

## CYPRUS, DUBAI AND MALTA COMPARISON

# THE MULTI FAMILY OFFICE

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	Cyprus	Dubai	Malta
<b>EU Member?</b>	Yes	No	Yes
<b>Currency</b>	Euro (€)	UAE Dirham (AED)	Euro (€)
<b>Corporation tax rate(s)</b>	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%
<b>Carry forward of ordinary tax losses?</b>	Yes, for 5 years	N/A - No tax for Dubai DIFC companies	Yes, indefinitely
<b>Carry back of ordinary tax losses?</b>	No	N/A - No tax for Dubai DIFC companies	No
<b>Capital gains tax rate(s)</b>	0% 20% only on immovable property situated in Cyprus	0%	0% for participation holdings or effectively 0% - 5%
<b>Capital losses</b>	Can be carried forward indefinitely	Not tax-deductible since capital gains are not taxable	Can be carried forward indefinitely

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

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<b>Tax rate on dividends from foreign investments</b>	0% (subject to easily met criteria)	0%	0% if under participation exemption or 35% (effectively 5% - 10%)
<b>Withholding tax on dividend payments to foreign shareholders</b>	0%	0%	0%
<b>Tax rate on interest income</b>	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
<b>Withholding tax on interest payments to foreign recipients</b>	0%	0%	0%
<b>Tax deductibility of interest expense</b>	Yes	N/A - No tax for Dubai DIFC companies	Yes if incurred for the production of taxable income
<b>Tax rate on royalty income</b>	12.5% (on 20% of royalty income)	0%	0% for passive and 35% (effectively 0% - 10%) for active royalty income
<b>Tax deductibility of royalty expense</b>	Yes	N/A - No tax for Dubai DIFC companies	Yes if incurred for the production of taxable income
<b>Taxability of disposal of shares by foreign shareholder</b>	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

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

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### MULTI FAMILY OFFICE SERVICES

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