



Information Technology Companies Relocation

September 2021



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Why choose Cyprus?

Cyprus offers a secure, legally transparent and attractive base for international business operations. Some of the advantages relate to the Foreign Direct Investment Policies for both European Union (EU) and third country investors, the fact that Cyprus is a Member of the EU since 2004 and the Eurozone since 2008 and its strategic location. It is also a cost-effective business centre, having a beneficial tax framework for international business and regional headquarters and it has one of the most advantageous corporate tax rates in the EU at 12.5%.

Additionally there is a transparent and modern legal system based on UK Common Law with a highly-trained workforce of software developers and other related specializations, lawyers, accountants and corporate service providers, while there is a constantly expanding extensive network of Double Taxation Treaties (DTTs).

It is also an attractive business base thanks to good telecommunications, transport and logistics infrastructure with a high quality of life and low crime rates, an ideal place for families relocation. Cyprus is also an attractive location for the establishment of an Intellectual Property (IP) holding and development company, offering an efficient tax rate as well as the legal protection afforded by EU Member States and by the signatories of all major IP treaties and protocols.

The above, together with the specific incentives provided to technological companies, relating to taxes, fast track procedures for incorporating business structure and applying for working and other visas and permits, makes Cyprus one of the best destinations for technological companies to be relocated.

Why choose KPMG?

KPMG in Cyprus is one of the leading companies on the market, and our Global Compliance Management team is dedicated to providing customer-focused financial management, payroll accounting services, as well as related advisory services. Our Global Compliance Management department has also a team of experienced professionals who are dealing with corporate services, which are designed to meet international business community needs.

Your partner, not just a provider

With KPMG you can be assured that our goal is to be more than simply a service provider – we aim to be a partner that responds proactively to your needs.

Many companies cannot imagine entrusting sensitive business processes to an outside organisation, but we work to develop relationships and trust as if our team members were your own employees, at both operational and managerial level, so you can turn to us at any given time, with whatever issue you face.

Focus on your particular needs

We take a proactive approach with all our clients: although our work can be easily grouped into types, we do not provide standardised services but rather adapt our services to meet our clients' specifications.

KPMG is acting as one stop shop service provider assisting in studying, planning for the relocation, implementing the step plan agreed and providing full support in terms of corporate, administration, including payroll, accounting, immigration, tax, audit and advisory services.

Global Compliance Management Services

Establishment of corporate entities

Our corporate services team can provide you full guidance and assistance through the establishment of corporate entities in Cyprus. More specifically, our GCMS team can assist in the following:

- Advising and assisting in the selection of jurisdiction and formation of the appropriate corporate entity
- Drafting of the Memorandum and Articles of Association of the corporate entity to the specific needs of each client
- Arrange prompt submission of all documentation needed for the establishment of the corporate entity to the Registrar of Companies
- Once the Corporate Entity is registered, we will arrange for the tax and VAT registration (if needed) to the authorities
- Assisting with the opening of bank accounts.

Company Administration & Corporate Statutory Compliance

Once the Corporate Entity is established, or for already established corporate entities, our experienced corporate team can provide you day to day assistance on the following matters, among others:

- Operational support so as to be in compliance with statutory requirements and filings*
- Review of transactions for compliance with tax, VAT, legal and statutory requirements
- Ensure that books and records are maintained up to date
- Board support services like assistance with the preparation of notices and minutes of Board of Directors and/or shareholders meetings
- Assistance with the preparation of documentation for changing of statutory information and arrange prompt submission of relevant forms to the Registrar of Companies
- Assistance with the preparation of power of attorneys.

Bookkeeping, Accounting and Financial Reporting

- Computerised bookkeeping
- Preparation of financial statements in line with IFRS's
- Providing support on IFRS interpretation.

Management accounting

- Assistance in preparation of budgets
- Assistance in monitoring of budgets
- Preparation of full set of management accounts.

Payroll services

Our experienced payroll team can provide you with a range of services on this area, covering both full payroll of all employees, as well as processing the payroll of your top management with extra discretion. More specifically, our payroll team can provide the following services:

- Registration of the company with the authorities as an employer
- Registration and deregistration of employees, as well as updating their profile in the social insurance authorities
- Processing of the company's monthly payroll, including tax, social insurance contributions, annual leaves, etc.
- Preparation and dispatch of monthly payslips
- Assistance with the payment of taxes and social insurance to relevant authorities
- Preparation and submission of monthly and annual tax returns.

*

- An annual licensing fee (Annual Levy) is payable to the Registrar of Companies yearly and currently amounts to Euro 350
- The Annual Return of a company (HE32 form) must be submitted yearly to the Registrar of Companies, accompanied with the Company's Financial Statements
- The Annual General Meeting of a Company is compulsory to be held yearly, so as the shareholders of the Company to take important decisions on specific aspects, as mentioned in the Memorandum and Articles of Association, like the approval of Financial Statements, distribution of dividends etc.

Advisory services

KPMG Advisory professionals work with you to cut through the complexity of today's rapidly changing marketplace. We leverage the knowledge and skills across our global network of firms to develop practical recommendations designed to help you work smarter, grow faster and compete stronger.

We are trusted advisors to the world's organizations. They choose us because we are known for our talented people, technical expertise, deep industry insights and our ability to get the job done.

Deal Advisory

Our team stands out in the current unstable financial environment for being focused on continually enhancing value for clients across the deal and economic cycle. It comprises of experienced specialists capable of helping clients to resume their financial position, seize growth opportunities and generally support the Firm's business strategy and financial administration. The range of services provided by Deal Advisory is mainly focused on the following areas:

Valuations

- Valuation of intangible assets
- Independent and neutral valuations

Debt Advisory Service

- Assistance in preparing feasibility studies and introduction to local banking institutions to obtain finance

Market Research / Studies

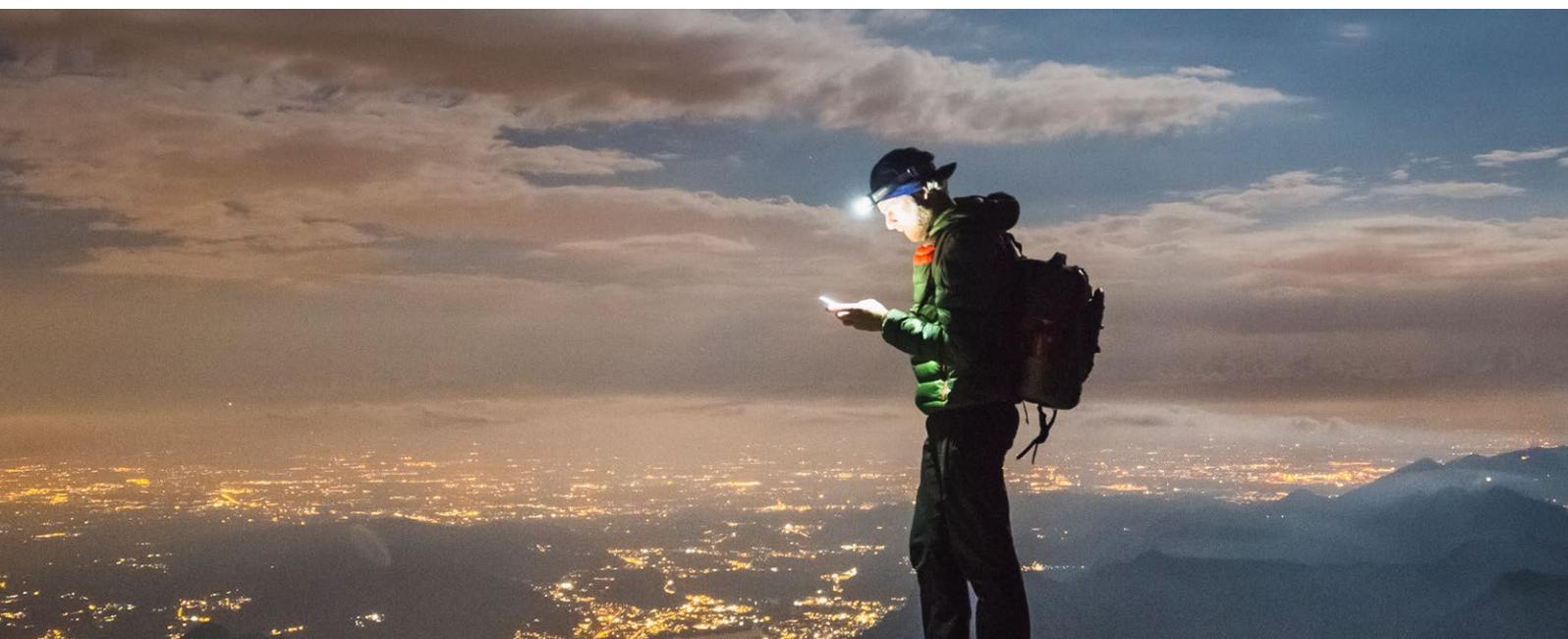
- Preparation of market research on properties and assistance in securing offices upon relocation
- Preparation of market research on various economies, industries and markets that may interest you

Deal Management

- Assistance in preparing business plans to apply for potential benefits/grants from Cyprus governmental institutions
- Preparation of due diligence report on target companies
- Equity capital markets assistance and investor studies

Buy Side: Corporate and Private Equity

- Pre-Acquisition/ Post-Acquisition Due Diligence
- Lender Due Diligence
- Advice on Completion Accounts
- Transaction Structuring
- Assistance to Prepare Completion Accounts
- Bid/Merger Services
- Buy Side Accounting & Restatement
- SPA Contract Assistance
- Integration Assistance.



Sell-Side: Corporate and Private Equity

- Sell Side Assistance
- Vendor Due Diligence
- Transaction structuring
- Bid Defense
- SPA Contract Assistance
- Separation Advisory - Sell or Buy Side.

Strategic Commercial Intelligence: Buy or Sell Side

- Commercial Due Diligence: Pre Close
- Operational Due Diligence: Pre and Post Close
- Financial Modelling Build, Review /Testing.

Equity Capital Markets

- IPO and listing assistance
- Regulatory (Capital Market) Reporting and Assistance

Technology Solutions - Assets / Products

- Design, Build and Implement
- Sale, Hosting, Licensing, Service Support and Maintenance
- Sell-Side Advisory/Deal Management - KPMG Deal Room.

Strategy Support

- Enterprise Wide Strategy
- Portfolio Review and Capital Allocation
- Deal Strategy
- Growth Strategy
- Operational Excellence
- Business Planning Model Build.

Management Consulting

Management Consulting services address our customers' challenges through revised strategies, redefined business models, the use of technology as a business enabler and the establishment of the capabilities for ongoing performance improvement. Our Management Consulting professionals, combining strong technical capabilities with relevant industry experience, offer practical and trusted advice to

both public and private sector organizations. The range of services provided by Management Consulting is mainly focused on the following areas:

IT Advisory in Management Consulting

- CIO Advisory
- Technology Enablement
- Data Analytics & Information Management
- Emerging Technology & Digital Innovation
- Digital Transformation.

IT Advisory in Risk Consulting

- Cyber Security
- GRC Technology and Controls Integration
- Emerging Technology Risk
- IT Attestation
- IT Internal Audit.

People and Change

- HR Function Optimization
- Workforce Optimization
- Organizational Design for Performance
- Employee Satisfaction Survey
- Performance Appraisal Systems
- Compensation and Benefits Surveys
- Job Description, Specification and Evaluation
- Salary Structure
- Client Opinion Surveys
- Executive Search and Selection Services
- Outplacement Services
- Behavioural Change Management
- Talent Management
- Job Profiling and Personnel Profile Diagnostic (Psychometric Testing)
- Compensation and Benefits Surveys
- Support for the Acquisition of Professional Certification (e.g. Investors in People).



Strategy, Customer & Operations

- Operational Strategy
- Procurement Advisory
- Supply Chain and Operations
- Quality and Management Systems
- EU Funding Support
- Customer Management & Experience.

Transformational Programme Management

- Transformation Pursuits
- Business Transformation.

Financial Management

- Efficient Finance Operations
- Enterprise Performance Management
- Finance Shared Services and Outsourcing
- Integrated Finance Transformation.

Corporate Advisory

Our Corporate Advisory services provide corporate clients, both in Cyprus and internationally, with a range of advisory and company secretarial services, specially tailored to meet their needs, often in collaboration with our tax and other KPMG professionals, so that our customers enjoy the benefits of the breadth of commercial experience available to them. The range of services provided by Corporate Advisory is mainly focused on the following areas:

- Corporate and Commercial
- Investment Funds and Asset Management Services
- Company Secretarial Services
- Competition Law and EU Law
- Private Client Services - Family Offices
- Intellectual Property
- Real Estate – Due Diligence, contracts review and monitoring the execution of transactions
- Employment Law
- Banking Units and Investment Firms licensing
- Capital Markets
- Family Office
- Trust Law.

Immigration Services

KPMG in Cyprus can help alleviate the burden of immigration compliance procedures so that companies can focus uninterrupted on what matters most. Their core business! It is important that in an increasingly volatile and uncertain business environment in which businesses are called to operate and deliver robust results, our commitment to quality and details driven approach remains uncompromised.

It is of utmost importance in any given international assignment that both, the employer and the international assignee, are confident that all aspects of the assignment are being handled professionally and diligently by a competent local team with access to global knowledge.

Managing a global workforce means observing and complying with complex and fast changing immigration laws worldwide. KPMG in Cyprus is committed to work with you to design and deliver a holistic strategy customised to your specific needs.

Immigration support services to businesses

Our team of specialists can assist businesses comply with the full spectrum of immigration-related matters that may arise, such as:

- Assist with the registration of the Cyprus entity with the Civil Registry and Migration Department as a Foreign Interest Entity
- Assist with the application to the Cyprus Department of Labour in order to obtain approval for the employment of a third country national

- Assist with the submission of the required notification to the Department of Labour, in relation to the posting of workers in the framework of the provision of services in the EU
- Assist with the certification and translation of documents which are required for the relevant immigration-related applications.

Immigration support services to international assignees and private clients

Our deep expertise in our chosen fields means KPMG is able to assist international assignees from a local and a global immigration standpoint. More specifically, we can assist with all immigration issues that may affect international assignees, such as:

- Registration with the relevant authorities of EU and non-EU Citizens, in order to be eligible to reside and work in Cyprus
- Assist with the applications for the family members and personal staff, in order to work and reside legally in Cyprus
- Assist with the renewal of permits for international assignees and their family members;
- Assist with the certification and translation of documents which are required for the relevant immigration-related applications.



Audit services

Audit and Assurance

Today's audit and assurance landscape is constantly evolving. Regulatory requirements, coupled with increased stakeholder demands for greater transparency are putting more pressure on organisations. As a result, the issue of audit and assurance is high on the agenda for many boards.

The Audit function of KPMG in Cyprus provides full audit support and tailored services to a large number of local and multinational companies, through a highly experienced and specialized audit team.

Our mandate is to help you obtain deeper insight from your audit, increase transparency and harness innovative technology.

Among the core functions of our audit function, is the provision of customized services on specific matters raised by our clients in the following fields:

- Accounting Advisory
- Assurance Services
- Better Business Reporting
- Financial Statement Audit
- International Financial Reporting Standards (IFRS)
- Audit Data & Analytics.

How we can help you

At KPMG we work hard to understand the drivers and risks of your business and your market. Our independent assurance and insight go beyond the audit opinion, giving you a greater understanding of your organisation. Our challenging objectivity will help you identify emerging risks and develop workable solutions. Our audit professionals have extensive experience and are technically equipped to review your company's current audit position and provide relevant advice.

Accounting Advisory

It is more important than ever for your organisation to obtain specialist technical accounting advice. Expert accountancy guidance and support cannot only help your business adapt to new demands, but it can also promote wider success.

Our accounting advisory professionals bring in-depth technical accounting knowledge, capital markets' insight and substantial industry experience.

Our Accounting Advisory services include:

- Training, restructurings and group simplifications
- Financial statement reviews
- Policy manuals

- US GAAP conversions
- Impact analyses of new accounting standards across a range of industries.

Accounting policy manual and financial statement reviews

We can help you ensure that your accounting policy manual:

- Reflects all the latest accounting requirements
- Is presented appropriately and in a user friendly way
- Achieves compliance with disclosure requirements
- Highlights important accounting policy choices.

For your statutory accounts we can:

- Prepare statutory financial statements
- Perform pre-issuance compliance reviews of financial statements or specific notes
- Provide support in drafting specific disclosures
- Benchmark against industry peers.

Financial Services Accounting Advisory

The Financial Services Accounting Advisory team provides audit, accounting, tax and regulatory advice to financial institutions, including banks, insurance companies, investment funds and asset managers. More specifically, our services include:

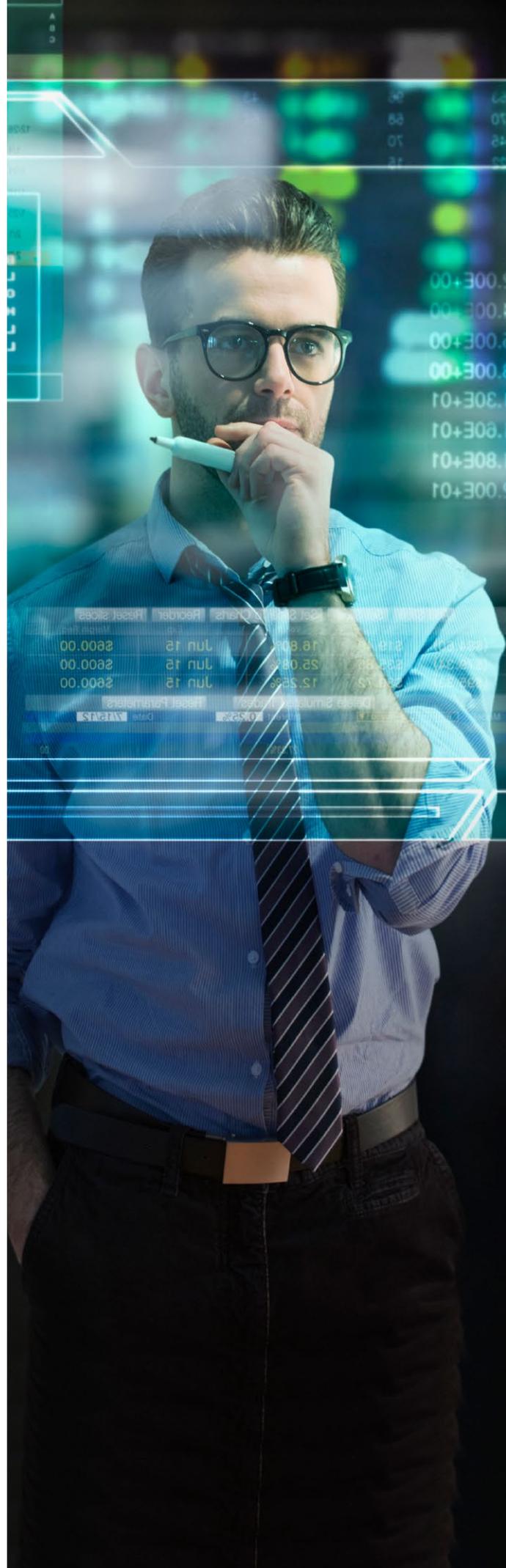
- Provision of technical support
- Support to front office and structuring teams in developing practical and innovative solutions which meet client objectives
- Holistic guidance for complex transactions and issues.

Business structuring

- Accounting and financial reporting advice (for new products as well)
- Guidance over implications which may arise during a structured deal
- Consultation and support for complex and time-sensitive transactions and events.

New standards and regulations

- Provision of essential advice in regards to the implications of changes which may impact your business and financial reporting
- Quantification of the impact of accounting and regulatory changes on existing and proposed deals
- Updates on the latest developments.



Technical Advisory

Our experts will provide you with the right accounting answer regardless of how complex your accounting and financial reporting environment is. Working with your team, we will help you find the tailored solution addressing your needs in the context of reporting objectives, commercial reality and regulatory requirements.

Impact analyses of new accounting standards

New accounting standards will somehow affect your balance sheets and reported results. In this increasingly complex and constantly changing regulatory environment, we will help you to:

- Train your staff in the new requirements
- Keep up to speed with accounting developments
- Understand and quantify the impact of new requirements on results as well as the wider business.

Restructuring and group simplifications

- Advice on the accounting implications of a restructuring plan
- Assistance to create additional distributable reserves or access existing ones
- Planning throughout the implementation, ensuring that a proposed restructuring or group simplification is implemented in the most efficient manner
- Early detection of all potential pitfalls.

Training

You need to keep your finance team up-to-date at all times, with the latest developments in accounting and reporting. Our team of expert trainers can complement your own internal development programmes, providing information to those who require it, when they require it. Our training will be designed to suit your unique circumstances - training individuals, as well as small or large groups through on-line or more traditional classroom methods.

Assurance Services

Accurate information is crucial for business decisions and business leaders need assurance beyond that provided by financial statement audits. Our services will help you to:

- Decide on the risks to be addressed and mitigate them
- Deal with systems or processes that are inaccurate, ambiguous or even unknown
- Assess the level of governance and risk management
- Capitalise on new opportunities and minimize uncertainty
- Quantify or measure complex areas of your business.



Business Reporting

Whether you are trying to stay ahead of reporting requirements or simply want to give a better account of your business performance, KPMG's Better Business Reporting can help you:

- Consolidate your business performance
- Provide investors with a broader perspective on business performance
- Stay ahead of reporting requirements
- Align your reporting with what is important to your business.

Financial Statement Audit

The cornerstone of any audit is the process of understanding the business. At KPMG we work hard to understand the drivers and risks of your business and your market. Our independent assurance and insight go beyond the audit opinion, giving you a greater understanding of your organisation. Our professionals can help you to:

- Drive value from the audit
- Effectively communicate with stakeholders
- Improve efficiency
- Resolve accounting issues in a timely and practical manner
- Benefit from innovative data and analytics technology.

International Financial Reporting Standards (IFRS)

With IFRS becoming the common global language for financial reporting, it is vital that companies fully understand these principle-based standards and the business impact of adopting these. It is also essential for companies to keep up to date with new developments as IFRS continue to evolve.

Audit Data & Analytics

The financial statement audit has long delivered compliance and confidence, and it will continue to do so. However, advances in technology and an explosion of data have changed the game. Our experts are harnessing this data to unlock more value from your audit. Our services give you access to:

- A breadth and depth of information that would have been unthinkable a decade ago
- Advanced analysis of greater quantities of data
- Actionable insights, necessary for a more robust audit opinion.

Tax services

The tax department of KPMG in Cyprus provides full tax support and compliance to the local Tax Laws, as well as tax planning and advisory services to a significant number of local and multinational companies through a team of specialized tax advisors, highly experienced in the field of local and international tax and related accounting matters.

Among the core functions of our tax advisory department, is the provision of specialized tax services on specific matters raised by our clients in the following fields:

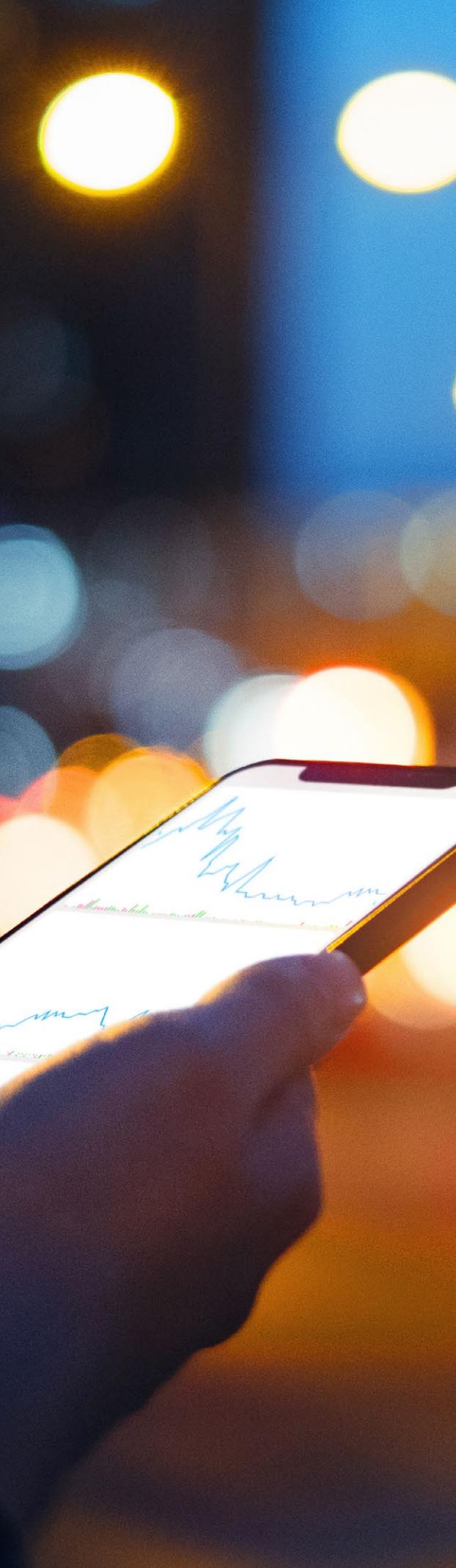
- Corporate Taxation (local and international)
- International Executive Matters and Personal Income Tax
- Immigration (Work permits, Permanent Residence, Citizenship)
- Capital Gains and Immovable Property Tax
- Value Added Tax (VAT)
- Stamp Duty Tax
- Shipping Taxation - Tonnage Tax and related services
- Foreign Account Tax Compliance Act (FATCA)
- Common Reporting Standard for the Automatic Exchange of Information (CRS)
- Country-by-Country Reporting (CbCR)
- Mandatory disclosure tax reporting (DAC6).

Our services include the provision of written tax advice to our clients in the form of a tax opinion or a report and when required, followed or supplemented by the submission of a tax ruling to the Cyprus Tax Department. In order to achieve a better line of communication with our clients, our department regularly organizes tax presentations and tax networking meetings.

Tax Compliance Services

- Corporate taxation
- Regular business meetings on taxation matters
- Client tax updates
- Preparation and annual review of tax returns
- Tax due diligence services
- Support during tax audits
- Taxation of individuals
- Tax services to staff seconded to Cyprus
- Securing tax clearance certificates
- Tax reorganizations.





International Tax Services Unit

- International Corporate Tax
- Global Mobility Services (GMS)
- Voluntary Self Disclosure
- Family Office Services
- Mergers and Acquisitions
- Transfer Pricing
- Immigration Services.

How we can help you

KPMG understands the challenges organisations face in today's complex business environment. Our compliance service offering is responding to our clients' pressing needs. Our service promise is simple: leverage our tremendous investment in our people and our technology to provide the tools and resources our clients need to achieve long-term, sustainable value.

Key elements in our approach:

- Strong international presence enabling us to have global mindset and cross-border reach combined with local knowledge and experience
- Providing a single point of contact to manage the overall relationship and services, thus securing a personalised service
- Looking beyond the task of "processing". Seeking to add value and confidence in a compliance process that is tailored to meet our clients' specific needs
- Providing perspective and forward-looking insight to outsourcing activities - elements which are critical to managing risk on a global basis and which cannot be obtained from centralised processing centers.

Compliance services offered by KPMG in Cyprus include:

- Establishment of corporate entities
- Company Administration
- Corporate Statutory Compliance
- Bookkeeping, Accounting and Financial Reporting
- Management accounting
- Payroll services.

Indirect Tax Services

Global businesses need to be constantly aware of all developments in the VAT area and of the resulting direct or indirect implications of each stage of the tax life cycle covering compliance, planning, tax accounting and disputes with the Authorities. Not seeking expert advice before proceeding with any particular transaction might result in non-compliance with a country's VAT legislation leading to the burden of unnecessary penalties and charges.

How we can help you

Our tax professionals have an extensive experience and are technically equipped to review your company's current tax position and provide relevant advice and planning on a range of indirect taxes, including VAT, customs duties and excise taxes, such as tax audits, reorganizations and acquisitions, etc. Furthermore, we can help your company with its administrative obligations and contacts with the relevant administrative bodies.

We offer a range of indirect tax services mainly comprising:

- Devising and implementing planning strategies to help mitigate VAT liabilities and costs
- Providing VAT, customs duties and excise planning, as well as strategic advice on cross-border projects, chain transactions, contracting structures, optimization reviews, etc
- Advising businesses and their tax teams on the development and execution of effective indirect tax management strategies, including appropriate internal controls and cross-jurisdictional compliance
- Supporting businesses subject to tax audits or other investigations by Cyprus VAT and/or Customs' Authorities, including pre-audit reviews and subsequent dealings with VAT and Customs officials
- Supporting businesses through VAT compliance services including, but not limited to, assistance with the VAT registration procedure, preparation and filing of VAT and VIES (EC Sales list (VIES) returns, management of the risk of non-compliance, etc
- Assistance with any VAT recovery procedure (domestic refund claims or under the 8th EC Refund/13th Directives)
- Provision of tailored structured training to staff responsible for the internal management of VAT.

VAT Automation Solution

KPMG has utilized its significant knowledge and expertise in designing, developing and implementing end to end roadmaps for Indirect tax management aiming at developing an integrated web solution that simplifies the automation of the relevant processes and assists organizations to improve compliance, controls and also create new value for other functions.

Our VAT Automation Solution includes:

1. A centralized view of relevant VAT data and metrics
2. A centralized environment to manage the core VAT functionality
3. Automatic integration of sales and purchase transaction data directly from existing accounting/ERP system
4. Tools to extract and analyze tax relevant data from various ERP systems
5. Partial exemption calculations and determination of recovery rate percentages including annual adjustment calculations
6. Automatic preparation of VAT returns
7. Data visualization and reporting tools to allow easy manipulation and refinement of outputs
8. Allowing for accountability and traceability
9. Providing the necessary user reporting.

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