

A Foreign Company may redomicile to Cyprus



A Foreign Company may redomicile to Cyprus

Under the Cyprus Company Law Cap 113 an amendment has occurred [with Law 124(I)/2006] which enables a foreign company to transfer its domiciliation (registered office, etc) to Cyprus and continue its corporate operations from Cyprus under the laws of the Republic of Cyprus.

Under this law and in conjunction with the competitive Tax advantages that Cyprus offers as the lowest EU Tax jurisdiction in Trading, Investing, Holding, and Restructuring, creates a step forward which will help to attract more corporations to Cyprus.

Under the Cyprus legislation an application to redomicile a foreign company in Cyprus the following requirements have to be fulfilled and submitted to the Registrar of Companies:

The Memorandum of Association or equivalent constitutional document of the foreign company should provide for such possibility or redomiciliation;

Resolution (or equivalent document) of the foreign company, authorising the Directors to redomicile the company in Cyprus;

A copy of the revised constitutional document of the company satisfying the provisions of Cap 113 and which accords to the laws of the country of first incorporation;

A certificate of good standing (or equivalent) from the country of first incorporation;

An affidavit statement by a director of the foreign

company, by its board of directors (or equivalent) stating

the name of the company and the name which it wishes to continue using with once the process of redomiciliation is completed; the jurisdiction of first incorporation;

the date of incorporation;

the resolution (or equivalent) with which the company has decided to redomicile in Cyprus;

that the foreign company has formally declared its decision to redomicile in Cyprus to the authority of the country of the first incorporation (copy of which must be provided);

that there no criminal or administrative procedures pending against the company whether in the past or present;

Further the following documents will be required:

An affidavit statement by a director, duly authorised resolution declaring the solvency of the company stating clearly that the persons signing do not know of any circumstances that would negatively and materially affect the solvency of the company within (12) months of the date of application;

Certificate of company shareholders

Any other document that may be required by the Registrar to prove that such application is allowed under the laws of the country first incorporation; and

George Theocharides LLC

137 Gladstonos Street, Taitou Court, suite 303, 3032 Limassol, CYPRUS
Tel. +357 25 820540 Fax. +357 25 745743 www.theocharides.com info@theocharides.com

A Foreign Company may redomicile to Cyprus

that the parties needing to consent to such action under the law of the country of first incorporation have so consented;

The application for domiciled will be denied if:

A procedure for dissolution or winding up or any other insolvency proceedings settlements or writs against the foreign company are in the process or equivalent proceeding have been commenced against the company;
A liquidator, receiver or equivalent administrator has been appointed in relation to the foreign company;
Any order exists that limits or suspend the rights of the company creditors;
Any legal proceeding, criminal or civil have commenced against the foreign company in the jurisdiction of primary incorporation;

Once the documents mentioned all above have been submitted to the Registrar of Companies and the latter are satisfied according all the requirements then a temporary certificate of redomiciliation will be issued. The temporary certificate will give the redomiciled company status of a legal person under the Cyprus companies law and will extend t it all rights and obligations arising there from. The amended constitutional document will be deemed to be the Company's Articles of Association.

Within six (6) months from the issue of of the temporary certificate the foreign company must submit to the Registrar of Companies proof that the foreign company has deregistered otherwise the Registrar may

strike out the company off the Registry and inform the jurisdiction of the foreign company that the company has not not been registered in Cyprus or

may extend for another three (3) months the period in order submitting such proof of deregistration if there is a reasonable cause for such delay. After the last extension no further extensions are allowed be granted.

Financial accounts:

The foreign company must prepare their financial statements in accordance with International Financial reporting standards (IFRSs) as adopted by the EU as if the company established since their incorporation in Cyprus.

If the foreign has not previously prepare the financial statements in accordance with IFRSs, must apply IFRS 1 "First time adoption of International Financial Reporting Standards" for the preparation of the first financial statements in accordance with IFRSs.

George Theocharides LLC

137 Gladstonos Street, Taitou Court, suite 303, 3032 Limassol, CYPRUS
Tel. +357 25 820540 Fax. +357 25 745743 www.theocharides.com info@theocharides.com