

## TRUST CYPRUS INTERNATIONAL

**Cyprus International Trusts** are governed by the International Trusts Laws, which regulates the establishment and administration of International Trusts.

Under this legislation, Cyprus International Trusts are defined as those in which:



- ▶ The settlor establishing the Trust is not a permanent resident in the Republic of Cyprus
- ▶ At least one of the trustees during the whole duration of the trust is a permanent resident in the Republic of Cyprus
- ▶ No beneficiary other than a charitable institution is a permanent resident of the Republic of Cyprus
- ▶ The trust property does not include any immovable property situated in the Republic of Cyprus

## TAX ADVANTAGES



**Cyprus International Trusts** entail substantial tax advantages, providing significant tax planning possibilities to interested parties.

The following advantages are indicative of the potential tax efficiency achieved through the establishment of a Cyprus International Trust.

First, **Income**, is **not taxable** in Cyprus.

Secondly, **Dividends**, interest or other income received by an International Trust from a Cyprus Company are neither taxable nor subject to withholding tax.

Thirdly, **Capital Gains** on the disposal of the assets of an International Trust are not subject to capital gain tax in Cyprus.

Finally, **Estate Duty** would not be imposed in Cyprus.

## TRUSTS



### Taxes

**Trusts** may be used by individuals for the purpose of protecting their assets, for inheritance purposes or by employers to set up employment benefit scheme trusts for their employees.

## OVERALL ADVANTAGES

Cyprus International Trusts can be established to provide further advantages other than tax savings, such as estate planning benefits, anonymity and avoidance of stringent controls over funds.

### EFFICIENT ESTATE PLANNING:

A Cyprus international Trust can be used to arrange for a person to inherit, where due to the laws of another country, he would be excluded from inheritance.

An individual who wishes to divest himself of personal assets for various reasons can achieve that by transferring them to a Cyprus International Trust.

### MAINTAINING OVERSEAS FUNDS:

An individual who has income arising overseas which he does not wish to remit to his country of residence, can arrange for such income to be directed to the Trustees of a Cyprus Settlement to be held on Discretionary Trusts in accordance with his wishes.

An individual with assets outside his country of residence, may wish to retain the flexibility of overseas funds by transferring them to a Discretionary Trust.

### ANONYMITY:

An individual who wishes to keep the anonymity of the company's ownership can do this by setting up a Discretionary Cyprus International Trust to own the shares in the company.

### NO EXCHANGE CONTROLS:

Cyprus is a Member State of EU, thus a country which belongs to Eurozone has no any exchange controls.

Deposits of Cyprus International Trusts with Cyprus banks, are not subject to exchange control.

This absence of exchange control restrictions & the availability of world-class international banking services, make Cyprus a convenient base for the remittance and transfer of funds.

### ► CONFIDENTIALITY:

A Trust can be established in complete confidentiality.

### ► FLEXIBILITY:

Law in Cyprus is very flexible, it allows the removal of a Trust from its jurisdiction for example. This could be very important in cases where a change in circumstances may render such a transfer advantageous for various reasons.

## OUR SERVICES:

We are a Law Firm covering a full spectrum of legal, trustee services relating to Cyprus International Trusts.

We can provide a wide range of services such as formation of a Trust according to the client's needs, provisions of corporate trustee or protectors, advising on inheritance issues, opening, administering and monitoring all bank accounts or making distributions to the beneficiaries.



**Contact us** at [info@ncilawgroup.com](mailto:info@ncilawgroup.com)

to discuss how a Cyprus International Trust can be set up by our expert legal team.

The information in this newsletter is merely guide and is not full explanation of the law. This firm cannot take responsibility for any action readers take based on this information. When making decision that could affect your legal rights, please contact us for professional advice.

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