

Appendix 2

Totalserve Publications

Information Sheets

Our Publications

INFORMATION SHEETS

No.		Tick (✓) language required			
1.	Companies in Cyprus	<input type="checkbox"/>	△	○	
2.	Basic information for Cyprus companies	<input type="checkbox"/>	△	○	
3.	Temporary Residence and employment permits for E.U. Nationals	<input type="checkbox"/>	△		
4.	International Safety Management (ISM) Code	<input type="checkbox"/>			
5.	Acquisition of immovable property by Foreigners or by Companies owned by Foreigners	<input type="checkbox"/>		○	
6.	Permanent residence for expatriates & certificate of naturalisation	<input type="checkbox"/>			
7.	Polish Domiciliation	<input type="checkbox"/>			
8.	Advantages of a Cyprus Company	<input type="checkbox"/>			
9.	U.K. companies resident in Cyprus	<input type="checkbox"/>		○	
10.	International trusts	<input type="checkbox"/>	△		
11.	Foreign entities established in Greece	<input type="checkbox"/>			
12.	International collective investment schemes (Funds)	<input type="checkbox"/>			
13.	Cyprus double tax treaties – Summary of Withholding Taxes	<input type="checkbox"/>			
14.	VAT Representative in E.U. countries	<input type="checkbox"/>	△		
15.	Cyprus as a base for investing in Russia	<input type="checkbox"/>			
16.	Cyprus Stamp Duty on Share Capital	<input type="checkbox"/>			
17.	Taxation of Stock Exchange transactions	<input type="checkbox"/>			
18.	Cyprus – Summary of Taxes	<input type="checkbox"/>			
19.	Abolition of Cyprus Exchange Controls for E.U. Nationals and non E.U. Nationals	<input type="checkbox"/>			
20.	Cyprus Tax Reform – July 2002	<input type="checkbox"/>	△		
21.	Succession Law and Probate in Cyprus	<input type="checkbox"/>			
22.	Investments in Cyprus by E.U. Investors	<input type="checkbox"/>	△		
23.	Investments in Cyprus by non-E.U. investors	<input type="checkbox"/>		○	
24.	Investments abroad by Cypriot investors	<input type="checkbox"/>	△		
25.	The financial Services Law in Cyprus	<input type="checkbox"/>			
26.	The E.U. savings tax directive	<input type="checkbox"/>		○	
27.	Tax Representative and tax agent in Greece		△		
28.	U.K. tax residence certificates – New Policy	<input type="checkbox"/>	△		
29.	Greek anti-abuse legislation aimed at offshore companies	<input type="checkbox"/>			
30.	Contribution to the social security fund for expatriate employees of international business companies	<input type="checkbox"/>	△		
31.	Registration of Ships in Cyprus	<input type="checkbox"/>			
32.	Shipping Highlights in Cyprus	<input type="checkbox"/>			
33.	Parallel (Bareboat) Registration in Cyprus	<input type="checkbox"/>			
34.	Fees and taxes for Registration of vessels in Cyprus	<input type="checkbox"/>			
35.	International Maritime Agreements in Cyprus	<input type="checkbox"/>			
36.	Trusts in Cyprus	<input type="checkbox"/>			
No.		Tick (✓) language required			



37.	The Parent Subsidiary Directive	<input type="checkbox"/>				
38.	British Virgin Islands-Extension of Bearer Share Transition Period	<input type="checkbox"/>				
39.	The Societas Europea	<input type="checkbox"/>				
40.	The Cyprus Non Resident Company	<input type="checkbox"/>				
41.	Buying Property Situated in Northern Cyprus	<input type="checkbox"/>	△			
42.	United Kingdom – The Investor Visa	<input type="checkbox"/>				
43.	Investment in U.K. Property	<input type="checkbox"/>				
44.	Temporary Residence and employment permits for Non E.U. Nationals	<input type="checkbox"/>				
45.	BVI Mutual Funds	<input type="checkbox"/>				
46.	UK Limited Liability Partnership	<input type="checkbox"/>				

FACT SHEETS – OTHER JURISDICTIONS

No.		Fact Sheet	Fee Schedule	Tick (√) language required		
1.	Anguilla	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2.	Bahamas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	
3.	Barbados	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.	Belize	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5.	Bermuda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6.	British Virgin Islands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	○
7.	California	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8.	Cayman Islands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	
9.	Croatia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
10.	Cyprus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	○
11.	Czech Republic - joint stock cos.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
12.	Czech Republic - limited cos.	<input type="checkbox"/>		<input type="checkbox"/>		
13.	Delaware	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	○
14.	Denmark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
15.	Georgia		<input type="checkbox"/>	<input type="checkbox"/>		
16.	Gibraltar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
17.	Greece	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	
18.	Guernsey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	
19.	Hong Kong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		○
20.	Hungary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
21.	Ireland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
22.	Isle of Man	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	
23.	Jersey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	
24.	Lebanon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
No.		Fact Sheet	Fee Schedule	Tick (√) language required		
25.	Liberia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
26.	Liechtenstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
27.	Luxembourg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		○



28.	Madeira	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
29.	Malaysia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
30.	Malta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
31.	Mauritius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
32.	Netherlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
33.	Netherlands Antilles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
34.	Nevis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
35.	New Cork	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
36.	New Zealand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
37.	Panama	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
38.	Panama Foundation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
39.	Poland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
40.	Portugal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
41.	Portugal (Madeira)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
42.	Romania	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
43.	Russia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
44.	Samoa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
45.	Seychelles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
46.	Singapore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△		
47.	Sweden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
48.	Switzerland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		○	
49.	Thailand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
50.	Turku & Caicos Islands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
51.	UAE – Dubai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
52.	UAE – Dubai Jebel Ali	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
53.	United Kingdom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	○	
54.	United Kingdom LLP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
55.	Uruguay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
56.	Washington D.C.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	△	○	

LIST OF SHELF COMPANIES

No.		Tick (√) as required
1.	British Virgin Islands	
2.	Cyprus	
3.	Delaware	
4.	Nevis	
5.	United Kingdom	
6.	Washington D.C.	

LIST OF APPROVED NAMES

No.		Tick (√) as required
1.	Cyprus	

COMPANY PROFILE

No.		Tick (✓) language required			
1.	Totalserve Management Ltd – Company Profile (A4 size)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Totalserve Management Ltd – Company Profile (A5 size)	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
3.	Totalserve Management Ltd – Compact Disc (approx. 5 ½ min)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Totalserve Management Ltd – D.V.D. (approx. 5½ min)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BOOKLETS

No.		Tick (✓) language required			
1.	Shipping Services Worldwide	<input type="checkbox"/>			
2.	Cyprus – International Banking Units, Administered Units, Representative Offices	<input type="checkbox"/>			
3.	International Trustee Companies	<input type="checkbox"/>			
4.	International Collective Investment Schemes	<input type="checkbox"/>			
5.	Succession Law in Greece	<input type="checkbox"/>			
6.	International Trusts Law – 1992	<input type="checkbox"/>			
7.	The Cyprus Holding Company	<input type="checkbox"/>			

ARTICLES

No.		Tick (✓) language required			
1.	Cyprus Law on Succession	<input type="checkbox"/>			
2.	Cyprus and Double Tax Treaties	<input type="checkbox"/>			
3.	Using Cyprus for International Business	<input type="checkbox"/>			
4.	Cyprus Holding Company	<input type="checkbox"/>			
5.	Cyprus International Trusts and their uses	<input type="checkbox"/>			
6.	Taxman to target transfers abroad	<input type="checkbox"/>			
7.	Where there's a will, there's a way	<input type="checkbox"/>			
8.	EU Savings tax hits expatriates	<input type="checkbox"/>			
9.	Cyprus: Buy a villa and go to jail	<input type="checkbox"/>			

FORMS

No.		Tick (✓) language required			
1.	Company Formation Instructions Form	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2.	Trust Creation Instructions Form	<input type="checkbox"/>			



TOTALSERVE

3.	Bank Reference Simple	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.	Our Publications	<input type="checkbox"/>				

Available in				Tick (√) language required			
English	<input type="checkbox"/>	Greek	<input type="checkbox"/>	Russian	<input type="checkbox"/>	Romania	<input type="checkbox"/>

Please forward to us the above free of charge. Thank you.

Full Name	
Company Name	
Address	
Telephone	Telefax
E-mail	

Tick (√) as required			
Dispatched by	Post	E-mail	Other

Information Sheet No. 31

LIMASSOL ATHENS THESSALONIKI LONDON BUCHAREST MOSCOW WARSAW TORTOLA

REGISTRATION OF SHIPS IN CYPRUS

Merchant Shipping (Registration of Ships, Sales and Mortgages) Law 1963 to 1996

This law requires that registration under the Cyprus flag can only be achieved if more than 50% of the shares are owned by companies incorporated in Cyprus or by Cypriots, or by a corporation incorporated outside the Republic in which the controlling interest is vested in Cypriots (physical persons) if specially authorized by a decision of the Council of Ministers of the Republic.

Age of ships

As of 1st January 2000, vessels of any size and type having an age not exceeding 15 years, except fishing vessels, may be registered in the Cyprus Register of Ships as long as they comply with the provisions contained in the merchant shipping legislation and the circulars of the Department of Merchant Shipping.

Vessels over 15 years of age, including fishing vessels, may be registered in the Cyprus Register of Ships under additional conditions, which must be fulfilled concurrently with the submission of the application for registration and must be complied with at all times while the vessel remains registered, irrespective of any subsequent transfer of ownership.

The owner/bareboat charterer of a vessel registered under the Cyprus flag automatically undertakes that, whenever the Department of Merchant Shipping deems necessary, to have the vessel inspected by its own surveyors as a result of identified deficiencies or an alleged serious violation of international conventions. The owner/bareboat charterer is required to submit the vessel to inspection, at his expense, in order for the Department to determine whether the vessel meets the applicable statutory requirements.

The age of a vessel is calculated by deducting the year when its keel was laid from the year when the application for registration of the vessel was filed with the Registrar of Cyprus Ships. The year of conversion or modification or major reconstruction and the year of completion or delivery of a vessel, are considered irrelevant and will be ignored.

Cargo Vessels with Gross Tonnage of 1000 and over, Ocean Going Tug Boats with Gross Tonnage of over 500 and Mobile Offshore Drilling Units

Over 15 years but not exceeding 17 years of age.

A vessel in this category may be registered provided it passes a special inspection.

Over 17 years but not exceeding 20 years of age.

A vessel in this category may be registered provided:

- it passes a special inspection, and
- it is operated by a shipmanagement company certificated for compliance with the ISM Code.

Over 20 years but not exceeding 23 years of age.
A vessel in this category may be registered provided:

- it passes a special inspection and is subject to subsequent annual special inspections
- it is operated by a Cyprus shipmanagement company, which must be certificated for compliance with the ISM Code.

Cargo Vessels with a Gross Tonnage of less than 1000

Only cargo vessels not exceeding 20 years of age may be registered. However, they are subject to a special inspection if they are subsequently detained on account of deficiencies or violations of international conventions by flag or port sale control authorities.

Passenger Vessels

Over 15 years but not exceeding 25 years of age.
A vessel in this category may be registered provided it passes a special inspection and is subject to subsequent annual special inspections.

Over 25 years of age
A vessel in this category may be registered provided:

- it passes a special inspection and is subject to subsequent annual special inspections
- it is operated by a Cyprus shipmanagement company, which must be certificated for compliance with the ISM Code.

In both cases, whenever the vessel is engaged in regular service which includes at least two calls per month to a Cypriot port, at least 25 percent of its crew should be Cypriot, unless a confirmation is given by the Limassol District Office that no Cypriot seamen are available, and at least 1 Cypriot student or graduate of a Marine Officer's School, if available, is engaged for sea training for a period of up to 6 months.

Fishing Vessels, Fish Factory Vessels

There are detailed requirements for the registration of fishing and fish factory vessels of any age covering ownership, safety, fishing activities and hygiene. Please contact our company for further information.

Auxiliary Vessels and Pleasure Craft

Vessels up to 25 years of age may be registered without any additional conditions. Vessels over 25 years of age may be registered provided they belong beneficially to residents of Cyprus and their management and operations are controlled from Cyprus.

SHIP REGISTRATION - PROCEDURE

Provisional registration

Provisional registration is allowed usually to give time to prepare the permanent registration.

The application for provision registration can be submitted to the Minister of Communication and Works through the Registrar of Cyprus Ships or at any Diplomatic Mission or Consular of the Republic of Cyprus.

It is not necessary for the ship to be at the place of registration at the time of submitting the application but it must be at a port to enable an inspection.

The Provisional Registration under a Cyprus flag takes the following procedure:

1. The Registrar of Cyprus Ships will start the registration process upon receiving of the following information:
 - (a) Name of the vessel and her flag at the time of the application.
 - (b) Name of the Cyprus corporation applying for the registration of the vessel.
 - (c) Name of the vessel under which she will be registered.
 - (d) Particulars of the vessel (type, year of built, gross and net or register tonnage).
 - (e) Name of the Classification Society (see Appendix 1 for Recognised Classification Societies) with which the ship is entered. In case the Owners of the vessel contemplate a change of the Classification Society on acquiring the vessel this should be stated as well as the name of the new Classification Society.
 - (f) Intended trading area of the vessel.
 - (g) Place where the vessel will be at the time of her provisional registration, if known. In any case this must be communicated to the Registrar of Cyprus Ships prior to the provisional registration.
 - (h) Name of the Consular Officer, where the owners wish to effect the provisional registration of the vessel.
 - (i) Name and address of the Shareholders and Directors of the Cyprus company in whose ownership the vessel will be registered.
2. Before the Registrar instructs of the Provisional registration of the vessel the following documents must be submitted:
 - (a) Memorandum and Articles of Association of the Cyprus company in whose ownership the vessel will be registered.
 - (b) Certificate of incorporation of the company.

- (c) Certificate of shareholders of the company.
- (d) Certificate of directors of the company.
- (e) Confirmation of Class (and/or a statement attesting as to the class position of the vessel) from the Head office of the Classification Society with which the ship is entered. This communication must also include a statement that the Society is ready to proceed with the survey and certification of the vessel in question on behalf of the Government of the Republic of Cyprus in accordance with the applicable requirements of SOLAS 74 as amended, LOADLINES 66, MARPOL 73/78 as amended, as well as, in accordance with any other IMO Codes and or Resolutions on safety or marine environment pollution prevention which may be applicable to her.

It should be noted that any recommendations which may arise as a result of the said surveys must be dealt with, as the Societies are instructed not to issue to Cyprus ships, at the time of the provisional registration of a vessel under the Cyprus flag, any statutory certificates listing outstanding recommendations of whatever nature.
- (f) Confirmation from the radio traffic Accounting Authority which will cover the vessel whilst under the Cyprus flag, that a contract has been signed between them and the owners of the vessel providing for the settlement of the ship's radio traffic accounts with the Telecommunications Authorities of the different countries which may serve her.
- (g) Resolution of directors of the Cyprus company resolving to acquire the vessel and register her in the Register of Cyprus Ships and the appointment of one or several attorneys who will attend the registration of the ship at the relevant consular office.
- (h) Power of Attorney empowering those concerned to attend matters of the registration such as the filing and signing as applicable of the Bill of Sale, the Declaration of Ownership(form MS.3), the Memorandum of Appointment of Ship's Husband (form MS.10) which must be executed pursuant to the above resolutions, under the Common Seal of the Company. This must be signed by one or two directors (depending on the sealing provisions in the Articles of Association of the Company) and must be either notarially attested or legalized by a Cyprus Consular Officer or apostilled.
- (i) Declaration of Ownership (form MS.3).
- (j) Memorandum of Appointment of Ship's Husband (form MS.10).
- (k) Bill of Sale whereby the ship is sold to the company, duly executed by her registered owners. The Bill of Sale must be either notarially attested or legalized by a consular officer of the country of the previous registry or by a Cyprus Consular Office, or apostilled.
- (l) Certificate of Ownership and Encumbrances from the ship's registry attesting that the ship is free of encumbrances and that she may be transferred to another registry.

- (m) Application form License to install and Work a Wireless Telegraphy and/or Telephony Station on Board Ship under the Flag of the Republic of Cyprus (form MS.34).
3. The final step is the issue by the Registrar of Ships (assuming the application is approved) of the following:
- (a) Provisional Certificate of Cyprus Registry (form MS.5), which is valid for six months from the date of issue.
- (b) Provisional Radio License.
- (c) Advise the vessel's Classification Society that it may proceed with the survey and certification of the vessel on behalf of the Government of the Republic of Cyprus.

The provisional registration is valid for six months and it can be extended for a further period of three months.

Permanent Registration

The application for a permanent registration of a vessel under the Cyprus flag made by a shipowning company must be made to the Ministry of Works and Communications through the Registrar of Cyprus Ships accompanied by the following:

- a) Certificate of Deletion of the vessel from the previous register or Certificate of Cancellation of Registry or Closed Transcript of Registry, if this was not filed at the time of provisional registration
- b) Copy of the agreement signed with the vessel's Radio Traffic Accounting Authority.
- c) Copies of the ship's statutory certificates, namely:
- Cargo Ship Safety Construction.
 - Cargo Ship Safety Equipment.
 - Cargo Ship Safety Radio.
 - International Load Lines Certificate (1996).
 - International Oil Pollution Prevention.
 - International Noxious Substances Pollution Prevention.
 - Passenger Ship Safety
 - Certificate of Fitness
- as these apply to the ship's size and type.
- d) Certificate of Survey (form MS.1 or MS.1A).
- e) Cyprus Tonnage Certificate (form MS.12, or MS.12A or MS.12B), or
- f) International Tonnage Certificate (1969) (form MS.12C)

- g) Duly verified Ship's Carving and Marking note (form MS.32).

It is important to note that the entry into force of chapter IX of SOLAS 74, on July 2002, made the International Safety Management Code (ISM Code) mandatory for all vessels, irrespective of type, of 500 gross tonnage and upwards. Thus the owners of all ships which will apply for registration under the Cyprus flag, should fill the ISM Application Forms.

Information Sheet No. 32

SHIPPING HIGHLIGHTS IN CYPRUS

The administration of the Register of Cyprus Ships is governed by the Merchant Shipping(Registration of Ships, Sales and Mortgages) Laws,1963 to 1996 which are based on the British Merchant Shipping Acts, 1894 to 1954. The Merchant Shipping (Masters and Seamen) Laws,1963 to 1997 and the Merchant Shipping(Fees and Taxing Provisions) Laws, 1992 to 1999 are the other principal merchant shipping laws.

The Department of Merchant Shipping is responsible for the development of maritime activities which include: Registration of ships, administration of the Merchant Shipping Laws, control of shipping and enforcement of international conventions, investigation of casualties, resolving labour disputes on board Cypriot ships and training and certification of seafarers.

The Cyprus Registry has shown phenomenal growth in recent years. In 1981 Cyprus ranked thirty-second on the list of leading maritime nations. It now ranks sixth with a merchant fleet exceeding 26 million gross tons. Cyprus has come a long way since 1960, when it became an independent state, to be considered now an international maritime centre, a clear indication of the services and facilities Cyprus offers to the shipping industry.

The policy of the Government of Cyprus in the shipping sector is the continuous improvement of the existing infrastructure and the incentives available to both residents and non-residents.

Cyprus has ratified the major international conventions on maritime safety, prevention of pollution of the sea, training, certification and watch keeping of seafarers and limitation of ship owners' civil liability in case of oil pollution damage and conventions on maritime labour. Cyprus is also party to the Convention on the High Seas, 1958 and the United Nations Convention on the Law of the Sea, 1982.

Cyprus has also concluded a number of bilateral agreements on the avoidance of double taxation and co-operation in the field of merchant shipping, inter alia, fiscal advantages and incentives for effective tax planning and advantages in the engagement of foreign seafarers on board Cypriot ships.

Cyprus has shown itself to be an ideal center for the establishment of legal entities by foreign ship owners and other professionals for the conduct of shipping activities and for the rendering of shipping services world-wide.

The advantages of having such a legal entity are:

- No income tax is payable on the profits earned or dividends paid by a Cyprus Shipping Company which owns ships under the Cyprus flag and operates in international waters, or on the salaries of officers and crew of such ships.
- Local or international ship management and crew management businesses have the option to be taxed at the rate of 4,25% or at rates equal to 25% of the rates used to calculate tonnage tax of vessels under management which are registered outside Cyprus.

Other aspects that make Cyprus and Cyprus Shipping Companies attractive are:

- 1) Double Tax Treaties with 33 countries.
- 2) No tax on profits from the operation of a Cypriot registered vessel or on dividends received from a shipowning company.
- 3) No capital gains tax on the sale or transfer of a Cypriot registered vessel or the shares of a shipowning company.
- 4) No estate duty on the inheritance of shares in a shipowning company.
- 5) No income tax on the emoluments of officers and crew.
- 6) No stamp duty on ship mortgage deeds or other security documents.
- 7) Signatory to numerous international maritime conventions.
- 8) Extensive network of bilateral agreements through which Cypriot ships receive either national or favoured nation treatment in the ports of other countries.
- 9) Competitive ship registration costs and annual tonnage taxes.
- 10) Full protection for financiers and mortgagees.
- 11) Favourable tax regime for ship management and other offshore enterprises.
- 12) Low set up and operating costs.
- 13) Excellent telecommunications and easy access by air and sea.
- 14) Highly qualified managerial, clerical and technical staff available.

The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained. Totalserve Management Ltd will be glad to assist you in this respect. Please do not hesitate to contact us.

September 2003