

**Invest
Cyprus**

Cyprus Investment Promotion Agency



Ministry of Energy, Commerce,
Industry and Tourism

The Cyprus Science and Technology Park

A compelling value proposition



Cyprus introduces the Science and Technology Park

The Government of the Republic of Cyprus supports the establishment of the Science and Technology Park (STP), as a basic infrastructure for the promotion of applied research, innovation and technology, including information and communication technologies. It is considered as a basic tool for the promotion of entrepreneurship and smart specialization.

The Government has decided that the Science and Technology Park in Cyprus, the first on the island, will be developed on State owned land through a land lease agreement and be financed, designed, built, managed, operated and maintained by a Strategic Investor who has the necessary experience, know how and financial capability.

It is expected that the STP will provide quality jobs to high caliber university graduates through the creation and operation of applied research and development centres, office and support facilities, suitable for science and technology businesses and the creation of business incubators and clusters.

The Science and Technology Park is located at Pentakomo area, between Larnaca and Limassol. The design and development of the STP should conform to the best practice standards that will lead to the development of a world class centre of excellence facilities including ancillary office accommodation to be located in a highly attractive and well-landscaped campus and parkland outlooking the Mediterranean sea.



Why Cyprus

Cyprus' advantages for attracting investments:

- **Highly skilled personnel**
- **Business friendly tax environment**
- **Sound legal system**
- **Low operational costs**
- **EU & Eurozone Member**
 - Facilitates the receipt of EU Funding under specific programs.
- **Attractive and transparent tax regime**
 - Low corporate tax at 12,5%
 - No Capital gains on sale of securities
 - No withholding tax on outward payments
 - Tax free re-organisations (cross border permitted)
 - Favorable IP Regime granting an 80% deemed deduction on qualified profits for qualifying IPs reducing the effective tax rate down to approximately 2,5%
 - Applicability of all EU directives
 - Extensive Double Tax Treaty network
 - Personal income tax concessions for individuals.

Why Cyprus Ease of Doing Business

- **Advanced Infrastructure, robust telecommunications system including national wi-fi networks, 100% mobile coverage throughout the country.**
 - The World Bank's Doing Business Report ranked Cyprus 39th out of 189 economies
 - Forbes Magazine's 2013, Best Countries for Doing Business Report ranked Cyprus 27th out of 144 countries
 - Bloomberg's 2012 Best Countries for Doing Business Report ranked Cyprus 32nd out of 161 countries.





Why Cyprus Geographical position

Cyprus' geographical position renders Cyprus one of the best location for research and development activities.

- Due to its close proximity to the Middle East and Africa, Cyprus' weather conditions are ideal for the testing of products aimed to be marketed in that area whilst at the same time engaging in a European safe environment
- Global high-tech centers are within reach enabling collaboration and co-operation with knowledge based industries.

Why Cyprus Standard of Living

The country's standard of living is very high whilst cost-balanced therefore making Cyprus a perfect balance of business and family environment:

- Excellent Climate Conditions
 - Affordable Accommodation
 - High-end healthcare
 - Established infrastructure
 - Safe environment
 - Low cost of living.
- The Knight Frank Global Lifestyle Review has ranked Cyprus the 5th best country to relocate.

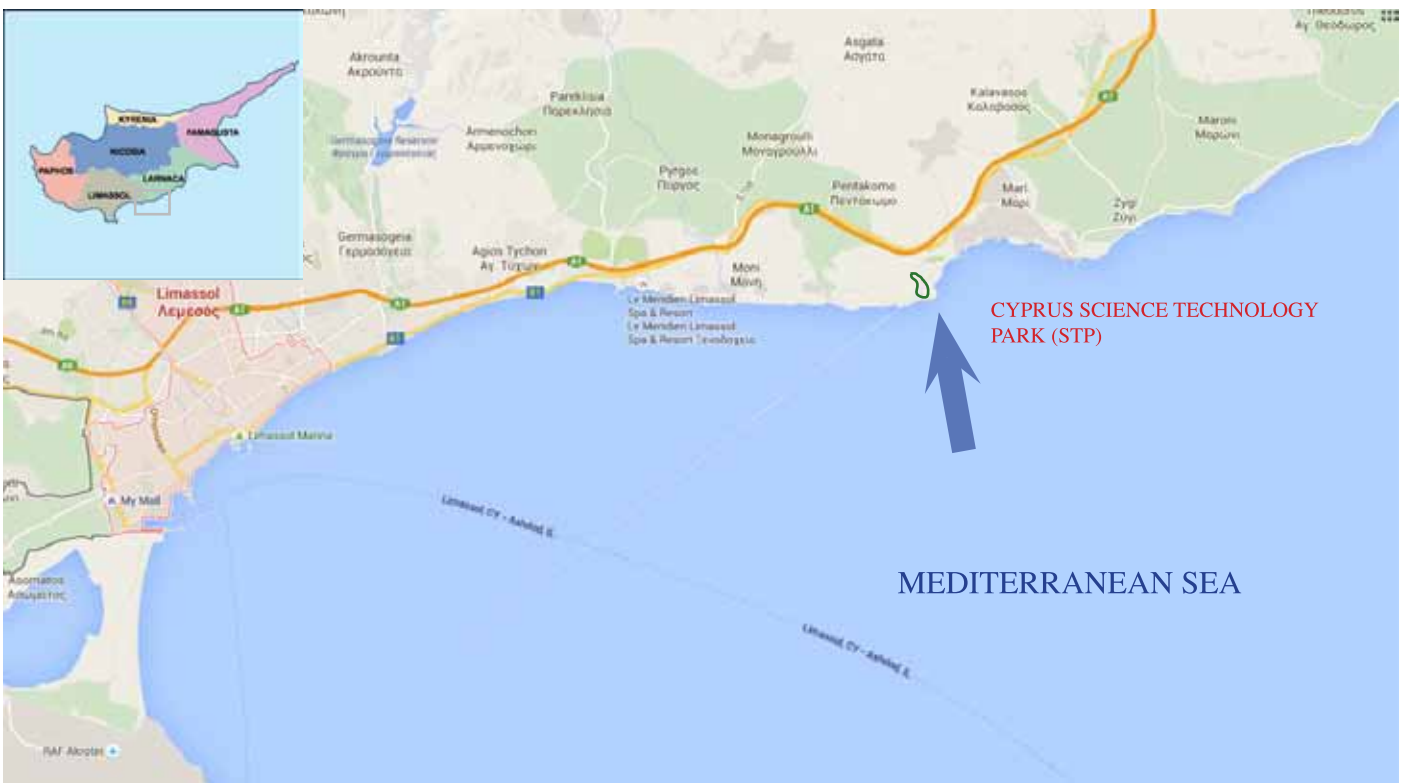


Why Cyprus STP Location

The location identified has been selected as ideal for the establishment of the STP given its:

- Equal proximity to the two newly built international airports and to the two multi-purpose deep-sea ports and
- There will be no traffic impacts to local residents surrounding the Park from service or other vehicles as the STP has direct access to the efficient point-to-point motorway network which enables among other destinations easy access to government offices in the country's capital.

Cyprus Science Technology Park (STP)
Map of the Project



Branches of Activity

The STP will host businesses and research centers spanning in all Sectors of economic activity. These include:

- Telecommunications, Information Technology, Nanotechnology and Sciences
- Pharmaceuticals, Biomedicine, Biotechnology
- Green Sciences, Botany, Agriculture
- Natural gas crude oil and petrol derivatives - Petrochemicals R&D.





Planned Services and Utilities

Administrative Services

In the context of the smooth and efficient development of the STP, niche facilities will be offered in a multi-functional area with shared benefits for the STP's residents which will include:

- Administration Center
- Maintenance and Security
- Information Center
- Conference Centers
- Thinking incubators to enable productive thinking.

Infrastructure

The Government will provide the necessary utilities and services instrumental to the establishment and operation of the STP but also for the residents:

- Access road (with lighting and walkways)
- Continuous flow of water supply with state of the art water tanks to guarantee no water shortage
- Strong and Continuous supply of industrial electricity in a value-for-money option using renewable energy sources where applicable
- All IT and Telecommunications requirements will be taken into account and offered as part of the STP Services using latest technology equipment.

Other Facilities

- Hotel - accommodation facilities
- Mini markets, restaurants and recreational areas
- Limited commercial facilities.

Tax Incentives

Employment and passive income

- Available tax allowance with limits for employment income.
- Low Social Insurance Contributions.
- Exemption of 50% of emoluments exceeding EUR€100.000 on annual basis for new taxpayers taking up residency and employment in Cyprus. For those earning less than EUR€100.000, they will be entitled to a 20% exemption of emoluments with a maximum tax credit of EUR€8.550.
- Tax resident, non-domiciled individuals are exempted from taxation under Special Contribution for Defence on dividend, interest, and rent.

Corporate tax provisions

- Acquisition costs for the purchase of an innovative business are deductible.
- Carry forward of losses for 5 years.
- A deduction of 80% of taxable income is provided in relation income resulting from qualifying IP rights.
- A notional interest deduction is provided in relation to any fully paid new equity injected in a company from January 2015 onwards. The deduction is calculated on the basis of a reference interest rate and is capped at 80% of taxable income.
- Deductibility of all expenses incurred for the acquisition of fixed assets related to innovation and development.
- Options for accelerated depreciation (Under Consideration).
- Tax Credits for creation of new jobs (Under Consideration).
- Tax Deduction for the cost of internships (Under Consideration).





Other Incentives

- Long –term leasing of land after a grace period of five years.
- Special Land Planning Licenses with specific land planning incentives in accordance with a tailored made planning framework.
- Accelerated Procedure for Residence Permits with a special “Researcher’s Card” facilitating the holder’s entry and exit from the country as well as providing a discount on the use of research centers (Under Consideration).
- Permanent Residence Permits / Citizenship provisions subject to investment requirements.
- Favorable Immigration provisions with regard to third country nationals that enter the country for the purposes of research and development (Under Consideration).
- Investment aid of 10% for eligible costs on buildings and equipment (capped at EUR€3.000.000) for the first 5 years (subject to conditions of full compliance).
- Option to install a Renewable Energy Power system (REP) generating electricity for own consumption up to 5 MW.

Who can join?

The STP is open to all enterprises engaged in the branches of activity covered by the STP that meet certain criteria:

- Knowledge intensive and applied research enterprises/organizations that will promote applied research and innovation for the development of competitive products and services
- ICT based companies, offering services in information and communication
- Consultants, Law firms etc
- Branches of Universities and Institutes
- Business Incubators, Start ups and Clusters
- The enterprise should maintain a Cyprus company or a permanent establishment, duly registered with the tax department and Social Security.



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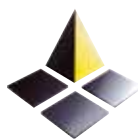
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Supply chain
Product
Market
Customer
Delivery
Inventory
Management
Logistics

Business Strategy

Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
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