

## CYPRUS AND EUROPEAN (!) BANKING AND FINANCIAL CRISIS

### **FINAL UPDATE** THE FINAL CHANGES AND MEASURES ... THE FUTURE!

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### **FINAL SOLUTIONS / ALTERNATIVE CHOICES WHICH WE RECOMMEND (AND HAVE ALREADY PREPARED FOR IMMEDIATE IMPLEMENTATION) DETAILS – COST – ACTIONS**

**\*\*\*IMPORTANT NOTE – WE HAVE AVOIDED REPETITION OF PRIOR  
UPDATES\*\*\***

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## Important Note

The present update (even though all the issues are complicated) is written in short form and "*in simple words*" to be easily understood, avoiding repetition of previous updates AND with focus **only on the following**:

- At points (measures/changes) which affect foreign clients and companies of foreign clients mainly in the EU (Cyprus, Malta, Luxembourg) **ONLY**
- To the Consequences that the above mentioned clients will suffer
- The extent of the above mentioned for the function of Cyprus companies or of their Other Companies in Malta or elsewhere
- To Solutions / Alternative Choices and the actions we recommend

Note: Due to the large number of clients it is not practically possible to contact promptly everyone. It has been decided in light of the situation that is more practical and our only option FIRSTLY to send the present – detailed – update.

Having carefully studied the present [PLEASE CONTACT US](#) to guide you on your next steps or to give us instructions for implementation of the solutions you prefer.

**Due to the particular nature of the situation and of the need for a sincere update and the need to implement immediate solutions (due to the fact that the negative outcomes at European level are moving fast) the tone adopted is such to promote deep critical thinking which will lead to correct decisions for effective solutions and actions.**

We also wish to express our sorrow to the clients / depositors who are adversely affected by the resolution of Laiki Bank in Cyprus and the – extensive haircut of deposits in the Bank of Cyprus and I wish to state our undivided support as well as to portray our belief that we have found the best solutions under the circumstances so that IMMEDIATELY their corporate structures:

(a) will operate regularly and continue to reap the important benefits which were reaped in the past and

(b) perhaps, most importantly, let the "misfortune" of Cyprus be a "lesson" for all of us (all of us who operate in the EU) to protect to the fullest degree the deposits, property and available funds of clients

## **A. Final Agreement for Cyprus and Measures / Changes.**

The main points of the memorandum / changes have been finally agreed on with Troika, which will be submitted to the Eurogroup for approval:

- The Main Points of the Memorandum of Understanding which will form the basis for the Final Loan Agreement to the Republic of Cyprus
- The restructuring, update and recapitalization of the Cyprus Banking System

### **Banking System:**

#### **Deposits in Laiki Bank (in resolution / bankruptcy):**

- Laiki Bank Greece: no change as it has been bought and operates normally under Piraeus Bank / no depositor lost money
- Liaki Bank in Cyprus: ALL depositors > 100.000 euro are entered into the liquidation process and it is expected roughly to obtain +/- 10% of the value of their deposits in 8 – 10 years!

**In case you wish to take legal action for claims for irregularities in the resolution process (an act undertaken by a large number of clients due to the large breach of formalities of the Constitution and European Treaty)** then inform us to take legal action and find a suitable and capable lawyer for your case (as we do not undertake such work ourselves).

We note as an office we have a negligible amount of clients in this Bank.

#### **Deposits in the Bank of Cyprus (big haircut of deposits):**

- The Bank of Cyprus Greece: no change as it has been bought and operates normally under Piraeus Bank / no depositor loses money
- The Bank of Cyprus in Cyprus: The amounts of deposits > 100.000 euro have been frozen with the final amount of the haircut expected to be announced (and with the release of the remaining amount) in +/- 6 months and which is expected to surpass 60%!

#### **Other banks – safer:**

No change / loss of deposits minus restrictions of the movement of capital and payments, but the banking system in Cyprus is not at present stable!

**Substantial restrictions on the movement of payments and capital in all banks of Cyprus** – usual after a haircut / resolution of banks: Substantial restrictions have been imposed (which contrary to assurances) are expected to be **relaxed gradually** until the streamlining of the financial system (6 – 9 months) – click for [update from the Central Bank](#) for the restrictive measures. **Essentially and practically it is possible to transfer amounts to other banks of Cyprus but not abroad!**

**Tax Regime:** The draft, up to this day, maintains all the tax benefits of Cyprus for foreign investors and does not include important – negative – changes to the tax system concerning international business companies minus the increase of the corporate tax from 10% to 12.5%, which is a negligible amount of change. It is not anticipated that the tax burdens on companies will increase due to the extent of the “haircut / loss” of corporate deposits and of the importance of international investors as a percentage of the GDP (46%).

**Conclusion – Cyprus Company with bank accounts outside Cyprus:** It seems that Troika allows Cyprus, at least for the moment, to continue as an international business center with powerful tax benefits for the attraction of foreign investors for some more years BUT ... Not as a banking / financial center to attract the available banking balances of investors (as in the Seychelles which are under the monitoring of the IMF the past years but with important tax benefits)

**B. General Comments – the facts as they are unfolding now in the EU, dangers, priorities, need for immediate solutions, the basis in which the solutions have to be chosen on** [*Lessons from the Cyprus Crisis and what the future holds in the European Union? What are the dangers that we will face in the near future? What is the future of tax planning in Europe? What is the future of the favorable tax regime of Malta, Luxembourg and Cyprus? What is the future concerning the safety / protection of deposits and other assets of clients in Europe of today (the “after Cyprus era”)]?*

*(It is very important that these be read carefully and understood completely, as they form the logic and basis for the solutions we recommend below)*

The present update is of historical importance for our Group and me personally as:

- **it is addressed to a large number of clients** with bank accounts in Cyprus (Cyprus and foreign companies and natural persons Cypriot and foreign) **who have unfortunately suffered large damages** and trouble and stress either in the form of a substantial “haircut” of their deposits (large haircut of the Bank of Cyprus and the resolution of Laiki Bank – loss 100% of deposits > 100.000) either from restrictions in withdrawals and the movement of the un haircut amounts. **I know it is uncomfortable under the circumstances to examine at this stage solutions for the future but ... it is necessary IMMEDIATELY (as the changes at European level are flowing)** to “seek refuge” under new solutions to avoid the continuation of damages / increase of tax leaks because we have neglected to continue the – right and legal – tax planning. The problem here is not the changes to the favorable tax regime of Cyprus, (which continues and will continue to exist almost unaffected to offer you substantial benefits) but are of a banking nature and which makes necessary the IMMEDIATE a strategic protection of property for the future which is portrayed with the immediate adoption of the suitable solutions for the avoidance of future risks.
  
- **it is undertaken in unfavorable circumstances unknown for the sector, Cyprus and in Europe in general, which we have not come across since the world crisis of 1930** where practically property – deposits, at first – of residents and non residents (Cyprus and foreign companies and natural persons, Cypriots or foreigners with a bank account in Cyprus) practically are “confiscated” in a violent manner for the covering of the loan needs of the government. And these are just the start ... ( I note here (1) the preparation **AT THIS MOMENT from the EU, in the words of Oli Rhen of a draft bill of a Community Directive which will LEGALIZE soon and state as common practice the “haircutting of deposits and other assets, of residents and non residents -!- of the EU”** AND (2) the historic (!) decision of Luxembourg 3 days ago to essentially abolish the banking secrecy in the country). In Greece also and all countries of Southern and East-Central Europe, one cannot overrule practically the possibility of a without notice and wholly haircut of deposits in a “time of need” ... Spain has already in the preceding weeks proceeded in a haircut “on its own accord”.
  
- ***The developments themselves constitute the end of an era and the start of a new one in the sector of tax planning and the protection of property for international (and especially European) clients.*** Indicatively I have been surprised – although I shouldn’t have as it was expected with the way things have played out – the large number of clients who after discussions with me, my clarifications and advice have decided to change / or to plan a change in their permanent residence to countries outside Europe (like myself). It is probably more **prudent, logical, natural and expected** for

those who will continue to reside in the EU (which is most people and who run the biggest risks in the near future, all of them, but mainly those with deposits > 100.000 euro) **to form and use IMMEDIATELY but at least when and if required, corporate structures and/or bank accounts outside the EU and Europe, where they will keep their additional funds (e.g. Dubai)** and in general like a form of extra defense for the mitigation of danger of loss of property / deposits or the preparation of a "Plan B" in case of changes to the beneficial tax regimes within the EU (e.g. Cyprus and Malta)? ...**In parallel always with the maintenance of companies and bank accounts within the EU, for as long as they can benefit from the substantial tax benefits and advantages of the tax treaties BUT with their extra deposits "protected" outside the EU.** Many clients "place" this solution as a safety net even for it to be "ready to be used" in the IMMEDIATE event without time restraint ... like a form of insurance / prudence! To be honest, it is deemed necessary in these times for all clients and especially those who hold balances above 100.000 euro. I do not want to see a client of mine in the position thousands of unprepared depositors have found themselves in Cyprus! **I wish to remind you at this point of my repeated instigations in the last 12 months, by email, for considering the possibility of opening an account outside Cyprus as well as the opening of our Malta office 3+ years ago and the avoidance of Laiki Bank and Bank of Cyprus for the opening of accounts!** I hope that you will follow my guidance now too (like hundreds of clients have done, to their immense benefit, in the last few years and who have sent countless thank you notes). Because our interests and pursuits (protection of property and freedom of enjoyment of property), I assure you, are fully aligned... it is in my interest to protect and assist you to increase your property.

- As pioneers in the professional sector of international services in Cyprus and Malta, and in light of the "new status" and to be in a position to recommend and implement ourselves, organically (without the use of associates), the "solutions of the new era" we have proceeded with the opening of large and fully staffed offices in the United Arab Emirates (Ras Al Kaimah and Dubai which are more popular for the clients than Hong Kong or Singapore... for many "right" reasons) which will be officially licensed from the relevant local authorities, and whose operations will cover 100% of the professional services which are required by clients for all types of companies and activities. Our plans are (1) these offices become the Central Offices of our Group in 1 - 2 years and (2) I personally spend most of my time there 40 – 45%). Moreover, we are planning the opening of representative office in Hong Kong and Singapore at a second stage. AT THIS MOMENT **WE ARE READY TO ACCEPT INSTRUCTIONS FOR THE IMPLEMENTATION OF THESE MEASURES.**

- The current financial benefit of the Group has been put a a lesser fate in order to (1) present with full honesty the real situation as it unfolds in Cyprus and the EU in general, the “currents”, the changes at European level, the dangers this situation holds in the near future for our clients and (2) to recommend and implement IMMEDIATELY all the possible solutions which serve FIRSTLY the interests of the client and which will substantially reduce effectively the dangers, even with some current important losses in our income, choosing the professional integrity and not near sighted profit. It is my principle that honest update of the client without “beautifying” the situation and the provision of effective solutions in this sector (with substantial investment – re offices in Dubai) is paramount ... and the matter at hand.

The protection of the property of the client from the attacks of the EU and the restoration of the harmonic operation of his companies is at this phase more urgent than the tax benefits (as even a sudden change of the regime, even though “uncomfortable” will not bring any damages for the prior use of the company which will “continue” with a transfer to another country / jurisdiction, which is very simple, fast (1 – 2 weeks) and commonplace The permanent loss of property (deposits at this stage and possibly other types of property at a second stage) although is sudden, irreversible and cancels all the accumulated benefits of the past use of the companies).

2. We wish to express our sorrow to the clients / depositors who are adversely affected by the resolution of Laiki Bank in Cyprus and the – extensive- haircut of deposits in the Bank of Cyprus and I wish to state our undivided support as well as to portray our belief that we have found the best solutions under the circumstances so that IMMEDIATELY their corporate structures:
  - (a) will operate regularly and continue to reap the important benefits which were reaped in the past and
  - (b) perhaps most important, the “misfortune” of Cyprus be a “lesson” for all of us (all of us who operate in the EU) to protect to the fullest degree the deposits, property and available funds of clients in the near future and ideally:
    - in safe, adequately capitalized and solid banks with 100% government guarantees for the full amount of their deposits and strict rules for anonymity / confidentiality.
    - In banks which provide (1) the possibility of easy and non time consuming opening procedures and if possible without the need of the client to go to the country (2) the possibility of opening of



a trading account / current accounts which allow frequent movements and not only investment accounts which are for small movements

- In **politically strong and independent** countries without geopolitical risk which can resist effectively to EU style attacks which if possible are outside the EU and which are not connected, dependant in the same geographic region with Europe or America.
- In countries which have not signed information exchange treaties with any other state and especially with the European Union
- In countries with no currency restrictions or restrictions in the movement of capital and if possible with no / little restrictions in the withdrawal of cash
- In countries which are reasonably geographically accessible (close to the EU with good airline connections)

### **Conclusions – the basis on which our solutions / alternative solutions need to be based**

For the abovementioned reasons the solutions we recommend have as basic admissions the following:

- The solutions concern clients NOT ONLY WITH CYPRUS COMPANIES but with companies in other countries of the EU like Malta and Luxembourg. **THE PROBLEM / DANGERS ARE EUROPEAN AND DO NOT ONLY CONCERN CYPRUS**
- **They must solve the immediate problem** in the unhampered and with no restrictions exercising of **banking business NOW** and for the companies to operate unhampered, **AND in parallel to ensure the protection of client deposits** for the future (and especially those above 100.000) in safe, adequately capitalized banks, in countries that do not face financial or economic problems)
- **AND FURTHERMORE must contain provisions for a “Plan B outside Europe – see Dubai” as protection from possible future “attacks” of the EU** in (1) available cash *and other* assets of companies which are with EU states and also (countries which have signed a treaty with the EU for the exchange of information like Switzerland, Liechtenstein, Channel Islands, Hong Kong, Singapore) AND (2) future attacks on beneficial / privileged tax regimes of EU countries like Cyprus, Malta, Luxembourg a.o



**Ideally we select solutions (Country selection criteria / banks for the protection of deposits / property and maintenance of anonymity) ...**

- in safe, adequately capitalized and solid banks with 100% government guarantees for the full amount of their deposits and strict rules for anonymity / confidentiality.
- In banks which provide (1) the possibility of easy and non time consuming opening procedures and if possible without the need of the client to go to the country (2) the possibility of opening of a trading account / current accounts which allow frequent movements and not only investment accounts which are for small movements
- In **politically strong and independent** countries without geopolitical risk which can resist effectively to EU style attacks which if possible are outside the EU and which are not connected, dependant in the same geographic region with Europe or America.
- In countries which have not signed information exchange treaties with any other state and especially with the European Union
- In countries with no currency restrictions or restrictions in the movement of capital and if possible with no / little restrictions in the withdrawal of cash
- In countries which are reasonably geographically accessible (close to the EU with good airline connections)

***(Note: Dubai / Ras Al Khaimah is the only choice which satisfies ALL the above criteria)***

**C. The solutions we propose TODAY to face off impending dangers.** *[What the abovementioned mean for the future of tax planning / corporate structures (1) the clients who have Cyprus companies, Malta companies or other European companies with low corporate tax or/and (2) clients who have a bank account or other assets in the EU?]*

Our solutions which we recommend lead you, and at this stage should lead to **2 separate and independent choices ( 1. Banking relationship & 2.**

**Tax regime), below (I repeat ... independent)** which everyone has to choose – [CONTACT US FOR CLARIFICATIONS / DETAILS / DISCUSSION](#)

**(1) Bank accounts** (*protection of property - assets / maintenance of anonymity*) – *concerns clients as natural persons and client companies (which are incorporated in Malta, Cyprus, Seychelles and elsewhere) who have a bank account in the EU and Europe in general* – In which country or countries do I choose to have a bank account in order to combine the unhampered operation of my companies AND in full safety / protection of my deposits and other assets from future attack of the EU?

**You may possibly choose to have 2 bank accounts (client preference)** – *one account for trading transactions in Cyprus or Malta AND another in another country and another bank for the – safe – safeguarding of reserves, e.g Malta for European trading transaction account AND Dubai / outside EU for the safeguarding of additional reserves.*

**Important Note: It is very important to open bank accounts in foreign banks as soon as possible,** without delay, to avoid the (very probable) possibility in the near future, and in light of the pressure imposed by the EU and OECD for money laundering and tax evasion, of limitations imposed on the opening of bank accounts in a short period of time and/or an increase in demands on a procedural level (minimum deposits – HSBC, a few weeks ago, increased the minimum available balance limit to 3 million euros! For Malta, Switzerland, Hong Kong and Singapore -, minimum time from application to opening etc) for the opening of bank accounts for new clients. When the account is open and active and you are an existing client then these problem will not apply which are common place these days and the “tool for protection” of our deposits is active. Alas we wish to transfer money IMMEDIATELY and there is no ready account.

**For clients who do not use bank accounts at this phase** no action is needed immediately and they are not adversely effected and may continue as before and receive this update for future reference. Or they may open bank accounts outside Europe as a precaution.

**Except if they hold available funds (and in a personal account) somewhere else** and wish to protect them with one of our solutions outside the EU!

**Clients with accumulated small deposits under 100.000 euro are covered by the deposit guarantee** – notwithstanding that the EU or member states will not reduce further the size of the guarantee (!) at this phase no *immediate* actions are required, nor adversely affected and can continue as before and receive this update for future reference. Or they may open bank accounts outside Europe as a precaution, (*Except of course Cyprus companies or foreign companies with a bank account in Cyprus which are now subject to capital restrictions and which would require a bank account in Malta for the*

*unhampered operation of business and the receipt of their income outside Cyprus -...until the easing and stabilization the Cyprus banking system – thus avoiding the bulge of credit balances in Cyprus as it is the loss of capital abroad that is restricted but not the inward flow of capital)*

**Our advice for choosing banking relationships and proposed actions...** (in order of preference / level of safety AND bearing in mind all factors and variables as they are set out in “Ideal criteria” above):

**The banking solutions we recommend are...**  
**(for a more detailed analysis for Dubai / Ras Al Khaimah – see D. below)**

**Outside the EU (Dubai / Ras Al Khaimah, Hong Kong, Singapore)**

Outside Europe the solutions we approve are FIRST and implicitly the United Arab Emirates (Dubai and Ras Al Khaimah – companies and bank accounts in local banks, no information exchange treaty with any country and zero tax!) and secondary, due to signing of exchange of information treaties with the EU, Hong Kong and Singapore which we recommend cautiously.

***Dubai – Ras Al Khaimah***  
***Unique Regime (Banking System / tax system – motives)...***

- Many safe, adequately capitalized and solid banks with 100% government guarantees for the total value of the deposits and strict rules for anonymity / confidentiality. **The reserves of the emirate of Abu Dhabi alone amount to over 1 trillion euros!**
- Banks which allow the possibility of easy and non time consuming opening procedures and the option possibly of the client not being required to go to the country in person as well as the possibility of opening of a trading account / current account which allow frequent movements and not only investment accounts which are for few movements
- Are in **political and financially powerful and independent** countries with no geopolitical risk which can withstand effectively against EU type attacks which are or possible outside Europe and which are not connected, dependant or in the same geographic region with Europe or America
- The emirates have not signed exchange of information treaties with any nation, not even the European Union.
- Is a country with no currency control restrictions or limitations in the movement of capital and/or possibly without / little restrictions in cash withdrawal (withdrawal 100.000 euro from the till is not unusual)
- Is a geographically accessible country (near the EU with good air connections)

- Does not appear on any "black list". It is on the "white list" of the OECD, FATF and EU and of the Greek Ministry of Finance, is not subject to the sizable pressures that weaker states face only to the extent of keeping of strict internal procedures for control and not exchange of information

### ***Hong Kong and Singapore***

Great geographic distance from Europe (positive and negative)

There is an exchange of information treaty in place for beneficiaries and balances/movements

Time consuming and complicated procedure – Yes for foreign companies – 3 months +/-

There is a pre requisite for travel / visit of the beneficial owner, shareholders, directors and secretary to the country for an interview with the bank

Documents / certifications / expenses (YES considerable)

Possibility for investment accounts (for small movements – not suitable for business transactions)

Possibility for current accounts (for frequent movements)

### **Outside the EU but in Europe (Liechtenstein, Switzerland)**

Also at a second level, and also without prejudice, due to the close proximity of geographic distance, plethora of European clients, frequency of information leaks as well as signing of agreements with the EU for the exchange of information, we recommend **Switzerland and Liechtenstein**. The new Switzerland is in essence Dubai!

First choice in this category is Switzerland.

Notes (Switzerland, Liechtenstein):

There is a treaty with the EU for the exchange of information in force

"Pressure / influence" from the EU and in the same geographic / geopolitical sphere of influence with the EU (uncertain future changes)

Circumstances of leaks of confidential information from bank employees (see Liechtenstein / German state)

Time consuming and complicated procedure – Yes for foreign companies – 3 months +/- *For some banks* there is requirement for travel / visit of the beneficial owner, shareholders, directors and secretary to the country for an interview with the bank

Documents / certifications / expenses / additional information – Yes, all with apostile legalization and certification for beneficial owners, directors, shareholders – could be a substantial cost (1000 +/- euro)

Possibility for investment accounts (for small movements – not suitable for business transactions)

No possibility for current accounts (for frequent movements)

**Within the EU (Malta, Luxembourg or foreign / international banks in Cyprus, like Pireus Bank which do not have problems**

The **within Europe solutions** are all given with reservations and have short term horizons for safe keeping large amounts (due to changes and forthcoming changes NOT to the tax regime at this phase – which is expected to be maintained for 3 – 5 years more – but to the banking part) and there is Malta (cheap, fast and a temporary solution and perhaps to buy some time until we apply other solutions which are less time consuming in their applications (from the 1<sup>st</sup> month (Dubai / Ras Al Khaimah) and up to 6 months for other solutions). Also Luxembourg (recent decision for the abolition / relaxation of banking secrecy) or also foreign / International banks with business in Cyprus, like Piraeus Bank which do not have a problem and have not been haircut.

My advice is that if we wish to maintain accounts within the EU with small balances to conclude trade movements and the safe keeping of additional available and investment capital is undertaken outside the EU.

The first choice is Malta from this category at this stage.

**(2) The tax regime we choose** – Which country's tax regime do I use to use NOW and for what reasons (Cyprus, Malta or outside the EU)? What do I choose as a successive situation / structure if this regime changes in the future?

Generally our choice will be based on the answer to the question:

"Does my immediate tax planning / corporate structure from the changes to the tax regime?"

**If not (if we are not affected), THEN we remain as before** and operate unhindered until something changes which affects (to choose solutions based on facts which will apply then). In this case we just want banking – see (1) above. It is noted that in the draft Memorandum there are no significant changes at this point and as a result almost no client is affected (minus 2.5% extra corporate tax).

**If yes (affected) or we are at the initial stage of choosing a regime (new clients) ... or even if we are not affected but feel insecure** with the stability of the tax regime in Cyprus due to the entering into of the "Memorandum" with Troika and wish for a change from now for more certainty **THEN we will need to "transfer" the base of the company and bank accounts in another country like Malta or to form a new**

**corporate structure with “new solutions” having recorded / taken into considerations the following:**

- What is the target of tax planning? Which were they in the past or what are the *particular* reasons I chose / choose Malta or Cyprus today?

Succession – alternative corporate structure / solution must maintain the benefits of the old structure to the largest degree taking into consideration the tax planning, type of company, the advantages of tax legislation we *enjoy, the advantageous provisions of international tax treaties we have been using* and for other reasons. Also the cost / repercussions that changes in the corporate structures could bring.

*E.g. Cyprus Company...*

*IF the changes affect us (IF in the future they may affect us. It is noted that from the draft of the memorandum there are no important changes at this moment just this concerns possible future changes).*

...trading company (goods or services with VAT number or not – inter community and/or international trade). Here in case of change there are many fast, simple and effective choices / solutions which without any problem can be operational in 2 – 3 weeks. See for example at point D. “Solutions” Dubai / Ras Al Khaimah – Company Ras Al Khaimah (0% tax) with branch in Malta and registration / VAT number for intra community trade and 0% tax!

...active company with real estate in Greece. Here no change is required since there is no tax issue in Cyprus. For a new company or transfer of company to another *European country* (as a solution IF affected) Cyprus and Malta are both suitable.

... Holding company, royalty company or finance company. Here we may depend not only on the tax law but also beneficial provisions of treaties or Community directives for the avoidance or reduction of withholding taxes on dividends, interest or rights or premium tax on the sale of shares or securities. Here careful planning is needed and discussion with us for the transfer of management / tax residence of the company to a suitable country with beneficial privileges. Procedurally though, it is easy and simple with many alternative options.

## **D. The Future – The opening of our Office in The United Arab Emirates / Dubai** *[with the purpose in 1 - 2 years the Head Offices of our Group will be there]*

Opening of our offices. We divert you here to our [previous update](#) to avoid duplications

**Opening bank accounts at Al Khaimah / Dubai – see point C. above for details.**

**Recommended / are more popular, easy, fast and practical the incorporation of a new company with bank account and beneficial owner natural person** (not subsidiary of a foreign company – as a second stage changes can be made to accomplish this if we prefer) instead of opening of an account of a natural person or foreign company, which although not recommended by the Authorities and the banks for risk management purposes with the introduction of time consuming and high cost procedures.

**New Solutions with companies / corporate structures at Ras Al Khaimah / Dubai** for information and fee quote [please contact us](#).

The Emirates I imagine do not need formal introductions...

**The Emirates Ras Al Khaimah / Dubai are not tax heavens but large and powerful International Financial Centers and International Business Centers with important motives for investors** many of which maintain real presence with property and personnel in Free Zones.

The United Arab Emirates have entered into a large number of avoidance of double tax treaties which has upgraded their position as the "Switzerland of the East".

- Use of company with bank account for anonymous and safe keeping of additional company reserves and/or supply with personal capital
- Use as a parent company of a Cyprus or Maltese company or company of another country which will accumulate the dividends / available cash
- Use as an independent company for the provision of services and to invoice Cyprus or Maltese companies or companies of another country and collect the amount of invoices in Dubai.
- Use as an agent of a Cyprus or Maltese company or company of another country for collections / payments



- Use of a company in **Ras Al Khaimah**, through the opening of a branch or tax representative / VAT representative, in Malta or Cyprus with registration in the European VAT records to undertake intra community trade of goods with 0% income tax in Malta / Cyprus and the Emirates (with no transactions in Malta or Cyprus)
- Use of a **Ras Al Khaimah company for international trade of goods and services with 0% tax**
- Use of a **Ras Al Khaimah company** for portfolio investments, ownership and operation of immovable property, holding, royalty, shipping and many other activities

### **Some of the Important Advantages ...**

- 0% income tax
- 0% import and excise duties
- 0% tax on sales, wealth or capital
- 100% ownership by foreigners
- 100% free repatriation of profits
- 0% "surprises" / restrictions

### **E. Our Fees**

*(fees for our services in connection with the incorporation of companies or the preparation of an application and support for the opening of bank accounts – does not include VAT or disbursements or additional fees for the certification of documents or issue of documents or additional work other than the usual which may be requested by the banks according to the relevant case)*

### **Cyprus**

- Opening of accounts in another (safer) banks and advice for the transfer of balances from the troubled bank: **300 euro corporate / 145 euro personal accounts**
- Closing of a Cyprus company: **1.450 euro**
- opening of a branch / tax representative company Ras Al Khaimah / Dubai and registration in the VAT register (for intra community trade with 0% tax (for annual costs **please contact us**): **1.450 euro**
- virtual office service (phone answering in the name of the company, receipt of mail and much more) and physical office: - **for information and fee quotes please contact us**

## Malta

- {for a fee quote for the incorporation of a new company or the transfer of a company from Cyprus **please contact us**}
- opening of corporate bank account for the Cyprus company: 375 – 425 euro
- opening of a corporate bank account for a Seychelles or offshore company, or a Ras Al Khaimah company / Dubai: 750 euro
- opening of a personal bank account (natural persons) 195 – 245 euro
- opening of a branch / tax representative company Ras Al Khaimah / Dubai and registration in the VAT register (for intra community trade with 0% tax (for annual costs **please contact us**): 1.450 euro
- virtual office service (phone answering in the name of the company, receipt of mail and much more) and physical office: - for information and fee quotes **please contact us**

## Seychelles

- closing of a company: 450 euro
- virtual office service (phone answering in the name of the company, receipt of mail and much more) and physical office: - for information and fee quotes **please contact us**

## Ras Al Khaimah / Dubai

- **Company in Ras Al Khaimah (0% tax) WITH BANK ACCOUNT (THE RECOMMENDED, MOST SUITABLE, MORE PRACTICAL AND LESS TIME CONSUMING SOLUTION OF ALL) – First year: USD\$ - 6.950 (around 5.250 euro)**

Includes all initial / formation costs, taxes/registration fees and annual services for the first year (inc. company incorporation, bank account, director and secretary appointment services and provision of registered office). **Second year: USD\$ - 2.500 (around 1.900 euro)** which covers annual director and secretary appointment services and provision of registered office (note: in Ras Al Khaimah there is no audit from an independent auditor for tax work or VAT because the company is not taxed, just keeps simple books and records)

- **Free Zones Company** (Free Zone Areas) of Ras Al Khaimah / Dubai (0% tax) – for real substance (!) and more serious presence with reasonable costs (from 500 euro a month for work space) with access to International Tax Treaties and easy provision of residency and work visas to all staff / managers: for a fee quote **please contact us**
- opening of corporate account for a Cyprus or Malta or Seychelles company or other offshore company: - on hourly charge of 95 euro / hour AND minimum fee USD\$ 1.900 (1.450 euro)

HOWEVER IT IS NOT RECOMMENDED - (1) BECAUSE THEY DO NOT RECOGNISE THE HAGUE CONVENTION AND AS A RESULT DO NOT ACCEPT INTERNATIONAL CERTIFICATIONS FOR DOCUMENTS BY APOSTILLE AND THE CERTIFICATION PROCEDURE IS EXPENSIVE AND TIME CONSUMING (CERTIFICATION OF *EACH DOCUMENT* BY THE MINISTRY OF FOREIGN AFFAIRS AND UAE EMBASSY AND THEN MINISTRY OF FOREIGN AFFAIRS IN DUBAI! **THE COST AMOUNTS TO A FEW THOUSAND EUROS**) (2) IF THE COMPANY IS OLD AND NEEDS AUDITED FINANCIAL STATEMENTS AND TIMELY REVIEW FOR ITS AFFAIRS. ALSO FOR REASONS OF PROTECTION FROM MONEY LAUNDERING, THE RESTRAINTS OF ISLAMIC LAW AND THEIR IMAGE - THE AUTHORITIES OF THE EMIRATES ACTIVELY REFRAIN AND THUS RECOMMEND INSTEAD THE OPENING OF A *RAS AL KHAIMAH* COMPANY WITH BANK ACCOUNT

- opening of personal bank account (natural persons): - **hourly charge 95 euro / hour AND minimum fee USD\$ 1.900 (1.450 euro)**  
BUT SEE ABOVE FOR COMPLICATED / COSTLY DOCUMENT CERTIFICATION OR NEED TO PERSONALLY TRAVEL TO DUBAI SO WE CAN INTRODUCE YOU TO THE BANK'S OFFICERS. SIMPLER AND MORE ECONOMICAL IS THE OPENING OF A *RAS AL KHAIMAH* COMPANY WITH BANK ACCOUNT
- virtual office service (phone answering in the name of the company, receipt of mail and much more) and physical office: - **for information and fee quotes [please contact us](#)**
- relocation support services for natural persons Υψηλείς υποστήριξης μετεγκατάστασης φυσικών προσώπων: - **for information and fee quotes [please contact us](#)**

### **Switzerland – Luxembourg - Liechtenstein**

- **bank account opening – hourly charge 95 euro / hour AND minimum fee 1.450 euro**

Notes:

There is a treaty with the EU for the exchange of information in force

“Pressure / influence” from the EU and in the same geographic / geopolitical sphere of influence with the EU (uncertain future changes)

Circumstances of leaks of confidential information from bank employees (see Liechtenstein / German state)

Time consuming and complicated procedure – Yes for foreign companies – 3 months +/- *For some banks* there is requirement for travel / visit of the beneficial owner, shareholders, directors and secretary to the country for an interview with the bank

Documents / certifications / expenses / additional information – Yes, all with apostile legalization and certification for beneficial owners, directors, shareholders – could be a substantial cost (1000 +/- euro)

Possibility for investment accounts (for small movements – not suitable for business transactions)

No possibility for current accounts (for frequent movements)

## **Hong Kong - Singapore**

- **bank account opening** – hourly charge 95 euro / hour AND minimum fee 1.450 euro

### **Notes:**

Great geographic distance from Europe (positive and negative)

There is an exchange of information treaty in place for beneficiaries and balances/movements

Time consuming and complicated procedure – Yes for foreign companies – 3 months +/-

There is a pre requisite for travel / visit of the beneficial owner, shareholders, directors and secretary to the country for an interview with the bank

Documents / certifications / expenses (YES considerable)

Possibility for investment accounts (for small movements – not suitable for business transactions)

Possibility for current accounts (for frequent movements)