

U.S. Country Commercial Guides



Country Commercial Guide Cyprus 2018

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Doing Business in Cyprus

Market Overview

Top Reasons to do business in Cyprus:

Cyprus' services-oriented economy is extremely dependent on imports;

Its business culture and legal system (based on Common Law) are similar to those of the United Kingdom and the United States;

U.S. products, technology, and brands are well-regarded in Cyprus;

Cyprus has been a European Union (EU) member state since 2004 and a Eurozone member since 2008.

The Republic of Cyprus offers:

- Low corporate tax at 12.5 percent and a liberal investment regime with 63 double taxation treaties (including with the United States);
- A talented, highly educated, and English-speaking work force offering professional services at competitive prices compared with the EU average;
- A strategic location at the crossroads of Europe, Asia, and Africa, making managing regional business easy;
- Advanced telecommunications network and infrastructure with a wide network of air-routes and first-rate sea connectivity.

Market Challenges

Since 1974, the southern part of Cyprus has been under the control of the government of the Republic of Cyprus (ROC). The northern part of Cyprus, administered by Turkish Cypriots, proclaimed itself the "Turkish Republic of Northern Cyprus" ("TRNC") in 1983. The United States does not recognize the "TRNC," nor does any country other than Turkey. A substantial number of Turkish troops remain on the island. A buffer zone, or "Green Line," patrolled by the UN Peacekeeping Force in Cyprus (UNFICYP), separates the two sides. Even though the whole island is part of the EU, implementation of the EU *acquis communautaire* has been suspended in the area administered by Turkish Cypriots until political conditions permit the reunification of the island.

The island's continued *de facto* division constitutes a significant constraint on economic growth, investment, and trade. Suppliers of imported products in the ROC typically do not directly serve the market in the area administered by Turkish Cypriots and vice versa. Additionally, trade between the two areas remains limited, despite the Green Line Regulation approved in 2004, which allows the movement of certain domestically-produced goods across the Buffer Zone provided they meet EU rule of origin and sanitary/phytosanitary requirements. The Regulation also codifies movement of people across the Buffer Zone, which effectively started in April 2003. For more information, please see the [European Commission website](#).

Other challenges include:

Confidence in the financial system remains fragile following the 2013 "haircut" of uninsured bank deposits, despite the recapitalization of banks and lifting of capital controls;

Lending remains constrained due to de-leveraging and stricter lending criteria, with non-performing loans close to 45 percent.

Cyprus' sovereign credit rating has been improving since 2013 but remains one to three steps from investment grade (Ba3 by Moody's, BB+ by S&P, and BB+ by Fitch);

High administrative burden and bureaucracy. The ROC is currently in the process of government restructuring to improve these issues and promoting e-government to expedite services;

Corruption scandals and investigations against government and municipal officials over conflict-of-interest issues have shaken public confidence in the transparency of important institutions, calling into question Cyprus' previously good position on transparency (more under Climate Statement/Corruption);

- A small market.

Market Opportunities

The energy sector, to include exploration, exploitation, ancillary services, and alternative energy source generation, holds significant promise for U.S. business;

Union and parliamentary opposition has stymied government plans to privatize two key state-owned enterprises: the telecommunications sector and electricity generation, although smaller-scale privatizations are still on the table. These smaller opportunities include the privatization of the Cyprus Stock Exchange, and some 30 pieces of choice government land;

U.S. products, technology, brands, and services are often sought after in the following sectors: healthcare, shipping, high technology, financial services, environmental protection technology, change management, and tourism infrastructure development projects.

Market Entry Strategy

- To navigate the Cypriot market, companies often work through a local partner;
- The Embassy's Political/Economic Section represents the Department of Commerce's Commercial Service and offers many services aimed at assisting U.S. companies wishing to enter the Cyprus market. A detailed description of these services is available [here](#).

Political Environment

Political Environment

For background information on the political and economic environment of Cyprus, please read the U.S. relations with Cyprus [factsheet](#).

Selling US Products & Services

Using an Agent to Sell US Products and Services

Republic of Cyprus:

Several U.S. companies are already represented in Cyprus on an agency/representative basis. Cypriot agents/representatives normally market U.S. products and services under binding agency agreements based on commissions. In Cyprus, a commercial agent must register with the Council of Commercial Agents and receive a license with a registration number. Our Political/Economic Section can provide U.S. companies with assistance in finding and selecting an agent, distributor, or partner through our Gold Key (GKS) or International Partner Search (IPS) services. If you have already selected a partner, before you finalize and sign contracts, our office can prepare a due diligence report on your prospective partner through the International Company Profile (ICP) service. For more extensive assistance, U.S. companies can use our Platinum Key Service (PKS), and for promoting specific products or services to the Cyprus market, the Single Company Promotion (SCP) service. For more details, please see our [list of services](#).

When it comes to investing in the United States, Embassy Nicosia's website, through its "Business Service Providers" (BSP) program, provides a non-exhaustive list of Cypriot companies who wish to do business with the United States. Please view our [BSP program](#) online.

Area Administered by Turkish Cypriots:

Engaging a local businessperson or entity is recommended for those interested in doing business in the area administered by Turkish Cypriots. For information on how to get in touch with prospective agents or distributors, please contact the Turkish Cypriot Chamber of Commerce (TCCC). The [TCCC](#) has a list of members with their respective line of business and contact information.

Establishing an Office

Republic of Cyprus:

To establish a company in Cyprus, please follow the instructions provided in the One-Stop-Shop / Point of Single Contact (OSS/PSC) website. The [OSS/PSC](#) operates under the auspices of the Ministry of Energy, Commerce, Industry, and Tourism. (Note: Prior to registering your company name, please search through [company names already registered in Cyprus](#)).

The Department of the Registrar of Companies and Official Receiver allows the following forms of legal entities to be registered: Company (Private or Public), Branch Company, General or Limited Partnership, European Company, and Business Name. More information on "Legal forms of entities" and "Incorporation fees" are available [here](#). [Contact information for PSC Cyprus](#).

Non-EU residents seeking to establish a company in the ROC must obtain a residence and employment permit from the Ministry of Interior Civil Registry and Migration Department. The procedure and regulations for obtaining a work permit for non-EU nationals is described within the [Point of Single Contact \(PSC\) Cyprus Portal](#).

For a detailed description of PSC Cyprus Portal Services, please see [here](#).

Additional information required for certain sectors and business streams is available in a searchable index of procedures available on the [PSC Cyprus Portal](#).

Area Administered by Turkish Cypriots:

Foreign and domestic entities and natural persons are allowed to establish a business in the area administered by Turkish Cypriots. Companies must first apply to the "Company Registry Office" to secure approval for the

company name and then submit all required documents to the “Registrar of Companies Office.” For more detailed information, please contact “the Turkish Cypriot Investment Development Agency (YAGA),” a one-stop-shop for both foreign and domestic investors: [“Turkish Cypriot Investment Development Agency”](#)

Tel: (+90 392) 22 82 317

E-mail: bengu.rizza@yaga.gov.ct.tr

Franchising

Republic of Cyprus:

U.S. franchises, particularly in the food and beverage sector, continue to be highly sought after and successful in Cyprus. U.S. franchise companies present in Cyprus include: McDonalds, Burger King, Starbucks, Coffee Beanery, Arabica Coffee, Pizza Hut, Papa John's Pizza, Domino's Pizza, KFC, Bennigan's, TGI Friday's, Orkin, Curves, Cinnabon, Cold Stone Creamery, Taco Bell, and Popcorn Girl Las Vegas. Besides the U.S. franchises on the island, there are many international franchise brands including Folli Follie, Accessorize, Costa Coffee, Second Cup, Ocean Basket, and Wagamama. Cypriots are brand-conscious shoppers, and consumer spending has picked up again after taking a dip during the 2013 financial crisis.

U.S. companies interested in more information about franchise opportunities in Cyprus should contact the Embassy Political/Economic Section at: +357-22-393362 or email: charalambidouey@state.gov.

Area Administered by Turkish Cypriots:

Foreign tourists (mainly from Turkey, Europe, and Middle-Eastern countries), university students, and brand-conscious local consumers demand recognizable goods imported from abroad. Foreign franchises include: U.S. Orkin pest control, Johnny Rockets, GNC Nutrition, Gloria Jean's Coffees (Australian), Domino's Pizza, Popeye's, and Sbarro.

Direct Marketing

Republic of Cyprus:

Direct Marketing is a growth industry for Cyprus, especially now with the extensive use of social media.

Area Administered by Turkish Cypriots:

Marketing and advertising services are widely available and are the standard method for attracting new customers in the area administered by TCs. The Internet and social media are also widely used in promotion efforts.

Joint Ventures/Licensing

Republic of Cyprus:

Establishing a joint venture has become increasingly common in Cyprus. Four standard formulas for joint ventures are commonly used: corporate joint venture regulated under the Companies Law, contractual joint venture, partnership joint venture regulated under the Partnership Law, and European economic interest groups. In the case of most large government tenders or projects, local companies will seek to partner with foreign companies to prepare and submit bid proposals. Local firms seek partnerships in order to leverage economies of scale and technical know-how. Foreign partners benefit from having local expertise and established bona fides.

Area Administered by Turkish Cypriots:

Establishing a joint venture is well regarded and welcomed. Foreign companies interested in participating in a “public” tender in the area administered by Turkish Cypriots are required to engage a local partner. Alternatively a foreign company can obtain domestic status by establishing a local company.

Selling to the Government

Republic of Cyprus:

For most projects or large-scale purchases, the ROC is required to issue a tender or request for proposals following [EU procurement regulations](#). Tender documents are typically released in the Greek language, which is an official EU language. In certain instances, usually for big projects, the tender documents are also released in the English language. U.S. companies can bid on any tender either directly or through a local agent. The government posts all tenders on the e-procurement website where prospective bidders can acquire tender documents and submit their proposals. To register and for more detailed information on how the website works, please click [here](#). Semi-governmental organizations have their own tender boards and evaluating committees. Under the procurement law, evaluating and awarding tenders is the responsibility of each Ministry’s or state-owned enterprise’s tender board. A [Tenders Review Authority](#) (TRA) examines complaints from bidders and ensures that project awards are not mishandled.

Information on upcoming tenders is available through the U.S. Embassy in Nicosia, Political/Economic Section (e-mail: nicosiaecon@state.gov). Alternatively, you can find relevant information through [Export.Gov](#) or through the [Business Information Database System](#) (BIDS).

Ministry technical committees evaluate government tenders. Bids are usually evaluated first on technical merit and then on cost, depending on the value of the project. Bidders on government contracts are advised to offer products/services that meet exact tender specifications.

The ROC agreed to abide by the World Trade Organization Government Procurement Agreement by way of its accession to the European Union in 2004.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

Area Administered by Turkish Cypriots:

The “Central Tenders Commission (CTC)” in the “Ministry of Finance” is responsible for all “government” tenders except those issued by “municipalities.” Each “municipality” has its own tender board and follows its own regulations and procedures for issuing a tender.

Tenders are announced in the “Official Gazette” or in a minimum of two local Turkish language newspapers. Most large tenders permit participation from international companies. International companies can participate through an agent or with a partner in the area administered by Turkish Cypriots if the tender specifications clearly state that the tender is open for international participation. The agent or partner must be fully registered in the area administered by Turkish Cypriots in order to represent any international company.

Distribution & Sales Channels

Republic of Cyprus:

Most imported products and services are handled through agents and distributors. While most agent agreements may not be exclusive, most distributor agreements are. In some cases, a distributor may obtain an agreement to represent a company in both Cyprus and Greece and often, in Eastern European countries as well. There are several major local and European supermarket chains and a few department stores. Most companies in Cyprus are relatively small, family-owned and operated, although there are some notable exceptions. Big

companies representing several brands have their own distribution centers based out of industrial areas of the major cities. All products sent to Cyprus are shipped through Limassol port. As of April 2016, DP World Limassol was awarded a 25-year concession to operate the multi-purpose terminal in Limassol, which was previously operated by the Cyprus Ports Authority. A recent trend is for foreign investors and companies to enter the market by purchasing existing companies in the ROC.

Area Administered by Turkish Cypriots:

The market structure in the area administered by Turkish Cypriots is comprised of mostly small, family-owned and operated businesses. Imports are handled by agents and distributors and usually arrive through Turkey.

Selling Factors & Techniques

Selling factors and techniques in Cyprus are the same as in the United States and in other Western European countries.

eCommerce

Republic of Cyprus:

The Ministry of Energy, Commerce, Industry, and Tourism (MECIT) is expanding e-commerce in Cyprus as an innovative way of doing business on the island. Household internet access in 2017 was 79 percent, below the EU average of 87 percent, but much higher than the world average of 51 percent. Cypriot consumers are slowly warming up to the idea of e-commerce and the Office of the Commissioner of Electronic Communications and Postal Regulations (OCECPR) is promoting the concept ardently. While web-based trade remains relatively small, it is growing slowly but surely. Most companies have their own website. Online banking is becoming increasingly popular and Cypriots are becoming accustomed to this channel for financial services. The Government is also improving its websites and offers more services and information through the Web, including through its recently created government gateway portal [Ariadni](#). For the Government's main website please see [here](#).

Area Administered by Turkish Cypriots:

E-commerce is limited but growing. Online banking services are advanced, as competition is fierce from Turkey-based banks. Most "government" offices and "ministries" have a website and some are starting to offer services; however, in general the Turkish Cypriot authorities continue to lag behind the private sector in this regard.

Trade Promotion & Advertising

Republic of Cyprus:

Besides traditional advertising media like television and radio, direct marketing techniques that involve telephone calls to prospective customers and direct-mail to households have become popular in recent years. Cable and satellite television are expanding their reach and offer another advertising medium. Advertising through the internet and through social media has grown significantly over the past few years as the number of Internet users in Cyprus has increased. Several internet providers specialize in designing web pages.

More traditional advertising channels, such as billboards or the print media, are also used extensively. General and product-specific trade shows take place year-round. Most newspapers are affiliated with particular political parties. The major Greek language newspapers are [Phileleftheros](#), [Politis](#), [Kathimerini](#), [Alithia](#), and [Simerini](#). The major English language newspapers are [In-Cyprus](#), [Cyprus Mail](#), and [Cyprus Financial Mirror](#). There are sector specific magazines like [InBusiness and Gold](#) that target businesspeople.

There are numerous radio stations and seven broadband television channels: two government-owned, three private, and three paid subscription TV channels. There are also six local TV stations on the island. Digital television is also present in Cyprus. Three companies offer cable digital TV: 1) the Cyprus Telecommunications Authority (CyTA) through its pre-existing cable network – called MiVision – 2) NV Cable Communications Systems, a strategic collaborator of the Electricity Authority of Cyprus (EAC), through the EAC’s existing fiber optics, and 3) Cablenet. Another option for viewers is NOVA satellite that services both Greece and Cyprus.

There are many advertising, public relations, and promotion agencies on the island. Most of them are partners with major agencies abroad. Our Political/Economic Section can also assist U.S. companies with promotional events through the [Single Company Promotion \(SCP\) service](#).

Area Administered by Turkish Cypriots:

There are a number of advertising agencies in the area administered by Turkish Cypriots. Besides traditional advertising media such as television and radio, direct marketing techniques that involve direct-mail to households have been used in recent years. Cable and satellite television are widely available and offer another advertising medium. More traditional advertising channels, such as billboards or the print media, are used extensively.

TV Stations: BRT (1 & 2), Kanal T, Genc TV, Kibris TV, SIM TV, ADA TV.

Radio Stations: Akdeniz FM, BRT (Bayrak Radio 1, Bayrak FM, Bayrak International, Bayrak Classic) Kibris FM, Sim FM, Radyo Guven, Dance FM, Capital FM, Radio Enerji, First FM, Radio Vatan, Radio T, Near East FM, Radyo Dogu Akdeniz, Kuzey FM, GAU FM, Radyo Mayis.

Newspapers: [Kibris](#), [Yeniduzen](#), [Havadis](#), [Gunes](#), [Kibrisli](#), [Demokrat Bakis](#), [Vatan](#), [Afrika](#), [Halkin Sesi](#), [Cyprus Today](#), [Star Kibris](#), [Kibris Postasi](#), [Diyalog](#). Most newspapers are affiliated with particular political parties.

Pricing

U.S. exporters should remember that the Cyprus market is small and most orders are for limited quantities. The usual method of transaction is by letter of credit, with 90-day terms.

Sales Service/Customer Support

Republic of Cyprus:

U.S. companies bidding on various projects in Cyprus should bear in mind that a local representative is usually recommended. When evaluating tenders for service and customer support for government projects, governmental and semi-governmental organizations will take into consideration the reliability and reputation of the local agent/representative. Also taken into consideration are after-sales service, maintenance contracts, and the availability of spare parts. Even in direct dealings with Cypriot companies through personal agreements, it is very important to prove that you can help the Cypriot company provide efficient after-sales service and spare parts (where this applies). The Political/Economic Section of the U.S. Embassy in Nicosia can help U.S. firms locate reputable local agents or perform due diligence on local companies and/or businesspeople. Please click [here](#) to review our services.

Area Administered by Turkish Cypriots:

For specific information on sales services/customer support, visit “the [Turkish Cypriot Investment Development Agency](#) (YAGA),” or the [Turkish Cypriot Chamber of Commerce](#).

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

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Due Diligence

U.S. companies are advised to perform due diligence prior to signing contracts with new partners. Although the majority of the business community is serious and professional, it is best to do some additional research before making any commitments. To assist U.S. companies with their due diligence efforts on the island, the Political/Economic Section offers the International Company Profile (ICP) report service – a background check into the particulars of potential business partners in Cyprus, including information on key officers, financial health, sales volume, and reputation. The cost for an ICP report in Cyprus is USD 700 for small companies, USD 1200 for medium companies, and USD 2000 for large companies. The report is delivered within 15 working days. More information on our [ICP service](#) is available online.

Local Professional Services

Republic of Cyprus:

The island offers a number of professional accounting, financial, consulting, advertising, public relations, and legal services. The services sector is considered one of the major sources of income for Cyprus. There are many professional services associations registered under the [Cyprus Chamber of Commerce and Industry](#). U.S. companies can also find service providers listed on the Political/Economic Section webpage under [Business Service Provider](#).

Area Administered by Turkish Cypriots:

The [Turkish Cypriot Chamber of Commerce](#) (KTTO) can provide a list of professional services available, as well as contact information.

Principal Business Associations

Republic of Cyprus:

U.S. companies with a presence in Cyprus may join any of the following associations:

[Cyprus Chamber of Commerce and Industry \(CCCI\)](#): The CCCI is the lead business association, conveying the views of the Greek Cypriot business community to the Executive and Legislative branches of the Republic of Cyprus (ROC). Founded in 1927, it has more than 8,000 corporate members and is affiliated with more than

140 professional associations from the trade, industry, and services sectors. The municipal chambers of Nicosia, Larnaca, Limassol, Paphos, and Famagusta are also members of the CCCI.

American Chamber of Commerce Cyprus (AmCham): AmCham Cyprus promotes business, economic trade, and cultural relations between the Republic of Cyprus and the United States. It advocates for a business-friendly environment in the ROC with a focus on the ease and cost of doing business. A member of the CCCI and supported by the U.S. Embassy in Cyprus, it represents prominent U.S. companies based in the ROC. AmCham issues position papers on economic and investment issues, organizes business events, and lobbies the government on issues critical to its members.

Cyprus Employers' and Industrialists' Federation (OEV): OEV promotes the interests of its members, comprising of the largest employers and industrialists on the island. It advocates for a favorable business environment. It also aims to maintain equilibrium between the business community, trade unions, and other pressure groups in the ROC's pluralistic decision-making system.

Cyprus International Businesses Association (CIBA): Established in 1992, CIBA is a non-governmental independent association, financed by membership fees only. It represents the interests of international businesses on the island, as well as their international shareholders, managers, and staff. It lobbies local authorities on issues such as taxation, social insurance, and immigration, particularly in the context of the ROC's EU membership.

Cyprus Shipping Chamber (CSC): The CSC is the trade association of the shipping industry in the ROC. Established in 1989, it is comprised of all major ship owning, ship management, chartering, and shipping related companies based in Cyprus. CSC member-companies and the wider shipping sector in Cyprus, collectively employ around 4,500 persons on-shore and more than 55,000 seafarers of various nationalities onboard their vessels.

Area Administered by Turkish Cypriots:

Turkish Cypriot Chamber of Commerce (KTTO): KTTO was founded in Nicosia, Cyprus, in 1958 and represents businesses in the area administered by Turkish Cypriots. KTTO is recognized legally in the south because its establishment pre-dates the 1974 conflict. Due to this unique status, KTTO assists in the implementation of the Green Line Trade Regulation and with implementing bicomunal business-related initiatives. KTTO is a public law chamber and membership is obligatory for businesses in the area administered by Turkish Cypriots.

Cyprus Turkish Chamber of Industry (CTCI): CTCI, established in 1977 as a non-governmental organization, still works to assist the development of Turkish Cypriot industrial establishments, in order to expand the field of their activities and to increase their efficiency. CTCI lobbies the Turkish Cypriot authorities for the development of business-related legislation, and protects the rights and interests of its members.

Turkish Cypriot Businessman's Association (ISAD): ISAD was established in 1993 and has members from all sectors of the business community. Functioning as a think tank, ISAD regularly expresses views both in business-economic related matters in the area administered by Turkish Cypriots, as well as views on politics and the Cyprus issue. ISAD regularly promotes a free market economy and encourages transparency in governance. ISAD advocates for a speedy, bi-zonal bi-communal solution to the Cyprus issue.

Limitations on Selling US Products and Services

Republic of Cyprus:

Please see "Limits on Foreign Control and Right to Private Ownership and Establishment," under the Investment Climate Statement.

Area Administered by Turkish Cypriots:

There are no limitations in selling U.S. products and services in the area administered by Turkish Cypriots.

Web Resources**Republic of Cyprus:**

These websites might be useful to companies selling U.S. products and services in Cyprus:

[Cyprus Investment Promotion Agency \(CIPA\)](#)

[Ministry of Energy, Commerce, Industry & Tourism \(MECIT\) One Stop Shop & Point of Single Contact](#)

[U.S. Embassy Nicosia](#)

Leading Sectors for US Exports & Investments

Energy

Overview

The Republic of Cyprus, located at the cross-roads of Europe, Africa, and the Middle East, offers opportunities for U.S. energy and energy-sector service providers in the areas of consulting, environmental assessment, offshore hydrocarbon exploration and exploitation, and auxiliary services. Although currently the island is powered almost exclusively by heavy fuel oil and limited renewable energy sources, the government is making efforts to import natural gas by 2020 to avoid significant EU-enforced carbon emission penalties. Exploration and exploitation of natural gas deposits in the ROC's Exclusive Economic Zone (EEZ) continue, and efforts to monetize confirmed and other recently discovered natural gas deposits in the Republic of Cyprus' EEZ are ongoing. Some options considered for monetization include a pipeline to Egypt's existing Liquefied Natural Gas (LNG) facilities and the construction of an onshore LNG plant in the Republic of Cyprus, assuming sufficient deposits of natural gas are discovered.

In 2014, the Republic of Cyprus ended the state-owned Electricity Authority of Cyprus' (EAC) monopoly on electricity generation and distribution. Stimulating competition remains difficult, however, given the small size of the market. The Cyprus Energy Regulatory Authority (CERA), in cooperation with the Transmission System Operator (TSO) and other energy stakeholders, is working to alleviate competition constraints in the power generation sector by implementing the much-anticipated New Market Rules (NMR) by July 1, 2019.

The U.S. Embassy Political/Economic team can assist any company interested in pursuing energy opportunities in the Republic of Cyprus. To acquire our Cyprus Energy Profile report or for more information on the energy landscape, please contact Commercial Specialist [Ms. Ephie-Yvonne Charalambidou](#).

Leading Sub-Sectors and Opportunities

Tenders for the Procurement of Natural Gas and Related Facilities:

The Republic of Cyprus' [Natural Gas Public Company](#) (DEFA), which is appointed as the sole importer of natural gas in Cyprus, intends to procure natural gas for power generation in an effort to meet looming EU 2020 targets. DEFA plans to launch two different tenders: one for the development of an LNG facility in Cyprus and accompanying infrastructure (ideally for a Floating Storage and Regasification Unit - FSRU), and one for the procurement of natural gas. The first tender is expected before the end of the third quarter of the year, followed by the natural gas supply tender late in the third quarter of 2018. Both tenders will have a short turnaround window for bid submissions. DEFA welcomes U.S. business participation in these tenders.

Infrastructure Development:

To encourage the development of infrastructure for the import of LNG to Cyprus, the European Commission will partially fund the CyprusGas2EU project from the trans-European infrastructure program Connecting Europe Facility (CEF). The funding, which amounts to EUR 101.5 million (USD 125 million) will not include construction of port facilities (separate project – see below) or the FSRU lease. Also partially funded by CEF, the Poseidon Med II project covers the Republic of Cyprus, Greece, and Italy. Used as a practical roadmap, it aims to promote the adoption of LNG as a safe, environmentally efficient, and viable alternative fuel for shipping. To implement, the Republic of Cyprus will require new bunkering infrastructure for LNG fuel. This has been taken into account in port upgrade efforts.

Pipeline Construction:

The Republic of Cyprus and Egypt have discussed exporting Cypriot natural gas to Egypt, but a deal has not been finalized. Industry experts anticipate a tender will be issued for the construction and maintenance of two

pipelines: one to deliver gas to existing LNG facilities in Egypt and the other to bring gas onshore to serve the domestic Cypriot market. The Cyprus Hydrocarbons Company (CHC) and the Egyptian Natural Gas Holding Company (EGAS) are reviewing the technical details to transport natural gas via pipeline from Cyprus' Block 12 to Egypt.

Site Remediation:

As part of its efforts to become a tourism hub, the Larnaca municipality issued a decree in January 2014 requiring oil companies operating there to relocate their fuel storage facilities by 2017. Oil companies are still in the process of relocating but should be able to complete their move by the end of 2019. Companies that offer site remediation may find opportunities for new business as a result of this requirement.

Education – Energy Related Degrees from Cypriot Universities in Collaboration with U.S. Universities:

With the discovery of offshore hydrocarbons in the Republic of Cyprus' EEZ and the potential for additional discoveries in the future, many local universities are designing curricula and degree programs in hydrocarbons, petroleum engineering, and related sectors. Cypriot universities are interested in establishing linkages with U.S. universities specialized in these and related fields.

Web Resources

[Natural Gas Public Company \(DEFA\)](#)

[Cyprus Energy Regulatory Authority \(CERA\)](#)

[Ministry of Energy, Commerce, Industry, and Tourism – Hydrocarbon Services Department:](#)

Oil and Gas Exploration and Exploitation

Overview

There is one confirmed gas field in the ROC's EEZ; Noble Energy's 'Aphrodite' in Block 12 totaling 4.5 trillion cubic feet (tcf). The ROC initiated in March 2016 a third licensing round for the offshore exploration and exploitation and signed Partnership Sharing Contracts (PSCs) with ExxonMobil/Qatar Petroleum for Block 10, ENI for Block 8, and ENI/TOTAL for Block 6 in April 2017. Of the 13 offshore blocks available for exploration and exploitation in Cyprus' EEZ, eight have been awarded to date. Block 12 was awarded to Houston-based Noble Energy in 2008; Blocks 2, 3, and 9 were awarded to ENI; and Blocks 10 (later relinquished) and 11 were awarded to TOTAL in 2012. In 2017, ENI partnered with TOTAL for Block 11 in a 50-50 split, where TOTAL remains the operator. Experts expect the ROC will become a natural gas exporter in the near future and that ongoing exploration in the ROC's EEZ will result in additional discoveries of hydrocarbon reserves. Recent exploration efforts by ENI/TOTAL in Block 6 show possible deposits in the range of 6-8 tcf. An appraisal well is needed to determine a more approximate amount. Offshore exploratory drilling in the ROC's EEZ is expected to continue in the last quarter of 2018, with additional drilling expected in 2019. This is a best prospect industry sector for this country. Includes a market overview and trade data.

Leading Sub-Sectors and Opportunities

Ancillary Services:

With a minimum of three exploratory drilling efforts in the pipeline for 2018 and 2019, U.S. companies offering related ancillary services in exploration and exploitation of natural gas could find potential opportunities in Cyprus.

Renewable Energy Sources (RES)

Overview

Republic of Cyprus:

The ROC's consumer electricity prices are average compared to other EU countries. ROC efforts to lower energy costs to consumers include procuring cheaper fuel (e.g. natural gas) to power Vasilikos Power Station (VPS) and the entry of future independent power producers into the market. The ROC also seeks to expand the share of renewable energy sources (RES) in Cyprus' energy mix through government supported programs and incentives, like Net Metering initiated in 2013 and Net Billing for industry, introduced in 2018. Under EU-mandated targets, Cyprus is required to increase its total energy consumption drawn from RES from its current 9.4 percent to 13 percent by 2020. It can reach its target if the ROC also acquires RES storage capabilities. The Cypriot market mostly favors solar/photovoltaic parks (PV) and general PV installations, biomass-fueled power plants, and the modernization of residential and commercial solar hot water heaters. The ROC also introduced programs for electric cars and has charging stations throughout the island.

Area Administered by Turkish Cypriots:

The Turkish Cypriot community passed the "Renewable Energy Resources Law" in 2014 which aims to reduce use of fossil fuels and allow use of alternative energies. The approval and passage of the "law" has drawn the attention of both local businesspeople interested in establishing companies based on RES, as well as, household consumers who are interested in using renewable energy. The "Renewable Energy Council" under the ["Ministry of Food, Agriculture, and Energy"](#) can provide further information.

Leading Sub-Sectors and opportunities

Renewable Energy Sources (RES) Power Storage:

The ROC and other energy interlocutors are looking into RES storage options. This is a potential opportunity for U.S. companies with storage technology equipment and expertise.

Web Resources

[Ministry of Energy, Commerce, Industry, and Tourism \(MECIT\), Energy Services Department.](#)

Shipping, Ports, and Marinas

Overview

The Republic of Cyprus' shipping register is the third largest flag in Europe and the island is a global leader in ship management. Despite the financial crisis of 2013 and the Turkish embargo on ROC flagged and managed ships calling on Turkish ports, Cyprus shipping offers new and exciting opportunities for United States economic and commercial engagement. As a hub for ship management, ship ownership, and vessel chartering services, Cyprus offers much potential for U.S. companies seeking to export shipping-related goods and services, including shipping insurance services, and marine support services for Cyprus' budding offshore energy sector. Beyond shipping, Cyprus' ports at Limassol, Larnaca, and Vasiliko, and ROC tenders for marinas offer business potential.

Leading Sub-Sectors and Opportunities

New Plans for Ports - Opportunities for Site Remediation and More:

The Cyprus Ports Authority (CPA), a state-owned enterprise (SOE) managing Cypriot ports, turned over commercial operations of the main commercial port of Limassol to private operators in early 2016. The agreement will generate an estimated €1.9 billion for the government from: (a) running the container terminal for a period of 25-30 years; (b) offering marine services to ships calling at the port, such as pilotage, for a period of 10-15 years; and (c) running the multipurpose terminal, including a passenger terminal, for a period of 25-30 years. Meanwhile, the Ministry of Transport, Communications, and Works announced a new plan for the

Larnaca port and marina in January 2017, envisioning a new 1,000-berth marina (which will be the largest in Cyprus) and redevelopment of up to 510,000 square meters surrounding the port area to include a hotel, a commercial center, luxury apartments and villas. Cypriot authorities were expecting to sign the contract for this project with the winner of the tender in 2018. Following a decision by Larnaca municipal authorities to no longer accommodate energy support services beyond August 2016, such services are in the process of being relocated to the ports of Limassol, and also to Vasiliko, which will be dedicated for hydrocarbon-based heavy industries. In order to make a smooth transition from energy support services to tourism, Larnaca port authorities are likely to require environmental-assessment studies and site remediation technology services.

Web Resources

[Cyprus Ports Authority](#)

[Ministry of Transport, Communications, and Works](#)

[Cyprus Shipping Chamber](#)

Information Communication Technology (ICT)

Overview

The Republic of Cyprus (ROC) is making efforts to improve its ICT and cyber security sectors. In 2018, it established the Digital Security Authority (DSA), which will also oversee the National Computer Security Incident Response Team (CSIRT). One of the ROC's goals is to make Cyprus a telecommunications hub in the near future and to attract international ICT companies to carry out their regional operations using Cyprus as their base. Telecommunications companies have already heavily invested in the infrastructure and in July 2018 Monaco Telecom acquired MTN Cyprus for 260 million Euro. To promote applied research, innovation, and technology, including digital, ICTs in Cyprus, the ROC passed new legislation allowing the commercialization of academic research from the University of Cyprus (UCy) and the Cyprus University of Technology (CUT). This allowed the UCy to acquire its first patents, making the inventions patented by its academic researchers an integral part to the progress of science and technology on the island.

In 2009, the United States government and the ROC signed a Science and Technology Agreement to strengthen scientific and technological capabilities, to broaden and expand relations between the extensive scientific and technological communities of both countries, and to promote scientific and technological cooperation in areas of mutual benefit for peaceful purposes including - but not limited to - nanotechnology, water issues, health, marine sciences, and archaeology. This agreement opened the doors to collaboration between the United States and Cyprus on all levels of government, business, and academia.

Leading Sub-Sectors and Opportunities

Digital Transformation and Cyber Security:

An impending revision of the ROC's digital strategy and its efforts for an overall digital transformation of the Cyprus market, have created a growing need for U.S. software, services, and platforms, as well as for a budding e-commerce market. Moreover, increased cyber security breaches, have led to a need for higher security capabilities and consulting services. Digital skills are also lacking in general and it is an area where U.S. consulting and training companies can excel.

Web Resources

[Ministry of Transport, Communications, and Works, Electronic Communications Department](#)

[ROC E-Procurement Website](#)

[Office of the Commissioner of Electronic Communications and Postal Regulations](#) (Note: Website is only available in the Greek language).

[Cyprus National Computer Security Incident Response Team \(CSIRT\)](#)

[Ministry of Energy, Commerce, Industry, and Tourism \(MECIT\)](#)

Health / Medical

Overview

Republic of Cyprus:

The Republic of Cyprus (ROC) has begun efforts to reform its health care system, including bringing its public and private health care under the umbrella of a new National Health Insurance Scheme (NHIS). Cyprus is the only EU member state without universal health coverage. In 2013, the Troika (IMF, European Commission, and European Central Bank) recommended the ROC implement the NHIS, but actual implementation is not expected before June 2019. The ROC does not have a domestic medical equipment manufacturing industry and about 90 percent of all medical equipment is imported from EU countries.

Area Administered by Turkish Cypriots:

Turkish Cypriot health “authorities” try to harmonize health “legislation” with EU standards, follow World Health Organization international health regulations, and also work with counterparts in the ROC to address global issues such as Ebola.

Leading Sub-Sectors and Opportunities

Medical Cannabis Licensing Tender:

In July 2017, the Council of Ministers approved a bill, which will allow the cultivation and trade of medical cannabis. The ROC will grant two licenses through a tendering process expected within 2018.

National Health Insurance Scheme Related Tenders:

Two major tenders for the implementation of the NHI scheme are expected within 2018, namely the “ROLLOUT of Integrated Health Care Information System (IHCIS)” and the “Digitization of Medical Records of the Nicosia General Hospital.” The two tenders will call for applications for electronic medical record systems, health care information systems, business intelligence for health, electronic content management, and decision support and knowledge management. Tools will include software and hardware devices as well as equipment.

Area Administered by Turkish Cypriots:

Medical devices, medical disposables, and medical equipment are developing markets in the Area Administered by Turkish Cypriots.

Web Resources

Republic of Cyprus

[Ministry of Health](#)

[Health Insurance Organization](#)

[Purchasing and Supply Directorate](#)

[Treasury – Public Procurement Directorate / eProcurement](#)

[Cyprus Medical Devices Competent Authority](#) (Website only available in the Greek language).

[Medical and Public Health Services](#)

Property Acquisition and Land Development

Overview

Property prices in the Republic of Cyprus peaked in 2008 and, after declining by 30 percent on average, are now on the rebound. At present levels, domestic property prices are competitive with other southern European countries, including Portugal, Spain, and Greece, as well as neighboring Israel and Lebanon. Parliament passed new legislation July 8, 2018 expediting foreclosure procedures and facilitating loan securitization. This legislation aimed at reducing the very high levels of non-performing loans tied to property but may push property prices back down again. Despite the recent improvements in the legal system, prospective property investors should be aware of persistent delays in the Cypriot judicial system, which the Cypriot authorities are trying to address.

Leading Sub-Sectors and Opportunities

Long-Term Investments

Long-term investors may find opportunities to acquire existing tourism infrastructure at discounted prices following the financial crisis of 2013. Legislation passed in 2015 and 2018 facilitates this process. Prospective investors must have a legal presence in Cyprus and be vetted by the Central Bank of Cyprus. Non-EU investors interested in acquiring large development projects in the Republic of Cyprus (ROC) may be able to overcome restrictions concerning property size by establishing a company in the ROC.

Web Resources

[Central Bank's Property Index](#)

[Royal Institution of Charter Surveyors \(RICS\) Cyprus Property Index](#)

Travel and Tourism

Overview

The Republic of Cyprus' (ROCs) tourism sector experienced another record-setting year in 2017 with over 3.6 million tourist arrivals, a 14.6 percent increase over 2016 figures. Preliminary figures for the first half of 2018 are indicative of an even better performance for this year, as the government relaxed restrictions, which limited the industry's ability to add capacity. Moreover, to further strengthen the tourism sector and its infrastructure, Parliament approved the creation of a new Deputy Ministry of Tourism July 10, 2018 scheduled to start operations January 2019. Its Deputy Minister will report directly to the President of the ROC. The Cyprus Tourism Organization (CTO), which currently handles tourism issues, will be abolished, and its staff will be folded into the new Deputy Ministry. The tourism portfolio handled by the Ministry of Energy, Commerce, Industry, and Tourism (MECIT) will also be transferred to the new Deputy Ministry and MECIT will no longer deal with tourism issues. Cypriot tourism has earned numerous prestigious awards, including a listing among Global Top 100 Sustainable Destinations. Although primarily a "sun and sea" destination, Cyprus offers more to the discerning tourist, and Cypriot authorities are trying to further enrich the tourist product by encouraging investment in new sectors such as medical, sports, or wellness tourism. Cyprus offers many advantages in this area, including a strategic location, expanding air connectivity, mild Mediterranean climate, existing high-standard hospitals and clinics with internationally educated doctors, and pervasive use of the English language.

Leading Sub-Sectors and Opportunities

Purchase of Existing Hotels or Other Tourism-Dependent Businesses:

As with other sectors, the financial crisis beginning in 2013 had taken a toll on the tourism industry. Many tourism-dependent businesses, including several large hotels, were struggling because they were over-leveraged. Most of these businesses are perfectly viable, albeit with thin profit margins due to relatively high operating costs. As their owners try to de-leverage, it is likely that some of these businesses will come up for sale over the next two to three years, either as involuntary foreclosures or through voluntary loan restructuring. Specialized consultancy firms on the island can help identify such prospects although potential investors are well advised to exercise care to avoid properties with questionable title deeds.

Construction of Greenfield Tourism Projects:

In addition to acquiring existing tourism infrastructure, investors should consider prospects in constructing large, Greenfield tourism projects in the following sub-sectors: marinas and other seafront tourist developments; theme parks; retirement and rehabilitation centers; athletic tourism projects; medical and wellness tourism; and golf courts, combined with residential developments. Non-EU entities interested in constructing large Greenfield development projects in Cyprus must be properly licensed in their country of origin.

Web Resources

[Republic of Cyprus Statistical Service data on tourism](#)

[Association of Large Investment Projects](#)

Agricultural Sector

Overview

Area Administered by Turkish Cypriots:

A Turkish funded water project supplies the area administered by Turkish Cypriots with 75 million cubic meter square tons of water per year from Turkey through a constructed pipeline. Without water shortages, agriculture is expected to be one of the rapidly rising sectors in the near future.

Leading Sub-Sectors and Opportunities

Food processing and Exports

The area administered by Turkish Cypriots produces surplus citrus, potatoes, and carob that could be processed into finished products for the domestic market or exported abroad. The export to the area administered by Turkish Cypriots of cereals and animal feed (chickens, cows, and goats/sheep) are also possible growth markets for U.S. exporters.

Customs, Regulations & Standards

Trade Barriers

Republic of Cyprus:

As a member of the European Union (EU) since 2004, most trade barriers in the Republic of Cyprus mirror those of other EU members.

Biotechnology

Cyprus has adopted several restrictive biotechnology policies since 2011. Parliament passed a law in April 2011 requiring local stores to place all bioengineered products with biotechnology content over 0.9 percent on separate shelves with a sign clearly declaring them as containing genetically modified organisms or "GMOs." Cyprus was the first EU country to introduce such legislation, and therefore the law sets an important precedent, although the European Commission has not raised any objections to it. The practical effect of the law is to discourage store owners from stocking food products with biotech content. Parliament also passed a law in 2012 providing "zero tolerance" of biotech content in conventional seeds. Under this legislation, any load of conventional seeds imported into Cyprus cannot contain even a trace of biotech seeds. The law also provides that each shipment of seeds into Cyprus must be accompanied by a "Certificate of non-Biotechnology." The government also consistently advocates EU member states' right of choice whether to allow growing biotech crops on their soil, and votes against applications to the EU for new bioengineered crops. In November 2015, the European Commission approved the ROC's request to exclude the entire ROC territory from cultivating GMO crops.

Area Administered by Turkish Cypriots:

For more information on trade barriers, contact the [Turkish Cypriot Chamber of Commerce](#)

Import Tariff

Republic of Cyprus:

Cyprus has fully adopted the EU's Common Customs Tariff (CCT) for third countries. EU products enjoy zero tariff rates. The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is the integrated Tariff of the EU and it is a multilingual database in which all measures relating to the EU customs tariff, commercial, and agricultural legislation are integrated. Post recommends exporters review the TARIC for their products to determine if a license is required. For more information, please visit the [Cyprus Customs and Excise Department](#).

[European Commission on TARIC](#)

Area Administered by Turkish Cypriots:

Tariff rates tend to be higher than in the Republic of Cyprus, depending on the product. Tariffs are applied based on the origin of the goods and are divided into two categories. Goods from Turkey and EU Member States are charged lower rates than goods from all other countries (including the United States).

Import Requirements & Documentation

Republic of Cyprus:

The Department of Customs requires the following documents for clearing products originating from non-EU countries: delivery order for the goods, an invoice, and a packing list. Various other documents according to the nature of each import will be required. A health certificate and ingredients list is required for imported food products. Additional information for business and trade is available from the [Customs and Excise Department's website](#).

[Regulation \(EU\) No 1169/2011](#) of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers.

Area Administered by Turkish Cypriots:

Firms wishing to engage in the import business in the area administered by Turkish Cypriots must register either with the Turkish Cypriot Chamber of Commerce or with the Turkish Cypriot Chamber of Industry. They

must also obtain an import permit from the "Department of Trade" in the "Ministry of Economy and Energy." [The Turkish Cypriot Chamber of Commerce](#) can provide more information.

Labeling/Marking Requirements

Republic of Cyprus:

As with other EU countries, food product labels must be in the local language (Greek in the case of the ROC) and include the product name, ingredients, net contents, name of importer/distributor, and country of origin. For additional information, please contact the [Medical and Public Health Services Department of the Ministry of Health](#).

Additional references:

[Directive 2000/13/EC](#) of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation, and advertising of foodstuffs.

The "Safety of Consumer Products Law" of 1994 outlines the legal responsibilities of those involved in the production or distribution of consumer products requiring safety warnings (including household appliances, pharmaceuticals, and many other products). One of these responsibilities concerns the proper labeling and packaging of consumer products to render them completely safe to the public. This includes having the necessary safety warnings for consumer products in Greek. The Government has re-doubled efforts for stricter enforcement of the law.

Area Administered by Turkish Cypriots:

Labeling and marking requirements are much looser in the area administered by Turkish Cypriots than in the ROC and are not yet in line with EU norms. For example, mandatory labeling in Turkish is not a requirement for imported products, as long as the label is in English or one of the other main European languages. For more information, contact the [Turkish Cypriot Chamber of Commerce](#).

U.S. Export Controls

Exports of U.S. military goods to Cyprus are prohibited. Additionally, U.S. products that are considered dual-use items (commercial and military applications) are restricted and may require an Export License from the appropriate U.S. authority. General information on export license issues is available at the [U.S. Department of Commerce Bureau of Industry and Security](#).

For assistance on how to submit an export license application through the [Department of Commerce](#).

A list that consolidates eleven export screening lists of the Departments of Commerce, State, and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: <http://developer.trade.gov/consolidated-screening-list.html>.

Temporary Entry

Republic of Cyprus:

The temporary entry of goods, allows for importation without payment of duty and it is extended to motor vehicles, goods for processing or repair prior to their re-exportation, goods for exhibition, and commercial samples, provided they do not change their form or character. The initial temporary entry permit, obtained at the time of importation, is valid for three months and can be extended by application to Customs headquarters. Additional information is available from the [Department of Customs and Excise's website](#).

Area Administered by Turkish Cypriots:

The temporary entry of goods allows for importation without payment of duty. For more information, contact the [Turkish Cypriot Chamber of Commerce](#).

Prohibited & Restricted Imports

Republic of Cyprus:

The U.S. government prohibits the export of military technology and products to Cyprus. Additionally, the Republic of Cyprus prohibits the importation of certain items. The principal ones are listed below:

- Rifles and repeating firearms, automatic and semi-automatic, repeating and semi-repeating shotguns, air guns, air rifles, and air pistols of a caliber exceeding 0.177 inches;
- Narcotics;
- Seditious publications;
- Counterfeit or false coins or currency notes;
- Goods bearing a false trade mark;
- Agricultural products, such as fresh vegetables, fruits, and plants without a phytosanitary certificate by the Ministry of Agriculture; and
- Dogs, cats, tropical fish, parrot and other birds may be imported into Cyprus after the issuance of a special permit from the Director of the Veterinary Services.

Additional information is available from the [Department of Customs' website](#).

Area Administered by Turkish Cypriots:

Importation of the following items is prohibited:

- Rifles and repeating firearms, automatic and semi-automatic, repeating and semi-repeating shotguns;
- Narcotics;
- Products containing asbestos;
- Counterfeit or false coins or currency notes;
- Importation of agricultural products also grown or produced in the area administered by Turkish Cypriots, such as in-season fresh produce, dairy products (such as milk, yogurt or halloumi cheese) and poultry are subject to the condition of the market. Turkish Cypriot "authorities" will allow importation of fresh produce not grown domestically or out of season, provided the shipment has a certificate of origin;
- Domesticated animals may be imported subject to a brief quarantine period.

Customs Regulations

Republic of Cyprus:

Customs duties are regulated by a tariff system based on the Harmonized Commodity Description and Coding system. Goods are classified according to their composition, description and purpose, and carry various rates of duty. In addition to tariffs, the following products are subject to steep excise taxes: fuel products, cars and motorcycles, carbonated soft drinks, smoked salmon, caviar, fur clothing, water faucets made of or coated by precious metals, crystal and porcelain products, and imitation cheese (e.g. cheese made of soy substitutes). Notably, excise taxes apply to the above products regardless of origin (i.e. whether they originate from the EU

or not, as well as for products made in Cyprus). Additionally, Cyprus imposes a 19 percent value added tax (VAT) on most goods and services, with certain exceptions. Please visit the [Department of Customs website](#) for more.

Area Administered by Turkish Cypriots:

The harmonized system is also used in the area administered by Turkish Cypriots. However, tariffs are not harmonized with the EU's CCT and they tend to be higher. VAT rates that could reach up to 20 percent are imposed on most goods and services in different categories. For more detailed information, please visit the "[Department of Customs](#)" ("Ministry of Finance"). Please note the website is available in the Turkish language only.

Standards for Trade

Overview

Republic of Cyprus:

Cyprus has adopted all European directives and standards. Cyprus has also adopted many EU directives into national law, such as the banking or patent legislation. Additionally, several semi-government organizations, such as the Cyprus Telecommunications Authority and the Electricity Authority of Cyprus, generally require companies bidding on tenders to meet applicable International Standards Organization (ISO) standards.

Area Administered by Turkish Cypriots:

The area administered by Turkish Cypriots lags behind in terms of harmonization with EU standards and directives. The EU Program Support Office, operated by the EU Task Force for the Turkish Cypriot community, and the "EU Coordination Center," which operates under the "Prime Ministry," coordinate closely to achieve this objective. Since 2004, 80 pieces of EU harmonized legislation (32 primary and 48 secondary) have been adopted in the area administered by Turkish Cypriots.

Standards

Republic of Cyprus:

In 2002, the Republic of Cyprus introduced the Standardization, Accreditation and Technical Information Law (N.156 (I)/2002), assigning standardization activities to the Cyprus Organization for Standardization (CYS). This law was aimed at ensuring the impartiality and integrity of the local system, while at the same time harmonizing Cyprus with EU directives. The CYS is an autonomous organization, registered under private law, with the state as the only shareholder. A seven-member board governs it with participation from the government and the private sector. The CYS is a full member of the ISO and the three main European standards organizations.

Area Administered by Turkish Cypriots:

The Turkish Standards Institute representative for the area administered by Turkish Cypriots is in charge of standards. No website is available for the representation office. [This](#) is the Institute's main web site. Director Mr. Gokhan Karay is the representative for the area administered by Turkish Cypriots and can provide additional information on Tel.: +90-392 - 2279639/40.

Testing, inspection and certification

Publication of technical regulations

The official publication of the Republic of Cyprus is the [Cyprus Government Gazette](#).

“Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.”

Contact Information

Republic of Cyprus:

For additional information on standards and labeling, please contact:

Mr. Charalambos Rousos

Acting Director

Consumer Protection Service

Ministry of Energy, Commerce, Industry, and Tourism

2 Agapinoros Str.

CY-1421 Nicosia

CYPRUS

Tel. +357-22-200900

Email: croussos@mcit.gov.cy

Area Administered by Turkish Cypriots:

Mr. Gokhan Karay

Director, north Cyprus representative

[Turkish Standards Institute](#)

Tel.: +90-392-2279639/40

Trade Agreements

Republic of Cyprus:

The Republic of Cyprus Office of the Law Commissioner website lists all [bilateral and multilateral treaties signed by the Republic of Cyprus](#). The Investment Climate Statement offers additional information under Bilateral Investment Treaties. Additionally, the [Department of State's Treaties in Force](#) lists bilateral agreements between the Republic of Cyprus and the United States.

Web Resources

Republic of Cyprus:

[Cyprus Organization for Standardization](#) (CYS)

[Cyprus Organization for the Promotion of Quality](#)

[Department of Customs and Excise](#)

Area Administered by Turkish Cypriots:

For information, visit the website of the [Turkish Standards Institution](#).

Investment Climate Statement

Executive Summary

Republic of Cyprus

The business and investment climate in Cyprus has improved since the financial crisis of 2013. Cyprus is now experiencing a solid economic recovery, driven by the tourism sector and domestic demand. The economy grew 3.9 percent in 2017, up from 3.4 per cent in 2016, and is expected to continue growing over the medium-term, but at a slower rate. In March 2016, the island graduated from a three-year economic adjustment program, boosting investor confidence in the economy. Despite a major restructuring of the banking sector and improved capital positions, the stock of non-performing loans (NPLs) has declined slowly, undermining local banks' asset quality and restraining their lending ability. In November 2017, NPLs stood at 43.7 percent of all loans, compared to 47.8 percent in December 2014. Poor contract enforcement, inefficiencies in the judicial system, and bottlenecks in the implementation of the foreclosure and insolvency legislation hamper private sector deleveraging and the further reduction of non-performing loans. Reform momentum has weakened since 2016, slowing down progress in areas like reforming the civil service and privatizing state-owned enterprises (SOEs). The European Commission's 2018 Country Report on Cyprus, released March 7, as part of the European Semester assessment, noted that the island's "robust economic recovery could help accelerate the correction of excessive macroeconomic imbalances and provide a window of opportunity to implement growth-enhancing reforms."

Strategically located at the crossroads of Europe, Asia, and Africa, Cyprus offers significant promise and opportunity to U.S. investors. Sectors offering the greatest potential for investment are in energy (including renewables), tourism infrastructure, shipping, services, and technology. Smaller, niche investment opportunities exist in food processing and franchises. Cyprus offers a low-tax business environment, skilled and English-speaking professionals, and excellent infrastructure for doing business in the eastern Mediterranean. U.S. citizens traveling with a U.S. passport may enter Cyprus without a visa for up to 90 days.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	42 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of Doing Business"	2018	53 of 190	www.doingbusiness.org/rankings
Global Innovation Index	2017	30 of 127	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (M USD, stock positions)	2016	USD 1,600	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2016	USD 24,320	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Area Administered by Turkish Cypriots

Since 1974, the southern two-thirds of Cyprus has been under the control of the government of the *Republic of Cyprus* (ROC), while the remaining area in the north has been administered by Turkish Cypriots (TCs). In 1983, the TC-administered area declared itself the "Turkish Republic of Northern Cyprus" ("TRNC"), but this has not been recognized by any country other than Turkey. While the unresolved conflict has implications for all potential investment on the island, companies considering investments in the TC-administered area should be aware of complications that arise from the lack of international recognition and the absence of a comprehensive political settlement in Cyprus. TC businesses are interested in working with American companies in the fields of agriculture, renewable energy, and franchises. The accession of the ROC to the European Union (EU) in 2004 also had important consequences for the northern part of Cyprus. Although the EU suspended implementation of the *acquis communautaire* (AC) in the area administered by TCs, EU-funded technical programs are being used to bring TC goods and services into compliance with EU standards and norms.

Turkish aid and investment continue to take place in the area administered by TCs.

The single greatest catalyst for island-wide Cypriot economic growth and prosperity lies in the efforts of both communities to achieve a political settlement. According to some analysts, prospects for a settlement hold the promise of significantly increasing the island's GDP.

Openness to and Restrictions upon Foreign Investment

Policies towards Foreign Direct Investment

Republic of Cyprus

The ROC has a favorable attitude towards foreign direct investment (FDI), putting to good advantage its strategic geographic location, low corporate and personal tax rates, 63 double taxation avoidance treaties (including with the United States), transportation infrastructure, and an educated, mostly English-speaking labor force. The 2013 financial crisis brought to the surface several underlying structural and institutional obstacles to investment, ranging from delays in obtaining building permits and court judgments, to difficulties in starting a business, and limited access to financing. In the aftermath of the crisis, ROC authorities have addressed some of these challenges in an effort to make Cyprus increasingly attractive to foreign investors. Key sectors that hold potential for investment include tourism-related infrastructure, casinos, ports, banks, real estate, and hydrocarbons/energy-related support services. Foreign investors may establish a business in Cyprus with the same benefits as local investors in most sectors with a few well-defined and transparent limitations for non-EU investors (see limits on Foreign Control, below).

For more information:

[One-Stop-Shop & Point of Single Contact](#)

Ministry of Energy, Commerce, Industry, and Tourism (MECIT)

13-15 Andreas Araouzos

1421 Nicosia, Cyprus

Tel. +357 22 409318 or 321

Fax: +357 22 409432

Email1: onestopshop@mcit.gov.cy

Email2: pccyprus@mcit.gov.cy

Area Administered by Turkish Cypriots

TCs welcome FDI and are eager to attract investments, particularly those that will lead to the transfer of advanced technology and technical skills. Priority is also given to investments in export-oriented industries. The “Turkish Cypriot Investment Development Agency” (“YAGA”) is a one-stop shop for all investors.

[“Turkish Cypriot Development Agency” \(“YAGA”\)](#)

Tel: +90 392 - 22 82317

Limits on Foreign Control and Right to Private Ownership and Establishment

Republic of Cyprus

The following restrictions apply to investing in the ROC:

Non-EU entities (persons and companies) may purchase only two real estate properties for private use (two holiday homes or a holiday home and a shop or office). This restriction does not apply if the investment property is purchased through a domestic company or as a corporation elsewhere in the EU.

Non-EU entities also cannot invest in the production, transfer, and provision of electrical energy. Additionally, the Council of Ministers may refuse granting a license for investment in hydrocarbons prospecting, exploration, and exploitation to a third-country national or company if that third country does not provide similar treatment to Cyprus or other EU member states.

Individual non-EU investors may not own more than five percent of a local television or radio station, and total non-EU ownership of a local TV or radio station is restricted to a maximum of 25 percent.

The right to register as a building contractor in Cyprus is reserved for citizens of EU member states. Non-EU entities are not allowed to own a majority stake in a local construction company. Non-EU physical persons or legal entities may bid on specific construction projects but only after obtaining a special license by the Council of Ministers.

Non-EU entities cannot invest in private tertiary education institutions.

The provision of healthcare services on the island is also subject to certain restrictions, applying equally to all non-residents.

Finally, the Central Bank of Cyprus’ prior approval is necessary before any individual person or entity, whether Cypriot or foreign, can acquire more than 9.99 percent of a bank incorporated in Cyprus.

Area Administered by Turkish Cypriots

According to the “Registrar of Companies Office,” foreign ownership of construction companies is restricted to 49 percent. Currently the travel agency sector is closed to foreign investment. Registered foreign investors may buy property for investment purposes. Foreign natural persons also have the option of forming private liability companies, and foreign investors can form mutual partnership with one or more foreign or domestic investors.

Other Investment Policy Reviews

Republic of Cyprus

The ROC has been a member of World Trade Organization (WTO) since July 30, 1995. As of May 1, 2004 it is a member State of the EU. Cyprus has not undergone investment policy reviews by the Organization for Economic Cooperation and Development (OECD) or United Nations Committee on Trade and Development (UNCTAD). The WTO published a [Trade Policy Review](#) on the EU28, including Cyprus, in July 2015.

Area Administered by Turkish Cypriots

TC “officials” have not conducted policy reviews on investment.

Business Facilitation

Republic of Cyprus

Domestic and foreign investors may establish any of the following legal entities or businesses in the ROC:

- Companies (private or public);
- General or limited partnerships;
- Business/trade name;
- European Company (SE); and
- Branches of overseas companies.

The registration process takes approximately two working days and involves completing an application for approval/change of name, followed by the steps outlined [here](#).

At the end of 2017, there were 217,588 companies registered in the ROC, 13,677 of which had been registered in 2017 (for more statistics on company registrations, please see [here](#)).

The Ministry of Energy, Commerce, Industry, and Tourism’s (MECIT’s) One-Stop-Shop offers assistance with the logistics of registering a business in Cyprus to all investors, regardless of origin and size.

In addition to registering a business, foreign investors, like domestic business owners, are required to obtain all permits that may be necessary under Cypriot law. At a minimum, they must obtain residence and employment permits, register for social insurance, and register with the tax authorities for both income tax and Valued Added Tax (VAT). In order to use any building or premises for business, including commerce, industry, or any other income-earning activity, one also needs to obtain a municipal license. Additionally, town planning or building permits are required for building new offices, or converting existing buildings. There are also many sector-specific procedures. Information on all of the above procedures is available [online](#).

The World Bank’s 2018 Doing Business report (<http://www.doingbusiness.org/rankings>) ranked Cyprus 53rd out of 190 countries for ease of doing business. Among the ten sub-categories that make up this index, Cyprus performed best in the areas of resolving insolvency (21/190) and protecting minority investors (43/190), and worst in the areas of enforcing contracts (138/190) and dealing with construction permits (120/190). Despite making small gains in several important areas, such as dealing with construction permits and starting a business, Cyprus backtracked in other areas, including paying taxes and protecting minority investors, causing it to slip in the overall ranking. However, using another metric, the Global Competitiveness Index, issued by the World Economic Forum, Cyprus climbed 19 spots in the 2017-2018 edition, ranking 64th rank out of 137 countries, compared to 83rd out of 138 countries in the previous year. The two most problematic factors for doing business in Cyprus, according to this report were providing access to financing and an inefficient government bureaucracy.

Foreign-owned micro, small and medium-sized enterprises (MSMEs) are free to take advantage of programs in Cyprus designed to help such companies, including the following:

- [Information Portal for Funding Programs](#)
- [European Bank for Reconstruction and Development \(EBRD\) in Cooperation with the Ministry of Energy, Commerce, Industry, and Tourism Advice for Small Businesses \(ASB\) Facility](#)

It should be noted that Cyprus follows the EU definition of MSMEs.

Additionally, foreign investors can take advantage of the services and expertise of the Cyprus Investment Promotion Agency (CIPA), an agency registered under the companies' law and funded mainly by the state, dedicated to attracting investment. CIPA is structured to support larger investors, investing in the country more than approximately EUR 500,000 (USD 550,000), although this is not a fixed minimum requirement.

[Cyprus Investment Promotion Agency \(CIPA\)](#)

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Area Administered by Turkish Cypriots

Information available on the ["Registrar of Companies" website](#) is available only in Turkish. An online registration process for domestic or foreign companies does not exist and registration needs to be completed in person.

The "YAGA" was established by TC authorities with the aim of it becoming a one-stop-shop for both local and foreign investors who are interested in investing in the area administered by TCs. Their website provides explanations and guides in English on how to register a company in the area administrated by TCs.

As of March 2018, the "Registrar of Companies Office" statistics indicated there were 19, 821 registered companies, of which 18,874 were TC majority-owned limited liability companies; 403 foreign companies; and 422 offshore companies.

The area administered by TCs defines MSMEs as entities having less than 250 employees. There are several grant programs financed through Turkish aid and EU aid targeting MSMEs.

The TC Chamber of Commerce (KTTO) publishes an annual Competitiveness Report on the TC economy, based on the World Economic Forum's methodology. KTTO's 2017-2018 report ranked northern Cyprus 109 among 137 economies, dropping five places from its ranking in 2016.

For more information and requirements on establishing a company, obtaining licenses, and doing business visit:

["Turkish Cypriot Development Agency" \("YAGA"\)](#)

Tel: +90 392 - 22 82317

[Turkish Cypriot Chamber of Commerce \(KTTO\)](#)

Tel: +90 392 - 228 37 60 / 228 36 45

Fax: +90 392 - 227 07 82

Outward Investment

Republic of Cyprus

The ROC does not restrict outward investment, other than in compliance with international obligations, like specific UN Security Council Resolutions. In terms of programs to encourage investment, businessmen in Cyprus have access to several EU programs promoting entrepreneurship, such as the European Commission's

Investment Plan for Europe (EC IPE), known as the “Juncker Plan” for projects over EUR 15 million (USD 16.6 million) or the Erasmus program for Young Entrepreneurs, in addition to the European Investment Bank’s guarantee facilities for SMEs for projects under EUR 4 million (USD 4.4 million).

Area Administered by Turkish Cypriots

TC “officials” do not incentivize or promote outward investment. The TC authorities do not restrict domestic investors.

Bilateral Investment Agreements and Taxation Treaties

Republic of Cyprus

Cyprus is a party to 27 [bilateral investment treaties](#) (BITs).

The ROC does not have a BIT with the United States, but it does have a bilateral agreement relating to Investments Guarantees, which came into force in 1963 through the exchange of notes. This agreement is listed as item 16 in the ROC’s list of [bilateral treaties between the ROC and the United States](#).

For additional reference on bilateral agreements in effect, please refer to the [Department of State’s Treaties in Force](#).

The United States and the ROC entered into a [Tax Convention](#) in 1985, which remains in force today.

Under this treaty, residents or citizens of the United States are taxed at a reduced rate, or are exempt from foreign taxes, on certain items of income they receive from sources within Cyprus. This income tax treaty contains what is known as a saving clause, this prevents a citizen or resident of the United States from using the provisions of a tax treaty in order to avoid taxation of U.S. source income.

An agreement between the United States and the Republic of Cyprus on the Foreign Account Tax Compliance Act (FATCA) entered into full effect January 4, 2017.

Additionally, Cyprus has signed [bilateral double tax treaties](#) with 63 countries.

Legal Regime

Transparency of the Regulatory System

Republic of Cyprus

The ROC achieved a score of 3.8 out of 6 in the World Bank’s composite Global Indicators of Regulatory Governance score (based on data collected December 2015 to April 2016) designed to explore good regulatory practices in three core areas: publication of proposed regulations, consultation around their content, and the use of regulatory impact assessments. For more information, please see [here](#).

U.S. companies competing for ROC government tenders have noted concerns about opaque rules and possible bias by technical committees responsible for preparing specifications and reviewing tender submissions. Overall, however, procedures and regulations are transparent and applied in practice by the government without bias towards foreign investors. The ROC actively promotes good governance and transparency as part of its [administrative reform action plan](#).

In line with the above plan and EU requirements, the ROC launched in 2016 the [National Open Data Portal](#) to increase transparency in government services. Government agencies are now required to post on this portal publicly-available information, data, records, on the entire spectrum of their activities, for use, including commercial use, by the public. The number of data sets available through this portal has been growing rapidly in recent months.

Several agencies and non-governmental organizations (NGOs) share competency on fostering competition and transparency, including the [ROC Commission for the Protection of Competition](#), the [Competition and Consumer Protection Service](#), under the MECIT, the [Cyprus Consumers Association](#), and the [Cyprus Securities and Exchange Commission](#).

Most laws and regulations are published only in Greek and obtaining official English translations can be difficult. When passing new legislation or regulations, Cypriot authorities follow the EU *acquis communautaire*. A formal public notice and comment procedure is not required in Cyprus, except for specific types of laws. In general, the ROC will seek stakeholder feedback directly. Draft legislation must be published in the Official Gazette before it is debated in the House to allow stakeholders an opportunity to submit comments. The ROC House of Representatives also typically invites specific stakeholders to offer their feedback when debating bills. Draft regulations, on the other hand, do not have to be published in the Official Gazette prior to being approved.

In an effort to contribute to global tax transparency, the ROC has adopted the Standard of Automatic Exchange of Information developed by the Organization for Economic Co-Operation and Development (OECD) known as Common Reporting Standard (CRS). Since January 1, 2016, the ROC Tax Department requires all financial institutions to confirm their clients' jurisdiction(s) of Tax Residence and Respective Tax Identification Number, if applicable. Additionally, the ROC has signed the U.S. Foreign Account Tax Compliance Act (FATCA), allowing Cypriot tax authorities to share information with U.S. counterparts.

Area Administered by Turkish Cypriots

The level of transparency for "lawmaking" and adoption of "regulations" in the area administered by TCs are lagging behind U.S. or EU standards.

International Regulatory Considerations

Republic of Cyprus

As an EU Member State since May 1, 2004, the *Republic of Cyprus* must ensure compliance with the *acquis communautaire* -- the body of common rights and obligations that is binding on all EU members. The *acquis* is constantly evolving and comprises of Treaties, international agreements, legislation, declarations, resolutions, and other legal instruments. EU legislation, for its part, is subdivided into:

Regulations, which are directly applicable to Member States and require no further action to have legal effect;

Directives, which are addressed to and are binding on Member States, but the Member State may choose the method by which to implement the directive. Generally, a Member State must enact national legislation to comply with a directive;

Decisions, which are binding on those parties to whom they are addressed;

Recommendations and opinions, which have no binding force.

When there is conflict between European law and the law of any Member State, European law prevails; the norms of national law have to be set aside, under the principle of EU law primacy or supremacy.

Legal System and Judicial Independence

Republic of Cyprus

Cyprus is a common law jurisdiction and its legal system is based on English Common Law, in both substantive and procedural matters. Cyprus inherited many elements of its legal system from the United Kingdom, including the presumption of innocence, the right to due process, the right to appeal, and the right to a fair public trial. Courts in Cyprus possess the necessary powers to enforce compliance by parties who fail to obey

judgments and orders made against them. There is a high level of public confidence in the integrity of the Cypriot legal system, although long delays in courts tend to undermine this trust.

International disputes are resolved through litigation in Cypriot courts or by alternative dispute resolution methods such as mediation or arbitration. Businesses often complain of court gridlock and judgments on cases generally taking years to be issued, and even more for claims involving property foreclosure.

Area Administered by Turkish Cypriots

Investors should note the EU's *acquis communautaire* is suspended in the area administered by the TCs.

The area administered by TCs is a common law jurisdiction. Judicial power other than the "Supreme Court" is exercised by the Heavy Penalty "courts," "District Courts," and "Family Courts."

TCs inherited many elements of their legal system from the British rule in the island pre-1960, including the right to appeal, and the right to a fair public trial. There is a high level of public confidence in the judicial system in the area administered by TCs. The current judicial process is procedurally competent, fair, and reliable.

Foreign investors can make use of all the rights guaranteed to TCs. Alternative dispute resolution mechanisms are not available in the TC-administered area. The resolution of commercial or investment disputes through the "judicial system" can take several years.

The TC administration has several trade and economic cooperation agreements with Turkey. For more information about legislation, visit the ["Turkish Cypriot Investment Development Agency" \("YAGA"\)](#).

Laws and Regulations on Foreign Direct Investment

Republic of Cyprus

Below are links to various publications and laws affecting incoming foreign investment:

<http://www.investcyprus.org.cy/en/media-center>;

<http://www.cypruslawdigest.com/topics/foreign-investments/item/149-protection-of-foreign-investments>;

<http://www.cypruslawdigest.com/>.

Area Administered by Turkish Cypriots

Visit the one-stop-shop, ["Turkish Cypriot Investment Development Agency" "YAGA"](#) website, for more information about laws, regulations on FDI.

Competition and Anti-Trust Laws

Republic of Cyprus

The oversight agency for competition is the [Commission for the Protection of Competition](#).

Area Administered by Turkish Cypriots

The relevant "agency" for competition is the ["Competition Board"](#).

Expropriation and Compensation

Republic of Cyprus

Private property may, in exceptional instances, be expropriated for public purposes, in a non-discriminatory manner, and in accordance with established principles of international law. The expropriation process entitles

investors to proper compensation, whether through mutual agreement, arbitration, or the local courts. Foreign investors may claim damages resulting from an act of illegal expropriation by means other than litigation. Investors and lenders to expropriated entities receive compensation in the currency in which the investment was made. In the event of any delay in the payment of compensation, the Government is also liable for the payment of interest based on the prevailing six-month LIBOR for the relevant currency.

The bail-in of depositors (converting deposits to equity) in March 2013 and other related actions sparked lawsuits in Cyprus against the ROC and the banks, most of which are still pending. Additionally, haircut victims have filed a class- action suit against various European bodies at the General Court of the European Union, while similar disputes are still pending before the World Bank's International Centre for Settlement of Investment Disputes, and the Paris-based International Chamber of Commerce (ICC) International Court of Arbitration. The ROC set up a solidarity fund in 2017, aimed at helping depositors who lost their money in the haircut, although it is still unclear how this will work in practice. In September of 2016, the European Court of Justice (ECJ) ruled that adoption of the Memorandum of Understanding (MOU) was not an unlawful act, and dismissed actions for compensation. Additionally, in its 2017 Annual Report, the European Central Bank noted that it did not expect any losses from four lawsuits filed against it and other EU bodies by depositors, shareholders and bondholders of Cypriot banks.

Area Administered by Turkish Cypriots

Private property may be expropriated for public purposes. The expropriation process entitles investors to proper compensation. Foreign investors may claim damages resulting from an act of illegal expropriation by means other than litigation.

In the cases involving private owners, these are notified, the property is then inspected, and if an agreement is reached regarding the amount, then the owner is compensated. In cases where the owner declines the compensation package, the case is turned over to local courts" a final decision.

Dispute Settlement

Republic of Cyprus

ICSID Convention and New York Convention

The ROC is a member state to the Convention on the International Centre for the Settlement of Investment Disputes (ICSID Convention), and a signatory to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Investor-State Dispute Settlement

There have been no reports of investment disputes in Cyprus involving U.S. persons over the past 10 years, and there is no history of extrajudicial action against foreign investors. Local courts recognize and enforce foreign arbitral awards issued against the government.

International Commercial Arbitration and Foreign Courts

Cyprus offers several different means of Alternative Dispute Resolution (ADR). However, recourse to ADR is not common. Some of the entities offering ADR are the following:

[**The Cyprus Chamber of Commerce and Industry**](#) (CCCI);

[**The Scientific and Technical Chamber of Cyprus;**](#)

The ROC [**Financial Ombudsman's office**](#), offers mediation services between banks and customers since 2015;

[**The Cyprus Arbitration and Mediation Centre**](#) (CAMC);

[The European Court of Arbitration in Cyprus;](#)

[The Euro-Mediterranean Alternative Dispute Resolution Centre.](#)

Additionally, the ROC Ministry of Justice and Public Order maintains a publicly available [Register of Mediators](#) for both commercial and civil disputes.

EU citizens and businesses can also use [SOLVIT](#), a free, online service, to resolve problems pertaining to internal EU market issues, like visa and residence rights, pension rights, and VAT refunds, within 10 weeks from the day the problem is reported.

Under the Arbitration Law of Cyprus, if the parties are unable to reach a settlement an arbitrator can be appointed. Arbitration rulings are fully enforceable and the court may settle an arbitral award in the same way as a judgment. Mediation is not fully enforceable, unless the settlement agreement explicitly stipulates that the parties can apply to court for enforcement. The ROC honors the enforcement of foreign court judgments and foreign arbitration awards. Domestic legislation on binding international arbitration is modeled after internationally-accepted regulations, such as the United Nations Commission on International Trade Law (UNCITRAL) Model Law on International Commercial Arbitration, which the ROC adopted in 1985. Cyprus' bilateral investment treaties with several countries also include dispute settlement provisions (see Section 3, Bilateral Investment Agreements).

Area Administered by Turkish Cypriots

Foreign investors can make use of all the rights guaranteed to TCs. Alternative dispute resolution mechanisms are not available in the TC-administered area. The resolution of commercial or investment disputes through the "judicial system" takes can take several years.

Bankruptcy Regulations

Republic of Cyprus

The ROC parliament approved in 2015 a new package of insolvency laws to overhaul existing bankruptcy procedures and help resolve the island's very high levels of non-performing loans. Bankruptcy procedures can be initiated by a creditor through compulsory liquidation or by the debtor through voluntary liquidation. The court can impose debt rescheduling, in cases where aggregate liabilities do not exceed EUR 350,000 (USD 385,000) and individuals with minimal assets and income may apply to the court via the Insolvency Service for a debt relief order of up to EUR 25,000 (USD 27,500). Discharge from bankruptcy is automatic after three years, provided all debtor assets are sold and the proceeds distributed to creditors. Fraudulent alienation of assets prior to bankruptcy and non-disclosure of assets draws criminal sanctions under the new legislation. Cypriot authorities are monitoring closely progress in implementing the new insolvency framework in order to ensure it helps rehabilitate the real economy. In March 2018, the government and political parties agreed to set up a committee of experts to forge a new national strategy on how best to deal with the persistent problem of non-performing loans.

The World Bank's 2017 [Doing Business report](#) ranked Cyprus 21st from the top among 190 countries in terms of the ease with which it resolves insolvency. For additional information, please see.

Area Administered by Turkish Cypriots

In 2013, the TCs passed a debt restructuring "law" aimed at providing incentives to restructure debts.

Industrial Policies

Investment Incentives

Republic of Cyprus

The ROC offers investors one of the lowest corporate tax rates in the EU at 12.5 percent. Other tax advantages include:

- One of the EU's lowest top statutory personal income tax rates at 35 percent;
- An extensive double tax treaties network with 63 countries, enabling lower withholding tax rates on dividend or other income received from the subsidiaries abroad;
- No withholding tax on dividend income received from subsidiary companies abroad under certain conditions;
- No withholding tax on dividends received from EU subsidiaries; and
- Low Tonnage Tax for shipping.

Additionally, Cyprus offers the option of fast-tracking investments (soon to be enhanced through dedicated legislation) and obtaining Cypriot citizenship through investment. Recently, Cyprus harmonized and enhanced all its regulations regarding investment funds, becoming a more attractive jurisdiction for managing and home-basing investment funds.

At the end of 2016, Cyprus amended its citizenship-by-investment program (CIP), reducing the investment eligibility threshold from EUR 5 million to EUR 2 million (USD 5.5 million to USD 2.2 million), to make this program more attractive to high net-worth individuals. Under the new regulations, foreign investors are eligible for citizenship provided they invest at least EUR 2 million (USD 2.2 million) in real estate, financial assets, alternative investment funds or a combination of the above. Additionally, the applicant must purchase a residence in Cyprus worth at least EUR 500,000 (USD 550,000), unless he or she has invested in property. Benefits of the Cypriot CIP include citizenship in an EU member state, which allows visa-free travel to 163 countries, along with the right to live, work, and study in all 28 EU countries. Applicants must be over 18, have a clean criminal record, and cannot be included on the list of persons whose property is frozen within the boundaries of the EU. Investors need not reside in Cyprus or pay taxes unless they spend more than 183 days on the island.

In addition to the citizenship program described above, Cyprus continues to offer a residency program for non-EU investors, provided they purchase new, immovable property in Cyprus with a market value of at least EUR 300,000 (USD 330,000). The applicant must also deposit a minimum of EUR 30,000 (USD 33,000) in a Cypriot bank and retain it there for at least three years. Cypriot residency allows indefinite stay in Cyprus, but requires holders to obtain visas for travel to the rest of the EU, a process inherently easier for EU residents.

Please see the ROC [Ministry of Interior](#) website for more information on Cyprus' citizenship and residency programs for investors.

Additionally, the [Cyprus Investment Promotion Agency](#) (CIPA) website offers this resource under "Naturalization by Investment FAQs."

In February 2017, the Council of Ministers approved a scheme aimed at attracting foreign investment to Cyprus through third-country – i.e. non-European Union – innovative start-ups. [The plan](#) invited third-country nationals with start-up capital of at least EUR 50,000 (USD 55,000), undergraduate-level education, and fluent either in Greek or English, to set up their headquarters and tax residence in Cyprus, provided their proposed business is certifiably innovative. The plan made 150 visas available to eligible investors, valid for two years, provided the relevant business takes off.

Area Administered by Turkish Cypriots

There are incentives in various forms for tourism and industrial-related investments, including:

- 100 to 200 percent investment allowance on the initial fixed capital investment expenditure for certain regions and sectors;
- exemption from “corporate tax” and “income tax” until the above-mentioned allowance percentages are met;
- exemption from “custom duties” when importing machinery and equipment the projects; and
- exemption from construction license fees.

Foreign Trade Zones/Free Ports/Trade Facilitation

Republic of Cyprus

The lead government agency handling areas subject to a special customs regime is the Department of Customs and Excise. Specific rules for the two main types of such areas, namely Customs Warehouses and Free Zones, are listed on the [Ministry of Finance website](#) and are fully harmonized with equivalent EU norms.

There are two types of Free Zones:

- Control Type I Free Zone, in which controls are principally based on the existence of a fence; and
- Control Type II Free Zone, in which controls are principally based on the formalities carried out in accordance with the requirements of the customs warehousing procedure.

Cyprus has two Control Type II Free Zones (FZs) located in the main seaports of Limassol and Larnaca, which are used for transit trade. These areas are treated as being outside normal EU customs territory. Consequently, non-EU goods placed in FZs are not subject to import duties, VAT, or excise tax. FZs are governed under the provisions of relevant EU and ROC legislation. The Department of Customs has jurisdiction over both normal zones and FZs and can impose restrictions or prohibitions on certain activities, depending on the nature of the goods. Additionally, the MECIT has management oversight over the Larnaca FZ.

A Customs Warehouse can be set up anywhere in the ROC, provided the right criteria are met and with the approval of the Department of Customs. For more information, interested parties may contact:

[Department of Customs and Excise](#)

Michali Karaoli Str.

1096 Nicosia

Tel. +357-22-601754 or 55

Fax: +357-22-302018

Email: headquarters@customs.mof.gov.cy

When larger projects are involved, potential investors interested in, establishing their own customs warehouse or seeking to engage existing customs warehouses may also contact the One Stop Shop (www.businessincyprus.gov.cy) for guidance on identifying suitable locations.

Additional information on the Limassol and Larnaca FZs can be obtained from:

[Cyprus Ports Authority](#)

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23 Kritis Street

1061 Nicosia

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Fax: +357-22-762050

Email: cpa@cpa.gov.cy

Area Administered by Turkish Cypriots

Famagusta has a "free port and zone," which is regulated by the Free-Ports and Free Zones "Law."

Operations and activities permitted there include:

- Engaging in all kinds of industry, manufacturing, and production;
- Storage and export of goods imported to the "Free Port and Zone";
- Assembly and repair of goods imported to the "Free Port and Zone";
- Building, repair and assembly of ships; and
- Banking and insurance services.

Information about incentives provided to businesses established there can be accessed at: <http://www.portisbi.com/>.

Performance and Data Localization Requirements

Republic of Cyprus

There are no requirements for local sourcing, ownership, or employment. Hiring Cypriot and EU staff is quite easy, particularly with current high rates of unemployment. However, securing work permits for non-EU staff can be difficult, particularly in sectors where there is abundant local labor readily available. In order to overcome this problem, a foreign investor must explain to the satisfaction of ROC authorities why the non-EU staff in question is essential to the business. As with other such matters, CIPA can offer invaluable assistance to investors overcoming hiring problems (see Section 2 on Business Facilitation, and Section 12 on Labor Policies and Practices.)

Area Administered by Turkish Cypriots

In order to recruit foreign labor, companies or investors can apply to the local labor authorities to for work permits, without much difficulty. Once they apply, the vacancy is announced locally. Priority is given to local citizens, who may have that expertise or skillset. In advance of application for investors requesting incentives, the "State Planning Office" carries out a feasibility study regarding the type of investment.

Protection of Property Rights

Real Property

Republic of Cyprus

EU nationals and companies domiciled in any EU country are not subject to any restrictions when buying property in the ROC. By contrast, Cypriot law imposes significant restrictions on the foreign ownership of real estate by non-EU residents. Non-EU persons and entities may purchase a maximum of two real estate properties for private use (defined as a holiday home built on land of up to 4,014 square meters; plus a second home or office of up to 250 square meters, or shop of up to 100 square meters). Exceptions can be made for projects requiring larger plots of land but are difficult to obtain and rarely granted. This restriction applies to

non-EU citizens or non-EU companies. A legal entity is deemed to be controlled by non-EU citizens if it meets any of the conditions listed below:

- 50 percent or more of its board members are non-EU citizens;
- 50 percent or more of its share capital belongs to non-EU citizens;
- Control (50 percent or more) belongs to non-EU citizens;
- Either the company's Memorandum or Articles of Association provides authority to a non-EU citizen securing the company's activities are conducted based on his/her will during the real estate acquisition period. In the case that the authority is provided to two or more persons, a legal entity is considered to be controlled by non-EU citizens if 50 percent or more of the people granted such authority are non-EU citizens.

For additional information and application forms for the acquisition of property by non-EU residents, please refer to the [Ministry of Interior website](#).

Legal requirements and procedures for acquiring and disposing of property in Cyprus are complex, but professional help from real estate agents and developers can ease the burden of complying with government requirements. The ROC Department of Lands and Surveys keeps excellent records and follows internationally accepted procedures. Non-residents are allowed to sell their property and transfer abroad the amount originally paid, plus interest or profits, without restriction.

Purchasing property in the area administered by TCs is a contentious issue in Cyprus, as per the [Ministry of Foreign Affairs note](#).

The [UK government website](#) also offers useful information on buying property in Cyprus.

Additionally, there are restrictions on investing in TC property located in the ROC. The Turkish Cypriot Property Management Service (TCPMS), established in 1991, administers properties of TCs who are not ordinarily residents of the government-controlled area. This service acts as the temporary custodian for such properties until a comprehensive political settlement is reached. The TCPMS is mandated to administer properties under its custodianship "in the manner most beneficial for the owner." Ownership of TC properties cannot change (except for inheritance purposes) except in exceptional cases when this is deemed beneficial for the owner or necessary for the public interest.

The [World Bank's 2018 Doing Business report](#) ranked Cyprus 92nd among 190 countries in terms of efficiency and quality for registering property.

Area Administered by Turkish Cypriots

Special Note: Investors are advised to consider the risks associated with investing in immovable property in the area administered by TCs. Potential investors are strongly advised to obtain independent legal advice prior to purchasing or leasing property there.

For property in the TC-administered areas, only pre-1974 title deeds are uncontested. In response to the European Court of Human Rights' (ECHR) 2005 ruling in the Arestis Xenides case that Turkey's "subordinate local authorities" in Cyprus had not provided an adequate local remedy for property disputes, TC authorities established an [Immovable Property Commission](#) (IPC) to handle property claimed by GCs. In a March 2010 ruling, the ECHR recognized the IPC as a domestic remedy. As of March 28, 2018, the IPC had received 6,415 applications, of which 888 have been concluded through friendly settlements, and 27 through formal hearings. The ROC does not consider the IPC to be a legitimate body.

On January 19, 2010, the UK Court of Appeal enforced an earlier court decision taken in the ROC in support of a [Greek Cypriot person's trespassing claim - the Orams case](#) - effectively voiding the transfers of GC property in the TC-administered areas. This landmark decision also establishes precedent in cases where foreign investors purchasing disputed properties outside of the government-controlled area can be found liable for damages.

Intellectual Property Rights

Republic of Cyprus

On the whole, IPR protection in the ROC has improved over time. Cyprus has not appeared in the Special 301 report in recent years, and was last mentioned in 2006 due to a citation by the International Intellectual Property Alliance (IIPA).

In 2012, the ROC improved its IPR legislation further by passing Law 207(I) (2012), placing the burden of proof on the defendant in cases of intellectual property right infringement. This law also allows the police to assess samples of pirated articles in lieu of the whole shipment and introduces the alternative for out-of-court settlement in some cases. Other important IPR laws include Law 103 (2007) on unfair commercial practices and Law 133(I) (2006) strengthening earlier legislation targeting copyright infringement. The Department of Customs and the Police confiscate thousands of counterfeit items every year, including pirated articles of clothing, luggage, accessories, and optical media.

For additional information about treaty obligations and points of contact at local IP offices, please see [WIPO's country profiles](#).

Resources for Rights Holders

Embassy point of contact:

George F. Demetriou

Economic Specialist

U.S. Embassy, Nicosia

Tel: +357-22-393361

Email: demetriougf@state.gov

[Local attorneys](#) listed with Embassy

[AmCham Cyprus](#)

Area Administered by Turkish Cypriots

Intellectual property rights are not adequately protected in the area administered by TCs. The "laws" in this area are inadequate, antiquated, and lack enforcement. Infringing goods imported from Turkey are a significant concern. The 2015 [Out-of-Cycle Review of Notorious Markets by the United States Representative](#) notes that online "cyberlocker" site [4shared.com](#) is reportedly based in the British Virgin Islands and hosted in Cyprus (although it is not clear whether this is in the ROC or the area administered by TCs). For information, please contact the same sources listed above.

Financial Sector

Capital Markets and Portfolio Investment

Republic of Cyprus

The ROC Stock Exchange (CSE), launched in 1996, is one of the EU's smallest stock exchanges, with a capitalization of just under EUR 2.1 billion (USD 2.6 billion) as of March 2018. The CSE and the Athens Stock Exchange (ASE) have operated from a joint trading platform since 2006, allowing capital to move more freely from one exchange to the other, even though both exchanges retain their autonomy and independence. The joint platform has increased capital available to Cypriot firms and improved the CSE's liquidity, although its small size remains a constraint. The private sector has access to a variety of credit instruments, which has been enhanced through the operation of private venture capital firms. Credit is allocated on market terms to foreign and local investors alike. Foreign investors may acquire up to 100 percent of the share capital of Cypriot companies listed on the CSE with the notable exception of companies in the banking sector.

Area Administered by Turkish Cypriots

There is no stock exchange in the area administered by TCs and no foreign portfolio investment. Foreign investors are able to get credit from the local market, provided they have established domestic legal presence, majority-owned (at least 51 percent) by domestic companies or persons.

Money and Banking System

Republic of Cyprus

The ROC banking sector is still in a process of healing and restructuring, following the March 2013 haircut of uninsured deposits. Total deposits in the Cypriot banking system grew from EUR 47.0 billion (USD 60.6 billion) at the end of 2013 to EUR 49.4 billion (USD 54.3 billion) at the end of 2017, with the EUR 2.4 billion (USD 2.6 billion) increase reflecting growing, but still fragile, depositor confidence. New legislation on foreclosures and insolvency is helping banks gradually address this problem, but progress is slow. Cypriot banks continue to face significant asset quality challenges with NPLs falling at a slow pace. At the end of November 2017, NPLs stood at EUR 21.1 billion or 43.7 percent of all loans, compared to EUR 27.3 billion or 47.8 percent in December 2014. The government and political parties agreed March 15 to set up a committee of experts to formulate a new national strategy on how to expedite resolution of the high NPLs problem. Meanwhile, an improving economy and stabilizing property market are helping households and companies service their high debt.

The state-owned Cooperative Central Bank (CCB) is facing its own set of problems, with a portfolio full of primary residences, which the current foreclosures and insolvency laws make it difficult to move overcome. The CCB, recapitalized with EUR 1.7 billion in taxpayer money in 2014 and 2015, is currently struggling with some EUR 6.4 billion in NPLs, accounting for more than half of its loan portfolio. The CCB invited interest from investors in March 2018 to either acquire a controlling stake, or buy up part of its assets and liabilities. Both local financial entities and global financial and strategic investors have expressed an interest in this process and the CCB expects to receive binding offers by the end of May 2018. The process generated uncertainty concerning the future of the CCB triggering deposit outflows, prompting the state to deposit EUR 2.5 billion at the CCB on April 3 to bolster it.

In order to open a new bank account, a foreigner must establish residency status and provide information on employment status.

Area Administered by Turkish Cypriots

The "Central Bank" oversees and regulates local, foreign, and private banks. In addition to the "Central Bank" and the "Development Bank", there are 22 banks in the area administered by Turkish Cypriots, of which 14 are TC-owned banks, and eight are international branch banks. Banks are required to follow "know-your-customer" (KYC) and AML "laws," which are regulated by the "Ministry of Economy," and supervised by the "Central Bank." Due to non-recognition issues, TC banks encounter practical difficulties as a result of not qualifying for an international SWIFT number (SWIFT code is a standard format of Bank Identifier Codes (BIC)). Therefore, TC and foreigners making international transfers depend on Turkish banks for assistance as local

banks access international markets via Turkey. The total number of deposits, which includes bank, “public,” individual and other was approximately USD 5.1 billion as of September 2017. More information is available at the [“Central Bank” website](#).

Foreign Exchange and Remittances

Foreign Exchange Policies

Republic of Cyprus

As a member of the Eurozone, the ROC uses the euro as its currency. The Eurozone has no restrictions on the transfer or conversion of its currency, and the exchange rate is freely determined in the foreign exchange market. There is no difficulty in obtaining foreign exchange. Since the 2008 financial crisis, the European Commission, has pursued several initiatives aimed at creating a safer and sounder financial sector, known as the Banking Union. These initiatives, which include stronger prudential requirements for banks, improved depositor protection and rules for managing failing banks, form a single rulebook for all financial actors in the 28 Member States of the EU. The single rulebook is the foundation of the [Banking Union](#).

Area Administered by Turkish Cypriots

The northern part of Cyprus has a separate financial system. As a result, the financial crisis in the ROC government-controlled area has had little impact on capital transfer policies in the area administered by TCs. The financial system in the area administered by TCs is linked closely with that of Turkey. The Turkish Lira (TL) is the main currency in use, although the Euro, U.S. dollar, and British Pound are commonly accepted. The vast majority of business borrowing is derived from domestic and Turkish sources.

Any kind of devaluation of the TL in Turkey against foreign exchange rates (or the opposite), has an effect on the economy of the area administered by TCs. Wages across sectors are generally paid in TL, but almost all real estate, electronic white goods, vehicles, and other products are sold in foreign currencies. Banks in the TC administered areas provide low interest rate loans to customers who seek foreign exchange loans in Euros or British Pounds, but interest rates are higher in TL. Foreign investors are authorized to repatriate all proceeds from their investments and business.

Banks are free to keep foreign currency, act as intermediary in import and export transactions, accept foreign currency savings, engage in purchase and sale of foreign currency, and give foreign currency loans.

Remittance Policies

Republic of Cyprus

There are no restrictions or delays on investment remittances or the inflow or outflow of profits.

Cyprus is a member of the Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), a FATF-style regional body. Its most recent mutual evaluation report of the Cypriot banking sector, conducted in March 2013, can be found [here](#).

Sovereign Wealth Funds

Republic of Cyprus

The ROC is currently in the process of establishing a sovereign wealth fund, dubbed the National Investment Fund (NIF). The NIF will administer future revenues from future offshore hydrocarbons revenue. Draft legislation for the NIF is pending before parliament, undergoing final vetting by the House Finance Committee as of March 2018. The draft incorporates feedback from various entities, including political parties, the Auditor General, and the Fiscal Council, and it is based on the Norwegian model and internationally-accepted best practices. The NIF will be based on the Fiscal Responsibility and Budget Systems Law (Law 20(I) of 2014),

reforming Public Financial Management in line with international best practices, and introducing greater fiscal discipline.

Area Administered by Turkish Cypriots

There is no established sovereign wealth fund.

State-Owned Enterprises

Republic of Cyprus

The ROC maintains exclusive or majority-owned stakes in more than 40 SOEs, and is making slow progress towards privatizing some of them (see sections on Privatization and OECD Guidelines on Corporate Governance of SOEs). These SOEs operate in a competitive environment (domestically and internationally) and are increasingly responsive to market conditions. The state-owned EAC monopoly on electricity generation and distribution ended in 2014, although competition still remains difficult given the small market size. As an EU member state, Cyprus is a party to the WTO Government Procurement Agreement (GPA).

OECD Guidelines on Corporate Governance are not mandatory for ROC SOEs, although some of the larger SOEs have started adopting elements of corporate governance best practices in their operating procedures. Each of the SOEs is subject to dedicated legislation. Most are governed by a board of directors, typically appointed by the government at the start of its term, and for the duration of its term in office. SOE board chairs are typically technocrats, affiliated with the ruling party. Representatives of labor unions and minority shareholders contribute to decision making. Although they enjoy a fair amount of independence, they report to the relevant minister. SOEs are required by law to publish annual reports and submit their books to the Auditor General.

Area Administered by Turkish Cypriots

In the area administered by TCs, there are several "state-owned enterprises" and "semi-state-owned enterprises," which common utilities and essential services.

In the TC-administered area, the below-listed institutions are known as "public economic enterprises" (POEs), "semi-public enterprises" and "public institutions," which aim to provide common utilities and essential services.

Some of these organizations include:

- Turkish Cypriot Electricity Board (KIBTEK);
- RTK - State Television and Radio Broadcasting Corporation;
- Cyprus Turkish News Agency;
- Turkish Cypriot Milk Industry;
- Cypruvex Ltd. - Citrus Facility;
- EMU - Eastern Mediterranean Foundation Board;
- Agricultural Products Corporation;
- Turkish Cypriot Tobacco Products Corporation;
- Turkish Cypriot Alcoholic Products LTD;
- Coastal Safety and Salvage Services LTD;
- TC Development Bank.

Privatization Program

Republic of Cyprus

Since January 2017, commercial operations at Limassol port have been transferred to the private sector, in a public-private partnership model already implemented at Larnaca port. Other than this, the ROC has made limited progress towards privatizations, despite earlier commitments to international creditors to raise EUR 1.4 billion (USD 1.5 billion) from privatizations by 2018. In December 2015, under the threat of strikes, the government reversed earlier plans to privatize the Electricity Authority of Cyprus (EAC), although it is still pushing ahead with unbundling the EAC's generation and transmission operations into separate legal entities. In July 2017, opposition parties passed legislation abolishing the Privatizations Unit, an independent body established March 2014. Despite this setback, the Anastasiades administration, which won a second term in March 2018, remains committed to pursuing privatizations in piecemeal fashion. The port of Larnaca remains on track for privatization by 2019, while the state lottery is also expected to be sold. The government intends to pursue finding long-term investors to lease state-owned properties in the Troodos area, and forge a strategic plan on how to handle the Cyprus Stock Exchange. Meanwhile, in March 2018, the House Finance Committee was still reviewing a bill providing the transfer of Cyprus Telecommunications Authority (CyTA) commercial activities to a private legal entity, with the government retaining majority ownership.

Area Administered by Turkish Cypriots

The airport at Ercan and K-Pet Petroleum Corporation have been converted into public-private partnerships. The concept of privatization continues to be controversial in the TC community.

In March 2015, TC authorities signed a public-private partnership agreement with Turkey regarding the management and operation of the water obtained from an underwater pipeline funded by Turkey. Within the area administrated by TCs, there has also been discussion about privatizing the electricity authority "KIBTEK", TC telecommunications operations, and the ports.

Responsible Business Conduct

Republic of Cyprus

In recent years, responsible business conduct (RBC) awareness among both producers and consumers is growing in Cyprus. Leading foreign and domestic enterprises tend to follow generally-accepted RBC principles, and firms pursuing these practices tend to be viewed more favorably by the public. The [Cyprus Stock Exchange](#) is among the entities imposing a responsible code of conduct among listed companies. Most professional associations also promote ethical business conduct among their members, including the Cyprus Bar Association, and the Institute of Certified Public Accountants of Cyprus.

The ROC does not specifically adhere to OECD Guidelines for Multinational Enterprises, however, multinationals are expected to follow generally-accepted RBC principles. ROC authorities have made some initial soundings considering the possibility of eventually joining the [Extractive Industries Transparency Initiative](#) (EITI).

Area Administered by Turkish Cypriots

RBC awareness has grown among both producers, consumers and business in the area administrated by Turkish Cypriots. Firms pursuing these practices tend to be viewed favorably by the public.

Corruption

Republic of Cyprus

Transparency International, the global anti-corruption watchdog, promoted Cyprus to rank 42 in its [2017 Corruption Perception Index](#) from 45 the year before. Disagreements between the Berlin-based headquarters of Transparency International and its Cypriot division in 2017 led to the discreditation of the latter in 2017 and the launch a successor organization on the island called the Cyprus Integrity Forum (contact details follow).

Corruption, both in the public and private sectors, constitutes a criminal offense. Under Cyprus' Constitution, the Auditor General controls all government disbursements and receipts and has the right to inspect all accounts on behalf of the Republic. Private sector concerns focus on the inertia in the system, as reflected in the Auditor General's annual reports, listing hundreds of alleged incidents of corruption and mismanagement in public administration that usually remain unpunished or unrectified. A 2016 survey found 65 percent of local CEOs listed bribery and corruption as the top threat to their companies' ability to conduct business.

Cyprus cooperates closely with EU and other international authorities to fight corruption and provide mutual assistance in criminal investigations. Cyprus ratified the European Convention on Mutual Assistance in Criminal Matters. Cyprus also uses the foreign Tribunal Evidence Law, Chapter 12, to execute requests from other countries for obtaining evidence in Cyprus in criminal matters. Additionally, Cyprus is an active participant in the Council of Europe's Multidisciplinary Group on Corruption. Cyprus signed and ratified the Criminal Law Convention on Corruption and has joined the Group of States against Corruption in the Council of Europe.

Cyprus is a member of the [UN Anticorruption Convention](#) but it is not a member of the [OECD Convention on Combatting Bribery](#).

Resources to Report Corruption

Government agencies responsible for combating corruption:

Financial Crime Unit

[Cyprus Police Headquarters](#)

Athalassa

1478 Nicosia

Tel. +357-22-808080

E-mail: fcu@police.gov.cy

[Unit for Combating Money Laundering \(MOKAS\)](#)

7 Pericleous Str.

2020 Strovolos

Tel. +357-22-446004

E-mail: mokas@mokas.law.gov.cy

[Auditor General of the Republic](#)

6 Deligiorgi Str.

1406 Nicosia

Tel. +357-22-401300

E-mail: omichaelides@audit.gov.cy

Anti-corruption NGO:

Cyprus Integrity Forum (CIF)

27 Michalacopoulou Street

City Business Centre

Office FF08

1075 Nicosia

T. +357 22 025772

F. +357 22 025773

E-mail: info@cyprusintegrityforum.org

Area Administered by Turkish Cypriots

Corruption, both in the public and private sectors, constitutes a criminal offense. The "Audit Office" controls all disbursements and receipts and has the right to inspect all accounts. In its annual report, this office identifies specific instances of mismanagement or deviation from proper procedures and anecdotal evidence suggests corruption and patronage continue to be a factor in the economy.

Political and Security Environment

Republic of Cyprus

There have been no incidents of politically-motivated damage to foreign projects and or installations since 1974. U.S. companies have not been the target of violence. There were numerous relatively peaceful protests against the ROC government following the financial crisis of March 2013 and in response to the forced conversion of deposits into equity. Since then, protests against additional austerity measures have been fairly calm. Several of these demonstrations resulted in minor scuffles with police but most passed without incident.

Area Administered by Turkish Cypriots

There have been no incidents of politically-motivated damage to foreign projects and or installations since 1974. U.S. companies have not been the target of violence.

Labor Policies and Practices

Republic of Cyprus

The rate of unemployment in the ROC has declined steadily, dropping from 16.1 percent in 2014 to 11.1 percent in 2017, but remains above the EU28 average of 7.6 percent in 2017. According to Eurostat, Cyprus has a tertiary education attainment level of 36.3 percent of the total population – well above the EU28 average of 26.7 percent, and one of the highest in the EU. Many of these graduates are from UK and U.S. colleges and universities, resulting in an abundant supply of English-speaking staff. Cyprus' total labor force was estimated at 363,060 persons in 2016, broken down as follows: services, 79.3 percent; industry and construction, 17.1 percent; and agriculture, 3.6 percent. More women are joining the labor force and their percentage participation has risen from 33.4 percent in 1980 to 48.1 percent today. For information about hiring local employees, contact the [Ministry of Labor and Social Insurance](#).

Cypriot labor law differentiates between layoffs and firing on redundancy grounds. In order to be eligible for redundancy pay, an employee must have worked in the same position for more than two years, and must be laid off either due to: (a) budget constraints leading the employer to abolish the position, or (b) inability on the part of the employee to keep up with technological advances. Employees made redundant by their employer are entitled to a redundancy payment depending on their length of service. Redundancy payments are

equivalent to between two and four weeks of pay per year of service depending on length of service for up to 25 years, with a maximum of 75 weeks of pay or EUR 55,000 (USD 60,500) per employee, whichever is greater. Redundancy payments are made out of a government fund, supported with employer and employee contributions. In addition to redundancy pay, a handful of employers, including banks and SOEs, offer severance pay to their employees, although this is not common in the private sector.

Worsening labor conditions over the past five years have encouraged some employers to resort increasingly to hiring temporary workers or employ staff on personal contract to avoid hiring unionized labor, often offering less than the going rate under collective agreements. Some employers hire employees for a year in order to benefit from a wage subsidy of up to EUR 1,100 (USD 1,210) per month by the Human Resources Development Authority and then dismiss them as soon as the subsidy expires.

International companies are not required by law to hire union labor. Investors should be aware Cyprus tends to have strong unions in several sectors. As of March 2017, the percentage of the labor force belonging to unions was unofficially estimated at approximately 50 percent, compared to the EU average of approximately 33 percent. The unions remain vocal opponents to privatizations and general austerity measures.

As an EU country, Cyprus also has robust labor standards, safeguarding the freedom of association and the right to organize and bargain collectively. The Department of Labor Inspection and other bodies effectively guard against forced labor, child labor, employment discrimination, and secure acceptable working conditions with respect to minimum wage, occupational safety and health, and hours of work. There are several social safety net programs, including unemployment insurance.

For additional information on Cypriot labor legislation, please refer to the [International Labor Organization \(ILO\) website](#).

Cyprus imposes a minimum wage for certain professions as follows (as of March 2016):

- Clerks/secretaries, sales assistants, paramedical, live-in maids/domestic helpers, school assistants/child-caregivers: EUR 870 (USD 957) per month, rising to EUR 924 (USD 1,016) after six months' employment.
- Security guards: EUR 4.90 (USD 5.39) per hour, rising to EUR 5.20 (USD 5.72) after six months' employment.
- Cleaning personnel: EUR 4.55 (USD 5.00) per hour, rising to EUR 4.84 (USD 5.32) after six months' employment. Non-EU, live-in domestic servants have a separate minimum wage, set at EUR 460 (USD 506) per month, plus their room and board.

For all other professions, there is no minimum wage and wages are set by the employer and employee. Collective bargaining agreements between trade unions and employers cover most sectors of the economy. Wages set in these agreements are typically significantly higher than the legislated minimum wage.

Under the EU single market, EU citizens benefit from the right to free movement of workers. Employers are required to seek work visas for third-country nationals from the Civil Registry and Migration Department. The ROC caps the number of third-country nationals a company may employ. Some companies have noted seeking visas for their third-country national staff can be lengthy and cumbersome. Third-country nationals may visit the [Ministry of Foreign Affairs website](#) and [CyprusVisa.EU](#) for visa information on Cyprus.

[U.S. passport-holders](#) do not need a visa for Cyprus for short visits of up to 90 days. U.S. travelers to Cyprus should consult the website of the [ROC Embassy in Washington DC](#).

Area Administered by Turkish Cypriots

According to the latest TC Competitiveness Report, published by KTTO, the greatest obstacle to doing business are inefficient public bureaucracy, insufficiently trained workforce, followed by policy instability.

Reliable labor statistics are often difficult to obtain. The "State Planning Office" ("SPO") estimated the total employed in 2017 was estimated at 121, 889. The labor force in the area administered by TCs has a high per capita rate of college graduates, including many from U.S. and European universities and offers an abundant supply of white-collar workers. Estimated unemployment was estimated at approximately 5.6 percent, as of December 2017. As of the most recent statistics available in 2016, women accounted for roughly 30 percent of the labor force. Around 10 percent of private sector workers and more than 65 percent of "semi-public" and "public sector" workers belong to labor unions. Workers are allowed to form and become members of unions. As of March 2018, the minimum wage was TL 2, 365 gross per month (USD 600).

Foreign persons are required to obtain work permits through their employer. Foreign entities may import their key personnel from abroad and are also permitted to hire trainees and part-time workers. A full-time work week is 40 hours for "public sector" employees.

Public sector working hours are 08:00am – 12:30, 12:30 – 13:00 lunch break, 13:00-16:15 (Thursdays until 17:30).

Private sector working hours are 08:00 – 17:00 (with an hour lunch break). Private sector employees can work up to 8 hours a day. After 8 hours, employees can continue to work up to 4 hours of overtime a day, as long as they receive their over-time. Employees cannot work on Sundays unless there is an emergency, or an approval by labor authorities.

Workers exercised the right to bargain collectively. Public and semipublic employees benefited from collective bargaining agreements. The "law" provides for collective bargaining. According to union representatives, authorities did not effectively enforce "labor laws" and lagged behind inspection.

According to authorities, the majority of foreign workers were from Turkey and worked in the service (hotel, restaurant, catering) and construction sectors.

OPIC and Other Investment Insurance Programs

Republic of Cyprus

The [Overseas Private Investment Corporation](#) (OPIC) is not active in Cyprus, but OPIC finance and insurance programs are open and may be useful when bidding on build, operate, and transfer (BOT) contracts in the government-controlled areas.

Likewise, U.S. exporters should avail themselves of [Export-Import Bank](#) financing whenever possible.

The ROC is a member of the Multilateral Investment Guarantee Agency (MIGA) and of the multilateral Convention on the Settlement of Investment Disputes between States. A full list of ROC multilateral agreements currently in effect is available from the [ROC Office of the Law Commissioner website](#).

Area Administered by Turkish Cypriots

See the "[Turkish Cypriot Investment Development Agency](#) (YAGA)."

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical Source*	USG or International Statistical Source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other

Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (M USD)	2016	USD 20,116	2016	USD 20,047	www.worldbank.org/en/country
Foreign Investment	Direct Host Statistical Source*	Country Source*	USG or International Statistical Source	USG or International Statistical Source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (M USD , stock positions)	2016	USD 3,865	2016	USD 1,625	BEA data available at http://bea.gov/international/direct-investment-multinational-companies-comprehensive-data.htm
Host country's FDI in the United States (M USD , stock positions)	2016	USD 172	2016	USD 2,218	BEA data available at http://bea.gov/international/direct-investment-multinational-companies-comprehensive-data.htm
Total inbound stock of FDI as % host GDP	2016	19.3%	2016	8.1%	N/A

* Host Country Source: Central Bank of Cyprus.

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data, 2016					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	200,154	100%	Total Outward	196,648	100%
Russian Federation	32,817	16.4%	Bahamas, The	46,202	23.5%
Netherlands	13,324	6.7%	Russian Federation	30,464	15.5%
Germany	9,600	4.8%	British Virgin Islands	18,150	9.2%
United Kingdom	5,790	2.9%	Netherlands	8,674	4.4%
British Virgin Islands	4,853	2.4%	Luxembourg	6,294	3.2%

"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets, 2016

Top Five Partners (Millions, US Dollars)

Total			Equity Securities			Total Debt Securities		
All Countries	15,622	100%	All Countries	6,286	100%	All Countries	9,336	100%
Russian Fed.	3,667	23%	Russian Fed.	3,147	50%	Ireland	1,255	13%
Luxembourg	1,813	12%	Greece	979	16%	Luxembourg	1,232	13%
Ireland	1,801	11%	Luxembourg	581	9%	France	665	7%
France	691	4%	Ireland	546	9%	Netherlands	548	6%
Netherlands	567	4%	Austria	251	4%	Russian Fed.	520	6%

Contact for More Information on the Investment Climate Statement

George F. Demetriou
 Economic Specialist
 U.S. Embassy
 Metochiou & Ploutarchou Streets
 2407 Engomi
 Nicosia, Cyprus
 Tel: +357-22-393361
DemetriouGF@state.gov

Trade & Project Financing

Methods of Payment

The usual method of payment for business transactions is by letter of credit, with 90-days credit.

Credit rating reports are available through the following firms:

[InfoCredit Group Cyprus Ltd.](#)

Address: Philippou Hadjigeorgiou 5A, Acropolis, Nicosia 2006

Tel.: +357-22-398000

Fax: +357-22-458937

E-mail: info@infocreditgroup.com

[Rime Information Bureau Ltd.](#)

Address: 8 Vasiliou Voulgaroktonou, Politis Newspaper Building, Nicosia 1010

Tel.: +357-22-768662

Fax: +357-22-768660

E-mail: rimeib@rimeib.com

Argus Information Service Ltd.

Member of Lyssiotis Group

10A Salaminos Ave.

Alexia Court, 2nd Floor

P.O. Box 21176, 1503 Nicosia

Tel.: +357-22-348042

Fax: +357-22-348020

E-mail: janett@cytanet.com.cy

E-mail2: foulla.ar@cytanet.com.cy

[Artemis Bank Information Systems Ltd](#)

Address: 77 Strovolos Avenue , Office 501, 2018 Strovolos, Nicosia

Tel.: +357-22-454791, +357-99-621168 (cell)

Fax: +357-22-454786

Email: achilleas.amvrosiou@artemis.com.cy

InfoCredit Group Cyprus Ltd. and Rime Information Bureau Ltd., also offer debt collection services.

Visa, Mastercard, and American Express credit cards are widely used and accepted.

Banking Systems

Republic of Cyprus:

The Cypriot banking system is still restructuring, following significant consolidation after the 2013 financial crisis. Demand for new lending remains constrained as the economy is deleveraging under the burden of a non-performing loan (NPL) portfolio worth 45 percent of total lending. Progress in addressing NPLs has been slow so far, but new legislation on foreclosures and insolvency passed in July 2018 should help banks address this problem more effectively in the future. To support these efforts, the European Investment Bank and European Bank of Reconstruction and Development, have made lending and guarantee programs available in Cyprus. Standard banking services in the ROC compare well with other European countries and the United States. The Central Bank of Cyprus supervises private banks and requires them to meet Bank for International Settlements (BIS) standards as well as corresponding directives by the European Union. Bank financial statements are in compliance with international standards and audited by internationally recognized auditors. Since 2001, a deposit insurance scheme has been in operation, under the Banking Law of 1997. Regulations passed in the summer of 2009 raised the guaranteed amount under this scheme from EUR 20,000 to EUR 100,000 per depositor.

Area Administered by Turkish Cypriots:

Banking supervision has improved in the past few years. The “Central Bank” oversees and regulates all branches of local banks, foreign banks, private banks, and international banking units. Out of 22 on-shore banks, there are 14 Turkish Cypriot banks, seven international bank branches and one development bank. Two of the five members of the “Central Bank’s” “Board of Directors” are from Turkey, as is the “Central Bank Governor.” Turkish Cypriot banks do not have access to the SWIFT system so Turkish Cypriot banks rely on their correspondent banking relationships for foreign currency transactions.

For more information about [banks](#) and the [banking system](#).

Foreign Exchange Controls

Republic of Cyprus:

There are no capital restrictions in the Republic of Cyprus. As with other EU countries, travelers to Cyprus must declare cash sums greater than EUR 10,000 upon arrival.

Area Administered by Turkish Cypriots:

There are no capital controls in effect. Travelers exiting the area administered by Turkish Cypriots - whether residents or non-residents - may carry up to USD 10,000 in local or foreign currency, without prior permission. Travelers must obtain authorization from the Turkish Cypriot "Central Bank" for sums over this threshold and declare the money to the "Department of Customs" at the port of exit. There is no restriction for the import of currency into the area administered by Turkish Cypriots.

US Banks & Local Correspondent Banks

Republic of Cyprus:

There are 36 banks in Cyprus of which eight are incorporated locally, including the Cyprus Cooperative Bank, which is currently in the process of merging with Hellenic Bank (previously, the second- and third-largest domestic banks domestically). The remaining banks are branches of foreign-incorporated banks or representative offices, conducting their operations mainly with non-residents. These banks offer all types of services, including deposit accounts, lending advances, leasing, credit card facilities, and automatic banking machines. Some of them have subsidiaries dealing with insurance services, investment banking, and other related services. Most of these banks, particularly those incorporated domestically, have correspondent arrangements with U.S. banks. Though Ex-Im Bank does not offer any specific programs for the Republic of Cyprus, exporters may still avail themselves of their export financing assistance if the transaction meets the Bank’s criteria. For more information on the banking system, please visit the [Central Bank of Cyprus](#).

Area Administered by Turkish Cypriots:

There are 22 banks operating in the area administered by Turkish Cypriots. Fourteen are TC banks, seven are international bank branches, and there is one development bank. Some branch banks have correspondent facilities with the United States. The full list of domestic banks in the area administered by Turkish Cypriots can be obtained from the [Turkish Cypriot Banks Association](#).

Project Financing

Republic of Cyprus:

Despite several upgrades since 2014 Cyprus' sovereign credit rating by all three major credit rating agencies remains just below investment grade. A list of the current ratings is available from the [Ministry of Finance](#).

Obtaining credit from local banks remains challenging for most Cypriot businesses in view of the general trend towards deleveraging and stricter lending criteria following recapitalization of the banking sector. Banks in Cyprus employ all modern methods of cross-border financing, including letters of credit, bills for collection, documentary credit and cash against documents.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help businesses that create U.S. jobs learn how to get involved in bank-funded projects and how to connect to other parts of the International Trade Administration, including the U.S. Field; the overseas network of Commercial Service offices; and, in Washington, desk officers, sectoral experts and the Advocacy Center.

Web Resources

- [Commercial Service Website](#)
- [World Bank project procurement](#)
- [World Bank corporate procurement](#)
- [Commercial Liaison Office to the European Bank for Reconstruction and Development](#)

Area Administered by Turkish Cypriots:

Domestic banks and Turkish Cypriot businesses have limited access to international capital.

Financing Web Resources

[Trade Finance Guide](#): A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team.

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

Republic of Cyprus:

[Central Bank of Cyprus](#)

Area Administered by Turkish Cypriots:

[“Central Bank”](#)

[Turkish Cypriot Banks Association](#)

Business Travel

Business Customs

Despite the long and hot summer, the conventional business dress code usually calls for a suit and tie for men and conservative attire for women. More casual wear is usually worn when entertaining business guests, depending on the venue. It is considered a courtesy for business people to host business lunches or dinners while discussing possible cooperation. Business cards are traditionally exchanged at business meetings and gifts are acceptable in the private sector and to a lesser extent in the public sector.

Travel Advisory

Cyprus enjoys one of the lowest crime rates in Europe, good hygienic conditions, and a modern array of goods and services. Visitors may obtain travel advisory information [here](#). Additionally, U.S. businesses in Cyprus can contact the U.S. Embassy in Nicosia and request a security briefing from the Regional Security Officer.

Visa Requirements

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

[State Department Visa Website](#)

[U.S. Embassy Consular Section](#)

Republic of Cyprus:

U.S. citizens do not need visas to enter Cyprus. Persons arriving with the intention to work must obtain special work permits. For more detailed information, please visit the [Ministry of Interior, Civil Registry and Migration Department website](#).

Area Administered by Turkish Cypriots:

U.S. citizens do not need visas to enter the area administered by Turkish Cypriots. Visitors arriving in the government-controlled area are normally able to cross into the area administered by Turkish Cypriots without hindrance, although on occasion, travelers have reported difficulties at both the Greek Cypriot and Turkish Cypriot checkpoints particularly if the traveler originally arrived on the island via Ercan airport. Policy and procedures regarding such travel are subject to change. More information on current procedures may be obtained at the U.N. Buffer Zone Ledra Palace checkpoint in Nicosia.

Currency

Republic of Cyprus:

Euro

Area Administered by Turkish Cypriots:

Turkish Lira (Euro, dollar and pound are accepted in almost all places)

Telecommunications/Electronics

Republic of Cyprus:

The island's telecommunications system is advanced and efficient. More than 190 countries can be reached through fully automatic direct dialing. Installation services are usually completed within a few days. Telefax and internet service are widely available. The average Internet connection speed is 8 Mega Bytes per Second (MBPS), although speeds of up to 100 MBPS are readily available for a higher fee. Wi-Fi is widely available in

hotels, restaurants, and coffee shops. GSM cellular phone technology is the standard and it is delivered on European frequencies. The Cyprus Telecommunications Authority (CyTA – a semi-governmental organization), MTN, PrimeTel and Cablenet provide fixed line, internet, and cellular phone services. Cablenet provides the cell service through CyTA's mobile network, as a Mobile Virtual Network Operator (MVNO). MTN also offers Blackberry services. As of 2015, MTN, PrimeTel, and CyTA offer fourth generation (4G) mobile telecommunications technology services. Mobile phones issued in the ROC do not work in the area administered by Turkish Cypriots and vice versa. The [Office of the Commissioner of Telecommunications and Postal Regulations \(OCECPR\)](#) regulates all telecommunication services (please note the website is only available in the Greek language).

The Electricity and plug system in Cyprus is the same as the UK with a 240 Voltage and the plugs used are 3-pin.

Area Administered by Turkish Cypriots:

The "Telecommunications Authority" provides telephone, telex, internet/ADSL, fax, and telegram transmission services. The telephone service is integrated into the Turkish market and relies on Turkey's country code. Two private companies, KKTCell (subsidiary of Turkish company Turkcell) and Telsim (now owned by the British Vodafone Company in Turkey) provide GSM-Mobile services (including 3G). Internet services are widely available, including broadband services.

Transportation

Republic of Cyprus:

Inner city travel is often by taxi, public buses, or rental car. Cars are right-hand drive and rental cars are available in manual and automatic drive options. Public transportation within cities and between towns is still not as frequent or convenient as in many other EU countries, although the government has improved slightly this service by adding more buses thus making routes more frequent. Taxis are metered. The cost for a taxi from the airport in Larnaca to Nicosia averages EUR50. Prices vary depending on the season and the visitor's car selection for car rentals. Air traffic is served through two international airports situated in Larnaca and Paphos. Many international airlines offer daily flights to major destinations in Europe and the Middle East. The ports of Limassol and Larnaca serve the country's external trade and seaborne passenger traffic, acting also as transshipment centers for the region.

Area Administered by Turkish Cypriots:

Public transportation in the north is often by public bus or taxi. Rental car services are also available, including both with right and left hand drive. The distances are relatively short and the roads are in good condition. Only Turkish carriers fly into Erchan airport and all flights must currently touchdown in Turkey. Most goods destined for the area administered by Turkish Cypriots are transshipped through the Turkish port of Mersin -- significantly increasing the cost of shipping cargo. The two ports of Famagusta and Kyrenia are used for cargo and passenger transportation.

Language

The official languages in Cyprus are Greek, Turkish, and English. Greek and English are widely spoken in the Republic of Cyprus. English is increasingly spoken in the area administered by Turkish Cypriots. English is usually preferred in business dealings.

Health

Republic of Cyprus:

The World Health Organization acknowledges Cyprus' health care as one of high standard and equivalent to other developed countries. The Ministry of Health is responsible for ensuring access to health services for all beneficiaries through general hospitals located in every city and several health centers. Most facilities provide adequate medical care and are equipped with modern equipment and English-speaking medical professionals and doctors who are trained in Europe or the United States. Almost all medicine brands are available in Cyprus and can be purchased at pharmacies upon presentation of a doctor's prescription. Foreign nationals entering Cyprus do not require any vaccinations since Cyprus has no dangerous infectious diseases. The Medical and Public Health Services department carries out frequent and strict inspections of food and water safety.

Area Administered by Turkish Cypriots:

Adequate access to health care is available. Some patients note the lack of modern equipment. Most medical professionals were trained in Turkey. While there are general hospitals in every city and several private clinics, those who can afford it tend to prefer receiving treatment at private hospitals.

Local Time, Business Hours and Holidays

Republic of Cyprus:

Local time in Cyprus is according to the Eastern European Time Zone.

Holidays observed by businesspersons in Cyprus for 2018:

January 1	New Year's Day
January 6	Epiphany Day
February 19	Green Monday - Start of Lent
March 25	Annunciation Day
April 1	Cyprus National Day
April 6	Good Friday
April 9	Easter Monday
May 1	Labor Day
May 28	Holy Spirit Day
August 15	Assumption Day
October 1	Cyprus Independence Day
October 28	Greece National Day
December 25	Christmas Day
December 26	Boxing Day

For a list of banking holidays, please visit the [Central Bank of Cyprus](#).

Businesspersons should avoid making appointments on public holidays. The months of July and August are relatively slow months because many businesses close for summer vacation. Other dates to avoid when setting appointments are Christmas and Easter.

Government Offices Standard Business Hours:

Monday – Friday: 7:30 –15:00

Banking sector:

Monday – Friday: 7:30 –15:00

(Note: Teller services are available to the public from 8:30 to 13:30 daily. Automatic tellers are available in larger cities but there are not as many one would expect to find in U.S. cities.

Private sector standard business hours vary. The most common work hours companies follow are from 8:00 to 17:00 with a one-hour break between 13:00 and 14:00.

Business travelers to Cyprus seeking appointments with U.S. Embassy Nicosia officials should contact the Political / Economic office in advance. Section staff can be reached by phone at +357-22-393520, +357-22-393362, or +357-22-393361 or through [email](#).

Area Administered by Turkish Cypriots:

"Public" holidays for 2018 are:

January 1	New Year's Day
April 23	Children's Day
May 1	Labor Day
June 15-17	Ramadan Bayram
August 1	Communal Resistance Day
August 30	Victory Day
August 20-24	Kurban Bayram
October 29	Republic of Turkey Day

"Government" Offices:

May – September

Monday – Friday	07:30 – 14:00
Thursdays	07:30 – 12:30 and 13:00-17:00

October-April

Monday – Friday	08:00– 16:15
Thursdays	08:00 – 12:30 and 13:00 -17:30

Standard business hours vary. The most common work hours companies follow are from 8:00 to 17:00 with a one-hour break between 13:00 and 14:00.

Banks:

Monday – Friday 08:00 – 12:30 and 14:00 – 15:30

Factories:

Monday – Friday 07:30 – 16:00

Temporary Entry of Materials or Personal Belongings

There are no restrictions for temporary entry of materials or personal belongings within the limits of the law (e.g. no guns, narcotics, etc).

Travel Related Web Resources

[Republic of Cyprus official website](#)

[Travel Advisory](#)

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Cyprus.html>

[State Department Visa Website](#)

[U.S. Embassy Consular Section](#)

[Ministry of Interior, Civil Registry and Migration Department](#)

[Bank Holidays](#)

Area Administered by Turkish Cypriots:

“TRNC” “Presidency”