CYPRUS, DUBAI AND MALTA COMPARISON



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	Cyprus	Dubai	Malta
EU Member?	Yes	No	Yes
Currency	Euro (€)	UAE Dirham (AED)	Euro (€)
Corporation tax rate(s)	12.5% (can be reduced to 4,5% with the Notional interest deduction)	0%	35% but due to imputation system the effective tax is 0% - 10%
Carry forward of ordinary tax losses?	Yes, for 5 years	N/A - No tax for Dubai DIFC companies	Yes, indefinitely
Carry back of ordinary tax losses?	No	N/A - No tax for Dubai DIFC companies	No
Capital gains tax rate(s)	0% 20% only on immovable property situated in Cyprus	0%	0% for participation holdings or effectively 0% - 5%
Capital losses	Can be carried forward indefinitely	Not tax-deductible since capital gains are not taxable	Can be carried forward indefinitely

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	Cyprus	Dubai	Malta
VAT standard rate	19%	N/A - No VAT in Dubai	18%
VAT reduced rate(s)	9%, 5% and 0%	N/A - No VAT in Dubai	7% and 5%
VAT registration threshold	€15,600	N/A - No VAT in Dubai	€7,000
VAT filing & payment	Quarterly	N/A - No VAT in Dubai	Quarterly
Other taxes	N/A	N/A	N/A
Taxable period	Calendar year (01/01 - 31/12)	N/A - no tax for Dubai DIFC companies	Calendar year (01/01 - 31/12)
Tax return requirement	Yes	No	Yes
Tax return due date	15 months after the end of tax year	N/A - No requirement for tax return	31/09 of the following year
Tax residency requirements	Management and control to be exercised in Cyprus	Registered in Dubai DIFC and management and control exercised in Dubai	Management and control to be exercised in Malta
Tax rate on dividends from local investments	0%	0%	0% if under participation exemption or 35% (effectively 0% - 10%)







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	Cyprus	Dubai	Malta
Tax rate on dividends from foreign investments	0% (subject to easily met criteria)	0%	0% if under participation exemption or 35% (effectively 5% - 10%)
Withholding tax on dividend payments to foreign shareholders	0%	0%	0%
Tax rate on interest income	From 10 to 15% if it is business line income or not	0%	0% for passive and 35% (effectively 0% - 10%) for active interest income
Withholding tax on interest payments to foreign recipients	0%	0%	0%
Tax deductibility of interest expense	Yes	N/A - No tax for Dubai DIFC companies	Yes if incurred for the production of taxable income
Tax rate on royalty income	12.5% (on 20% of royalty income)	0%	0% for passive and 35% (effectively 0% - 10%) for active royalty income
Tax deductibility of royalty expense	Yes	N/A - No tax for Dubai DIFC companies	Yes if incurred for the production of taxable income
Taxability of disposal of shares by foreign shareholder	No, as long as the company does not own Cyprus real estate	No	No if the company does not hold Maltese real estate or if its foreign shareholder company is not controlled by Maltese residents







Cyprus Taxed in the hands of N/A - No tax for each partner except **Taxation of** Taxed in the hands of Dubai DIFC Limited Partnerships partnership profits each partner companies which are treated as companies Treated as a **Taxation of branch** Treated as a company company i.e. 0% Treated as a company i.e. taxed at 12.5% profits tax **Branch remittance** 0% 0% 0% tax Yes Stamp duty Yes No

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ABOUT BKMS

With over a decade worth of experience and a prominent network of international clients, BKMS has established a reputation that speaks for itself. BKMS is covering a broad spectrum of industries, taking into account the required accounting treatment and tax implications as well as the challenging international regulatory framework. Client Trust and loyalty are the very fundament of every commitment undertaken by BKMS. Adherence to a strict policy of professionalism therefore results in continuously successful developments. BKMS is regulated by Cyprus Securities and Exchange Commission Registration No 96/196.



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MULTI FAMILY OFFICE SERVICES

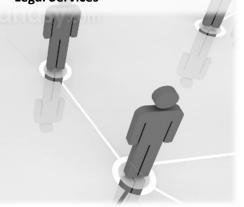
Administrative Services

Tax Planning

Wealth Planning

Corporate Consulting

Legal Services



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