

Cyprus Holding Company - Capital Gains Tax

There is an important development in relation to the use of a Cyprus Company as a holding Company. Recently the list of instruments that are tax free has been extended.

List of instruments that carry 0% Capital Gains Tax:

- Ordinary, preference and founders' shares.
- Options on titles.
- Bonds, debentures and rights of claim on bonds and debentures (excluding the interest receivable).
- Short positions on titles Futures/forwards on titles.
- Swaps on titles.
- Depository receipts on titles such as ADRs & GDRs.
- Index participations only if they result in titles.
- Repurchase agreements or Repos on titles.
- Participations in companies such as Russian OOO & ZAO, American LLC, Romanian SA and SRL, Bulgarian AD and OOD etc, under the condition that those Companies are taxed on their own merit.
- Units in open- and closed- end collective investment schemes that are operated under the laws and regulations of the country that are registered, Examples of such schemes are Investment Trusts, Unit Trusts, REAL Estate Investment Trusts, International Collective Investment schemes, Undertakings for Collective Investments in Transferable Securities.

Limassol, May 7, 2009

George Yiallourides, ACA
Yiallourides & Partners Chartered Accountants Ltd
Limassol, Cyprus