

Eastern Europe and Russia Shipping Forum 2018

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CYPRUS – PROMINENT SHIPPING MARKET, OVERCOMING THE CHALLENGES AND THE FUTURE WITH RUSSIA

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Merchant Shipping Legislation:

- 1) provides for TT on the net tonnage of the vessels rather than Corporation Tax on the actual profits, regulated by the Shipping Ministry rather than the Tax Authorities;
- 2) grants total tax exemption of profits tax and distribution tax at all levels;
- 3) allows mixed activities within a company/group (shipping subject to TT and other subject to 12,5% corporation tax);
- 4) supports an open registry;
- 5) allows split ship-management activities (crewing or technical).

Income Tax Legislation:

- 1) only 12,5% corporation tax – the lowest in the EU
- 2) exemption from tax of dividend income (subject to easily met conditions)
- 3) exemption from tax of profits from foreign permanent establishments (PE) (subject to certain conditions)
- 4) exemption from tax of profits generated from transactions in titles
- 5) exemption from withholding tax on the repatriation of income either in the form of dividends, interest and on almost all royalties
- 6) extensive double treaties network including a favourable tax treaty with Russia;
- 7) tax neutral reorganisations for both EU and non EU group companies

WARNING



**CHALLENGES
AHEAD**

What will happen to the TTS after 2019?





**THINK POSITIVE
BE
POSITIVE
AND
POSITIVE
THINGS WILL HAPPEN.**

TTS shall be extended and/or improved!



Banking procedures complicate things...



Cyprus and Russia leaders highlight the common shipping future....



Cyprus will overcome all challenges.....



Cyprus Shipping will continue sailing ahead - join us on board



Thank you!

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