

## **Press Communiqué**

MCCI organized an Interactive Session with **H.E. Mr. Demetrios A. Theophylactou, High Commissioner of the Republic of Cyprus in India** on the theme “**Doing Business with Cyprus**” today at the Conference Hall of MCCI. Mr. Anil Jhunjunwala, Hony. Consul of Republic of Cyprus in Kolkata was also present and addressed the gathering.

**Mr. Theophylactou** said that India and Cyprus now have a Double Taxation Agreement. Cyprus gives tax incentives and it would be wrong to call it a tax haven. Cyprus has a corporate tax rate of 12.5 p.c. and there is a provision for 100 p.c. repatriation of profit. Dividends, profits from permanent establishments and profits from sale of securities are exempt from taxes. There is no withholding tax on Dividends, Interest and royalties paid from Cyprus. Start ups are eligible for income tax relief up to 50 p.c. of taxable income.

Cyprus recently experienced a growth in bilateral trade of 28 p.c. while other EU nations experienced lower growth rates. The competitive advantages of Cyprus lie in its strategic location, EU membership, robust legal system (English Common Law), low taxation, skilled manpower, value for money services, Ease of Doing Business, Incentives, Infrastructure and Quality of Life.

Cyprus is seeking investments in natural gas, renewable energy, real estate, hospitality and tourism sectors. The country has a large amount of natural gas and gas is a commodity that India wants to import. Cyprus also has strength in renewable energy and shipping management. In fact, it has the third largest merchant fleet in EU and the 10<sup>th</sup> largest merchant fleet globally. Other areas of strength include tourism, professional services and banking & financial services. Emerging sectors in Cyprus include investment funds and R&D.

Cyprus has developed an Exclusive Economic Zone (EEZ) which has attracted significant interest from oil and gas majors. Bidders include Exxon Mobil, Eni, Total, Cairn Energy, Statoil and Qatar Petroleum.

More Indian companies have shown interest in Cyprus after the Double Taxation Agreement. Indian interest lies in energy, medical and agriculture sectors.

Mr. Theophylactou said that a visit by a business delegation from MCCI to Cyprus is welcome.

Earlier **Shri Vishal Jhajharia, Senior Vice President, MCCI** in his welcome address said that while bilateral trade has increased over the years, trade, commerce and investment can increase manifold as there is a lot of untapped potential.

---