



A special report by: Mercury Global Reports

# Cyprus



Researched and written by Marios Tsokkos [www.mercuryglobalreports.com](http://www.mercuryglobalreports.com)

## Post-pandemic Cyprus turns 60 and is a key U.S. partner in the region



Mr. Constantinios Petrides, Minister of Finance of Cyprus



Mr. Haris Kakoullis, President of the American Chamber of Commerce in Cyprus

The current relationship between Cyprus and the U.S.A. is at its best, since the time the two countries commenced to have diplomatic relations in 1960, immediately after Cyprus gained its independence. Recent oil and gas developments in the Eastern Mediterranean region were key to the rapprochement of the two countries but this was just the beginning.

“We believe that energy will continue to attract more American interest, just like banking and the hospitality industry. The film industry as well, has also been in the spotlight during the last couple of years as we have seen increasing interest from the U.S., and it seems that such interest will continue” said Haris Kakoullis, President of the American Chamber of Commerce in Cyprus.

The cooperation of the two countries extend in combating money laundering and tackling terrorist financing. According to Mr. Constantinios Petrides, Minister of Finance of the Republic of Cyprus, “this has led to raising awareness in the U.S. economy of the importance of Cyprus as a business hub leading to increased investments to Cyprus.”

Cyprus, as a member of the EU in the farthest southeastern part of the Mediterranean basin and literally in the center of three continents, aims to serve as a pillar of stability, promoting business and cooperation among the surrounding countries. “We want to build a long-term trusting relationship. We believe that such relationship will reap a lot of benefits from both countries” Kakoullis said.



Ms. Marina Zevedeou, CEO of Aspen Trust Group

### Leading Corporate Service firm sets its sights on Hollywood

The Aspen Trust Group is one of the leading corporate service providers in Cyprus specializing in International Tax Management solutions for Corporates and High Net Worth Individuals such as headquartering, family office services, IP registration, banking and tax compliance and setup and management of entities globally. “We build long-term, trusted relationships with clients, aiming to add value to their businesses and be part of their success story” said Ms. Marina Zevedeou, CEO of the Aspen Trust Group.

Zevedeou was quick to point out the “unrealized” potential of Cyprus as an international film production destination, which is one of the government’s major bets. “Being at the crossroads of three continents, Europe, Asia and Africa, its close proximity to diverse cultures and scenery is unparalleled. Its stable sunny weather, internal short distances, harmonious blend of tradition and modernity and natural beauty make it perfect for filming. If that’s not enough to convince Hollywood, I’m sure the myriad of financial incentives offered by the government for the film production industry will” said Zevedeou. “Our team can assist in the setup and management of the entity which will apply for these incentives, as well as prepare all necessary reports to qualify for them, after advising on the best option to meet unique financial needs” she added.

Another core expertise that sets the company apart from its competitors is IP rights, as Cyprus is an ideal location for the setup of IP holding companies. “Our country has extremely beneficial incentives within its IP Box, while remaining fully compliant with OECD and EU regulations and ensuring full protection of the IP” explained Zevedeou, adding that the Cyprus IP Box Regime offers an 80% deduction of revenue earned from the use of intangible assets, taxing the remainder at the corporate tax rate of 12.5%, while Cyprus-resident companies can see an effective tax rate as low as 2.5%.

Cyprus is on the right track to becoming a leading regional business and investment hub, inviting multinationals to set up their headquarters on the island and enjoy the many benefits that are offered and Zevedeou assures that with growing regulations and compliance standards, Cyprus has evolved into a transparent, fully compliant and accountable jurisdiction and that the Aspen Trust Group is ready to serve more U.S. companies interested in doing business in the country. “We have come to appreciate that the U.S., comprising of an amalgamation of cultures and peoples, has created a unique combination of business skills and attitudes, making it one of the best places to work with. Our Group works hand-in-hand with clients to assist them reach their highest potential while ensuring full compliance and high-quality service” she said.

<https://aspentrust.com>

After impressively managed the COVID-19 pandemic, Cyprus is ready to resume business and welcomed its first international visitors in June. “We would have never believed 4 months ago that we would had to face this unprecedented situation and experience a complete lockdown. We are extremely satisfied by our overall behavior and its outcome, where many lives were saved” said Kakoullis.

The Cyprus government has taken very strict measures of containment, thus effectively protecting its citizens and the public health system, but this has come with a cost to the economy, which will experience a 7% contraction in 2020. “To minimize the effects of the lockdown to the economy, we adopted a generous package of fiscal and liquidity support measures amounting to approximately 15% of GDP which included financial support to the health sector, subsidized wages to keep employees on the payroll in case of suspended business operations, income support for small businesses and the self-employed, tax relief measures, as well as targeted support to help the tourism sector recover” said Petrides. “Despite this year’s contraction, our baseline macroeconomic scenario for 2021 suggests a real GDP growth of about 6%, mainly supported by domestic demand” he added.

<http://mof.gov.cy/en/>

<http://amchamcyprus.com.cy>

### Internationally-oriented legal firm is ready to serve U.S. companies in the Eastern Mediterranean

Based in Nicosia and with offices in London and Athens, Georgiades and Associates LLC is an internationally oriented legal firm specializing in corporate and commercial law. The founder and managing partner Mr. Yiannos Georgiades, has previously worked in London, Washington DC, Chicago, and Philadelphia and has instilled this international mindset to his firm. “We do have some local clients, but the majority of our work comes from overseas. We also work with U.S. companies and consult clients - individuals and companies - with interests in the Cypriot market and the Eastern Mediterranean region” said Georgiades.

The firm serves a wide range of sectors including corporate & commercial law, mergers & acquisitions, intellectual property, technology, blockchain, healthcare, energy, environmental law, litigation, and arbitration to name a few. “Our company has acquired important clientele throughout the years and has advised major airline companies and their subsidiaries on Cyprus law, as well as reputable pharmaceutical companies and other major international and US based companies on intellectual matters and litigation on counterfeit products” he explained.

Georgiades has recently been involved in the film production industry, as a producer of the up and coming film “Poets Never Die” to be filmed in Cyprus, and has been advising film directors and film companies for the production of films and how to apply for cash rebates etc. in light of the recent attractive incentive for film production in Cyprus, offering up to 35% of eligible expenditures incurred. Additionally, he was connected with the recent production of the 2020 Hollywood film “Jiu Jitsu” starring Nicholas Cage filmed in Cyprus and the law firm were the sponsors for the Press Conference which took place in the Hilton Hotel. Georgiades, a resourceful lawyer and entrepreneur, has been elected as the President of the Cyprus Chapter of the European Court of Arbitration and is the co-founder of a start-up accelerator, Kinisis Ventures, which helps Cypriot-based innovative companies to scale up in the U.S. “Kinisis Ventures has been instrumental for me in better understanding the American market and way-of-thinking as well as to develop a strong network of very important contacts” he concluded.

<https://www.gmadvocates.com>



Mr. Yiannos Georgiades, Managing Partner of Georgiades & Associates LLC



Mr. Charalambos Prountzos and Mr. Petros Krasaris

### Doing business in Cyprus, the EY way

American multinational companies (MNCs) view Cyprus as a safe and well-located destination to set-up their Eastern Mediterranean bases, an upward trend mostly seen after the large natural gas discoveries in the Eastern Mediterranean region. “There is no doubt that Cyprus is one of the most attractive countries for regional headquartering” said Mr. Petros Krasaris, Partner and Head of International Tax and Transaction Services at EY Cyprus. “As an EU member, Cyprus brings an added stability, business transparency and robustness due to the application of EU law and has one of the most attractive, efficient and easy to apply tax systems in the EU” he added.

Following the financial crisis and the subsequent systemic reforms, Cyprus is now fully aligned with the EU Code of Conduct on Business Taxation and “EY Cyprus’ role has been instrumental in shaping new legislation by providing its know-how and experience to the government and policymakers” Krasaris highlighted.

As part of its global strategy to expand its’ service offering to innovative legal services, EY Cyprus has established a cooperation with one of the country’s leading law firms, Prountzos & Prountzos LLC, and is now the only large multidisciplinary organisation providing expertise in key aspects of law. This cooperation “has given EY Cyprus access to full-range legal services, including corporate & digital, commercial and energy, regulated financial services and funds, and contested litigation enabling the cohesive support of existing and new EY clients” explained Mr. Charalambos Prountzos, Partner and Law and Funds Leader of EY Cyprus.

EY Law is dealing mostly with international clients, including many American, carrying out their enterprise or making an investment in or through Cyprus, protecting their private wealth or utilizing Cyprus as a regional headquartering hub. “Our firm has been advising such clients on Cyprus law and practice and has been actively contributing to achieving their business goals of protecting their rights, ring-fencing their assets and maximizing their profits” Prountzos said.

EY Cyprus, being part of a global network with over 280.000 employees in more than 150 countries, is uniquely placed to assist U.S. multinationals structure their operations in Cyprus covering all phases: designing, implementation and ongoing assistance. “We have already assisted a number of U.S. MNCs to establish presence in Cyprus advising them on corporate, legal, tax, reporting and people advisory matters” said Krasaris. “Our EY Law professionals can advise American clients on suitable structures for investments, project financing, headquartering and employment-related matters, licensing of specialized ventures in regulated sectors, and in all types of FDI or outbound investments”, Prountzos added.

[https://www.ey.com/en\\_cy](https://www.ey.com/en_cy)



Dr. Tasos Kounoudes, Co-Founder & CEO of SignalGeneriX

### U.S. expansion is SignalGeneriX’s number one priority

SignalGeneriX Ltd is a 15-years old Cypriot R&D technology company operating in the fields of digital signal processing and communications. The company, which is certified with ISO 9001 and ISO 27001, is based in Limassol, and currently exports its innovative technologies, realized both in hardware and software, to a wide network of international clients across Europe. SignalGeneriX, is acknowledged with prestigious national and international innovation awards such as the Lloyds List Global Innovation award.

“The original aim of the company was to utilize the extensive research and IPR of the founders to deliver smart electronic solutions to customers at the highest possible quality” said Dr. Tasos Kounoudes, co-founder and CEO of SignalGeneriX. “Since our beginning, we have seen the company growing from a start-up to an internationally acknowledged technology provider serving a wide network of European clients. Our product portfolio covers a wide range of industrial applications, such as telecommunications, IoT, cybersecurity, security and defense, big data analytics and eHealth” he explained.

Kounoudes believes it is time for SignalGeneriX to expand to the most technologically advanced market, the U.S.: “There are many challenges in doing business in the U.S. mainly because the market is very sophisticated and highly competitive. However, we believe that we possess the necessary experience and innovative technologies that will enable us to add value to USA clients’ operations” he said.

“Our diversified portfolio of commercial products, patents and trademarks has been creatively used by our European clients to solve industrial problems for a wide range of industries. We are confident that we can do the same for our USA clients” Kounoudes concluded.

<http://www.signalgenerix.com/en3/>







Cyprus Investment Promotion Agency

The Cyprus Investment Promotion Agency, a full member of WAIPA, is the National Investment Authority created with the purpose to become the first point of contact with the international business and investor community, promote the export of services and attract investments in priority sectors for the Government. Invest Cyprus' mission is to raise awareness of Cyprus as a location for FDI across the globe, providing certainty around all aspects of operating a business in Cyprus.

Cyprus: a measure of hope

Despite the global economic shock caused by the COVID-19, the case in Cyprus offers a measure of hope. The Government's successful handling of the pandemic combined with a swift response to the crisis have paved the way towards a full recovery mode for the country. Invest Cyprus continues to focus on the promotion of the country as a destination for headquartering, investment funds and asset management, professional services, as well as the attraction of investments in sectors such as Tourism & Hospitality, Energy, Health and Higher Education.

Headquartering – Tech Companies: a Dynamic Sector

When it comes to choosing the right location to establish international and regional headquarters, Cyprus is increasingly gaining momentum as a prime contender in the minds of decision makers of tech multinationals. Strategically located at the crossroads of three continents, Europe, Africa and Asia, Cyprus is a modern EU member-state, offering international businesses the ideal environment to set-up, grow and prosper. Wide access to markets, strong economic growth, a pro-business environment, tech-savvy talent, low operating costs, and a number of incentives, including a competitive IP regime, are only a few of the reasons why Cyprus is one of the top headquartering destination.

As Invest Cyprus Chief Executive George Campanellas explains “Cyprus can serve as a gateway for US companies wishing to gain access into the EU”, adding “the island is already home to a number of global ICT companies, using it as a hub for software development, system integration, testing services, research & development activities, project management, and sales and marketing, while servicing clients in Europe, Middle East, North Africa, and beyond.”

<https://www.investcyprus.org.cy>



Clerides Law Firm invites more U.S. companies to join the ambitious Eastmed project



Prof. Christos Clerides, Managing Partner of Phoebus, Christos Clerides & Associates LLC

Phoebus, Christos Clerides and Associates LLC has had a long presence in the legal sector in Cyprus as this year celebrates its 70th anniversary. It specializes in every aspect of commercial law including international business, insurance and trust and it is actively involved in the EastMed gas pipeline, the ambitious project to connect the Eastern Mediterranean and mainland Europe with a pipeline to transfer natural gas. “Our role in the project is to participate in the legal framework - contracts, advising, insurance and all kinds of legal matters - and we are ready to assist international companies that would like to be involved in this” said Prof. Christos Clerides, Managing Partner of Phoebus, Christos Clerides and Associates LLC.

Clerides, following the pause from the coronavirus pandemic, expects the House of Representatives to enact a law to endorse the pipeline agreement soon and sees this project moving forward. The EastMed pipeline is a multibillion dollar project which involves several countries including the U.S. and is expected to be completed in 2025. “Many American companies are involved in this project and I am certain this will further enhance the relationship of Cyprus with the U.S.” Clerides remarked.

The firm is working closely with a New York-based legal firm and maintains a number of associates in the U.S. Clerides himself is an advocate of closer Cypriot-American ties. “Cyprus and the U.S. must continue to enhance their already growing relationship in every aspect: economic, social and political. The U.S. can gain a lot by being present in Cyprus and our firm is ready, with our experience and expertise, to help American companies and investors interested in doing business with our country” he said.

<https://www.clerideslegal.com>



Mr. Menelaos Kyprianou, Managing Partner

A top-tier award-winning law firm in Cyprus

Michael Kyprianou LLC was established in 1991 and is one of the largest law firms in Cyprus, with offices in 3 cities across the island and 6 more abroad. The firm, specializes in corporate law and has vast experience in dealing with foreign clients who account for 70% of its total business.

In the last four years it has won twice the prestigious annual awards of the Cyprus Chamber of Commerce in the category of export of services. The independent board which decides the winner takes into account not only the volume of services exported but factors such as the integrity and good name of

the winning firm. In the photo one of the partners of the firm (Savvas Savvides) receives last year's prize from the president of the Republic of Cyprus.

The firm is also consistently ranked as a top tier law firm in Cyprus by reputable international law directories such as ‘The Legal 500’ and ‘Chambers’.

The United States experience.

The founding partner of the firm, Michael Kyprianou, worked alongside a US law firm in the landmark case of the Republic of Cyprus and the Autocephalous Greek Orthodox Church of Cyprus against Goldberg and Feldman Fine Arts Inc. The case was heard before the United States District Court of Indiana, Indianapolis and at its conclusion the judge ordered the return to Cyprus mosaics (4th-century rare artifacts) that had been stolen from a church in Cyprus.

Michael Kyprianou LLC also advised for a specific project the American Embassy in Cyprus. This, notes its managing partner Menelaos Kyprianou (photo), is in itself testimony of the very high standards of service and ethics that we try to adhere to.

The firm has also represented major US clients in the past in their business dealings in Cyprus whilst presently it is working with the Chicago office of DLA Piper on an important cross border litigation case.

<https://www.kyprianou.com/en/>



Mr. Savvas Savvides, partner of the firm, receiving the Chamber of Commerce export of services award from the president of Cyprus



Curis Network invests in scaling Cyprus healthcare



Mr. Andreas Savvides, CEO of Curis Network

The healthcare industry in Cyprus presents unique investment opportunities as a potential to become a regional medical center. The country is very well connected internationally, an EU member with solid infrastructure, is the conduit of 3 continents, one of the safest countries in the world. The relatively lower cost of healthcare matched with the ideal climate, are the ingredients for potentially becoming an attractive “floating” hospital for medical tourism. This opportunity was spotted 10 years ago by Mr. Andreas Savvides, CEO and Founder of Curis Network. “We are very happy to be celebrating our 10th anniversary this year and we are excited about our future plans” said Savvides. “Curis Network has positioned itself to lead the transition to the new

era and scale its operations. The network developed the first Cypriot smart health community, offers telehealth, home care, corporate wellness services and is engaged in medical tourism and oncology. Earlier this year we launched a regulated alternative investment fund as well - the first dedicated healthcare investment fund in Cyprus - and we are already in the fundraising stages to further develop e-health, long term and specialized care services” he explained.

Curis Network uses a hybrid delivery model bringing together physical and digital services under a single roof promoting interoperability and continuum of care. “Our aim is to revolutionize the healthcare industry in Cyprus by making access to care faster, more efficient and inclusive, while reducing cost. We want to create a care delivery model and adapt to the needs of the new norm where e-healthcare will play a vital role” said Savvides.

Savvides has international expansion plans in mind and will use Cyprus as a base. “The fund will greatly help us raise the needed capital not only to invest in our group, but in the whole healthcare industry as well. We are looking to grow with the success of the fund” he concluded.

<https://curisnetwork.com>



Mr. Andreas Constantinides, Managing Director of TMF Cyprus

A decade of success in Cyprus

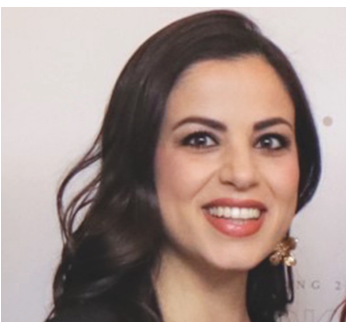
TMF Group, a leading provider of international business administration services, celebrates its tenth year anniversary in Cyprus in 2020. Its role in bringing U.S. companies closer to Cyprus has been instrumental. “TMF Cyprus already has a large portfolio of U.S. clients. We assist our clients with the full range of outsourced services including accounting and tax services, HR and payroll, company secretarial and global entity management, consultancy solutions, fund, capital markets and private wealth, family office and local compliance services including but not limited to FATCA, CRS and CbC reporting,” explained Mr. Andreas Constantinides, Managing Director of

TMF Cyprus, adding that the country's double taxation agreement with the U.S.A. has helped in creating a strong U.S. corporate presence in Cyprus.

TMF Group is the only company worldwide to be able to provide the full range of outsourced services that are essential to the success of businesses investing, operating and expanding across multiple jurisdictions. “If a client needs information or support in pretty much any jurisdiction worldwide, they can do all that through the TMF Cyprus team, which can gather any information or set any necessary support in motion, quickly, easily and safely,” Constantinides highlighted. “That's why over 60% of the Fortune Global 500 and FTSE 100 companies, and almost half the top 300 private equity firms, trust us and use our services.”

Given the challenging times following the COVID-19 pandemic, TMF Cyprus is ready to help businesses rebuild and grow in a more complex international business landscape. “Having a dedicated team of in-house experts based in over 80 jurisdictions that can help businesses to navigate those complexities both globally and locally, and take advantage of opportunities swiftly and safely, anywhere in the world, is a powerful proposition. As TMF Cyprus, we are proud to be able to play an important part in that proposition,” Constantinides said.

<https://www.tmf-group.com/en/locations/emea/cyprus/>



Ms. Elena Kontou - CEO of Sepaga EMI

The future of e-money is Sepaga EMI

Sepaga EMI, is a Canadian-owned Electronic Money Institution founded in Cyprus in 2015. The company offers its clients wallet accounts and an online portal where they can transact globally - faster and cheaper. It is licensed by the Central Bank of Cyprus and officially begun operations in 2017.

At the moment the company serves only corporate clients and has close cooperation with lawyers and accountants as they resell Sepaga's products to their own clients. “Our clients can be local shops that need easier and faster payments, medium size enterprises or even large organizations. We are also able to serve licensed industries such as forex, gaming and the

adult industry” said Ms. Elena Kontou, CEO of Sepaga EMI. “Nevertheless, we are a stable institution as we are not involved in loans and credits and we oblige to the same requirements by the Central Bank as traditional Banking Institutions do, such as monthly reports, inspections, internal and external auditors” she explained.

As a fintech company, technological advancement is at the core of its strategy. “A large part of our capital goes to R&D and technology. Everything we use is internally developed and used exclusively by Sepaga EMI” Kontou highlighted.

Having successfully cruised through the COVID-19 pandemic, Sepaga EMI eyes more expansion and double growth for the next years. “Our technological capabilities helped us during the pandemic as we were able to work remotely from day one without any software installations and training. We were not affected at all by this. On the contrary we increased our clients during the pandemic” said Kontou.

The team of Sepaga EMI currently employs 15 people in Cyprus and plans to double its team and expand regionally. New technology is to be launched by the end of this year and the young fintech company is poised to become a main player in the electronic money industry.

<https://www.sepaga.com/en/home>



Stelios Ieronymides: Cyprus is ideal for companies looking to expand in Europe and the MENA region



Mr. Stelios Ieronymides, Managing Director of Stelios Ieronymides & Associates LLC

Founded in 1985, Stelios Ieronymides & Associates LLC has established itself as one of Cyprus' major legal offices with strong representation and associates, in many E.U. and Eastern European countries. Throughout the years of working with foreign clientele, investors and business people, the firm has acquired vast experience on matters pertaining to international business.

“Our firm is at the forefront of all legal developments and provides extensive legal services for domestic and international clientele, with effective and high standard support, on matters of corporate, property, immigration and family law as well as tax planning and ship registration” explained Mr. Stelios Ieronymides, Managing Director of the firm.

With a highly-competent and effective team of lawyers and associates, the firm has established a fiduciary and service provision network, which facilitates corporates or trusts, at the highest standards. “Over the years, we have registered a substantial number of foreign corporates, trusts and shipping entities, that include banks, air-carriers, financial institutions, ship and property owners, to which we have provided legal support, tax planning, administration or fiduciary services” he commented.

“Cyprus” he continued, “as a member of the European Union, is considered a developed international business center, and maintains the lowest taxation. The treaties for avoidance of double taxation which Cyprus has ratified with the United States, among others, provide the opportunity to U.S. entities, to establish and be benefited from this favorable tax regime.”

“We must note that the recent upgrade in U.S. – Cyprus political relations, which expanded to better and closer business ties, can benefit U.S. business entities, as Cyprus with its ideal geographic location, stable government and economy can be a reliable base for expanding in Europe, Middle East and Africa” said Ieronymides.

<http://www.steliosieronymides.com>

