



Cyprus Companies Re-domiciliation Overseas:

Cypriot companies which have been incorporated within the Cypriot jurisdiction and the Cyprus Registrar of Companies and comply with Cap. 113 can re-domiciliate overseas and continue their operations in another jurisdiction, provided they are permitted to do so by the jurisdiction of the country they wish to re-domiciliate. The incentive behind a company's decision to relocate can be driven by numerous motives. For example, it might wish to relocate the company to the country where many of its stakeholders are. Another reason might be to move in a country with less competition within the industry is operating in, or even decide to establish within a market where the population is not yet familiar with the service or product is providing or the country's market in which is operating has been saturated consequently its profits have been diminished.

These companies to relocate should complete the ME2 form, which needs to be accompanied by an affirmation by a minimum of two directors or one if the company has been operating with one director. This affirmation should comprise of the name with which it will be incorporated overseas, the location including the name and the address of the overseas authority where the company will be enrolled, and the date where the company will be relocated. The documents are mentioned precisely in Article 354IA(1) of Cap. 113.

Adding to this, the Cyprus Registrar of Companies requires a list of documents to approve the relocation of a company overseas as mentioned in Article 354IB(1) and Article 354IC(1) of Cap. 113.

Documentation for a Private Company:

1. A resolution of the company's shareholders which allows the re-domiciliation;
2. A preparation of the interim financial statements (which should be certified true copy of the original) before the shareholders' meeting and the special resolution should be filed to the Registrar;
3. A statement should be given to the Registrar confirming the company's solvency with the company's directors' confirming that no circumstances exist that could adversely affect the solvency of the company;
4. If the company performs an activity for which a license is required from any relevant authority, the company should present this authority's approval of the company to continue its operations abroad;
5. The company needs to pay any outstanding expenses in respect of any of its activities under Cap. 113;
6. Pay the expenses of filing the re-domiciliation form;
7. The company should not have commenced dissolution or insolvency proceedings, started executing a court judgment against the company itself, or against any other company registered in the Cyprus Registrar of Companies;
8. The company should have not violated its obligations or responsibilities under the Cap. 113 provisions;
9. Any custom or taxes are owed to any Cypriot authorities, they ought to be paid.



Documentation for Public Company:

If a company is a public one, then it needs to provide the same documentation as a private company but it needs to also provide the following:

1. If it issued shares to a recognised stock exchange, it needs to provide to the Registrar the stock exchange's and the Cyprus Securities and Exchange Commission authorisation to relocate the company abroad.

It should be noted that any director making a false declaration in reference to the company's financial position or in the event where he is not aware of facts he should have known, can be liable of a criminal offense sentenced up to one-year imprisonment, or a fine of more than €34,000.

For the Registrar to authorise the migration of a company overseas the company should publish its willingness to re-domiciliate abroad in two widely circulated newspapers within the Cypriot Republic and three months should elapse from the day of the publication. The company needs to provide to the Registrar proof of the publication within 14 days of the publication. Within this given time frame provided a creditor does not consent in this action then they can file a court application justifying their motives through adequate reasonings. The court can either approve or reject the application or allow the relocation process under certain terms.

In the event where a Cypriot company wishes to re-domiciliate abroad but its personnel who are third party nationals wish to remain temporarily in Cyprus while working abroad, the Council of Ministers introduced a Digital Nomad Visa to facilitate these people. In a nutshell, this visa's duration is one year with the possibility to be renewed for another two years. The prerequisites they need to meet are they

should demonstrate that they have the availability of funds to be able to afford to live in Cyprus with a minimum income of €3,500 monthly, they should be employed by an employer registered overseas and they will be working remotely through telecommunications. The family members of the person who received the Nomad Visa can also obtain a temporary permit while the Nomad visa lasts.

Consent from the Registrar will be obtained once all the mandatory requirements mentioned above are fulfilled on the company's behalf. The Registrar inspects the application roughly within 4 months' time. When the company receives a certification from the foreign jurisdiction that it has been registered there, the Cyprus Registrar of Companies removes it from its registry disseminating it to the Government's Official Newspaper. The certification should be apostilled and authentic. The company thereafter no longer exists in the Cypriot jurisdiction.

Disclaimer:

The purpose of this article is informative and is addressed to any interested parties wishing to re-domiciliate their companies outside the Cypriot jurisdiction. It should not, in any event, be considered as a substitution of legal advice. Those interested can contact the author of the article for further directions and inquiries they might have in reference to this matter at: e.zamba@kaimakliotislaw.com