

CYPRUS

BUILDING FOUNDATIONS
FOR THE FUTURE



There's **more** to Cyprus than meets the eye



CYPRUS
BANKING WITH CONFIDENCE



More than just a holiday destination with pristine white beaches and 300 days of sunshine, Cyprus can also cater to your business needs ranging from registering and setting up your company's operations to managing your EU, North African and Middle Eastern clients at a considerably lower cost.

As well as being an EU country and a member of the European Monetary Union since 2008, Cyprus enjoys the lowest corporate tax rate in the EU of 10%. Cyprus belongs to those jurisdictions on the OECD White List which have substantially implemented the internationally agreed tax standard.

In addition to this, Cyprus provides efficient business services, has a transparent legal and regulatory system and is committed to sustainable growth.

Cyprus welcomes both visitors and investors to work here, so, if you are searching for a new business base, consider Cyprus. It's more than just beaches and sun.



"Columbia's growth and expansion over the years is attributed to the uniqueness of Cyprus; being the island's strategic position at the crossroads of three continents, its comprehensive legal framework, double tax treaties regime, communication system, banking system, infrastructure in general and last but not least its highly educated labor force."

*Captain Dirk Fry, Managing Director
Columbia Ship Management Ltd*

"The favorable business climate, the excellent telecommunications infrastructure, the well educated and skilled human resources, the favorable tax rates and the proximity to the Middle East and Africa markets, were some of the key factors that enabled NCR to decide to move its regional offices to Cyprus in the 80's. Gradually, NCR managed to expand the office in Cyprus to cover also all the African Countries."

*Managing Director of NCR Cyprus,
Mr. George Flouros*



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North America,' the Cypriot government source explains.

Cyprus – with its proximity to three continents – is in one of the best geographic locations to diversify its trade base, which in turn will encourage further foreign investors to use it as a springboard into new markets.

'Cyprus can be easily utilised as a platform for investors focusing on warehouse, logistics, distribution and headquartering activities with the aim to reach either the European, Asian or African markets,' says Angastiniotis.



RESEARCH AND DEVELOPMENT IN CYPRUS

PROFESSOR MARIOS POLYCARPOU, Director of the KIOS Research Center of the University of Cyprus, believes the country is a good option when it comes to research and development investment (RDI).

'In terms of innovation Cyprus has excellent and attractive research systems and has an international reputation for scientific expertise and research excellence,' he says.

'There is a strong track record of research collaborations involving the transfer of research findings, skills, and competence to industry so they are able to transform them into economic outcomes and/or improve public services. Cyprus participates actively in several important research and technology projects funded from the European Union. RDI opportunities are also afforded to Cyprus and its partners from the various programmes administered by the European Union and at national level by the Cyprus Research Promotion Foundation (CRPF). Several significant research and technology development projects have taken place as result of this funding. This success is testament to the long-term commitment by the Cyprus research base to seek, with their partners, to contribute to future technological advancement.'

The KIOS Research Center for Intelligent Systems and Networks is a leading research centre in Cyprus, with strong international standing in the area of Information and Communication Technologies (ICT). KIOS delivers cutting-edge, interdisciplinary research in intelligent monitoring, optimisation and management of complex, safety critical systems.

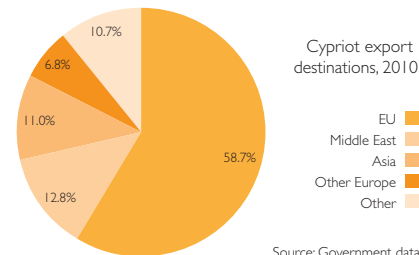
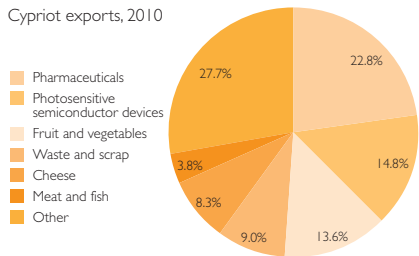


SUCCESS STORY IN CYPRUS NCR MIDDLE EAST/AFRICA (MEA)



NCR's MEA regional headquarters has been based in Nicosia since the 1980s, although the company has had a presence there dating back to the 1950s. It is a subsidiary of New York Stock Exchange-listed NCR Corporation and provides specific solutions and consulting services, to Government and Semi-Government organisations, banking institutions, businesses in the retail, communications and other industries. Cyprus' business climate, telecommunications infrastructure, skilled workforce, favourable tax rates and proximity to the Middle East and Africa markets were draw cards.

Cypriot exports, 2010



Source: Government data

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18 Nov 1983

UN Security Council condemns the UDI declaration, calls it "legally invalid" and calls for its withdrawal. It also calls upon all states not to recognise it and to respect the sovereignty and territorial integrity of the Republic of Cyprus.

1988

George Vassiliou is elected President of the Republic of Cyprus.

1993

Glafcos Clerides replaces Vassiliou as president.

1998

Clerides is re-elected. Commencement of accession negotiations between Cyprus and the European Union.

FUELLING FOREIGN DIRECT INVESTMENT IN CYPRUS

One of Cyprus' best prospects for new foreign direct investment (FDI) is its energy sector, and specifically the indication that there are large reserves of untapped hydrocarbons in its exclusive economic zone (EEZ).

The managing partner of PriceWaterhouseCoopers Cyprus, Evgenios Evgeniou, says such reserves could prove a tremendous and lucrative opportunity for the island.

'With the EU having its own ambitious energy objectives we believe that Cyprus, if successful with its hydrocarbon exploration, can play a regional role in the achievement of Europe's energy goal,' he notes in a PwC Cyprus report.

There has already been a great deal of interest in developing these assets from companies based countries such as China, Russia, France, Israel, Norway, Canada, US, UK, Malaysia, Italy, Australia, Korea, Netherlands, Lebanon, Cyprus and Indonesia.

Angastiniotis has said that income from the exploitation of Cyprus' hydrocarbon reserves should be used on a long-term basis, perhaps following a similar strategy to Norway, which used money

from its energy assets to create a heavyweight sovereign wealth fund.

'It is the [energy] sector that will be in the epicentre during the next years in Cyprus and we should deal with that very carefully,' he told Cyprus News Agency (CNA).

Surveys put the level of undiscovered oil and gas resources in the Eastern Mediterranean at about 3.4 billion barrels of oil, and about 345 trillion cubic feet of natural gas.

'In all probability some of the abovementioned potential reserves lie in the island's EEZ,' says Evgeniou in the PwC Cyprus report.

The field has been divided into 13 exploration blocks. In the first licensing round in 2007 one licence was awarded to Noble Energy for the so-called block 12. It started offshore exploratory drilling there in late 2011.

'If we say that, in the worst-case scenario, the reserves from the block 12 cover the needs of Cyprus for the next 80 years and that there are reserves in the other blocks...then the field of energy constitutes the most promising sector for foreign investment and it could save our economy,' Angastiniotis told the CNA.

The government proceeded with a second licensing round in February this year, with a decision expected in 2013. Fifteen bids were submitted from a total of 29 companies. In addition to the long-term economic benefits from hydrocarbon exploration, Cyprus stands to draw a significant amount of upstream and downstream FDI as a result.

The 13-block exploration field sits in waters to which Cyprus has asserted a legal claim under international maritime law.

SUCCESS STORY IN CYPRUS NEST INVESTMENTS



Nest Investments operates in 22 countries spread over Middle East, North Africa, Asia, Europe. It specialises in reinsurance, direct insurance, insurance broking, selected real estate development, and licensed activities such as its World Trade Centre operations. Its subsidiary Nest Investments Holdings Cyprus Ltd has been based on the island since 1990. Cyprus' geographic location, infrastructure, professional services sector, and comprehensive legal framework were factors for Nest Investments Group basing a subsidiary there.

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1999

The Helsinki European Council Presidency Conclusions state that the prior solution to the Cyprus problem is not a precondition for Cyprus' accession to the EU.

11 Nov 2002

UN Secretary General Kofi Annan submits a plan (known as the "Annan plan") for a comprehensive settlement of the Cyprus problem.

13 Dec 2002

The European Council decides in Copenhagen to admit Cyprus as a member of the EU on 1 May 2004.

Feb 2003

Tassos Papadopoulos is elected President of the Republic of Cyprus.