

MEMO

1 Nov 2011

Imposition of Special Levy on Cyprus Companies

Pursuant to the introduction of certain amendments to the Cyprus Companies Law, the Government of Cyprus has also introduced a new legislation under which a fixed annual levy of Euro 350 is imposed on Cyprus companies.

The levy applies to all Cyprus registered companies with the exception of:

- Dormant companies
- Companies which do not own any assets (of any kind)
- Companies which own property outside the territory of Cyprus or the property is not under the control of the Cyprus Government.

The annual levy is payable as follows:

- For the current year 2011 - by the 31st December 2011
- Each subsequent year - by 30th June of each year

For newly registered companies, the first annual levy is payable by 30th June in the year following incorporation. For example, companies registered in 2011, will pay their first annual levy, for the year 2012, by 30th of June 2012.

Under the circumstances, we kindly ask you to remit the amount of €350 to our bank account, whose details are shown underneath, so that we are able to execute the payment prior to 31st December 2011 and avoid unnecessary penalties.

Bank: Bank of Cyprus
Account no: 0155-01-178095
Swift Code: BCYPCY2N
IBAN: CY44 0020 0155 0000 0001 1780 9500
Beneficiary: Chartac Management Services Ltd-Clients A/c

In the case that your company maintains bank account/s with Cyprus Banking Institution/s, which are under our administration, and there are funds available to cover the annual levy of €350,00, as mentioned overleaf, please give us your consent by return so that money can be taken from these bank accounts and have the said levy paid to the Government of Cyprus.

Where the levy is paid within two months from the due date, a penalty of 10% is payable. This is increased to 30% if the levy is paid within five months from the due date.

Companies, who choose not to pay the said levy within the five months, will be facing the possibility to be struck off the Register of the Registrar.

A re-registration of a company to the Register, within two years after its removal, will carry a charge of EUR 500,00. Re-registration after a period of two years carries a charge of EUR 750,00.

Upon the remittance of funds, please inform us by email, giving us details as to the company name/s, so that we may identify your remittance easily and execute the payment on time, thus avoiding unnecessary penalties being paid.