

# Investment Environment in Cyprus

5<sup>th</sup> Energy Symposium  
1<sup>st</sup> November 2017  
Natasa Pilides, Director General



# Cyprus Investment Promotion Agency





Positive  
economic outlook





## Cyprus' positive economic outlook

/ Cypriot Economy expanded faster than the EU average in 2016 (2.8%)

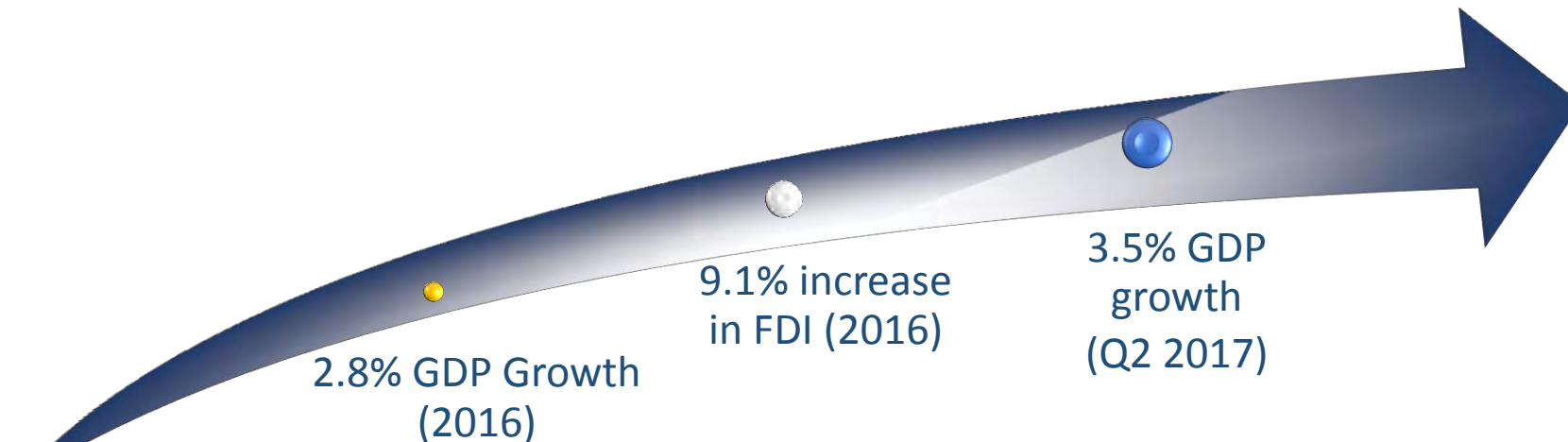
/ GDP growth of 3.5% in Q2 2017

/ GDP growth of around 3% expected to continue

(Moody's report, May 2017)

/ Consecutive upgrades by Credit Rating Agencies

/ Successful return to the capital markets at the lowest rates ever achieved by Cyprus in June 2017



# Cyprus: a unique combination of ingredients





## Access to markets

- / More than 40 European Union Trade Agreements
- / More than 60 double tax treaties



- / Full access to European markets enjoying free movement of goods, services and capital
- / A member of the Eurozone since 2008
- / Proximity & easy access to major markets
- / 2<sup>nd</sup> fastest growing country brand worldwide (Brand Finance 2017)





Excellent  
Tax & regulatory  
structure



## Tax system

### Corporate Tax

- / **12,5%** corporate tax rate
- / EU & OECD Compliant / Access to **EU directives**
- / **Dividend** participation exemption
- / No tax on profits from disposal of **securities**
- / **No withholding taxes**
- / No tax on **capital gains** under conditions
- / **Notional Interest Deduction (NID)** on investment in Cypriot companies
- / Attractive **IP Regime**
- / Exemptions for **individuals taking up residence in Cyprus**

## Excellent regulatory structure

- / The legal system is closely aligned to the **English common law** legal system
- / Frequently updated to meet investors' changing needs
- / Strong protection for **investment & intellectual property (IP)**
- / Strong legislative framework for **Investment Funds**

### **Setup and filing:**

- / Establishing a business is simple and fast
- / Simplest filing requirements for companies in the EU



Business  
friendly  
environment



## Business friendly environment

- / Wide range of services make starting & running a business easy
- / More than 700 registered accounting firms including all major global firms
- / More than 2,700 registered lawyers and 160 law firms
- / A range of serviced offices & co-working spaces
- / High availability of modern and affordable office space in all cities





Access  
to talent



### / Local talent

- The **youngest** population & workforce in the EU
- 55% of the workforce has a tertiary degree
- Many Cypriots study abroad, mainly in UK, USA & Europe
- Booming private education sector
- 3 public & 5 private universities



### / Visa-free access to European talent

- 240 million people of workforce in the EU
- 4.7 million European university graduates per year



### / Easy access to global talent



# Access to Finance



# Financing options of RES Projects in Cyprus

- / European Investment Bank, Commercial Banks, and other private financing institutions
- / Private Equity Funds
- / Private Investment
- / RES Fund in Cyprus
- / European Financing Programs and Grants (NER 300)





## Projects with NER300 Funding in Cyprus

**/ Helios Power Project (50,76MW concentrated Solar Power), approved to receive €46.5 million from NER300**



**/ EOS Green Energy Project (50MW concentrated Solar Power technology with integrated storage capacity), approved to receive €60.2 million from NER300**



**/ Green+Smart-Grid Project, approved to receive €11.1 million from NER300**

## Existing RES Projects in Cyprus



Biomass/Biogas

→ 14 projects connected to the grid

Photovoltaic

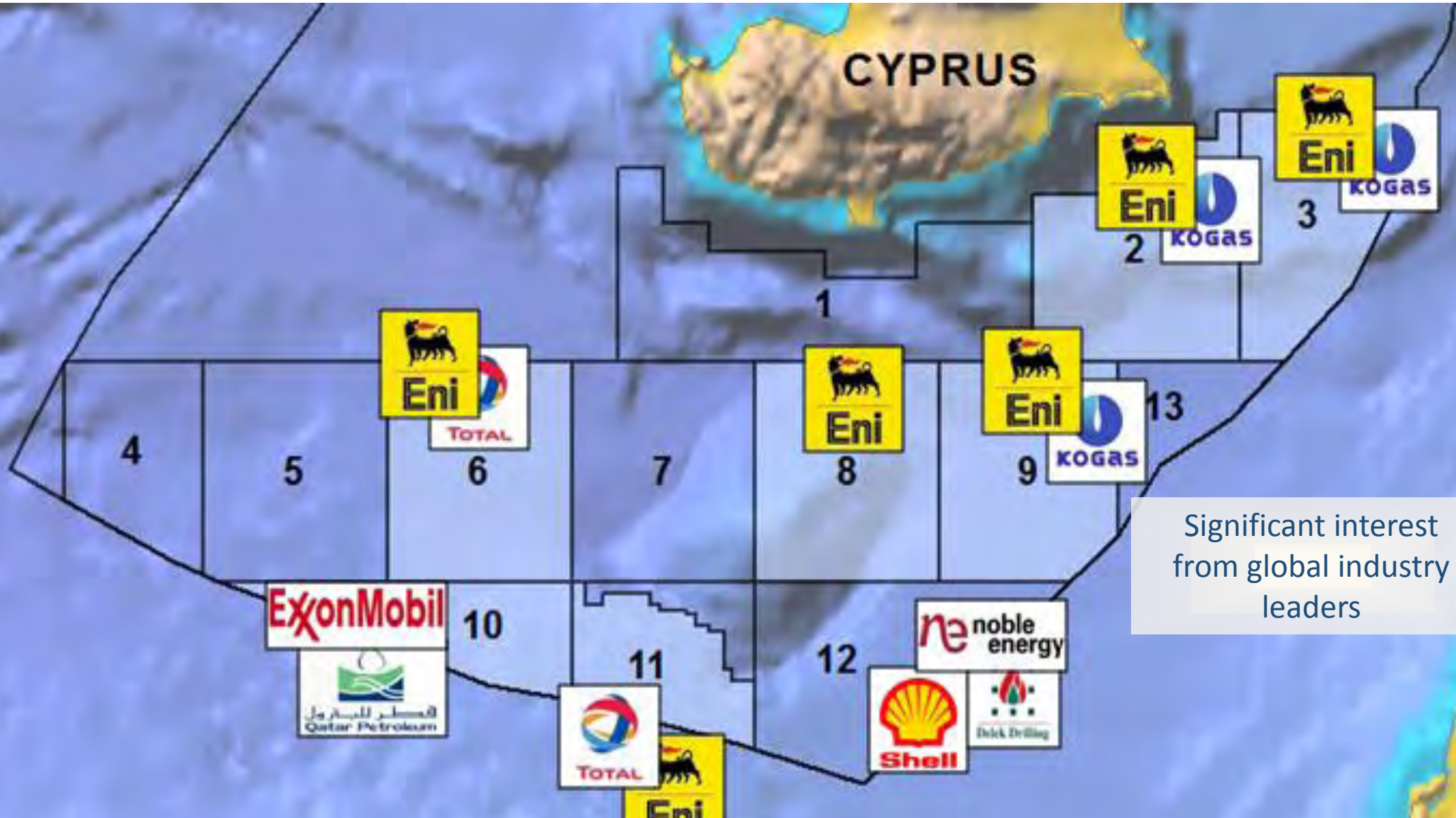
→ 1,914 projects connected to the grid

Windfarms

→ 6 projects connected to the grid



# Hydrocarbons



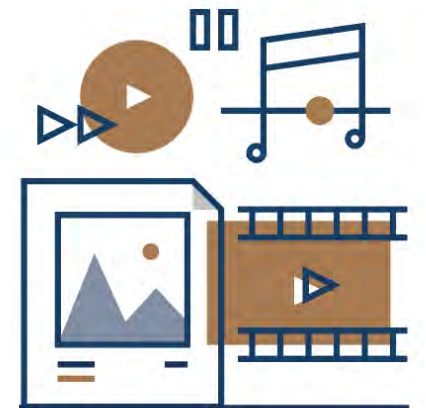
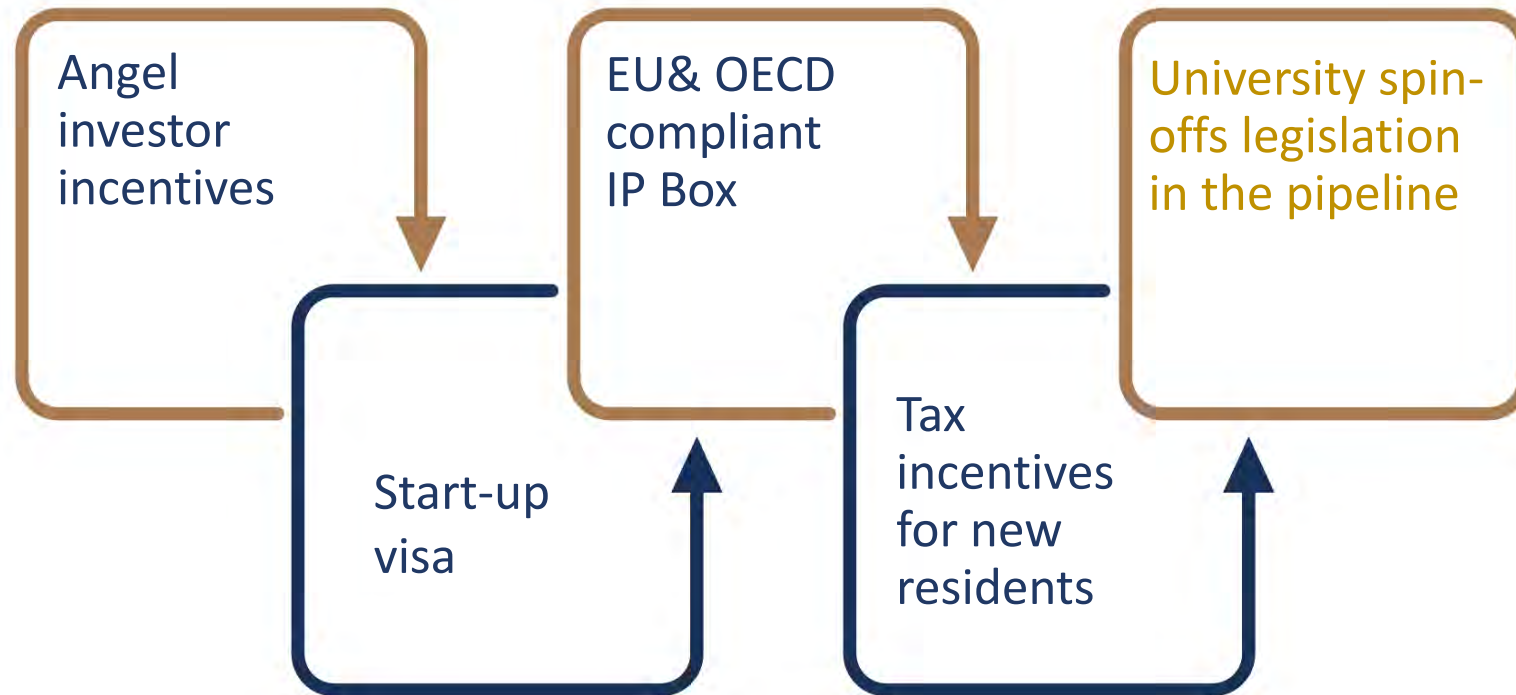
Significant interest from global industry leaders

## Recent developments





## Start-up incentives



## R&I Infrastructure

/ Rapid growth (> € 40m each) of research centres of excellence in:

- ICT for monitoring, control, management and security of critical infrastructures (**KOIOS**)
- Interactive media, smart systems and emerging technologies (**RISE**)

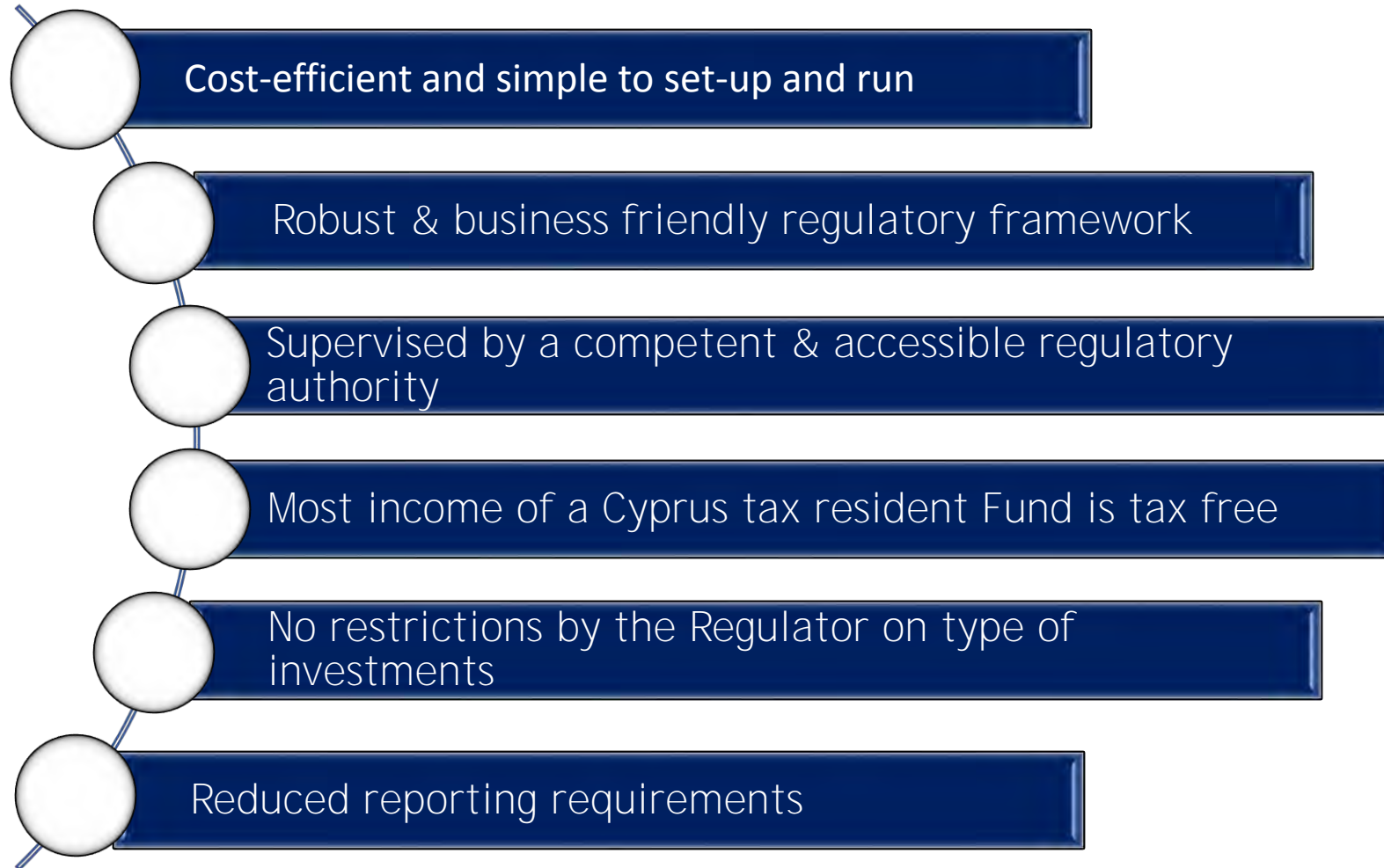


/ Large scale expansion of University of Cyprus & Cyprus Institute of Neurology & Genetics  
using large loans of the European Investment Bank

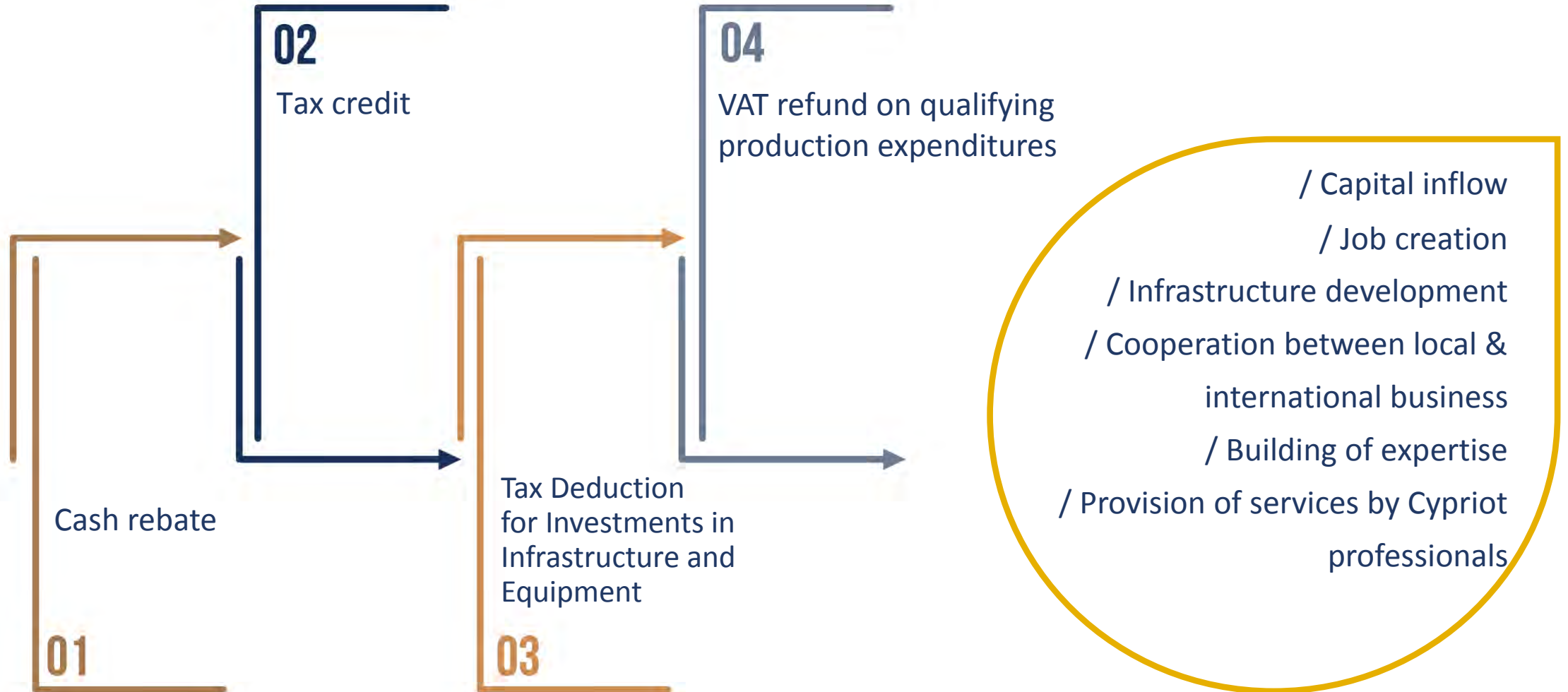
/ Development of new medical schools & clinical centres



## Investment funds



# Filming Industry Incentives



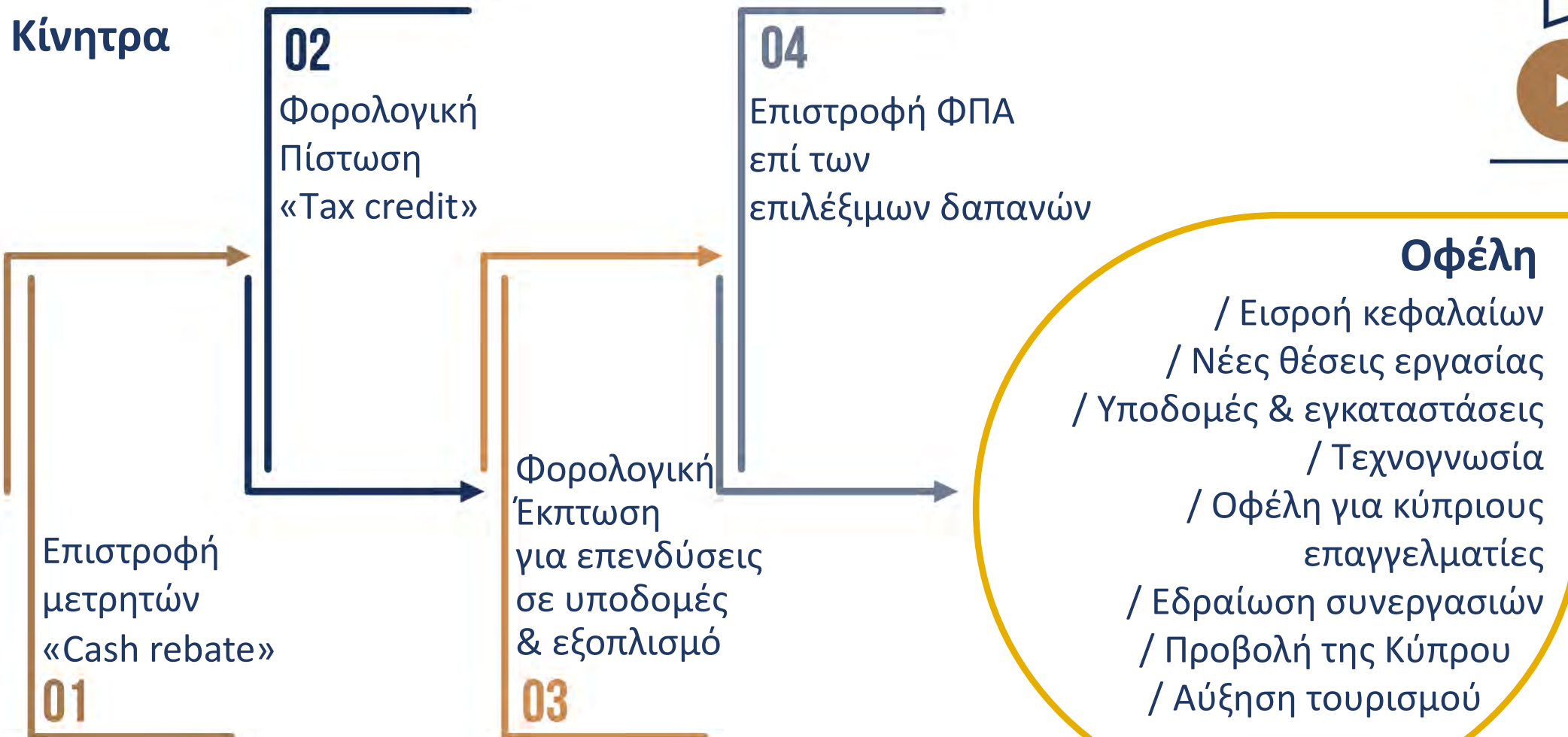




# ΕΓΚΡΙΣΗ ΣΧΕΔΙΟΥ ΠΡΩΘΗΣΗΣ ΟΠΤΙΚΟΑΚΟΥΣΤΙΚΗΣ ΒΙΟΜΗΧΑΝΙΑΣ



## Κίνητρα





Thank you!