

Use of Cyprus for structuring projects into Ukraine

Ukrainian Bar Association

International Law Committee

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*connectedthinking



Why use Cyprus when investing to/from Ukraine?



- Strategic location
- Excellent infrastructure and developed legal system
- Very good relationship between the two countries with excellent double taxation agreement
- Best tax system in EU
- No withholding taxes / no exit costs

The right location

- Strategic location for both Europe and Asia
- A Mediterranean climate with an international culture
- Excellent telecommunications and air services
- Space to live, build and expand
- Very good relationships with neighbouring countries



Developed business services

- International quality financial and business services
 - Banking, tax, business administration, legal, trustee
- Highly educated and skilled human resources
 - Internationally qualified and experienced professionals
 - High standard of living – comparably low cost of living
- Many years experience as a centre for
 - International business services
 - Finance
 - Shipping
 - Trustee services



Cyprus has for you...

A wide range of business entities

- Limited Liability Companies
- Partnerships and Limited Partnership
- Collective Investment Schemes (Funds)
- International Shipping companies
- International Trusts
- Flexibility in structuring to your needs
- Experienced in integrating Cypriot entities into wider international structures



General Information

- Member of European Union (EU) 1.5.2004
- Euro currency introduced in Cyprus on 1 January 2008
- Legislation EU & OECD compliant
- EU directives applicable
- Uniform corporate rate @ 10% - lowest rate in EU

Cyprus tax system

Main Features

- Corporate tax rate 10% - Lowest in EU

However effective tax rate low due to:

- No tax on disposal of securities
- Exemption system on foreign dividends/ profits from abroad with easily met conditions
- No thin capitalisation rules
- Arm's length principle
- Liberal expense deductibility
- No WHTs on payments

} Thin income spread



The Ukrainian connection

- Current Double tax treaty
 - Zero WHTs on:
 - ✓ Dividends, interest and royalties
 - Zero taxes on gains on shares in Ukraine and in Cyprus
- Future Double tax treaty ?



Cyprus tax system

Tax free trusts

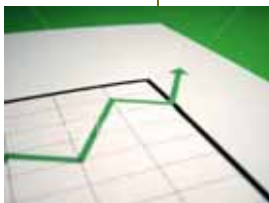
Non Cyprus tax
resident
beneficiary



Cy tax
resident
trustee

Trust

Trust
property



Plan

Set up a trust under the International Trusts Law of Cyprus

Benefits

- Exempt from any taxation in Cyprus
- Exempt from any Capital Gains and Inheritance tax
- Protection of property
- Confidentiality
- Trading activities through the set up of a company owned by the trust

Cyprus has for you...

The complete solution!

- Low taxation / No exit costs
- Extensive treaty network
- Strategic location
- Sophisticated infrastructure
- Experience in International Business Services:
 - Legal
 - Accounting
 - Banking
- An environment friendly to Central and Eastern European business

PwC services in Cyprus

- Assurance
- Advisory services
- Tax services
- Global compliance services
- Corporate support services

More than a 1000 staff Cyprus-wide to serve you and help you structure and administer your projects into Ukraine.

Thank you!

