INFORMATION ON CYPRUS INTERNATIONAL BUSINESS COMPANIES (I.B.Cs.)

The term International Business Company refers to legal entities whose beneficial ownership and business activities lie outside the country of registration.

The most common type of Companies incorporated in Cyprus is an entity which is limited in its liability by shares (Cyprus Limited Liability Company / LTD).

Cyprus offers a well-established corporate, legal, and professional services infrastructure, facilitating the efficient incorporation and administration of companies. Subject to the availability and approval of the proposed company name by the Registrar of Companies, a Cyprus company can generally be incorporated within a relatively short period of time.

Upon registration the following documents are obtained from the Ministry of Commerce Industry and Tourism:

- Certificate of incorporation;
- Certificate of director(s) and secretary;
- Certificate of registered office address;
- Certificate of shareholders;
- Original Memorandum and Articles of Association.

Share Capital

The Cyprus Companies Law provides for a minimum of one share and at least one registered shareholder. The shareholder can be a resident or non-resident, individual or corporation.

Documents required for the registration of an International Business Company (I.B.C.) by a non-resident, for due diligence (KYC) purposes:

a. Copy of passport;

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b. Full details of overseas address / Utility bill or other proof of residential address;
c. Bank reference letter from an overseas bank.

Directors

At least one director is necessary. The directors may be local Cypriot individuals or foreigners. It is generally advisable to appoint local directors if one wishes to have effective management and control in Cyprus. A corporate entity may act as director.

Secretary

An individual or a secretarial company must be appointed.

Registered Office

The registered office of the company must be in Cyprus. The registered office address is the official address of the company where the statutory books, registers, and the seal of the company should be kept. Summons and writs are also served at the registered office address.

Reporting Requirements

The directors are responsible for maintaining appropriate books and records to establish a true and reasonable view of the company's affairs and to allow the preparation of the financial statements. The directors are responsible for presenting the financial statements of the company to its shareholders at the annual general meetings.

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An obligation to notify the Registrar of Cyprus Companies within a specified period (as specified in Companies Act) for any charges over the Company's assets, changes in their Memorandum and Articles, directors, shareholders, secretary, registered office and share capital is also imposed to the Company.

Shelf companies

A number of pre-incorporated Cyprus private limited liability companies may be available for immediate acquisition. Upon completion of the relevant due diligence and transfer documentation, ownership of the company can be transferred to the purchaser. Information regarding available shelf companies may be provided upon request.

TAXATION

International Business Companies (IBCs), pay corporation tax on their net profits. Net profit is arrived at after deduction of all the business expenses incurred wholly and exclusively for the production of profit.

Cyprus companies are taxed at a rate of 15% on their worldwide income, which is one of the lowest corporate income tax rates in Europe.

For more information about Cyprus Tax you may download our FACT SHEET No.: 8 – CYPRUS TAX.

Tax Residence / Substance

A Cyprus company will be considered as resident of Cyprus for tax purposes if the "management and control" of the company is exercised in Cyprus. Accordingly, if management decisions and the decision making process are based in Cyprus, this should be sufficient to meet the management and control test. As of 01 January 2026, a company is considered a tax resident in Cyprus if it is incorporated in Cyprus, regardless of whether it is considered a tax resident in another country.

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Thin Capitalisation Regulations

Cypriot tax legislation does not contain any thin capitalisation regulations.

AUDIT

An IBC needs to be audited by a Cypriot firm of auditors every year in accordance with the International Accounting and Auditing Standards.

Tax returns are submitted to the Inland Revenue.

EXCHANGE CONTROL REGULATIONS

The Movement of Capital Law (115(1) of 2003) has, subject to certain exceptions, removed all restrictions on the movement of capital and payments between residents of Cyprus and residents of member states of the EU or third countries. The said Law (which came into force on the date of the entry of Cyprus into the EU, i.e. 1 May 2004) has abolished the Exchange Control Law Cap.199.

Exchange Control Regulations do not apply to IBCs. There is no longer any difference between companies carrying on business outside Cyprus (previously known as offshore or international business companies) and companies carrying on business inside Cyprus. Bank accounts may be kept anywhere in the world and in any currency. Bank accounts kept in Cyprus may be operated freely without prior approval of the Central Bank of Cyprus.

WORK AND RESIDENCE PERMIT

Third-country nationals employed by Cyprus companies that qualify as Companies of Foreign Interests may be eligible to obtain temporary residence and employment permits, subject to the applicable immigration requirements and approval by the relevant authorities. Such permits are typically issued in connection with a valid employment contract and may be renewed, provided that the employee

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continues to satisfy the applicable conditions and the employing company remains compliant with the requirements of the relevant Cyprus immigration framework.

For more information you may download our FACT SHEET No. 4. TEMPORARY RESIDENCE AND EMPLOYMENT PERMITS FOR EXPATRIATE PERSONNEL.

The *above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained.*

Last updated: 25/06/2026