

DMB - BKMS GROUP

**Film
in Cyprus**




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DMB GROUP

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- ❖ Motherland DMB is a new venture based in Cyprus and Greece, a full service photography and moving image production company offering all aspects of innovative photography and moving image production as well as creative services & project management within the region.
 - ❖ David Birkitt has owned & managed DMB Group of companies since 2008 operating mainly out of New York and London.
 - ❖ With over 22 years of experience in artist management and full service production, DMB Group has been working with **internationally famous Photographers & Directors** - *Martin Parr, Bruce Gilden, Nadia Lee Cohen, Lou Escobar, Nadav Kander, Stephen Shore, Larry Sultan, Larry Fink* & **Brands** - *Apple, Netflix, Nike, Adidas, Gucci, Vogue, Stella Artois, Audi, Aston Martin, Ferrari, The British Government, EMI Music, Suez Environment, Facebook, The Olympic Committee etc*




BKMS GROUP

- ❖ BKMS was set up in 2004 by investment Managers and Tax Experts while envisioning the highest standards and expertise within Multi Family Office Services.
- ❖ BKMS client portfolio exclusively includes high-profile business families and Multinational Corporations to whom is offered all-round professional Family Office Services as well as a variety of other high standard professional services (Funds Services, Real Estate, Project Management, Administrative & Banking Services, Tax & Wealth Planning, Corporate Consulting, Legal & Trust advice, Business Intelligence, Concierge & Marketing Services, Residency Programs)
- ❖ BKMS is an ASP regulated by Cyprus Securities and Exchange Commission Reg. No 96/196 therefore the compliance procedures ensure comprehensive protection of BKMS clients and guarantee that all legal and regulatory obligations are met.






THE SERVICES

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- ❖ Through the partnership with DMB as well as existing long term relationships with global partners, we work across multiple disciplines to create and deliver impactful visual brand language in both still and moving imagery across all digital and traditional platforms in outstanding quality and in a cost effective framework compare with all major hubs in Europe and the USA.
 - ❖ Our partners and internal teams offer full services such as production design, casting, talent / celebrity sourcing, logistics, hotels, catering, set design, clothing stylists, lighting and grip equipment, cameras for both still and moving image, animation, graphics & motion graphics, editing and post production, we assemble the very best creatives bespoke for each production.



THE SERVICES

- 
- ❖ Through the partnership with BKMS, our Legal, Tax, Financial and administrative professionals support each project with state of the art, tailor made services adjusted to the needs and satisfaction of each management team.
 - ❖ BKMS in-depth knowledge of the financial structures and systems in many jurisdictions helps the management team to design, implement and administrate a cost effective solution for each production.
 - ❖ The Services include among others strategic planning, market research, budgeting, permits and licensing, concierge Services, recruitment and training, reporting, administration and management incorporation of entities, compliance services, tax planning, cost optimization, accounting and auditing services, bank operation services and most important exit strategy planning and implementation.



10+1 REASONS WHY CYPRUS

1. Small island with short internal distances

- ✓ Short travel distances from one city to the other
- ✓ From the coast to the mountains in just a 40-minute drive
- ✓ No city lies more than 100km from any of the two international airports

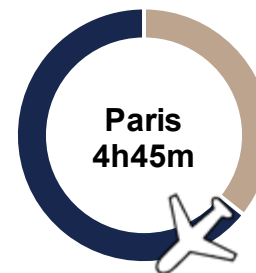
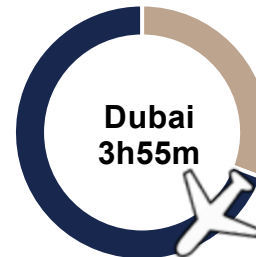
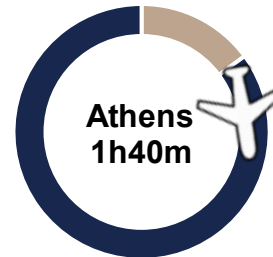
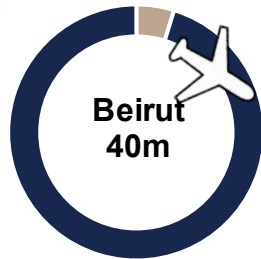


2. Excellent geographical location and connectivity

- ✓ At the crossroads of 3 continents, Europe, Asia and Africa, in close proximity to diversified civilizations
- ✓ Short distances from neighboring countries
- ✓ Direct flights from all major cities of Europe and MENA markets and several transit hubs



FLIGHT DISTANCES





10+1 REASONS WHY CYPRUS

3. Variety of diversified sceneries

- ✓ Captivating natural beauty
- ✓ A harmonious blend of tradition and innovation
- ✓ Pristine locations, never seen on screen



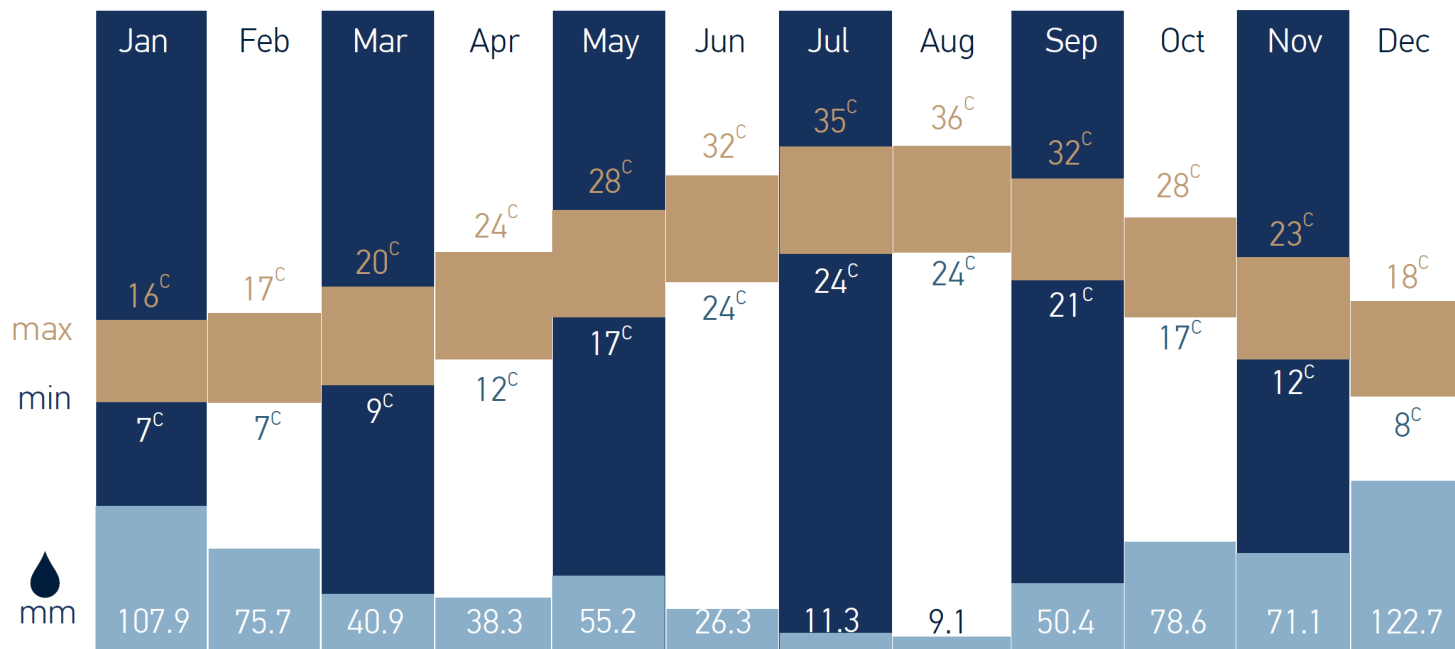
4. One of the best climates worldwide

- ✓ Pleasant Mediterranean climate with 300+ days of sunshine
- ✓ Warm and dry summers with mild winters allow filming all-year round
- ✓ Clear distinction between the four seasons



THE WEATHER


ANNUAL TEMPERATURE AVERAGES





10+1 REASONS WHY CYPRUS

5. The Food

- 
- ✓ All productions are determined by the food and you are in for healthy Mediterranean feast, using a traditional mix of herbs and spices, olive oil and fresh local ingredients the Cyprus cuisine is Mediterranean in nature and considered by many doctors around the world to be the healthiest diet in the world.
 - ✓ Many have been captivated by the unique flavors and aromas, which makes a perfect cuisine for catering for productions for crew.
 - ✓ The fresh fruit, herbs, pulses, greens, fresh fish and lean meat offer delicious flavors as well as a healthy way to eat.
 - ✓ Our well trained and obsessed chefs are waiting for you.



10+1 REASONS WHY CYPRUS

6. The Hospitality

- ✓ Hospitality, accompanied by authentic smiles and friendly faces, is what characterizes Greek Cypriot people.
- ✓ Loyal to family bonds, traditions and culture, lovers of nice food and endless entertainment, Cypriots are always friendly and approachable.
- ✓ In fact, the word hospitality in Greek is called “filoksenia” which has two stems namely, “filos” meaning “friend” and “ksenos” meaning “guest” or “tourist”.
- ✓ Cypriots are then friendly to their guests and tourists, as their mother tongue suggests.





10+1 REASONS WHY CYPRUS



7. The Safety

- ✓ The Island's Government introduced rapidly health & safety measures in March 2020 to deal with the COVID19 virus and continues to operate successful health & safety measure, currently being 8th and 15th in the world list for Covid Tests and Vaccination per inhabitant respectively.
- ✓ Cyprus continues to be a safe location for all COVID 19 compliant production needs & offers quarantine free arrival from many EU destinations.
- ✓ Cyprus has a low crime rate and high conditions of security.

8. Centuries of art and culture

- ✓ One of the oldest civilizations in the Mediterranean
- ✓ Open-air museum of diverse cultural heritage
- ✓ Archaeological sites from various periods of history



THE HISTORY



- ❖ Cyprus brings a landscape of deep blue seas and sandy beaches, stunning forests and mountains, picturesque villages and modern cities, 10,000 Years of civilization gathered together on one island.
- ❖ It is said, "scratch the soil anywhere in Cyprus and you will find traces of its magnificent past". Cyprus is a living book of pictures taken from world history.
- ❖ Situated at the maritime crossroads of the eastern Mediterranean basin, Cyprus has a rich and varied history.
- ❖ Many invaders, settlers and immigrants have come here over the centuries, and the island has seen Greeks, Romans, Byzantines, Lusignans, Genoese, Venetians, Ottomans, British and Turks seek to take a part of Cyprus for themselves.



10+1 REASONS WHY CYPRUS

9. Modern infrastructure and advanced telecommunications

- ✓ Sophisticated road, air and sea transport solutions and services
- ✓ Broad band internet to highest standards and optical fibre connectivity
- ✓ Access to excellent accommodation facilities and services




10. Access to local talent

- ✓ With English widely spoken and skilled local professionals such as clothing stylists, hair and make up artists, talent, DOP's, assistants, digital Operators, set designers and location managers living and working on the Island.
- ✓ High quality professional services at relatively low cost



10+1 REASONS WHY CYPRUS

11. Incentives

- 
- I. Cyprus Filming Scheme
 - II. Incentives for corporates
 - III. Incentives for individuals
 - IV. Attractive Intellectual Property regime
 - V. Effective Legal Framework



I. CYPRUS FILMING SCHEME

❖ Eligible Entities

- ✓ Legal Persons registered in Cyprus
- ✓ Legal Persons registered in the EU with registered branch or office in Cyprus
- ✓ Have an addition to their legal name - Audio Visual Cyprus
- ✓ Restricted to one visual-audio project
- ✓ Exception is the group production of documentaries under a group title and a single budget
- ✓ No limitation in the participation of foreign shareholder in the legal structure





I. CYPRUS FILMING SCHEME

❖ Qualifying production categories

- ✓ Feature Films – Long Films of a minimum duration of 60 minutes
- ✓ Television film or Television series or mini series
- ✓ Digital or analogue Animation
- ✓ Creative documentaries
- ✓ Reality programs which directly or indirectly promote the Republic of Cyprus and its culture

❖ Non - Qualifying production categories among others


- ✓ Any public or special event coverage
- ✓ Sports events
- ✓ Special programs with speakers
- ✓ Educational programs





I. CYPRUS FILMING SCHEME


A. Cash Rebate

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- ✓ Rebate of up to 25%-35% on eligible expenditures incurred in Cyprus.
 - ✓ Minimum expenditures in Cyprus €200,000 for Feature Films, €100,000 for Television series and €50,000 for documentaries
 - ✓ The minimum expenditures shall be less than the 50% of the total production budget
 - ✓ The amount granted will depend on the score of the production at the cultural test
 - ✓ The rebate will be given once filming is completed, on receipt of the audit report and its review by the committee



I. CYPRUS FILMING SCHEME

B. Tax Credit

- 
- ✓ The maximum aid, as a reduction of applicable corporate tax for the Applicant, shall represent 35% of the eligible expenditure made in the Republic of Cyprus.
 - ✓ Minimum expenditures in Cyprus €200,000 for Feature Films, €100,000 for Television series and €50,000 for documentaries
 - ✓ The sum of the tax credit against the taxable income shall not exceed 50% of the Applicants' taxable income for the tax year within which the production is made.
 - ✓ The tax credit, to the extent that it is not granted due to the above percentage restriction, shall be carried forward and be given within the next five years, subject to the above percentage restriction



I. CYPRUS FILMING SCHEME

C. Tax Allowances for Investment in infrastructure and equipment

- ✓ Any small and medium-sized enterprise subject to a tax liability in Cyprus investing in film production infrastructure and technological equipment shall be entitled to deduct the amount of its investment from its taxable income.
- ✓ The aid may not exceed 20% of the qualifying production expenditures in the case of small enterprises (< 50 employees and €10 mln turnover) and 10% of the qualifying production expenditures in the case of medium-sized enterprises (< 250 employees and €50 mln turnover) .
- ✓ Investment in the case of equipment should remain in the territory of Cyprus for a period of at least 5 years.





I. CYPRUS FILMING SCHEME

D. Return of VAT on expenditure

- ✓ For qualifying production expenditures incurred in Cyprus by natural or legal persons from third countries and which are related to the implementation of productions, the company is entitled to a refund of VAT.
- ✓ VAT returns arise within 6 months with respect to the legal person which carries out the foreign filming in Cyprus from the end of the last deadline for submitting the VAT declaration for the specific VAT period during which the expense occurred or from the date on which the application for VAT return is filed.





I. CYPRUS FILMING SCHEME

- ❖ **Maximum amount for Incentives A, B and C**
 - ✓ up to 50% of the production budget

- ❖ **What is required for an application**
 - ✓ Application and Evaluation Form
 - ✓ Production Summary
 - ✓ Benefits for the Cypriot / European Culture
 - ✓ Producer filmography
 - ✓ CVs
 - ✓ Production planning
 - ✓ Agreements
 - ✓ Budget
 - ✓ Entity's legal documents





I. CYPRUS FILMING SCHEME

❖ Eligible expenditures incurred in Cyprus

- ✓ Accommodation
- ✓ Traveling
- ✓ Catering
- ✓ Equipment & Grip Rental
- ✓ Set Construction
- ✓ Staff Transportation
- ✓ Fees for using locations
- ✓ Post production expenses (sound and vision)
- ✓ Per diem (daily expenses for food, accommodation & transport)
- ✓ Remuneration for actresses & actors & the production team
- ✓ Transportation cost for equipment
- ✓ Acquisition of Land and Buildings
- ✓ Registration, Legal, Insurance & Accounting Services
- ✓ Security Services
- ✓ Visual effects
- ✓ Telecommunications
- ✓ Repairs and reinstatements





I. CYPRUS FILMING SCHEME

Application Process

1. Submission of the application

2. Temporary Approval Certificate

3. Review by Committee

4. Issuance of Approval Certificate within sixty (60) business days from the expiration date of the period for submission of applications

5. Completion of Filming

6. Submission of certified auditor report

7. Issuance of Final Approval Certificate (FAC)

8. Bank transfer within 90 business days from the FAC date of issuance






II. INCENTIVES FOR CORPORATES

- ❖ Competitive corporate tax rate of 12.5%
- ❖ Duty exemption for import / export of production equipment
- ❖ Tax exemption on Foreign capital gains
- ❖ No Tax on dividend and interest
- ❖ No Tax on Royalties rights used outside Cyprus
- ❖ 0-10% Tax on Royalties rights used within Cyprus
- ❖ Tax loss carried forward for 5 years
- ❖ Foreign Exchange gains or losses are tax exempt
- ❖ Double Tax Treaties with 65 countries






II. INCENTIVES FOR CORPORATES

- 
- ❖ Notional Interest Deduction on equity
 - ✓ Tax deduction on new capital (equity) introduced into the company with a calculation of a 'notional' interest expense to be deducted from the taxable income.
 - ✓ Notional Interest is the yield of the 10-year government bond increased by 5%
 - ❖ Low registration and operating costs of Corporates
 - ❖ Rapid granting of Licenses for shooting
 - ❖ Efficient work / entry permits for the personnel
 - ❖ Member of the European Union and Euro Zone



III. INCENTIVES FOR INDIVIDUALS

- 
- ❖ Non-Domicile Tax Resident with Tax Exemption on Dividend and Interest Income (60 Days in Cyprus & less than 183 Days in another country)
 - ❖ 100% exemption on remuneration for salaried services rendered outside Cyprus
 - ❖ Tax exemption of the initial €19,500 earned in Cyprus
 - ❖ Top Tax Rate is 35%
 - ❖ 20% or 50% Income Tax relief on income received in Cyprus for the first 5 years of employment
 - ❖ No Capital gain tax from sales of property situated outside Cyprus
 - ❖ No inheritance and gift taxes



IV. ATTRACTIVE IP REGIME

- ❖ Efficient Intellectual Property tax regime coupled with the protection afforded by EU Member States and by the signatories of all major IP treaties and protocols.
- ❖ It covers a wide range of intangibles including:
 - ✓ Copyrights: literary works, dramatic works, musical works, scientific works, artistic works, sound recordings, films, broadcasts, published editions, databases, publications, software programs
 - ✓ Patented inventions
 - ✓ Trademarks (and service marks), designs and models that are used or applied on products





IV. ATTRACTIVE IP REGIME

- ❖ 80% of the profits qualifying for the regime are exempt from tax
- ❖ Based upon the applicable corporate tax rate of 12.5% profits from IP can result to an effective tax rate of as low as 2.5%.
- ❖ The regime is compliant with 'Nexus approach', where non-tangible property needs to show a direct relationship between the qualifying assets and the owned expenses as they contribute to the income. If the nexus fraction is 90 then 90% of the profit is regarded as qualified and the effective tax rate will be 3.5%





V. EFFECTIVE LEGAL SYSTEM

- ❖ The legal foundation is based upon common law
- ❖ One of the most efficient and reliable legal systems
- ❖ Regulatory framework is effective, business friendly, with transparency & reliability in business practices.
- ❖ Fully compliant with the EU legislation, Financial Action Task Force on Money Laundering (FATF), OECD, FATCA, the Financial Stability Forum laws.
- ❖ Simple and Straightforward company incorporation
- ❖ Adoption of International Financial Reporting Standards (IRFS)
- ❖ Cost effective compare with other jurisdictions





WHAT CAN WE DO FOR YOU?

- ❖ Offer a holistic solution for a production in Cyprus
- ❖ What we need are the project details
- ❖ We can prepare a detailed & competitive offer for the production



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