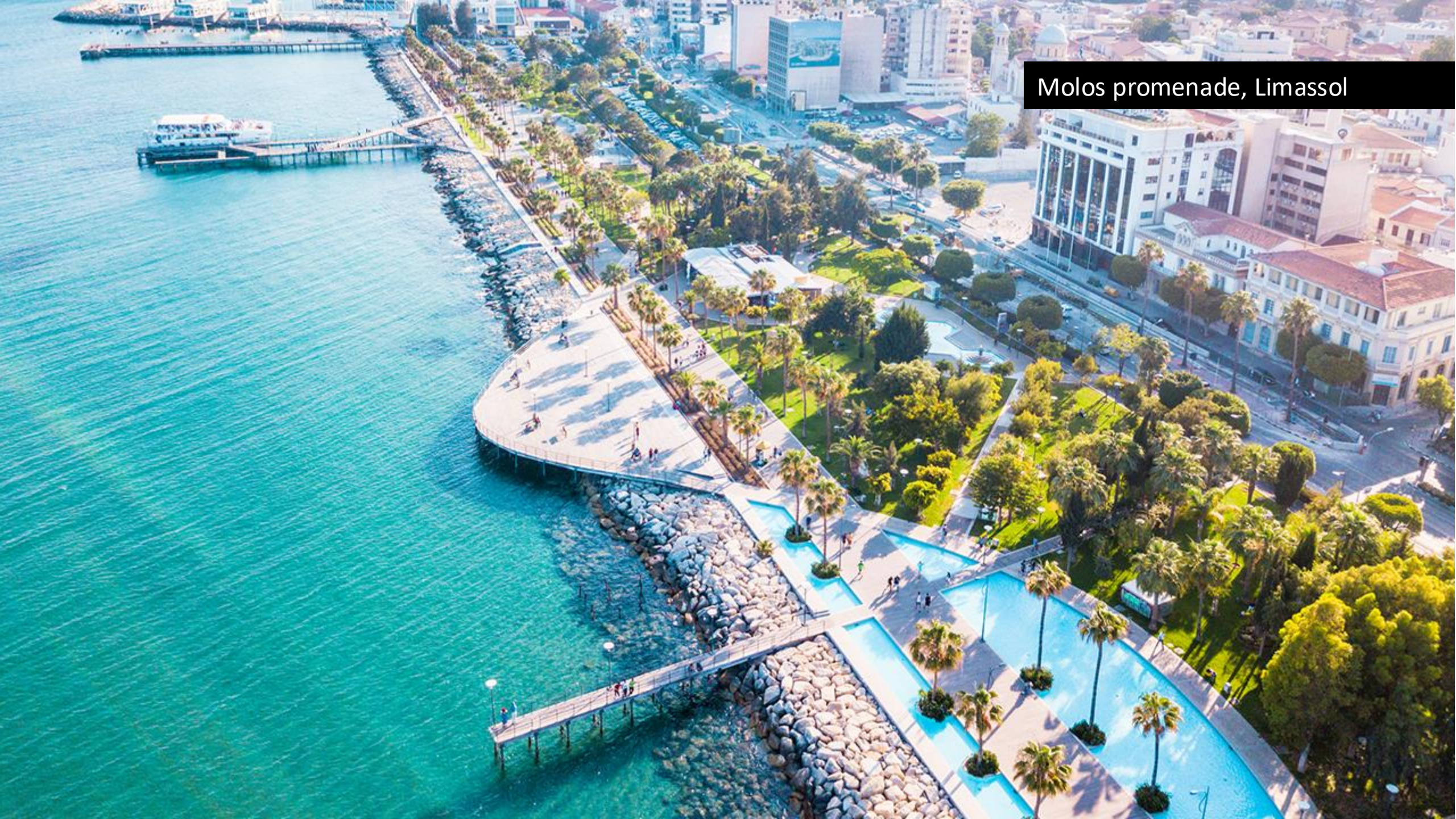
- Professional athletes receive sizable amounts of their earnings as **endorsements**
- Opportunity for **tax optimization**: can channel the endorsement income to a personal **Cyprus company**
- CY company revenue (image rights) subject to only **12.5% tax**
- From thereon, athletes who become CY **non-dom** tax residents can extract income from the CY company via dividends, **tax-free.**

Kourion Ancient Amphitheatre



# INTELLECTUAL PROPERTY RIGHTS IN SPORTS

- **IP rights** play significant role in the sports industry, protecting the commercial interests of clubs, athletes, and sponsors. Key IP rights in sports include **trademarks**, **copyrights** and **image rights**
- Cyprus IP law helps to **secure, enforce and safeguard** such IP rights
- Beneficial **IP box regime**, offering a tax benefit of up to 80% on qualifying IP, profit, by way of notional expense deduction
- Considering its status as a rapidly-growing technology hub, Cyprus also provides opportunities for the **e-sports industry**, combined with potential for significant tax savings via its IP box regime



Molos promenade, Limassol

# PRESERVATION AND PROTECTION OF WEALTH

- Professional athletes are financially **vulnerable**. Lack of financial literacy, may lead to poor financial decisions, resulting in bankruptcies
- Further worries: **career-ending** injuries, retirement, divorce/alimony
- Careful planning is vital, to safeguard against risks and have **peace of mind**
- Post-career planning, development of **parallel sources of passive income** (stocks, immovable property, etc). Cyprus tax regime affords efficient structuring and optimization of tax burden
- In addition, **no inheritance or wealth tax** in Cyprus
- **Protection** of assets and wealth, via use of Cyprus International Trusts

# THANK YOU LET'S WORK TOGETHER

**PETER G. ECONOMIDES**

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[peter.economides@totalserve.eu](mailto:peter.economides@totalserve.eu)

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