



# The Great Britain-Cyprus Business Gazette

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## Budget 2021: 10 ways Rishi Sunak's speech affects you

With lives and livelihoods still at risk, Chancellor Rishi Sunak's Budget is focused on short-term support for people's jobs and finances.

But there are signs of what will happen next and how this will affect the money in your pocket. (Page 5)



## Cyprus and Portugal want to welcome vaccinated UK tourists from May



Cyprus and Portugal say they hope to welcome vaccinated British tourists from May - the month when travel restrictions may be lifted in the UK. (Page 15)

## UK travel agents say Cyprus is in demand

UK travel agents are confident that Cyprus summer holiday bookings will increase following a surge after Prime Minister Boris Johnson outlined the roadmap for lifting COVID-19 restrictions. (Page 13)

## 5<sup>th</sup> INTERNATIONAL WEBINAR – A Big Success

### Is Cyprus the perfect place for Relocation, investment, or retirement?

On 2 March 2021, the Great Britain – Cyprus Business Association held a webinar titled 'Is Cyprus the perfect place for Relocation, investment, or retirement?'. The webinar was a big success in terms of quality of speeches and attendance. (Page 27)



## Peter G. Economides awarded with the STEP Founder's Award 2020



**STEP**  
ADVISING FAMILIES ACROSS GENERATIONS

The Founder and Honorary Chairman of Totalseve and member of Great Britain-Cyprus Business Association, Peter G. Economides, has been awarded with the "STEP Founder's Award for Outstanding Achievement". (Page 18)

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# Adapt your business to be able to thrive

By Savvas Kyriakides, Founder & President of the Great Britain-Cyprus Business Association



The negative impact of COVID-19 has affected and still affects many businesses in many industries and worldwide. It will take even more years to understand the total impact.

However, life goes on and we have to find the way not only to survive but to succeed and even to thrive. Whatever our qualifications are and how experienced we are, what we have to do is to find out the market trends and to try to make the necessary changes within our business organisations.

A British couple, Andrew, 47, and Rachel Montague, 48, who owned a property company for 15 years, set up a business making hand sanitiser just as the COVID-19 hit the UK and most of European countries and are set to make £30million.

Their motive was ETHICAL PRICE. They wanted to ensure sanitiser could be sold at an "ethical price", after seeing people selling 500ml bottles for £30. Being adaptable to CHANGE, enabled this couple to thrive during the pandemic.

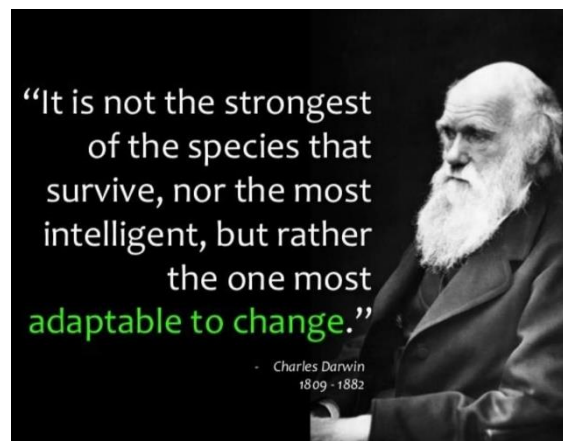
Other businesses have managed to grow and succeed during COVID-19, by getting rid of their office for good. In this case, what they made certain was that the staff had all the equipment needed, good communication between them and check-ins and support of employees during these difficult times.

Other businesses managed to minimise their costs by minimising the durations of meetings and time wasting and by finding new markets and new opportunities. They have managed to achieve that by investing their time in research, social media and by engaging in networking platforms.

Businesses should reassess their growth opportunities and develop a strategic understanding of changing habits. They have to identify what products or services will grow in the near future. By achieving that, they can then set the right strategy to satisfy their customers. At the same time, they should be able to categorise these shifts to short-term and long-term ones. For example, a question they have to answer is 'the shift to online retail will be permanent or temporary?'. Sometimes, the answer is 'it depends on the products'. So, according to their findings they should invest in the right direction to ensure business success.

Some other example of decisions might be taken from businesses aiming to adapt to changes, are relocation, diversification, joint ventures, outsourcing, digital transformation, pricing and much more.

Concluding this article, I would like to emphasize that businesses should realise that they cannot rely on traditional business model and trends. Changes are constantly needed, especially in times of financial crisis such as the one we are going through right now.





**The Great Britain – Cyprus Business Association  
would like to welcome the 4 new members, joined  
the association last month, FEBRUARY 2021**



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Or send us an email to [savvas@gbcy.business](mailto:savvas@gbcy.business)

**"Unity is strength... when there is teamwork and collaboration, wonderful  
things can be achieved." Mattie Stepanek (Poet)**

# Budget 2021: 10 ways Rishi Sunak's speech affects you

With lives and livelihoods still at risk, Chancellor Rishi Sunak's Budget is focused on short-term support for people's jobs and finances.



But there are signs of what will happen next and how this will affect the money in your pocket.

## 1. Paying the wages of those on furlough

Although it was announced in advance, like many other key measures, the extension of furlough is significant for millions of people.

The scheme - which pays 80% of employees' wages for the hours they cannot work in the pandemic - has been extended until September.

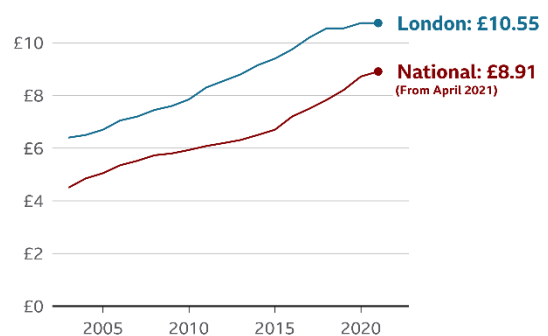
Young and lower-paid people have been among the most likely to have been furloughed during the pandemic.

While this is designed to protect their jobs from redundancy, many will have found that their income has been a fifth less than they had anticipated over the course of 18 months.

The National Living Wage will rise to £8.91 from April, from £8.72. That is a 2.2% rise and will be for people aged 23 and over.

### How the Living Wage has grown

Minimum wage since 2003-2004



Source: GOV.uk

BBC

## 2. Jobs, then jobs

Money promised for the vaccine rollout does not directly affect the amount of money that goes into the pockets of individuals.

But the extra £1.65bn to help vaccinate every adult by the end of July should mean people can get back to work and the economy can start to recover.

Quicker jobs mean more jobs protected, which means that incomes can recover or be maintained.

## 3. Support for the self-employed

Furlough supports employed people. The equivalent for the self-employed comes in the form of grants through the Coronavirus Self-Employed Income Support Scheme (SEISS).

From next month, claims can be made for a fourth grant worth 80% of three months' average trading profits, up to £7,500 in total.

This will then be followed by a fifth grant later in the year, covering May to September.

However, the amount paid will depend on the amount of turnover lost. People whose turnover has fallen by less than 30% will receive a grant that is equivalent to 30% of average trading profits.

While many self-employed people remain ineligible - the source of considerable debate - those who can show they were trading in 2019-20 from their tax returns will now be eligible for the first time. They can receive the fourth and fifth grants.

#### 4. Extra £20 a week on universal credit continues

Another source of speculation for months has been the future for a £20-a-week top-up to universal credit.

This has been described as a financial lifeline during the pandemic for many of those who have lost jobs or whose finances were already stretched.

The chancellor said this would continue for another six months but would then be withdrawn.

Those on working tax credits will receive a one-off £500 payment.

#### 5. Pay rises may bring a tax shock

The government pledged in its manifesto not to raise income tax, national insurance or VAT.

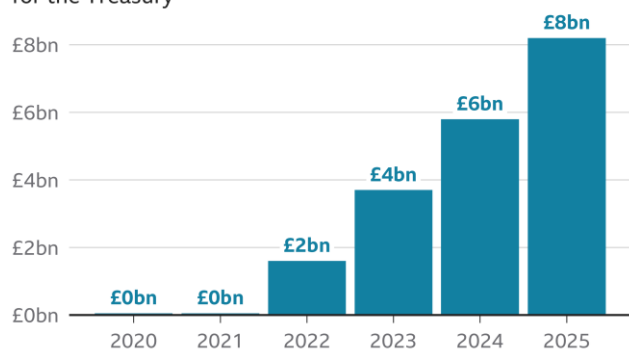
Although income tax is not rising, the tax bill that people may face in future years could go up.

At present, people start paying 20% income tax when they earn £12,500 a year. The starting point for paying the higher 40% rate is £50,000.

These thresholds will go up to £12,570 and £50,270 in April but will then be frozen for five years.

#### Income tax threshold freeze will raise £8bn by 2025-26

Additional amount the new income tax policy will raise for the Treasury



Source: Office for Budget Responsibility

BBC

With these thresholds maintained at the same level until April 2026, many people receiving a pay rise may find themselves in a new tax bracket and having to pay more.

The government's official forecaster said this would mean 1.3 million more people paying income tax and one million more paying the higher rate of tax.

That will raise a significant amount of money for the Treasury, estimated to be an extra £8bn a year by 2025-26, compared to what would have been the case if thresholds rose in line with the cost of living.

Scotland has some tax-raising powers of its own.

#### 6. Finding the deposit for a mortgage



The chancellor confirmed that a government guarantee means first-time buyers should get a wider choice of mortgages that require a deposit of just 5% of the loan.

This will be available when buying properties worth up to £600,000.

However, some potential homeowners may still find it hard to



get a mortgage if they do not have a regular income, while getting into negative equity if house prices fall is a threat.

The new products will be available from next month.

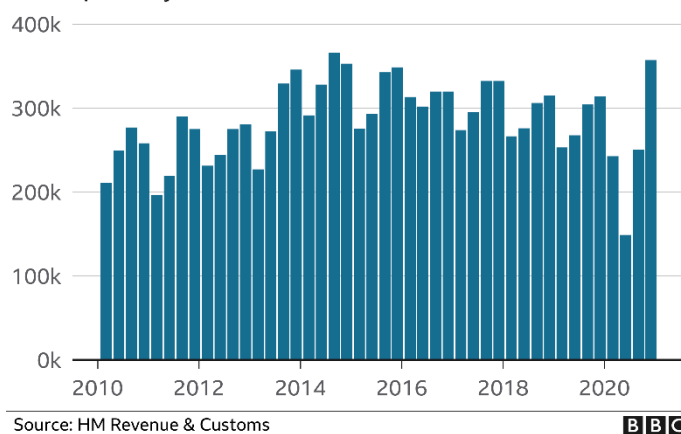
However, while there is support for homeownership, there are no specific policies to help those behind on their rents.

## 7. Stamp duty holiday extended

This tax break for homebuyers in England and Northern Ireland - as well as similar relief in Scotland and Wales - was due to finish at the end of March. This created a rush, as well as difficulties for some buyers to complete in time.

### Stamp duty holiday has an effect on new purchases

Total quarterly transactions



The chancellor has now said that the current stamp duty holiday in England and Northern Ireland - which means no stamp duty is paid on the first £500,000 of a property purchase - will be extended until 30 June.

This relief will be reduced to the first £250,000 of a purchase until the end of September, before returning to its pre-pandemic level of £125,000 from the start of October.

In total, 46% of sales would be exempt from stamp duty as a result of this policy, according to property portal Zoopla.

## 8. Wine and beer duties frozen

All duties on alcohol will stay as they are, for a second year in a row. These had been earmarked to rise.

## 9. Cost of petrol duties unchanged

There has been a freeze on fuel duty for a decade and this will continue for at least another year.

About 60% of the price you pay for fuel is tax - a mixture of fuel duty and VAT.

## 10. Saving green

There will be a new savings product designed to raise money for environmental projects.

This "green bond" will be issued by the government-backed National Savings and Investments (NS&I), which has been criticised by savers and MPs for its customer service performance during the pandemic.

It will be issued in the summer, but there are no details yet on the interest rate that will be paid to savers.



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- Hedging and strategy planning

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# Travelling to Cyprus



As of **1st March 2021**, Cyprus adopted the country categorization of the European Centre of Disease and Control (ECDC), which classifies countries into **green**, **orange** or **red** categories. The grey category has also been added which foresees obtaining a special permission to travel to Cyprus.

All passengers, regardless of the country category, need to apply for a Cyprus Flight Pass

through the dedicated [electronic portal](#).

The [new categorization](#) will be implemented gradually, starting from **1st March 2021**, and the Ministry of Health will announce on a weekly basis the categorization of the countries.

## The following will apply for each category:

i. Category **Green**: In this category, all passengers, upon arrival in Cyprus **from the 1st to the 31st of March 2021**, undergo a laboratory PCR test, the cost of which will be covered by the Republic of Cyprus.

**COUNTRIES:** Australia, Iceland, New Zealand, Singapore, Saudi Arabia

ii. Category **Orange**: In this category, all passengers arriving from the below countries must present a negative laboratory analysis of PCR test within 72 hours prior to departure. It should be noted that Cypriot citizens and legal residents of the Republic can choose to undergo a laboratory testing only upon arrival in Cyprus (at their own cost). In this case, they should remain in compulsory self-isolation, in accordance with the relevant instructions of the Ministry of Health.

**COUNTRIES:** Denmark, Finland, Norway, China (including Hong Kong and Macau), South Korea, Thailand

iii. Category **Red**: In this category, a double laboratory testing is required; that is, a negative laboratory PCR test within 72 hours prior to departure and another laboratory PCR test upon arrival in Cyprus. In this category, no self-isolation/quarantine measures apply. It should be noted that Cypriot citizens and legal residents of the Republic can choose to undergo a laboratory testing only upon arrival in Cyprus (at their own cost). In this case, they should remain in compulsory self-isolation, in accordance with the relevant instructions of the Ministry of Health, unless they present an additional negative PCR laboratory test within 72 hours prior to departure.

**COUNTRIES:** Austria, Belgium, Bulgaria, France, Ireland, Croatia, Luxemburg, Romania, Spain, Italy, Malta, Netherlands, Hungary, Poland, Portugal, Slovakia, Slovenia, Czech Republic, Estonia, Latvia, Lithuania, Sweden, Germany, Greece, Monaco, Andorra, Vatican City, San Marino, Switzerland, Liechtenstein

**iv. Category Grey** - special permit. In this category, the procedure for obtaining a special entry permit into the Republic, shall be implemented for citizens of third countries (exempt from the requirement of a special permit are Cypriot citizens, persons lawfully residing in the Republic of Cyprus and European citizens). In this category, passengers arriving in the Republic shall conduct a test confirming negative PCR for Covid-19, with the sample taken during the last 72 hours before their travel to the Republic of Cyprus and possess a certificate which confirms negative PCR for Covid-19, issued from a certified laboratory. In addition, they will be placed in compulsory self-isolation for 14 days or in compulsory self-isolation for 10 days only if they conduct a test confirming negative PCR for Covid-19 (at their own cost). The results of the test must be sent by email at [monada@mphs.moh.gov.cy](mailto:monada@mphs.moh.gov.cy).

**COUNTRIES:** United Kingdom, Israel, Russia, United Arab Emirates, Ukraine, Jordan, Lebanon, Egypt, Belarus, Rwanda

**Note 1:** *In addition, the measure of 7-day stay in places designated by the Republic of Cyprus for passengers arriving from the **United Kingdom** will be extended until 31st March 2021, in accordance with the preconditions already in force.*

**Note 2:** *To view the information on **passengers who meet the requirements** for a test in Cyprus click [here](#).*

### **As of 1st April 2021, the following will apply:**

- i. Category Green:** There will be no restrictions for passengers arriving from these countries.
- ii. Category Orange:** All passengers arriving from the below countries must present a negative laboratory analysis of PCR test within 72 hours prior to departure. It should be noted that Cypriot citizens and legal residents of the Republic can choose to undergo a laboratory testing only upon arrival in Cyprus (at their own cost). In this case, they should remain in compulsory self-isolation, in accordance with the relevant instructions of the Ministry of Health.
- v. Category Red:** In this category a double laboratory testing is required; that is, a negative laboratory PCR test within 72 hours prior to departure and another laboratory PCR test upon arrival in Cyprus. In this category, no self-isolation/quarantine measures apply. It should be noted that Cypriot citizens and legal residents of the Republic can choose to undergo a laboratory testing only upon arrival in Cyprus (at their own cost). In this case, they should remain in compulsory self-isolation, in accordance with the relevant instructions of the Ministry of Health, unless they present an additional negative PCR laboratory test within 72 hours prior to departure.
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**MYTHICAL SPA**

UNITS: 24  
TYPE: EN SUITES  
BEDROOMS: 1  
POOL: COMMUNAL  
AREA: **PROTARAS**  
**KAPPARIS**



**MYTHICAL ELITE**

UNITS: 4  
TYPE: VILLAS  
BEDROOMS: 2  
POOL: PRIVATE  
AREA: **PROTARAS**  
**KAPPARIS**



**MYTHICAL BLUE**

UNITS: 29  
TYPE: APARTMENTS,  
TOWNHOUSES,  
VILLAS BEDROOMS:  
1,2,3 POOL: PRIVATE  
AREA: **PROTARAS**  
**KAPPARIS**



**MYTHICAL SEAS**

UNITS: 40  
TYPE: APARTMENTS  
BEDROOMS: 1,2,3  
POOL: COMMUNAL  
AREA: **PROTARAS**  
**KAPPARIS**



**ALMARIA RESIDENCES**

UNITS: 36  
TYPE: VILLAS  
BEDROOMS: 2,3,4,5  
POOL: PRIVATE  
AREA: **PROTARAS**  
**PERNERA**



**HALKI VILLAS**

UNITS: 9  
TYPE: SEAVIEW VILLAS  
BEDROOMS: 3-5  
POOL: PRIVATE  
AREA: **PROTARAS**



**MELIADES RESIDENCES**

UNITS: 5  
TYPE: VILLAS  
BEDROOMS: 3,4  
POOL: PRIVATE  
AREA: **PROTARAS**  
**PERNERA**



**NISSI RESIDENCES**

UNITS: 8  
TYPE: VILLAS  
BEDROOMS: 3  
POOL: PRIVATE  
AREA: **AYIA NAPA**  
**CENTER**



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**PLIADES VILLAS**



UNITS: 7  
TYPE: SEAFRONT VILLAS  
BEDROOMS: 5  
POOL: PRIVATE  
AREA: AYIA NAPA  
AYIA THEKLA

**HESTIA VILLAS**



UNITS: 24  
TYPE: SEAVIEW VILLAS  
BEDROOMS: 3,4  
POOL: PRIVATE  
AREA: PROTARAS  
KAPPARIS

**IKARIA VILLAS**



UNITS: 2  
TYPE: VILLAS  
BEDROOMS: 3-4  
POOL: PRIVATE  
AREA: PROTARAS

**MILOS VILLAS**



UNITS: 37  
TYPE: VILLAS  
BEDROOMS: 3-4  
POOL: PRIVATE  
AREA: PROTARAS

**EDEN RESIDENCES**



UNITS: 17  
TYPE: APARTMENTS  
BEDROOMS: 2,3  
POOL: COMMUNAL  
& PRIVATE  
FOR PENTHOUSES  
AREA: PROTARAS  
CENTER

**SEMERA VILLAS**



UNITS: 3  
TYPE: SEAFRONT VILLAS  
BEDROOMS: 5  
POOL: PRIVATE  
AREA: AYIA NAPA

**ICON VILLAS**



UNITS: 3  
TYPE: MANSIONS  
BEDROOMS: 4,5  
POOL: PRIVATE  
AREA: AYIA NAPA  
AYIA THEKLA

**MALAMA GRAND**



UNITS: 4  
TYPE: MANSIONS  
BEDROOMS: 5  
POOL: PRIVATE  
AREA: PROTARAS  
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LIFESTYLE COLLECTION

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## UK travel agents say Cyprus is in demand



UK travel agents are confident that Cyprus summer holiday bookings will increase following a surge after Prime Minister Boris Johnson outlined the roadmap for lifting COVID-19 restrictions.

Major travel firms, such as Jet2 and Thomas Cook, have included Cyprus among the most sought-after destinations by travel-thirsty British tourists desperate to escape pandemic gloom.

Noel Josephides, director of UK tour operator Sunvil and former head of The Travel Association (ABTA), confirmed Cyprus reservations' surge.

He told the Cyprus News Agency the percentage increase in some cases reached four-digits. However, the impressive rate is down to minimal bookings during the previous weeks.

"I do believe people will be gradually more encouraged, and we expect to see a steady flow of bookings from now on," said the experienced travel agent.

Around 80% of the new bookings to Cyprus come from those over 60, a sign the UK vaccination programme is successful. It has already covered over 18 million people, mainly the over 65s, adding to potential travellers' growing confidence.

Most of the bookings for Cyprus are for August, July and September, followed by October.

UK Prime Minister Johnson set 17 May as the earliest date for the resumption of non-essential international travel from the UK.

Due to travel restrictions under the UK lockdown, there have been zero bookings for June. It shows British tourists want to be as safe as possible in case of delays in the exit roadmap.

Along with new customers, travel agents have been handling thousands of cancellations for April and May for bookings postponed last year, Josephides said.

He said Cyprus could rely on its "repeat visitors", which account for most new bookings.

However, to attract new British visitors, there needs to be an improved promotion of Cyprus in the UK well ahead of the summer, said the travel expert.

Due to the pandemic and COVID-19 travel restrictions, last year Cyprus only received 15.9% of the 3.97 million tourists it welcomed in 2019.



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# Covid-19: Cyprus and Portugal want to welcome vaccinated UK tourists from May

Cyprus and Portugal say they hope to welcome vaccinated British tourists from May - the month when travel restrictions may be lifted in the UK.



The Cypriot government said those who had two Covid jabs could travel, while Portugal said those who tested negative or were "immune" could also visit.

It is not known how vaccine status would be proved.

The earliest date those in England could go abroad for holidays is 17 May, following a review on travel rules.

Home Secretary Priti Patel has said it is still "too early" to book a foreign trip.

Under current rules, foreign travel from the UK is banned apart from for exceptional reasons.

From Monday, passengers travelling internationally from England will have to carry a form stating their trip is permitted, the Department for Transport has announced. It will be an offence to fail to produce a completed form. Those who do not have one could be fined £200.

But once travel is allowed again, the success of the UK's vaccination programme makes Britons especially attractive to countries wanting to attract holidaymakers, especially those European countries which are traditionally popular with British tourists.

## **'Everything will be ready'**

Portugal is currently on the UK's red list, meaning travellers coming from there have to quarantine in the UK when they arrive.

Rita Marques, Portugal's secretary of state for tourism, told the BBC: "I do believe that Portugal will soon allow restriction-free travel, not only for vaccinated people, but those who are immune or who test negative. We hope to welcome British tourists from 17 May."

She added that the situation in Portugal was "stable" and said, "Everything will be ready by mid-May."

The UK government says the red list remains under review, with public health the UK's top priority.

International travel from England will not start until 17 May at the earliest, with a global travel taskforce reporting in April. The UK government has not yet approved any kind of vaccination certificate, but Cabinet Office minister Michael Gove is looking into possible measures.

The decision to lift restrictions on travel abroad still depends on vaccine rollout in the UK and abroad, the effectiveness of the vaccine, the prevalence of the virus and its variants.

Wales, Scotland and Northern Ireland have not set a date for the start of international travel.

Scotland's First Minister Nicola Sturgeon has said she hopes a certification scheme could allow vaccinated holidaymakers to journey abroad - but warned Scotland was still "some way away" from such a programme. She said she could not advise people to "fly off to the sun" before there was a degree of certainty it could be done without risk.

Going on holiday is currently still illegal, but the prime minister's roadmap last week has left many optimistic that that will change soon.

Although international travel is not guaranteed to start on 17 May, countries and companies are already gearing up to have British tourists back and making a bid for them to book.

When travel does restart, it's likely to be in tiers, with some countries more open than others.

Be warned, just because a country may say it is happy to have us, doesn't mean that they will be on that list; those discussions are still ongoing and will ultimately rest on how the vaccine, virus and variants look in the next few months.

Cyprus's deputy tourism minister, **Savvas Perdios**, (picture) said the country would allow Britons who had been given vaccines approved by the European Medicines Agency (EMA) to enter without the need for a negative test or to quarantine.



Currently the Pfizer-BioNTech, Oxford-AstraZeneca and Moderna jabs have been approved for use by the EMA.

Tourists would be required to have had their second dose at least seven days before travelling, the minister added.

British tourists make up the largest group of visitors to the island and made more than a million trips to Cyprus in 2019, according to the Office for National

Other countries are optimistic they could be seeing British tourists back soon.

"We believe that summer has to be the beginning of the end of this bad experience," says Fernando Valdes, Spain's secretary of state for tourism. "I can't give a specific date, that will depend on how the pandemic evolves."

He said it depended how the vaccination programme was going in both countries - but noted "the UK is increasingly moving towards their goals".

Greece has also said it hopes to open this summer, saying its government is taking all the necessary actions for this to happen.

Simon Calder, travel editor at the Independent, said, with the UK's vaccine programme ahead of the rest of Europe, the British holidaymaker was going to become "quite appealing to countries who are working out how to rebuild their tourist industries while at the same time minimising risk".

Although family members might have different vaccination statuses, potentially meaning only some were able to travel unrestricted, he told BBC Breakfast he thought there would be "a way found".

Mr Calder said it was possible Cyprus would reflect its travel rules from last summer when visitors were able to get a test three days before their flight and noted that under-12s are excluded from the current travel restrictions.

Holidays in the UK could begin more than a month earlier, with people in England potentially permitted to stay in self-contained accommodation such as holiday lets from 12 April under Mr Johnson's road map for easing lockdown restrictions.

This has led to many people opting to plan a holiday at home, resulting in them becoming more expensive, according to researchers at Which.

# ***Domenica Group***

Domenica Group was Founded in 1961 as a building construction company and set up by the late Mr. George Hadjidemosthenous.

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All developing projects are self-financed by the Group and it prides itself on its flexibility in terms of selling prices and methods of payment due to the lack of the usual constraints or pressures as a direct result of external finance.



Christakis Charalambous  
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## Peter G. Economides awarded with the STEP Founder's Award 2020



It is with great pleasure and honour to announce that our Founder and Honorary Chairman, Peter G. Economides, has been awarded with the "STEP Founder's Award for Outstanding Achievement".

STEP is the international professional body for advisers who specialise in trusts, inheritance, and succession planning. A handful of STEP founding members have been awarded for being "exceptional volunteers who have made an extraordinary and outstanding long-term contribution to the Society above and beyond that normally expected of a volunteer whether through office in their branch or elsewhere in the voluntary life of the Society".

Peter, who founded STEP Cyprus in 2003, has played an important role in the branch's development over the years, having today almost 200 members from the island's legal, accounting, banking and trust fields. He has also been pivotal in the global recognition of Cyprus in the trust and estate sector. Last but not least, Peter has also served as a long-time council member of STEP's international committee in London and has helped to globally promote STEP's interests.

Peter G. Economides commented: "It is an honour and privilege to be awarded with such a prestigious international award. I am delighted of course and proud at the same time. STEP has been a major part of my professional life and I have made lots of friends all over the world. I am available to help in any way I can to promote STEP Cyprus and STEP worldwide. I would like to thank all members of the STEP Cyprus Committee and the Cyprus branch in general for their support."



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## Encouraging start for London office lettings, as take-up improves



Central London's office leasing market got off to a good start this year, with the highest monthly take-up recorded since July, according to new research.

Demand for offices has suffered since March 2020, due to scores of office staff working from home during lockdowns. Some bosses are expected to look at whether to embrace more remote working longer term.

Property agent Colliers International said 420,000 square feet of central London office space was signed for last month, which is 13% ahead of the average monthly lettings figure since the pandemic started.

Guy Grantham, director of research and forecasting at Colliers International, said: "Over 70% of transactional activity was for Grade A quality space. "

He added: "This reinforces expectations of a 'flight to quality', as occupiers seek to secure and create the best and safest environments for their staff, once a full return to work is possible."

Deals that were signed last month include law firm Latham & Watkins agreeing to take a large amount of space at 1 Leadenhall.

The January numbers exceed November and December's volumes combined. Growth came as optimism improves as vaccines roll out, although this is still down on the 2019 average monthly volume of 983,000 square feet.

Elsewhere, landlord Warehouse Reit said it will look to raise £45.9 million via a share placing to buy more sites. An online shopping boom during the virus crisis has fuelled retailer demand for more warehouse space.

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# Foreign Trade of Cyprus



## Foreign Trade Statistics, Nov 2020 (Final Figures) and Dec 2020 (Preliminary Figures)

*The Statistical Service announces that it is available the final data on foreign trade of Cyprus in November 2020 and preliminary data for December 2020.*

### EXTERNAL TRADE STATISTICS, NOVEMBER 2020

The main developments in Cyprus foreign trade for November 2020 were:

(a) Total imports of goods (from EU Member States and third countries) were € 636.7 million in November 2020 compared to € 660.7 million in November 2019, down 3.6%.

(b) Exports of domestically produced products, including ship and aircraft supplies, for November 2020 were € 98.3 million compared to € 96.4 million in November 2019, recording an increase of 2.0%. The value of exports of industrial products for November 2020 amounted to € 92.6 million compared to € 88.4 million in November 2019, while the value of exports of agricultural products for November 2020 decreased to € 4.2 million. compared to € 6.4 million in November 2019.

(c) Exports of foreign products, including ship and aircraft supplies, for November 2020 were € 48.2 million compared to € 136.3 million in November 2019, recording a decrease of 64.6%.

The data are included in the monthly electronic report "Statistics on Intra-Community Trade and Trade with Third Countries (Summary Data)" for the month of November 2020, which is available free of charge on the website of the Statistical Service, in the Publications section, under the Foreign Trade Statistics sub-theme.

### FOREIGN TRADE STATISTICS, DECEMBER 2020

Based on preliminary data, the main developments in the foreign trade of Cyprus for December 2020 can be summarized as follows:

(a) Total imports of goods were € 664.9 million compared to € 689.8 million in December 2019, recording a decrease of 3.6%. Imports from other EU Member States in December 2020 were € 390.9 million and from third countries € 274.0 million compared to € 374.7 million and € 315.1 million respectively in December 2019. Imports in December 2020 include the transfer of financial ownership of mobile transport equipment (ships), with a total value of € 94.3 million compared to € 134.5 million in December 2019.

(b) Total exports of goods in December 2020 were € 191.8 million compared to € 252.7 million in December 2019, recording a decrease of 24.1%. Exports to other EU Member States in December 2020 were € 58.5 million and to third countries € 133.3 million, compared to € 96.7 million and € 156.0 million respectively in December 2019. Exports in December 2020 include the transfer of financial ownership of mobile transport equipment (ships), with a total value of € 44.7 million compared to € 101.5 million in December 2019.

(c) Total imports of goods (from EU Member States and from third countries) for the period January - December 2020 were € 7,539.9 million compared to € 8,200.1 million for the period January - December 2019, noting decrease of 8.1%. Total exports of goods (to EU Member States and third countries) for the period January - December 2020 were € 2,740.6 million compared to € 3,137.0 million for the period January - December 2019, a decrease of 12, 6%. The trade deficit was € 4,799.3 million for the period January - December 2020 compared to € 5,063.1 million in the corresponding period of 2019.

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## Tesla sends bitcoin to record high with \$1.5bn investment

Electric carmaker also plans to accept cryptocurrency as payment



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Elon Musk's Tesla gave bitcoin its most significant corporate endorsement yet as it revealed that it had ploughed \$1.5bn of its reserves into the cryptocurrency, adding another boost to its dizzying rise. Bitcoin climbed more than 10 per cent to a record high of \$44,100, extending its 50 per cent surge so far this year, as Tesla also announced plans to accept payments in the cryptocurrency for its electric cars, albeit "initially on a limited basis". The huge volatility and high costs of using bitcoin have severely limited its use for payments.

But if Musk can overcome those limitations, it could enable Tesla to tap a wealthy market of bitcoin speculators who have become avid fans of his outspoken support on Twitter for cryptocurrencies. The carmaker on Monday said its board of directors and audit committee had both signed off on the investment, which represented 11 per cent of the company's cash, net of the \$5.6bn of debt for which Tesla says it is directly liable. Most Tesla observers, though, said the bet on bitcoin looked more like a personal bet by its anti-establishment chief executive.

"I think this is Musk's decision, not Tesla's," said John Coffee, a professor at Columbia Law School. "Given that he also runs a corporation seeking to explore or colonise Mars, an investment in cryptocurrency seems almost mundane. Who knows, maybe Martians will accept bitcoin?" In a regulatory filing, Tesla said it purchased the bitcoins after changing its investment policy last month to "diversify and maximise" returns on its cash. It said the purchase was not part of the money it needed to preserve its "operating liquidity".

## Bitcoin soars after Tesla reveals \$1.5bn investment

\$ per coin



Source: Bloomberg  
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The bitcoin investment amounts to a recycling of some of the billions of dollars Musk has been able to raise from stock market investors on the back of Tesla's booming share price. Less than two years ago, it flirted with bankruptcy as its reserves dipped close to \$2bn at a time when its carmaking business was bleeding money. Musk's personal backing for cryptocurrencies and other speculative investments have had a big impact amid recent market volatility. Dogecoin has risen 11-fold since he wrote in support of it on Twitter last month. He also signalled apparent backing for GameStop, contributing to a speculative frenzy in the retailer's shares. Robyn Denholm, an Australian telecoms executive who took over from Musk as chair of Tesla's board in 2018, is head of the audit committee that approved the change to the company's investment policy. The move allows Tesla to invest "a portion" of its cash in "alternative reserve assets including digital assets [and] gold bullion". The carmaker is the latest consumer-facing company to venture into cryptocurrency markets, following PayPal. Recommended LexTesla Inc Tesla/bitcoin: asset exchange Premium "We believe our bitcoin holdings are highly liquid. However, digital assets may be subject to volatile market prices, which may be unfavourable at the time when we want or need to liquidate them," said Tesla. Dan Ives, an analyst at Wedbush Securities, said: "[This] is a potential game-changing move for the use of bitcoin from a transactional perspective." "Investors and other industry watchers will be watching this closely to see if other corporations follow the lead of Tesla on this crypto path or . . . does it remain a contained few names that make this strategic jump around bitcoin."





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## **Recent 5<sup>th</sup> International Webinar – A Big Success**



### **Is Cyprus the perfect place for Relocation, investment, or retirement?**

- **The views of the High Commissioner of the Republic of Cyprus in the UK**
- **CYPRUS – An attractive property destination**
- **Does Cyprus remain a reputable international business centre?**
- **IP Box Regime about individuals/companies who wish to relocate to Cyprus and continue their business through EU**
- **Cypriot Citizenship: Cypriots that have Immigrated to the UK are still eligible for a Cypriot Passport**

London 2<sup>nd</sup> March 2021  
Time: 2.00 p.m. – 3.30 p.m. UK Time  
4.00 p.m. – 5.30 p.m. Cyprus Time



The recent webinar, which has been organised by the  
**Great Britain Cyprus Business Association**  
was a Big success and the number of registered attendees was too high and over any expectations.



# Agenda

**14:00: Introduction**

**By Savvas Kyriakides, Founder & President of Great Britain-Cyprus Business Association**

**14:10: "Welcome Speech"**

**Speaker: Andreas Kakouris, High Commissioner of the Republic of Cyprus in the UK**



**14:20: "Cyprus remains a reputable international business centre"**

**Speaker: Philippos Raptopoulos, EY Cyprus, Partner - Tax and Law Leader**



**14:30: "IP Box Regime about individuals/companies who wish to relocate to Cyprus and continue their business through EU"**

**Speaker: Charalambos Meivatzis, Partner, Head of Tax, Accounting and VAT, Kinanis LLC**



**14:40: "Cypriot Citizenship: Cypriots that have Immigrated to the UK are still eligible for a Cypriot Passport"**

**Speaker: Savvas Savvides, Partner at Michael Kyprianou & Co. LLC**



**14:50: "CYPRUS – An attractive property destination"**

**Speaker: Antonis Pisharas, Overseas Business Development and Sales Executive**



**15:00 – 15:30: Q & A Time:**

**The last half an hour has been provided to attendees to raise their questions to the speakers**

**Xenia Neophytou, Director of C.X. Financia Ltd, was the Moderator of the webinar.**



**A big THANK YOU to all our sponsors for their support**



- To watch the recorded video of the webinar, please visit [www.gbcy.business/webinar](http://www.gbcy.business/webinar)
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DP06444/DRE\_1219

### Two Detached Houses and Two Apartments in Dali, Nicosia



**Internal Area**  
500 m<sup>2</sup>



**Build Date**  
2010



**Building Floors**  
2



**Parking Spaces**  
5



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DP06207/PL-GR-011

### One-Bedroom Apartment, Athens



**Internal Area**  
50 m<sup>2</sup>



**Bathrooms**  
1



**Bedrooms**  
1



**Parking Spaces**  
-



**€ 4,350,000**

DP06141/DRE\_032

### Neoclassical House, Kifissia



**Internal Area**  
408 m<sup>2</sup>



**Bathrooms**  
3



**Bedrooms**  
6



**Parking Spaces**  
1



**€ 185,000**

DP06103/DRE\_037

### Two-Bedroom Apartment, Ampelokipoi



**Internal Area**  
80 m<sup>2</sup>



**Bathrooms**  
1



**Bedrooms**  
2



**Parking Spaces**  
-

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# **Upcoming: 6<sup>th</sup> International Webinar**



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- Real Estate opportunities

**The 6th International Webinar is organised by the  
Great Britain-Cyprus Business Association**

**London 20 April 2021**

Time: 2.00 p.m. – 3.30 p.m. UK Time / 4.00 p.m. – 5.30 p.m. Cyprus Time

**To Register please visit: [www.gbcy.business/webinar](http://www.gbcy.business/webinar)  
Date of Registration will be announced**

### **Why to attend; to find out about:**

- Legal information
- Banking services: Accounts' opening/barriers/options available
- Property and other Investment opportunities
- Level of education provided and new opportunity for Studies
- Immigration
- Financial services
- Other investment & business opportunities

### Who should attend:

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- Marketing Agents/Consultants
- Importers and Exporters
- Manufacturers
- Service providers
- Investment Consultants
- Property Developers and Real Estate Agencies
- Large to small scale Investors and
- Individuals who are interested to invest/relocate/study in these countries.



### Speakers

The names of the 5 distinguished speakers will be announced shortly. At the moment we have managed to confirm 3 speakers representing:

- Elias Neocleous & Co. LLC
- Exsus Group
- Delfi Partners & Company

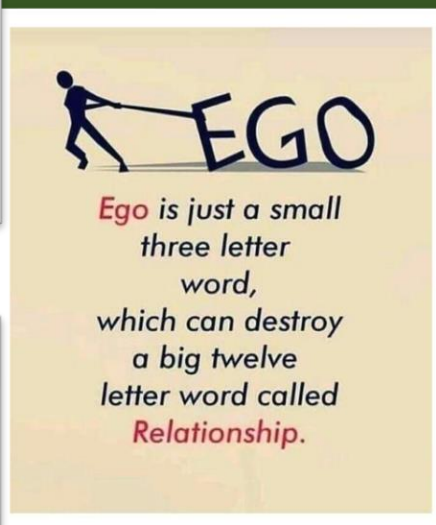
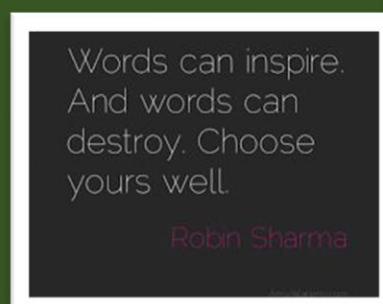
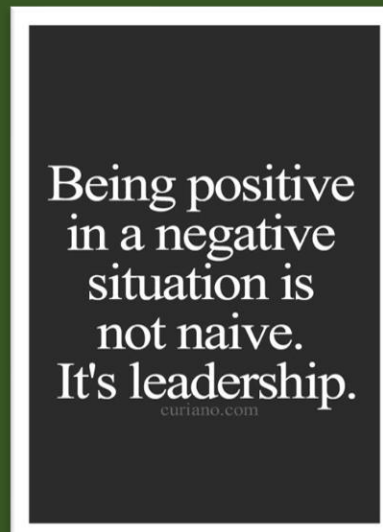
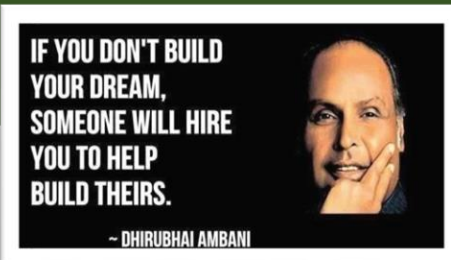
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# Leadership

By Savvas Kyriakides  
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**Stella Zenios: It has been a challenging year for all of us. We all need to work together to find business solutions, and to help each other.**

**Interview with Stella Zenios: Executive Director, Exsus International Ltd, United Kingdom**



**EXSUS GROUP**  
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**1. Stella, first give us some information about Exsus; countries you have operations, services you provide and anything else you would like to mention.**

We are an internationally based Group of Companies in Nicosia Cyprus, Dubai, United Kingdom, New York, Tel Aviv and Johannesburg, with a high level of associates around the globe. We are also members of certain professional, global Networks.

**2. Why should someone come to Exsus instead of another competitor?**

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**3. We are experiencing the impact of Covid-19 for almost a year. How difficult was this year for Exsus and how your company has been affected?**

Like most business around the globe, there have been changes, some businesses have closed down and some business have restructured. We prepared for the Pandemic right from the onset and restructured our Group in all areas, from staff reorganisation, and to reduce costs to ensure we all survive this very difficult period, and to keep on track to meet all our expectations for the future.

**4. When the going gets tough, the tough get going. What changes, if any, your company has introduced to face the new challenges?**

As explained above we have had a major restructuring from the onset of the Pandemic. Internationally, all our staff mainly work from home to maintain global mobility, and we upgraded and monitor our technological systems to ensure accessibility with remote ways of working. All our meetings are now held via social media tools, so we can seamlessly communicate with existing and new customers onboarding the Group.

**5. I am aware that your company has established remarkably successful operations in Dubai. Tell us more about that.**

Exsus Dubai has been in operation for almost 8 years now and we have international clients who require this option. Such clients trade through the United Arab Emirates, according to their needs, as the UAE is a zero Tax jurisdiction with a zero VAT option, if they trade outside the UAE. By word of mouth and building our associate data base, we now have more requests to come on board. The UAE solution and banking solutions are an amicable tool and, since Israel has joined forces with the UAE, there has been great interest on this side and our scope is to build in this area.

**6. Any news about new products or services for the near future.**

We are what we are for the time being and have enough to be getting on with, although we are always interested in new ventures/projects, if we can support them. The banking industry in Cyprus seems to be collapsing with major obstacles in place to open accounts and accounts being blocked for International Traders. However, we at Exsus, have alternative solutions in the banking world and can open EU Companies in London with a regulated bank.

**7. A final message for all our readers and our business associates.**

It has been a challenging year for all of us. We all need to work together to find business solutions, and to help each other. COVID 19 will be a part of our lives for some time to come.

I am available for any communication to see how we can work together.

Best Regards, Stella Zenios (stella@exsusgroup.com).



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- Bank Account Management



## AUDIT

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## DUBAI

- UAE Company Formation
- DMCC
- RAKICC
- Mainland
- VAT Registration & Return Filing
- Accounting & Audit of UAE Company
- RAKEZ
- Other Free Zone Formation
- Other**
- UAE Banking Services
- Estate Services
- Residency Services
- Office Service Set-up



## INTERNATIONAL

- Support International Clients in Operations and Administration.
- Participation in International Networks, Associations and Alliances - United Tax Network, Society of Trust & Estate Practitioners
- Develop Global Network of Quality Driven Members
- Provide Platform for Engagement Focused Cooperation between Member Firms



## JOHANNESBURG

- Company Formation
- Tax Advisory & Compliance Services
- Legal
- Trusts
- Accounting
- Property Acquisitions
- Investments
- Project Management



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- Bank Account Opening & Management
- VAT Representation & Reporting
- Accounting & Auditing
- Management Accounts
- Personal Tax Advisory and Compliance Services
- International Corporate Tax Advisory & Compliance Services
- Discussion and Agreement of Tax Affairs with Tax Authorities
- Payroll Services



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- Company Formation
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- Legal
- Trusts
- Accounting
- Property Acquisitions
- Investments
- Project Management



## NEW YORK

- Company Formation
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- Legal
- Trusts
- Accounting
- Property Acquisitions
- Investments
- Project Management



# RJ Overseas Property



**RJ Overseas Property** is a family-owned business with our “roots” firmly established in both the UK and Cyprus. The company specializes in providing customers of all nationalities with unbiased advice regarding purchasing Real Estate across the beautiful island of Cyprus.

Buying a home overseas is one of the most important decisions you are ever likely to make, whether it be as a holiday home, retirement, or personal investment.

We understand the decision-making process having been there ourselves, our commitment is to assist you throughout the whole process along with our professional team and established advisors with the aim of making the buying process as simple and as straightforward as possible for you – all supported up by our excellent customer service team.

Being both RICS and AIPP accredited, we ensure that our clients always receive an unparalleled personal service. Working directly with reputable developers across Cyprus we can negotiate directly on the customer’s behalf, to provide an excellent range of property to suit all requirements and budgets.

Lead by our MD Rob Johnson and his team they have years of experience within the real estate market, both within the UK and Cyprus, our sales team all have a clear understanding of the legal conveyancing process allowing them to provide clear unbiased advice throughout the process.

In support of our sales team, we are able to provide individual clients and investors, structured advice in regard to the letting of their property purchase with the view of achieving the best possible return on their investment (ROI), in addition our marketing team actively promote all clients rental investments through several global property portals, ensuring the required high level of market exposure

During the last couple of years, we have experienced a significant increase in those taking the option of having a new home purposely built to suit their own specific requirements, this process can prove more cost beneficial than many people think. Through our qualified Surveyors and Project Managers, we offer a bespoke service from design conception through to practical completion of your new home, professional advice will be given in regard to the form of Build Contract, Specification and financial cashflow, the whole build and financial process will be controlled by one of our designated Project Managers, who will manage valuations to the contractor in accordance with completion of the agreed build stages. \*

Following build completion, we are able to offer the option of a 10-year Warranty and Latent Defect cover through a UK based underwriter, currently utilised by many of the UKs National Housebuilders. \*

We are there every step of the way, our Customer Service team will also assist in arranging the setting up of utility accounts, bank accounts and the important aspect of settling into your new property.

We regularly hold our own property roadshows and exhibit at many established Property Exhibitions throughout the UK and other EU cities, where we can offer clients the opportunity to come and meet the team and obtain unbiased advice and guidance in regard to making the first steps to buying overseas.

**Our Customer Service Charter sets out our commitment to you and the help we will provide throughout the whole process. We will:**

- We will listen to your personal needs and requirements and provide unbiased advice as to properties that suit you in the strictest confidence.
- We will arrange a viewing trip allowing you to actually view the properties whilst you are there to assist in your decision.
- We will strive to ensure all our marketing and advertising is clear and truthful and use clear and fair terms and conditions.
- We will provide you detailed information about the home you are buying and guidance regarding the choices and options available to you.
- We will provide you with your own personal files showing you all the steps involved in buying a new home, moving in, maintaining your new home, details of warranties and guarantees and after sales service.
- We will assist you in appointing the right cost-effective professional Cyprus based solicitor who fully understands your specific needs during the legal process
- We will assist you through the legal purchase and contract and provide you with regular updates regarding the legal process of buying your home
- We will help you establish and open a Cypriot bank account
- We will assist in helping you arrange standing orders for payments of electricity, water, refuse collection and service charges
- We will on new build homes provide you with regular updates on the construction progress of your home, and when it will be ready and certify those works have been completed in accordance with the contract payment terms \*
- We will ensure you receive Health and Safety advice when visiting a development, and when you have moved in.
- We will arrange for our after sales representative to visit you after you have moved in
  - Subject to terms and conditions





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- . Administrative Law in connection with the European Law - cases of fair Hearing, dealing with illegal deportation orders, legitimate interest and cases related to Article 146 of the Cyprus Constitution
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# Decosta Laboratories

The power of natural ingredients in herbal cosmetics Decostalabs



Natural cosmetics are now in trend. And, even if it was not in fashion, we want to use environmentally friendly Eco products.

Therefore, we want to share our find in the field of organic cosmetics - Decosta laboratories. Decosta laboratories was founded in 1998. Cosmetics are made in Cyprus exclusively from environmentally friendly products grown naturally. The company has its own plantations in mountainous areas where olives, pomegranates and various herbs are grown without the use of chemical fertilizers.

The founder of the company Costas Constantinou 2 years ago decided to start producing natural, herbal cosmetics. Being a chemist by education, he developed all the formulas on his own, based on the desire to make effective high-quality cosmetics at an affordable price.

The production process consists of extracting aromatic oils from herbs and fruits, based on many years of study of the effectiveness of ingredients and carefully selected formulas.



DecostaLab today produces more than 70 types of cosmetic products for the skin and hair of the mass market segment. The company produces cosmetics on the basis of a license issued by the Ministry of Industry and Commerce of Cyprus.

All products are registered in CPNP and have undergone a thorough quality analysis in accordance with European law. The main products in the line are: olive, hemp, pomegranate, lavender, rose cosmetics and cosmetics based on donkey milk.

Prices for cosmetics are very affordable while the quality is on top! You can get acquainted with the all products line on the website [www.decostalabs.com](http://www.decostalabs.com), and on the FB page Decosta Laboratories.

# Proposed leasehold reform 2021

By Gary Scott, Partner at Spector Constant & Williams

SC&W

SPECTOR CONSTANT & WILLIAMS



The Government have announced what they say will be “*the biggest reforms to English property law for forty years*”. The Government press release can be seen [here](https://www.gov.uk/government/news/government-reforms-make-it-easier-and-cheaper-for-leaseholders-to-buy-their-homes).

(<https://www.gov.uk/government/news/government-reforms-make-it-easier-and-cheaper-for-leaseholders-to-buy-their-homes> )

This comes as a response to many years of consultation and a series of reports from the Law Commission including a report on commonhold as an alternative method of owning real property, collective purchase of freeholds, lease extensions and issues relating to leasehold houses.

## Commonhold

The Government have announced the creation of a Commonhold Council. The details are sparse but, this body should be responsible for considering in detail the changes that are required to the current commonhold system in order to (i) make it a viable alternative for developers for new properties; (ii) make it easier for a group of lessees to convert from existing leasehold structures; and (iii) make it a system which works well without the numerous flaws of the existing commonhold system.

This Commonhold Council should also be responsible for a campaign of education for developers, lenders and the general public as to the benefits of a commonhold system to make it more understood and more acceptable in the future as an alternative to leasehold.

The market at the moment is dominated almost exclusively by leasehold which is a system that has been in place for hundreds of years in this country but is very rarely encountered in other countries around the world. Agreeing the details of a new system and then promoting that system will be the work of many years, but the market is definitely ready to consider change, given there has been a lot of negative publicity about the leasehold system in recent months and years.

### **Lease Extensions / Purchase of Freehold**

The Government also announced that they would be legislating to make Lease extensions and the purchasing of Freehold cheaper and easier.

The announcement, however, is all about the hype and nothing about the detail. All mouth and no trousers as my grandma used to say!

It is proposed that legislation be passed during this year to make all ground rents in new leases a peppercorn (or £0). This will impact new leases and will have no effect on existing leases or Ground Rents.

The Government go on to suggest that they will legislate to:

- (i) increase the statutory extension period to 990 years (it is currently 90 yrs + existing term);
- (ii) fix the ground rent for the purpose of calculating the premium at 0.1% of the property value;
- (iii) fix the variable rates applied to current valuations and provide an online calculator that would provide certainty in respect of the valuation;
- (iv) abolish marriage value

Increasing the term by 900 years will give negligible effect on the value of the extension and would act to make sure that only one extension is ever required. This doesn't seem particularly controversial but may slightly increase the amount payable by the Tenant.

Fixing the ground rent to 0.1% for the purpose of calculating the lease extension premium will really help those lessees with onerous ground rents and there is a good moral argument that landlords who imposed onerous ground rents should not gain from them financially now that the practice has been highlighted and roundly condemned.

Fixing the variable rates and abolishing marriage value are, however, trickier propositions.

Marriage Value is currently only payable when the lease is below 80 years and it represents the difference in value between the lease without the extension and the lease with the extended term. 50% of that increase in value is currently paid to the Landlord as part of the premium.



Many people would be affected adversely by simply abolishing marriage value. Pension funds, investment funds, ground rent companies or professional investors, small scale personal investors in freeholds and even leaseholders that have collectively purchased their freehold will see the value of their investment severely effected by the abolition of marriage value. Perhaps 25% - 50% of the value of their asset could be wiped out and there is no explanation from the Government as to how they would then compensate those people or entities.

The reality is that the Government would have to balance the rights and interests of the landowners with those of the leaseholders in coming up with any mechanism for pricing Lease extensions in the future. Any financial benefit given to leaseholders in this legislation would be taken directly from the freehold owners.

Some valuers have speculated as to whether the rates that the Government proposes to fix might be fixed at a level which would produce higher results for the other aspects of the valuation in order to compensate for the loss of marriage value.

This approach as announced sounds like it would be of significant financial benefit to leaseholders but would have to be done at the expense of the Freehold owner.

The announcement has been welcomed by leaseholders but professional bodies, such as the Association for Leasehold Enfranchisement Practitioners, have commented that the announcement has *“thrown up more questions than.... answered”*.

Whilst it may be the Government’s ambition to produce legislation on these latter points during 2022, the reality is likely to be that such legislation takes longer than they anticipate and that it will not deliver the benefits which leaseholders may hope for on the face of the announcement. Such benefit as it does provide is likely to be diluted by the need to balance the competing rights and interests of leaseholders and freeholders.

It is impossible to predict whether a leaseholder would be better off waiting for changes to potentially occur over the next four to five years or whether to proceed now with an extension but if a leaseholder requires certainty, then there is nothing in this announcement which I would consider good grounds to delay extending.

A nighttime photograph of a busy London street, likely Regent Street, featuring a red double-decker bus in motion and historic buildings with illuminated windows. The scene is captured with a long exposure, creating light trails from the vehicles.

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# **Headquartering and Relocation of UK Companies to Cyprus through the “FTBA” Mechanism – An attractive post-Brexit solution**

**By Esme Palas, Partner at Michael Kyprianou & Co. LLC**



**michaelkyprianou**  
— Advocates - Legal Consultants

As the implications and the impact of Brexit are now becoming apparent many UK-based businesses are considering relocation of their headquarters or business activities from the UK to other European countries. Cyprus offers competitive advantages in terms of attracting UK-based companies that seek to maintain close business ties within the European Union.

The new framework for facilitating the establishment of foreign companies in Cyprus makes it an attractive post-Brexit solution for UK companies that wish to continue business operations throughout the EU moving forward.

Headquartering and company relocation in Cyprus has become more attractive through the introduction of the framework known as the Fast-Track Business Activation mechanism (“FTBA”), which was very recently implemented by the Cyprus Government in an attempt to further attract foreign businesses and to stimulate economic activity by promoting foreign investment to the island. This mechanism aims to facilitate the establishment and re-domiciliation of businesses from third (non-EU) countries to Cyprus as well as to provide fast and efficient services to new and existing entities of foreign interests wishing to speedily and efficiently establish presence in Cyprus. UK Companies can most certainly benefit from this framework and now would be the ideal time to continue their EU trading activities without serious interruption.

## **Benefits of the Fast-Track Business Activation mechanism**

The main benefits of the “FTBA” mechanism which is operated by the Ministry of Energy, Commerce and Industry are that it offers assistance and accelerated procedures for the incorporation or re-domiciliation of companies in Cyprus, as well as with obtaining all necessary local registrations with public authorities, such as the VAT registry, Income Tax and the Social Insurance registry which are required for the Companies’ operations from a Point of Single Contact (PSC). There is also facilitation for the expedited issuance of the necessary residence and employment permits in Cyprus for third country nationals and their family members, required for the operation of companies in Cyprus.



### **Eligibility criteria for the Fast-Track Business Activation mechanism**

Companies interested in joining the “FTBA” mechanism should meet the quantitative and qualitative criteria below, thus contributing positively to the country’s economic growth:

A new company is required to submit a reliable 5-year business plan as to the company’s goals, activities and strategy illustrating growth potential.

Existing companies should have a minimum turnover of €500.000 per year for 3 out of the last 5 years of operation.

Companies should have a physical presence in Cyprus, including establishment/operation of independent premises and staff that are separate from any private residence.

### **Eligibility criteria for employing third country nationals under more favourable provisions**

Most importantly, due to the recent revision of the policy for the issuance of residence and employment permits of third country nationals employed in companies of foreign interests registered in the Republic of Cyprus, facilitation services will be provided for residence and employment permits of third country nationals under certain conditions.

In order for companies of foreign interest who either re-domicile in Cyprus under FTBA mechanism or are incorporated under this mechanism to employ third country nationals in Cyprus under more favorable provisions and to be registered as a company of foreign interests with the Migration Department the following should apply:

Third country shareholders should own the majority of the company’s shares with the exception of companies that fall into the fields of shipping, high technology and innovation, pharmaceuticals, biogenetics and biotechnology.

A foreign direct investment of capital amounting to at least €200.000, must be admitted to Cyprus from abroad for the purposes of operating the company

The establishment/operation of independent offices in Cyprus, housed in suitable premises, separate from any private housing or other office, except in the case of business co-habitation.

Companies that meet the above criteria are eligible to employ third country nationals as Directors, middle management executives, key personnel or specialists with no restriction on the maximum duration of their stay in the Republic. Third country nationals employed in the above positions are able to exercise their right to family reunification. In such a case, third country nationals who are family members, (spouse and minor children), can enter and reside in Cyprus after the sponsor has followed the procedure for family reunification.

Furthermore, the issuance of a temporary residence and employment permit for the above positions (Directors, key personnel and specialists) is allowed when the entry of the third country national into the Republic was made with a visa and not by previously securing an entry permit from the Civil Registry and Migration Department.

A company of foreign interests may also employ third country nationals as support staff but will need to follow the General Employment procedure by first securing the positive recommendation of the Department of Labour. A company may employ third country nationals in posts in this category at a rate of 30% of the total staff and subject to the so-called market test.

The applications for joining the FTBA mechanism will be examined by a Committee while a due diligence check will be conducted on the companies and the shareholders wishing to join the Fast-Track mechanism. The Ministry of Energy, Commerce and Industry will grant the company the relevant certificate following the success of the application.

### **Creation of the Point of Single Contact (PSC), Cyprus**

The Ministry has also created a dedicated and specialized business support centre, the Point of Single Contact (PSC) which aims at improving the quality and breath of services provided in Cyprus to existing and new companies. In addition to operating the "FTBA" mechanism, the PSC facilitates the establishment of businesses in the services sector and the cross-border provision of services within the internal market. The PSC established by the Ministry of Energy, Commerce and Industry is meant to become the single interlocutor by fulfilling a coordinating role between service providers and competent authorities which will facilitate the establishment of businesses.

### **Why Cyprus?**

Cyprus is an attractive post Brexit Solution for UK Companies and due to its competitive advantages will provide fertile ground for attracting companies and investments. It is an international business centre and an ideal point of entry to the EU with a strategic location.

As an EU member, it allows businesses to enter and do business from and within the EU and beyond. Cyprus has a transparent and attractive tax regime with competitive tax rates and a wide range of double taxation treaties with other countries, as well as a very low corporate tax rate of 12,5%. It has credible and highly reputable, advanced and stable business, banking and financial services and an efficient and transparent legal, financial and regulatory framework. It also has relatively low set-up and operation costs for companies. Apart from business advantages, it offers a high quality of life and an affordable Mediterranean lifestyle making it an ideal headquartering location. In addition, it offers excellent educational and healthcare system.

Cyprus views any relocation of UK Companies to its country very favourably and the "FTBA" mechanism is a clear demonstration of this. Undoubtedly, now would be the time for UK companies that wish to uninterruptedly continue their EU trading operations, to take action and to consider Cyprus as a preferable option for their operations and headquarters.

***The content of this article is intended to provide a general guide to the subject matter and does not constitute legal advice. For further information or advice, please contact Esme Palas, Partner at Michael Kyprianou & Co LLC, Barrister at Law, specializing in Corporate, Real Estate and Immigration ,via email at: [Esme.Palas@kyprianou.com](mailto:Esme.Palas@kyprianou.com) or by phone at : +357 26 930 800***

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### • NICOSIA OFFICE

T: +357 22 447777 | F: +357 22 767880  
[info@kyprianou.com](mailto:info@kyprianou.com)

### • PAPHOS OFFICE

T: +357 26 930800 | F: +357 26 930800  
[paphos@kyprianou.com](mailto:paphos@kyprianou.com)

### • LIMASSOL OFFICE

T: +357 25 363685 | F: +357 25 363698  
[limassol@kyprianou.com](mailto:limassol@kyprianou.com)

### • ATHENS OFFICE

T: +30 210 3387060 | F: 30 211 7150149  
[athens@kyprianou.com](mailto:athens@kyprianou.com)

### • THESSALONIKI OFFICE

T: +302 310 299953 | F: +302 310 299954  
[thessaloniki@kyprianou.com](mailto:thessaloniki@kyprianou.com)

### • BIRKIRKARA OFFICE

T: +356 21 331810 | F: +356 21 331810  
[infomalta@kyprianou.com](mailto:infomalta@kyprianou.com)

### • LONDON OFFICE

T: +44 (0) 2076 920777  
[london@kyprianou.com](mailto:london@kyprianou.com)

### • DUBAI OFFICE

T: +971 4 3633637 | T: +971 4 3628000  
[dubai@kyprianou.com](mailto:dubai@kyprianou.com)

### • KIEV OFFICE

T: +38063 251 0042  
[kiev@kyprianou.com](mailto:kiev@kyprianou.com)



# Recognition and enforcement of judgments of the European Union in the United Kingdom and Brexit

By Giovanis Kouzalis, Director and Senior Lawyer at G. Kouzalis LLC



The development of Cross border relationships between European Union (EU) Member States were always a priority for the union. An important part of inter-state cooperation within the EU was the area of law and more precisely, recognition and enforcement of judgments across the union.

## History

The first step towards the uniform regime of European justice system, was set by the Brussels Convention in 1968. Subsequently, it was replaced by the Brussels 1 Regulation (No 44/2001), making provisions as to the recognition and enforcement of judgments binding in all EU member states except from Denmark, which chose to opt- out from its implementation. Finally, from 2015, The Brussels 1 (Recast) Regulation (No 1215/2012) amended the original Brussels 1 Regulation, whose contents are

applicable across in all EU Member States including Denmark.

## Brussels 1 (Recast) Regime

The main essence of the so-called Brussels Regime is that except from setting certain rules on jurisdiction, the enforcement and recognition of judgments of foreign courts across the EU became a very swift and effective process. Generally, all judgments will be recognized in a foreign EU Member State except from some instances set in the Article 34 of the Regulation, e.g., judgments issued contrary to the public policy of another member state.

## Brexit

Passing to the matter of the Brexit, following the decision of approximately 52% of British citizens, United Kingdom (UK) has triggered the Article 50 of TFEU, and begun negotiations for the Withdrawal from the EU. On 23d January 2020, the European Union (Withdrawal Agreement) Act 2020 (the Act) gained Royal Assent, which constitutes a primary legislation setting main principles of the withdrawal. A transitional period in which the Act will have effect will last until 31 December 2020. As in regards the aspects of Jurisdiction and Recognition & Enforcement of Judgments, for the transitional period, the Act refers to them in Articles 67(1)(a) and Article 67(2)(a) respectively.

## Article 67(1)(a)

Article 67(1) (a) provides that in regard to the jurisdiction, any legal proceedings, *“instituted before the end of the transitional period”* and *“any legal proceedings, which although are not instituted before the end of the transitional period but **are related** to such proceedings”*, **will continue** to be governed by the Brussels (Recast) Regulation.

### Article 67(2)(a)

As for the matter of Recognition and Enforcement of Judgments, Article 67(2)(a) provides that, *“In the United Kingdom, as well as in the Member States in situations involving the United Kingdom”,* the Brussels (Recast) Regulation **will continue** to apply to all judgments that were *“given in legal proceedings instituted before the end of the transitional period”*.

### Transitional Period

It must be noted that the transitional period according to the Article 132 can be extended, and thus the application of the Brussels Regime to be prolonged for additional amount of time. Furthermore, lack of any agreement for the future relationships of the UK with the EU after the end of the transitional period (Hard Brexit), will not affect provisions of the Withdrawal Act, and any proceedings instituted before the end of the transitional period, will follow the procedures set by the Brussels (Recast) Regulation.

### Conclusion

Conclusively, the Brexit withdrawal scheme, clearly stipulates that Brussels (Recast) Regulation will continue to apply to aspects of Jurisdiction and Recognition and Enforcement of Judgments for all the cases instituted before the end of the transitional period on 31 December 2020, with possibility of the transitional period to be extended, and will continue to apply for the above cases even in the case of the no-deal Brexit.





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## **Amendments to EU Slot Regulation casts struggling airlines a lifeline.**

By Linda Foulkes-Stokes FCCA, Content creator / Publications editor, ELIAS NEOCLEOUS & CO LLC



### ***Background***

On 15 February 2021, the EU adopted an amendment to the 'Slot Regulation' (the Regulation) tempering the so-called 'use it or lose it' rule. Slots are essential for airlines at congested or coordinated airports (those where demand exceeds capacity). Without a slot, airlines cannot operate to or from those airports. The number of slots at those airports is limited and therefore demand exceeds capacity, which creates entry barriers. To ensure that the aviation sector remains competitive, with benefits for EU consumers, it is therefore important that slots are allocated in a non-discriminatory manner to the airlines that make the best use of them. The provisions of the Regulation aim to strike a balance between giving airlines the stability they need to run their operations and, ensuring unused slots are made available to competitors or new entrants. Under the general EU airport slot requirements, airlines must use at least 80% of their take-off and landing slots to be allowed to keep them the following year. The intention is to promote competition within the industry and ensure a fair deal for the consumer. It prevents larger airlines taking slots, not using them, and by doing so reducing choice and capacity within the industry as well as forcing up ticket prices.

### ***Covid 19 impact***

The sudden emergence of the Covid 19 pandemic in early 2020, and the many travel bans, and restrictions related to it, rendered the Regulation's 80% requirement unworkable. Fulfilling the 80% requirement would have forced airlines to operate 'ghost flights' with no passengers and, no associated income stream. The cost of this would have resulted in probable bankruptcy for many, and near destruction of the passenger airline industry. Additionally, the adverse environmental impact of 'ghost flights' would have been significant. In recognition of these factors, in March 2020 the EU opted to completely waive the Regulation for the summer 2020 season. Secondary legislation was then enacted to extend the full waiver to cover winter 2020/2021. Originally it was hoped that by the start of the summer 2021 season the pandemic would be under control and airline traffic would return to normal levels allowing for a return to the usual 80% usage requirement. However, with Eurocontrol figures indicating a continued 74% year on year fall in air traffic from June 2020, vaccines not readily available to all, and the epidemiological forecasts still uncertain, 'normality' seems to be a distant concept. In view of this, whilst the EU is keen to take initial measures to relaunch the airline industry and encourage competition, it recognises that some flexibility on slot usage is still required.

### ***Amendment to the Slot Regulation***

The principal features of the amendment are:

1. The amendment allows airlines to benefit from a full waiver for slot series returned before a certain date (8 days after publication of the amendment).
2. In general, the number of slots that can be returned is limited to 50% of the slots that an airline holds at a particular airport.

3. The possibility to hand back 50% of the entire slot series only applies to summer 2021. However, airlines will have to return any slot they do not intend to use, no less than three weeks before the planned flight, so that other airlines have the possibility to take up this unused capacity.
4. An exception to point 2. is made for airlines with limited operations at an airport. These may return all their slots. Both EU and non-EU airlines may benefit from this provision.
5. An airline must use 50% (rather than 80%) of their remaining slots to retain its right to them in future years. An exception may be made if the route is affected by measures adopted in the context of the Covid 19 pandemic.

### ***Future extensions***

The Commission has been empowered to adopt delegated acts for one year in relation to the amendment. This will allow it to extend the scheme through the next winter and next summer travel seasons if it believes such extension to be necessary. The three-week rule referred to in point 3. above will also apply in this circumstance. Additionally, the Commission has been granted flexibility to alter the 50% slot usage requirement within the range 30-70%. This will allow it to adjust the scheme in accordance with actual and forecast travel data as well as other indicators including those relating to the spread of the pandemic.

### ***Reactions***

The EU Council, Parliament and Commission have acted swiftly in adopting the amendment to give the industry a stable legal framework to plan operations for the coming seasons. The new rules will be in place in time for the start of the 2021 summer season on 28 March 2021. Airlines for Europe (A4E), except for Ryan Air, have welcomed the new legislation although it falls short of its request for full alignment of the EU's proposal with the Worldwide Airport Slot Board's recommendations (WASB). A4E has stressed that since there are minor differences with WASB it is vital that the European Commission ensures EU carriers are eligible for relief in important markets such as China, Japan and the United States. Ryan Air, however, strongly objects to any form of slot relief on the grounds that it allows airlines to 'squat' on slots that airlines such as itself could utilize. It, therefore, argues that the EU is in fact stifling competition at the expense of consumers.

### ***Assessment***

Whilst Ryan Air may well have a point in respect of certain slots and routes, to apply a no assistance approach across all slots would most likely result in the financial collapse of many existing operators. Thus the 'competitive' approach advocated could ultimately result in a lack of competition within the industry and less choice for the consumer. This would be disastrous for countries, such as Cyprus, which are heavily reliant on the tourist industry. Indeed, the lack of flights in 2020 coupled with Covid measures not only reduced Cyprus' visitors to 20% of their 2019 levels they also had a dramatic impact on the transport of mail and other cargo into and out of the country. The amended Regulation should at least allow for some restoration of flights and enable the islands feeder airlines and European airlines in general to stay in business with a view to a return to normality in 2022.

This three-week rule will also apply if the measures are extended by delegated acts. The rules on handing back slots are an example of the measures to start relaunching the industry and encourage competition that are included in the regulation.



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## British nationals' route to Residency in Cyprus



By Demetris Demetriades, Managing Partner Corporate, Real Estate & Immigration



The Withdrawal Agreement has been great for British Nationals who already resided in Cyprus or exercised their right of free movement into the country prior to the 31/12/2020. They can continue living in the country and enjoy their right of free movement and employment like any other EU National. But what about those who want to buy their place in the sun and spend there more than the 90 days Visa free period?



Those of independent financial means who do not have to work in Cyprus to support themselves, can apply for Permanent Residence in either under Category F or Category 6(2).

### Permanent Residency Under Category F

Having a secure annual income, coupled with some savings and a place to stay, are the main considerations for being eligible to a Category F Residence Permit. Although their place of residence can be a rental, owning their own residence is a considerable advantage in processing their application favourably.

The applicant may purchase **any type of** residential property, either resale or newbuilt and of **any value**. A resale property is not subject to VAT (5% or 19% rate) however, Land Registry Fees will be payable at the time of transfer of the Title Deed.

0-85.000	1.5%
85.001-170.000	2.5%
Over 170.000	4%

The law does not specify the amount of annual income the Applicant should earn, although typically it should be such that would afford a decent standard of living for the whole family. Likewise, the Regulation does not set out a specific amount of savings to be deposited in the local bank. Ordinarily, €30.000 transferred **from abroad** into a personal bank account in Cyprus would suffice.

The main applicant can add the spouse and children up to the age of 18 as dependents. Nevertheless, children who are PR holders under category F will not be able to renew their PR once they become 18 years old, unless they can satisfy the requirements independently.

Hence, Category F is more suitable for those who are pensioners wishing to retire in Cyprus or families with secure income from abroad who wish to set up home in Cyprus.

Examination of the Application can take 12 to 18 months and Category F Permit Holders are not allowed to work in Cyprus or to be shareholders in a company which carries out business activities in Cyprus.

### **Permanent Residence Under Category 6(2)**

Applicants under Category 6(2) should purchase a new residential property (or two if they wish so) **of at least €300.000 plus VAT** and can only submit their application once they have paid at least €200,000 plus VAT.

A significant advantage to this Category is that the parents, parents in law as well as children over 18 and up to 25 years old who are single, students and financially dependent, can also secure a Residence Permit under the same Application. This type of Residency Permit remains valid throughout their lifetime provided they visit Cyprus at least once every two years.

Criteria as to income and savings is clearly defined and the Applicant should prove that he earns a secure annual income of at least €30.000. Such annual income should increase by €5.000 for every dependent person of his family (spouse and children) and by €8,000 for every parent/ parent-in-law.

Likewise, the applicant should transfer the amount of €30.000 **from abroad** into a bank account in Cyprus which must then be blocked as a **three-year fixed deposit**.

The examination period of a 6(2) application currently takes three to five months hence often referred to as “fast-track”.

The holder of a Category 6.2 Residence Permit cannot work in Cyprus; however, he can be the 100% shareholder of a Company doing business in Cyprus without being an employee or the Director.

In both cases, a **Temporary Residence Permit** can be secured while their Application for Permanent Residency is processed.

Clearly Brexit has made residency rights of British Nationals in Cyprus less straightforward than before. Nevertheless, there are still clearly defined and straightforward immigration routes into the country that have already been utilised by thousands of non-EU Nationals and their families making Cyprus their home.

The content of this article is intended to provide a general guide to the subject matter and does not constitute legal advice. For any further information, please contact **Demetris Demetriades, Barrister at Law, at Andreas Demetriades & Co LLC by email at [demetris@demetriadeslaw.com](mailto:demetris@demetriadeslaw.com) or by phone at +357 26811668.**



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### **Contact us:**

Anthony Christodoulou - Director

Belgravia, London

[info@acavalon.com](mailto:info@acavalon.com)

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## Cyprus and Malta have a lot of potential



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Research has found that Malta is only second to Cyprus in a bid to become Europe's trading capital post-Brexit

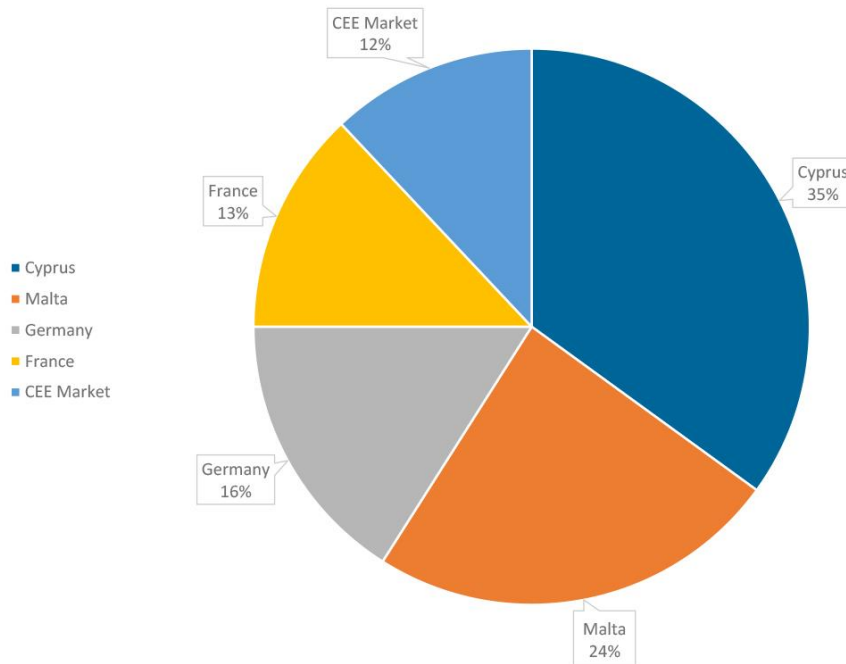
According to the Quarterly Intelligence Report of Finance, Magnates have shown that Malta is second only to Cyprus in a bid to become the trading capital in Europe post-Brexit, the world's leading provider of in-depth knowledge in the field of multi-asset trading reports.

According to the research, industry experts believe Cyprus, which is already the leading and most popular licensing jurisdiction for brokers looking to locate in Continental Europe stands to gain the most from the changes (35%). Exactly 24% of respondents believe that Malta will take over a large part of the brokerage business, followed by Germany (16%) and France (13%).

The last piece of the brokerage pie is expected to be filled by the CEE market, with Poland, among others, being mentioned, the report says.

Cyprus and Malta have a lot of potential.

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**NEW RULES EXPANDING THE CROSS-BORDER  
MOBILITY OF EU COMPANIES WITHIN EU  
DIRECTIVE (EU) 2019/2121**



## ***Introduction***

The freedom of establishment, one of the fundamental principles of Union law, allows for the mobility of businesses within the EU. Up until the entry into force on the 1<sup>st</sup> of January 2020 of the new Directive (EU) 2019/2121 on cross-border conversions, mergers and divisions (hereafter “the 2019 Directive”) one could argue that the harmonisation of the European company law system was sluggish and behind.

The 2017 Directive on Certain Aspects of Company law with respect to matters of cross border company mobility dealt primarily with rules concerning only cross-border mergers with few safeguards for members, creditors and employees, provided only for domestic divisions of public limited liability companies with no provision for cross-border divisions whilst the option of conversion was not dealt with at all leaving it for companies wishing to re-domicile within the EU to rely entirely on the respective national laws.

There was lack of a clear and unified EU legal framework for cross-border mobility of EU companies which led to legal fragmentation and legal uncertainty resulting in barriers for cross border mobility as well as weaker protection of members, creditors and employees.

The 2019 Directive fine-tunes the regulations that already exist on cross-border mergers, but most importantly for the first time it provides uniform EU regulations on cross-border conversions and divisions for all Member States in the European Union. As per the statement of Věra Jourová, the Commissioner for Justice, Consumers and Gender Equality, the 2019 Directive provides for new rules that “will give EU businesses more opportunities to move and grow by providing clear procedures for companies, which will cut costs and save time. At the same time, there will be strong safeguards to protect employees’ rights and to prevent abuse”.

Moreover, apart from standardising the three forms of corporate conversion and promoting the legal mobility of EU corporations, the 2019 Directive pays attention to the costs incurred by companies in pursuit of any of the above cross-border operations. It explicitly allows for the information to be submitted online and be placed on the website as an alternative as well as for the information to be required to be submitted only once at the Business Register Interconnection System. Additionally, in order to cut costs and reduce the length of the procedures and administrative burden for companies, Member States should apply the ‘once-only’ principle in the area of company law.

The procedure, although, appearing too stretched and guarantees a long process before the cross-border operation is finalised, it provides a necessary level of protection not only for the company's business, its members and employees but also in regards to preventing the carrying out of the cross-border operation for abusive or fraudulent purposes.

It is worth noting that the 2019 Directive, like its predecessors, does not cover partnerships meaning that for the time being partnerships may rely only on EU case law or applicable national law.

The purpose of this Article is to briefly analyse the 2019 Directive and how its provisions will affect the current state in Cyprus.

### ***Cross-Border Mergers***

The procedure for cross-border merger operations as mentioned above was already regulated by the 2017 Directive on Certain Aspects of Company law. The amendments introduced by the 2019 Directive provide for additional safeguards for members and employees which are outlined below. Furthermore, a new fast-track process is introduced for simpler cross-border mergers along the pre-existing regulations.

The 2019 Directive distinguishes three different types of mergers:

- (a) one or more companies, on being dissolved without going into liquidation, transfer all their assets and liabilities to another existing company, the acquiring company, in exchange for the issue to their members of securities or shares representing the capital of that other company and, if applicable, a cash payment;
- (b) two or more companies, on being dissolved without going into liquidation, transfer all their assets and liabilities to a company that they form, the new company, in exchange for the issue to their members of securities or shares representing the capital of that new company and, if applicable, a cash payment;
- (c) a company, on being dissolved without going into liquidation, transfers all its assets and liabilities to the company holding all the securities or shares representing its capital;

- (d) one or more companies, on being dissolved without going into liquidation, transfer all their assets and liabilities to another existing company, the acquiring company without the issue of any new shares by the acquiring company, provided that one person holds directly or indirectly all the shares in the merging companies or the members of the merging companies hold their securities and shares in the same proportion in all merging companies.

### ***Cross-Border Conversion***

According to the 2019 Directive the definition of a cross-border conversion is “an operation whereby a company, without being dissolved or wound up or going into liquidation, converts the legal form under which it is registered in a departure Member State into a legal form in a destination Member State and transfers at least its registered office to the destination Member State, while retaining its legal personality”.

In essence a cross border conversion is effectively the procedure widely known in Cyprus as company re-domiciliation (transfer of registered office of companies to and outside Cyprus), which until recently the relevant EU regulatory position was that an EU company may re-domicile in another Member State provided that the local legislations of the involved Member States allowed for such procedures. Clearly now, the provisions of the 2019 Directive create a harmonized approach in respect of this at least between Member States.

Much like the existing Cyprus legislation on re-domiciliation, the 2019 Directive allows for the company to retain its legal personality whilst its assets and liabilities, including any concluded agreements, will continue to exist in the converted company which is an advantage as it does not need to liquidate or dissolve in its origin Member State. Specifically, a cross-border conversion will have the following consequences:

- (a) all the assets and liabilities of the company, including all contracts, credits, rights and obligations, shall be those of the converted company;
- (b) the members of the company shall continue to be members of the converted company, unless they have disposed of their shares;



- (c) the rights and obligations of the company arising from contracts of employment or from employment relationships and existing at the date on which the cross-border conversion takes effect shall be those of the converted company.

### ***Cross-Border Division***

Cyprus legislation already includes provisions and mechanisms allowing for both a division and a partial division at a national level. The 2019 Directive allows for cross-border divisions which is an important development as this will improve the functioning of the internal market for companies and firms as it will allow for greater flexibility in businesses that have the intention to move in different EU countries.

Another significant differentiation is that Cyprus legislation - albeit only at national level - allows for companies to transfer all of their assets and liabilities to one or more branches of their activities to new or pre-existing companies. On the contrary, the 2019 Directive explicitly states that a cross-border division is solely allowed when one or more limited liability companies are newly created.

The recipient company in either of the cases must be a company newly formed in the course of a cross border division. The option of all or part of the assets of a company being transferred to an existing company pursuant to the provisions of the 2019 Directive is not possible. Having said that, the ability to perform a cross border division is a very important step forward.

According to the 2019 Directive, there are three different types of divisions:

- (a) Full division where the company is being divided, on being dissolved without going into liquidation, transfers all its assets and liabilities to two or more recipient companies, in exchange for the issue of securities or shares in the recipient company to the members of the company being divided and if applicable, cash payment;
- (b) Partial division where the company being divided, transfers parts of its assets and liabilities to one or more recipient companies in exchange for the issue to the members of the company being divided of securities or shares in the recipient

companies, in the company being divided or in both the recipient companies and the company being divided, and, if applicable, a cash payment;

- (c) Division by separation where the company being divided transfers part of its assets and liabilities to one or more recipient companies, in exchange for the issue to the company being divided of securities or shares in the recipient companies.

### ***Protection from Abuse***

The 2019 Directive has introduced an anti-abuse control procedure. A cross-border operation shall not be possible if the Member State designated competent authority is not satisfied that such operation is not for abusive, illegal, fraudulent or criminal purposes.

More specifically, when a competent authority is in serious doubt as to the purposes of the cross-border operation all relevant facts and circumstances need to be considered such as the indicative factors relating to the characteristics of the establishment in the Member State in which the company or companies are to be registered after the cross-border operation which includes the intention of the operation, the sector, the investment, the net turnover and profit or loss, the number of employees, the composition of the balance sheet, the tax residence, the assets and their location, equipment, the beneficial owners of the company, the habitual places of work of the employees and of specific groups of employees, the place where social contributions are due, the number of employees, and the commercial risks assumed by the company or companies before and after the cross-border operation.

The aim of transparency in the procedures is evident throughout the 2019 Directive. The relevant disclosure articles state that the Member States need to ensure that the draft terms of the cross-border operations and the notice that might be prepared by the relevant stakeholders for the general meeting need to be disclosed publicly. Member States have the discretion to decide whether they require the independent expert report to be publicly disclosed as well. Equally important is that confidential information need to be excluded from such public disclosure for the safeguard of the relevant stakeholders.

Moreover, the relevant stakeholders have been provided with additional safeguards. The Members are provided with the right of information, the right of approval in the general

meeting and the right of selling-out in case they do not want to become shareholders in a foreign company.

A company carrying out a cross-border operation needs not prejudice its creditors; thus, the competent authority needs to check whether the company has fulfilled all of the obligations towards any public creditors and whether any open obligations have been secured sufficiently. Also, any creditors who are dissatisfied with the safeguards they are offered from the draft terms of the cross-border operation have the option to apply to the appropriate administrative or judicial authority that they have not obtained adequate safeguards. Employees also have the right to information and consultation.

Furthermore, for the employee participation to not be unduly prejudiced due to the cross-border operation, the company will need to follow the rules of the destination Member State on employee participation but if the national law of the destination Member State does not provide the same level of protection as the national law of the departure Member State, then, the company will need to enter into negotiations with the employees to obtain the appropriate employee participation.

### ***Conclusion***

The 2019 Directive is a crucial development for the harmonisation of EU Company law and cross border company mobility. Such improvements most definitely reinforce the principles of freedom of establishment and the economic activity of organizations will be boosted and strengthened. Such operations facilitate access to markets and break down barriers in cross-border trade.

The adoption of the 2019 Directive has introduced the simplification and modernisation of cross-border operations as the Member States are provided with legislation with an explicit procedure to be followed that takes into account time and costs. Additionally, there is more legal certainty due to the harmonisation of regulations for cross-border operations and the introduction of strong protection for relevant stakeholders. It provides for more procedural certainty as there is a clear and unified EU legal framework for cross-border operations and provides a clear process for each of the cross-border operations covered.

The right of information and consultation to the relevant stakeholders as well as the possibility of scrutiny of the legality of the operation are necessary safeguards before the



enforcement of any cross-border operation. The specificity and structure of the 2019 Directive is a useful tool for the simpler enforcement of cross-border operations which prospectively will result to a better market environment. Nevertheless, it must be noted that there is some legal uncertainty regarding the period until the deadline of the implementation of the 2019 Directive.

## **DISCLAIMER**

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**February 2021**

## **Authors**

### **Nanette Kalava**

Partner – Legal Department

[Nanette.Kalava@kinanis.com](mailto:Nanette.Kalava@kinanis.com)

### **Andrea Ioakim**

Counsel – Legal Department

[Andrea.Ioakim@kinanis.com](mailto:Andrea.Ioakim@kinanis.com)

### **Vicky Papavarnava**

Trainee Lawyer – Legal Department

[Coprorate@kinanis.com](mailto:Coprorate@kinanis.com)

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### **Kinanis LLC**

Lawyers' Limited Company

12 Egypt Street, 1097, Nicosia

P.O. Box 22303, 1520 Nicosia, Cyprus

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E-mail: [KinanisLLC@kinanis.com](mailto:KinanisLLC@kinanis.com) – Web site: [www.kinanis.com](http://www.kinanis.com)

### **Kinanis**

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#### **Kinanis Fiduciaries Limited**

Suite 20, The Penthouse, 4th Floor, Ewropa Business Centre,

Dun Karm Street, Birkirkara, BKR 9034, Malta

Tel: + 356 27 54 00 24, Fax: + 356 27 54 00 25

E-mail: [malta@kinanis.com](mailto:malta@kinanis.com) Website: [www.kinanis.com](http://www.kinanis.com)

### **Kinanis (China) Limited**

China Representative Office

Unit 661, 6/F CIROS PLAZA,

388 Nanjing West Road, Huangpu District,

Shanghai City, 200003, China

Tel: + 86 18 410 072 690

E-mail: [china@kinanis.com](mailto:china@kinanis.com) Website: [www.kinanis.com](http://www.kinanis.com)

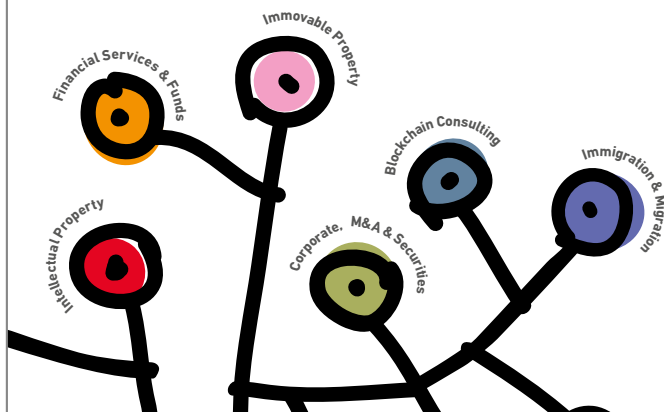


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# The use of social media in business development

By Paola Hadjilambri, Director of Business Development at Michael Kyprianou & Co. LLC



**michaelkyprianou**  
— Advocates - Legal Consultants

The modern digital age requires all professionals to be able to effectively use the given social platforms. Millions of people are using Linked In, Twitter, Instagram and Facebook but few are those who realize that not everyone is really harnessing the power of social media so as to benefit their business.

Nowadays, social media platforms have become the very essence of the success behind many businesses which have managed to get ahead of the tough competition. By creating digital marketing strategies, they managed to stay alive while maintaining a strong online presence especially during the past 12 months when the pandemic changed our lives for ever.

Social media platforms offer something very important. They allow each business to reach the global marketplace and expand its customer base in a much faster and more cost-effective way. With the click of a button the product, the service or the video promoting it can reach millions within hours in a more personalized way. Through a message on Linked In we find ourselves connected with other

professionals whom in other circumstances it would take long flights and many miles to reach.

In addition, businesses have the opportunity to target their audiences while improving visibility on the search engines. Businesses suddenly have a face, and a character, a vision and a mission which is more easily communicated and available to see, read, hear or watch. The best part is that the customer is allowed to interact and ask questions, thus making procedures much simpler and solving problems which previously would seem impossible without the physical presence of the expert.

By utilizing the social media platforms, in the best possible way, there are better chances for companies, businesses and organizations to increase their brand awareness and receive recognition from around the globe. It is simple, yet often difficult, for some businesses to understand that through social media their products or services can be shared with potential clients who are users of the same social media platforms.

A large number of organizations and businesses today are starting to utilize social media with the aim of reaching their business goals. It is also time for law firms to tap on to social media because this could possibly make their way towards excellent business development. Online marketing strategies are redefined while the business sector is booming massively due to social media.

If we take as an example Linked In, which is the most powerful tool among professionals and business people, then what it takes to establish a very good profile as an expert in the required field can be seen in the steps below.

First of all, the profile picture has to be a professional one while the information on the section of the bio must be updated regularly, stating recent achievements and successes. To start with, you should have a plan as to identify the image you wish to portray of yourself. Then, define the business groups with which you would like to connect. It is also very important to obtain at least three references from

people you have worked with or with whom you are still working so as to place them on the recommendations area of your profile. Create a short invitation to link up with similar-minded individuals. Establish your best points and brand yourself. Start networking with people, not only within your circle but also out of your circle, so as to expand and develop your acquaintances and at the same time grow your business.

It is interesting that even if professionals, may still be sceptical about how social media can help businesses grow, numbers do the talking. The statistics of the recent research of Alexander Gendlin, author of the book *Compass Law Firm Ranking*, have shown that 92% of lawyers are using social media, whereas 98% are using LinkedIn. It has been found that up to 83% of lawyers make posts once or twice a week, whilst 66% of lawyers have admitted that social media has generated new business for them, thus leading to business development.

Social media is here to stay and it is in our interests to utilize these platforms and their tools in the best possible way. With regard to the posts, they should be short, to the point, followed by a picture while the link of the website of the firm or the business should always be visible. The content has to be up-to-date, the wording must be professional, and success announcements always add a positive touch to the profile. As far as videos are concerned, they should be short, usually a maximum of 30 seconds, in which real people do the talking and not just graphics. Above all, every business profile must be kept true to who that person is and what that person represents.

*The content of this article is valid as at the date of its first publication. It is intended to provide a general guide to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on a specific matter before acting on any information provided. For further information, please contact Mrs Paola Hadjilambri, Director of Business Development at +357 26 930 800 or via email at [Paola.Hadjilambri@kyprianou.com](mailto:Paola.Hadjilambri@kyprianou.com)*





## **PRO-ACTIVE AND COMMERCIALY INNOVATIVE....**

### **About Adler Shine:**

Adler Shine is a national award winning, full service, boutique, commercial accounting firm which maintains offices in North London.

### **Firm overview:**

The firm acts for a large cross section of clients – from sole traders and family-owned businesses, medium & large UK & overseas companies to ultra-high net worth individuals and public companies.

The Transaction Services Team has extensive experience in handling AIM & NEX market transactions. The Sports & Media Group represents professional sportspersons, musicians, entertainers, film and television personalities and other famous names of stage, screen, radio & press.

The Business Process Outsourcing Department services over 70 Head Offices around the globe.

The firm's diverse and sophisticated Private Client Tax practice provides creative but pragmatic tax planning services together with frequent interdisciplinary projects involving Real Estate, Trust, Estates and International Tax.

For further information on Adler Shine LLP and its Partners, please go to

**[www.adlershine.com](http://www.adlershine.com)**

**Adler Shine LLP**, Aston House, Cornwall Avenue, London N3 1LF

**020 8371 3000**

**E: [contact@adlershine.com](mailto:contact@adlershine.com)**







N. XENOFONTOS LLC

## **The Ultimate Guide for Relocating to Cyprus**



### **Introduction**

Emigrating to a new country is not an easy decision. There are many things to consider making sure you end up with the right decision. While considering a move to Cyprus – permanent or temporary – it is important to understand how this can be done.

This guide will give you the basic information that you need to know and will take you through all processes and make your relocation to Cyprus as smooth as possible.

### **Immigrating to and receiving citizenship in Cyprus**

Depending on your existing citizenship and from where in the world you are moving to Cyprus, there will be different rules and regulations to consider. The key aspect is whether you currently have a citizenship in a country within EU, the EEA zone or Switzerland.

Emigrating to Cyprus when you already hold a citizenship in an EU member state is a lot simpler than if you are from anywhere else in the world.

## Citizens from EU and EEA countries

These countries are either EU member states or EEA member states. If you live in one of these countries, you are free to move to Cyprus.

Cyprus is a full member of EU. If you are a citizen in another member state of the European Union or the European Economic Area (EEA) or Switzerland, you are free to move to Cyprus. You will also enjoy the same rights as Cypriot citizens. This includes engaging in economic activities such working and engaging in business.

If you will spend more than three months in Cyprus, you need to apply for a *Registration Certificate for EU Nationals*. This is also commonly referred to as a “yellow slip” and you must submit your application for the yellow slip within three months of entering Cyprus. The same is required by any family members, who are moving to Cyprus with you.

### A. Pros of living in Cyprus

There are pros (and cons) about living in any country and it is the same about Cyprus. It is also to a large extent a personal perspective based on your own expectations and plans for life.

Here are some of the key pros about living in Cyprus:

#### ✓ **Low crime – It is safe**

Cyprus has a very low crime rate and you will generally always feel safe.

#### ✓ **The weather**

The weather is very stable in Cyprus and the summers always seem to last forever.

#### ✓ **The tax system**

The taxation in Cyprus is low compared to most countries and there is a high threshold before you start paying income tax.

#### ✓ **Pace of life**

The pace of life in Cyprus is exactly how you want it to be and that flexibility is a big positive. If you prefer it slow, go with the flow or if you like a more fast paced style of life – no matter whether that is partying, professional or outdoors – there is nothing stopping you.

✓ **Almost everyone speaks English**

If you don't speak Greek, it is a big advantage that most people speak English. Almost everywhere you go, you will be able to easily get by with English.

✓ **The beaches**

The beaches in Cyprus almost deserves a section of their own. They are consistently voted amongst the best beaches in Europe.

## **B. TAXATION IN GENERAL**

The Cyprus tax system imposes taxes only to tax residents of Cyprus or persons who have income from sources in Cyprus.

### **I. Tax Residents in Cyprus:**

Tax resident of Cyprus, in the case of a physical person, means

a. Any individual who resides in Cyprus for one or more periods which exceed in total 183 days in the financial year, or

b. Any individual who stays in Cyprus for at least 60 days in the year of assessment, provided that:

- He/she is not tax resident in another country (i.e. does not spend more than 183 days in any other jurisdiction)
- He /she maintains a permanent residence in Cyprus which can be owned or rented
- He/she conducts any business or is employed in Cyprus or is a director in a Cyprus company as at the 31st of December in the year of assessment.

All Cyprus tax residents, as identified above, either Cypriots or foreign nationals, are taxed in Cyprus on their worldwide income accrued or derived from all sources in Cyprus **and** abroad.

A person who is a tax resident of Cyprus, but his/her place of domicile is outside Cyprus can enjoy significant tax benefits as analysed in section D below.



A tax resident of Cyprus may be subject to the following type of taxes or deductions on income:

- 1) Income Tax
- 2) Special Defence Tax
- 3) Social Insurance Contributions
- 4) Contributions to the General Healthcare System
- 5) Capital Gains Tax

## **II. Non-Tax Residents in Cyprus:**

Individuals who are not tax residents of Cyprus are taxed on income accrued or derived only from sources in Cyprus, if any.

## **III. INCOME TAX**

Income tax is imposed on the chargeable income. Chargeable income includes the following types of income:

- 1) Employment Income
- 2) Benefits in Kind
- 3) Business Income (as a sole trader)
- 4) Royalty Income from Intellectual Property
- 5) Active Interest Income
- 6) Pension and Annuities
- 7) Rental Income from Property
- 8) Trading Goodwill

There are some types of income which are exempted from taxation. If you need more information, please let us know.

Tax credit relief is granted if on a particular income, taxation has already been paid abroad provided that the taxpayer provides the tax authorities with the original tax receipts evidencing the payment of such foreign tax.

## **Special Taxation Treatment of specific types of Income**

### **i) Cyprus Tax Residents**

**Pension income generated from abroad** - Cyprus tax residents generating pension income from services rendered abroad are liable for 5% tax on the income exceeding €3.420 per annum. The taxpayer has the right to choose to be taxed either in accordance with the special treatment of taxation mentioned above, or under the individual income tax rates as indicated on the above table.

## **IV. SPECIAL DEFENCE CONTRIBUTION TAX (SDCT)**

In 2015 the notion of Domicile was introduced into the Special Defence Contribution Tax. With this introduction Cyprus tax resident individuals are classified either as Resident and Domiciled in Cyprus or as Resident but not Domiciled in Cyprus. The term “Domiciled in Cyprus” is defined as an individual who has a Domicile of Origin, in accordance with the Wills and Succession Law, in Cyprus but it does not include:

1. An individual who has obtained and maintains a Domicile of Choice outside Cyprus in accordance with the Wills and Succession Law, provided that the individual was not a Cyprus tax resident for a period of 20 consecutive years preceding the tax year under examination.
2. An individual who has not been a Cyprus tax resident for a period of at least 20 consecutive years before the commencement of the law.

A physical person who is considered as Cyprus tax resident as defined by the Income Tax Law for at least 17 years throughout the 20 years period preceding the year of assessment is considered as “Domiciled in Cyprus” for SDCT purposes and will therefore be subject to the relevant taxation if and when this condition will be met. In other words, the benefits granted to Resident but Non-Domiciled individuals can only be enjoyed for 17 years.

### **I. Cyprus “domiciled” tax resident individuals:**

Such physical persons will be subject to SDCT. The tax rates are as follows:

1. Dividends 17%;
2. Passive interest 30%;
3. Trading Interest – Nil (this type of interest is subject to income tax at the above indicated rates mentioned in section C.);

4. Rental income 3% on the 75% of the total rental income;

Tax credit relief is granted if on the particular income, taxation has already been paid abroad provided that the taxpayer provides the tax authorities with the original tax receipts, as above.

## II. Cyprus “non - domiciled” tax resident individuals:

Such physical persons will be **EXEMPTED** from Special Defence Tax. Therefore, dividend, passive interest and rental income received, is exempt from such taxation.

### Our services and how we can assist

- Preparation, completion and submission of Permanent Residency or Citizenship application and relevant supporting documentation
- Introduction of real estate agents in Cyprus
- Registration with the Civil Registry and Migration Department
- Registration with the Tax Department as a resident but non domicile individual
- Obtaining tax residency certificate
- Opening of bank accounts in Cyprus
- Assistance to tax and legal related matters

### Connect with us

<b>A:</b> 140 Athalassas Avenue	<b>T:</b> +357 22 55 27 05
3 <sup>rd</sup> floor, 2024	<b>M:</b> +357 99 33 25 32
Nicosia	<b>E:</b> <a href="mailto:info@xenofontosllc.com">info@xenofontosllc.com</a>
Cyprus	<b>W:</b> <a href="http://www.xenofontosllc.com">www.xenofontosllc.com</a>

#### Disclaimer

The information provided in this article is for general information purposes only. You should not rely on this material or information as a basis of making any business, legal or other decision. It is advisable to seek proper legal and or tax advice prior to entering into any transaction or relationship. © N. Xenofontos LLC 2020



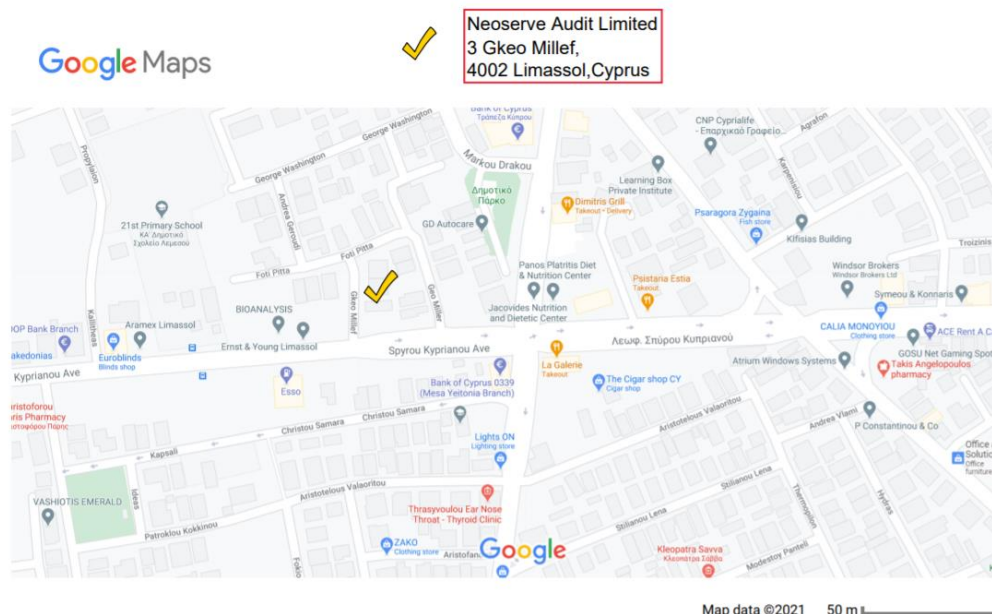
## ANNOUNCEMENT

# Moved to bigger offices

Dear readers and business associates,

Please note that from 1<sup>st</sup> February 2021 we moved to bigger offices at the following address:

**3, Gkeo Millef Street, 1<sup>st</sup> Floor, Mesa Geitonia, Limassol 4002, Cyprus**



## Where should you consider buying property in London in 2021?



The impact of COVID on the housing market is still to be fully seen, and there are many unanswered questions. Will the new WFH phenomenon shape the way we live and where we live? Will the impact of Brexit on businesses dictate where they operate and subsequently, where people want to move to?

It is apparent that the need for people to be in the office 5 days a week is a thing of the past. The working from

home trend is expected to continue, so buyers and renters are looking for homes with spacious living areas, outdoor space with an easy commute to work on the occasion.

Even though the market has experienced a surge of people looking for homes outside of London, there are many areas in London which provide a vibrant mix of city life, with the indoor and outdoor space that people are now looking for.

George Sifonios, Managing Director at David Astburys Estate Agents in Crouch End said; *'We are seeing a consistent theme in the list of must haves from our clients. The good news is at we cover a number of areas in London, so if you are moving to London, or just researching some of the best places to live in London, our team can provide a detailed overview of everything you need to know about each area and what they have to offer. We have provided some insight into just a few of those areas here.'*

### Crouch End

Crouch End is a vibrant town, with an abundance of diverse coffee shops, shopping and dining options. At the center of the Broadway is the historic Clock Tower which was erected in 1895 and is a much-loved local landmark.

Crouch End is full of beautiful character properties complemented by high end modern new developments. As a result, it is a hugely desirable place to live and attracts, families, professionals and students. It's lack of an Underground Station has not deterred commuters, as transit time to King Cross Station is only 20 minutes.

Crouch End also benefits from great schools and beautiful parks and many great recreational activities which cater to all. It has the charm of a village with the amenities of a large town.

### Islington

Islington is one of those areas that has it all and offers something for everyone. Its diverse qualities attract residents from all walks of life, from families looking for good local schools to young professionals.

The area boasts a mix of modern apartment buildings to iconic Victorian and Georgian terraced houses, which lure a steady stream of house hunters to the area.

## **Muswell Hill**

Muswell Hill is a popular area with an impressive array of amenities which continue to lure families and young creatives. Set at the top of the Muswell Hill overlooking London is Alexandra Palace (Ally Pally), one of London's most famous Landmarks, hosting a range of musical displays and concerts, as well as being host to sport events such as the master's Snooker and World Championship Darts.

This green and leafy suburb is a haven for dog owners, and residents enjoy long weekend walks through Highgate Woods and up to Ally Pally to enjoy the many coffee shops and cafés on the Broadway.

Muswell Hill has a diverse range of properties from grand Edwardian family houses with an abundance of character, to ultra-modern apartments.

## **Highgate**

Highgate sits high on a hill overlooking the Capital, with the bustle of Central London just a stone's throw away, and glorious Hampstead Heath right on its doorstep. The area is a magnet for creative individuals, celebrities and families who often socialise and who enjoy being involved in community events.

Highgate with the 'green lung' reputation is a real London village with a relaxed, almost bohemian atmosphere. Just a 20-minute commute Tube journey into Leicester Square, it offers great schools with a rich cultural scene with good shops to boot, Highgate is the perfect home for working people, couples, families and retirees.

## **Camden**

Camden is a dynamic area of North London, situated close to Central London. It has a unique charm and an array of fantastic restaurants and live music venues. Its proximity to Primrose Hill and Regents Park makes the area attractive to those seeking a mix of urban charm with green space.

The properties in the area range in architecture from period to uber-contemporary, so it is no surprise that Camden remains a firm favourite with buyers and tenants. The Overground and Northern Line serves the area well. Euston, Kings Cross St Pancras and St Pancras international are 20 minutes away, with the Eurostar easily accessible.

## **Finsbury Park**

Finsbury Park is known for its urban landscape and cosmopolitan feel. It is a central hub for sporting events and festivals which are very community focused and attract people from across the city.

The properties and architecture have a wonderful mix of old and new set on quiet tree lined streets, filled with an array of Victoria terraces, double fronted semi-detached and new developments.

Finsbury Park is popular with young professionals. The area went through a regeneration programme in the last few years, so it boasts unique and trendy eateries and drinking spots with an array of stylish wine bars, pubs and coffee shops.

If you are considering buying or renting in London and want to learn more about the neighbourhoods and what they have to offer, the team at David Astburys Estate Agents can provide further insight on the best places to live, visit their website today [www.davidastburys.com](http://www.davidastburys.com)



## David Astburys Estate Agents Referral Program

When seeking a professional's services, people frequently ask for referrals from friends, family members and colleagues. But what if you could get paid to make that referral. That's exactly what the team at David Astburys Estate Agents in Crouch End are offering.

### How it Works

It's simple, recommend the services of the David Astburys to your friends and family and if it leads to a successful transaction and the person referred becomes a landlord with a managed property then you will receive £250 cash.

If you are an existing Landlord or client of David Astburys then you will get £250 CASH and 6-month free management of one of your properties.

Yianni Aresti, Partner and Lettings Director said; *'We've had a great response since setting up this scheme and had many existing clients who have properties that were not previously managed by us take advantage of this offer. They realise what a burden it is to manage their properties themselves and the benefit of having an experienced property management team handle everything for them.'*

To learn more, contact the David Astburys team at the Crouch End office on 020 3000 6787 or find out more details about the referral program on the website: <https://davidastburys.com/referral-program/>



## A GUIDE TO OUR NEIGHBOURHOODS







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# Creating a Strong AML Compliance Culture – Tips for Boards of Directors

By Xenia Neophytou, Director at C.X. Financia Ltd



Money laundering is a top priority for Boards of Directors, as regulators have increasingly been issuing fines for failure to maintain adequate AML controls. It is therefore important for an organization's Board of Directors to establish and actively support a culture of compliance throughout their entire company. These are our Top Tips for board members looking to effectively lead their organization into a culture of compliance.

## Tip #1



**CX Financia**

When designing an organization's Governance Structure, make sure you tick off the checklist below:

- Does it ensure AML Compliance?
- Are the Compliance Department and Compliance Officer independent enough to appropriately manage the organization's AML Risk?
- Can the Compliance Department exert appropriate influence over operations to ensure the quality of execution of AML procedures?
- Do you have enough resources (sufficient personnel, technology, and expertise) to implement the program?

## Tip #2

The 5 Pillars of a written, board-approved AML program should incorporate the below elements:

1. A system of internal controls
2. A designated Compliance Officer
3. Training for appropriate staff
4. Independent testing of the Customer Due Diligence Process.

## Tip #3

An effective AML Program and Annual Report should contain, at minimum, the following elements:

- Which material changes were made to the AML Program in the last year and why specifically signalling which were due to regulatory updates and which were due to process failure
- Material AML Material Weaknesses, Deficiencies or findings identified by Regulators or Internal Audit or an Independence Test Monitoring Program. An Action Plan must subsequently be considered, as well as regular updates on the status of the corrective actions
- Possible Violations: whether these were Isolated or Systemic and whether they are likely to be the subject of an enforcement action or criminal prosecution
- Summary of all Suspicious Activities Reports, including details on fraud.

For further insights on addressing modern challenges in today's regulatory climate, as well as information on our package training solutions, contact us today, [www.cxfinancia.com/contact-us/](http://www.cxfinancia.com/contact-us/)



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## Jointly-Owned Property Insurance

### ***What is considered as jointly-owned property?***

“Jointly-owned property” means every part of a building under joint ownership which has not been registered as a unit. The law does not specify the particular parts of the building that constitute the jointly-owned property, but jointly-owned property generally includes:

- Common areas, corridors, yard
- Staircase
- Rooftop
- Foundations
- Common building blocks
- Walls that support the entire common building
- Common walls between units and jointly-owned property (the value of which is evenly distributed between the jointly-owned property and the units)
- Electrical installation
- Hydraulic installation and engine room
- Elevators

The joint ownership of a jointly-owned building shall belong, be possessed, and enjoyed by all the owners of the unit in undivided shares, according to the value of each unit in relation to the total value of all the units of the jointly-owned building, and shall belong to the units according to this proportion.

### ***What are the benefits of having a single insurance policy to cover a jointly-owned property?***

- You will have a single insurance policy for the whole building, and you will know only one insurance company.
- In case of a claim, you will avoid the risk of one insurance company claiming that the other insurance company has an obligation to pay, which some times, unfortunately, without any solutions, resort to time-consuming procedures (court proceedings, perhaps).
- Having a single contract reduces the cost of insurance significantly
- In case each tenant has a separate contract for his own property and a separate contract for the jointly-owned buildings, then the deductible amount of each contract works twice

***Who and what are covered under the jointly-owned property insurance?***

- The Management Committee as a separate entity
- The members of the management committee for their personal responsibility to perform their duties as required by law and regulations
- The owners of the separate units for their personal responsibility to carry out the proper care for their jointly-owned property
- The visitors of the jointly-owned property

***Who and what are covered under the jointly-owned property insurance?***

As a matter of good practice, it is recommended to issue a separate insurance certificate in the name of each unit owner on which the insured amount of the unit will be reported including the value of any joint ownership that belongs to the unit and the value of the indivisible portion of the jointly-owned property owned by one's unit.

In case that a specific unit is mortgaged to a financial institution, the insurance company should issue a mortgage clause stating explicitly the mortgaged unit.

Ellada Palmyri  
Qualified Insurance Broker  
FLMI, MBA, BA Accounting

Email: [ellada@palmyri-insurances.com](mailto:ellada@palmyri-insurances.com)  
Tel.: +35799603199



# Bringing Property To People



RJ Overseas Property is a subsidiary of Banjora Limited, an established real estate agent with offices in Cyprus and the UK.

We are able to provide an unbiased, customer focussed approach to all aspects of overseas real estate based around a professional team providing sales advice on: Property, Investment, Project Mangement, Design & Build (Plot & Build), Rental Investment and Property Management.



We are able to offer a full and comprehensive range of services including:

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- Valuations by our RICS registered valuers
- Full Design and Build turnkey packages
- Full 10 year structural warranties (latent defects insurance) through 'A' rated insurers (T&Cs apply)
- Holiday lets/long term rentals
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Contact one of our team:

Tel (UK): +44 (0)7909 441201 (UK Head Office)

Tel (Cyprus): +(357) 237 44990 (Cyprus Head Office)

+(357) 997 28390 - Susan (Sales & Investments)

+(357) 999 37314 - Patricia (Sales & Rentals)

+44 (0)7800 883149 - Phil Briggs (Global Investments)



General enquiries:

Info@rjoverseasproperty.com

rentals@rjoverseasproperty.com

## BUYING A SECOND HOME ABROAD? GOOD INVESTMENT?

By Rob Johnson, Managing Director, RJ Overseas Property



There are a number of reasons why people are looking to purchase a second home, but more and more are looking at the many popular destinations within Europe and beyond, listing lifestyle and beneficial financial investment as major factors in their decision.

The current financial climate within the UK has meant that more and more people are looking abroad for places to invest and buy a second home. Research shows that over three million people are expected to buy a property abroad in the next two years. With 42% of these looking to buy as an investment, around 17% of those people aged 45 and over likely to buy abroad within the next two

years for semi-retirement and retirement, whilst 60% of those aged 24 to 34 are looking to buy for investment purposes.

Over 60% of retired British expats think that the climate and quality of life available abroad is the most determining factor in attracting them to a particular location, along with the desire for a higher standard of living and healthier lifestyle.

Issues with the UK economy, the unforeseen Covid pandemic and the obvious impact of Brexit have made people more aware of making their money work for them. With the UK Buy to Let market reaching a saturation point during the last few years, opportunities to invest abroad have grown and demand for second homes are rapidly on the increase, as many individuals become attracted to the potential income that a second home can provide.

With so many destinations available, several EU countries remain popular with the UK investment market, such as Spain and France, however, there has been a significant increase in global investment within Cyprus, due to its increased stable economy, a legal system based upon UK common law, 100% freehold tenure, and a highly attractive tax regime, Cyprus is proving more and more attractive for the individual investor.

A second home, or investment should not be an impulse purchase. For many people it is a means of earning additional income through letting their property; for others it is a seasonal holiday option, whilst others see buying property abroad purely as a retirement investment and a higher, better quality of lifestyle. Whatever your reasons, the location of your property is crucial.

Buying a home or second home in a country that provides a stable economy, offers no language barriers and provides a high degree of lifestyle, is a sensible choice. Most people will

buy a second home so they are able to use the property as a base for seasonal holidays and will let the property throughout the remainder of year.

Around 2.3 million British people own a property abroad, with over 500,000 of these being used for investment. The average time that someone spends in their second home is around twice a year.

It may seem tempting to go hunting for that second home whilst on your next summer holiday, however, you would be wise not to be lured into making an impulse purchase, particularly involving locally based representatives, many of whom unfortunately utilise a hard sell and have very little professional experience within the property market, so always ensure you choose a Licensed Agent. Discuss with your family what you think your future needs and requirements will be as circumstances do change over time.

There should be no rush to buying a second home, so don't be pushed in to making a decision you may later regret. Take the correct professional advice from established and reputable property agents who have been there and experienced the buying process themselves.

One of the most important considerations to make when you're thinking of buying a second home abroad is to choose wisely when it comes to location. Many countries have seen the height their property boom occur and are unlikely to rise in price by much so there's little chance of you making a sizeable amount of money if you decide to sell your second home, and the same will apply to projected rental income. Listen to good advice and look for quality projects and properties with a market that attracts tourists from other countries particularly in regard to sustainable rental income. Cyprus is well established and is able to offer better potential in capital growth if you ever decide to sell. In addition, rental values are consistent, with all year-round lettings available even during the winter months as many Scandinavians, Russians and Dutch visit during this period, many on long term lets.

Essentially, the most important aspect to consider when buying a new second home is that you are financially able to do so and are fully aware of all the costs involved. If you are dealing with the law in a different country, be sure that you get the best advice available and only when you are 100% sure, go ahead and enjoy owning a second home abroad. With the correct advice, purchasing that dream second home can be stress free. We can advise on all aspects of purchasing overseas and guide you through the process because, as they say, we've "been there, done that".

Contact us for further information at [info@rjoverseasproperty.com](mailto:info@rjoverseasproperty.com) or visit our website at [www.rjoverseasproperty.com](http://www.rjoverseasproperty.com)





# The marine industry in Cyprus and the COVID-19 vaccine

By Andrea Kouloumi, Associate at Michael Kyprianou & Co. LLC



**michaelkyprianou**  
— Advocates - Legal Consultants

As COVID-19 vaccines become more and more available there are feelings of excitement and trepidation in equal measures. With people starting to receive the COVID-19 vaccines in Cyprus, many questions are being raised by employers and employees alike, particularly whether employers can force employees to be immunized. Likewise, similar issues arise from a marine perspective with many shipowners asking if they can compel the seafarers to get vaccinated, and what they can do if seafarers refuse. Another highly disputable issue is also that of liability: more specifically as to who would bear liability if a seafarer finally takes the Covid-19 vaccine or not.

## ***The legal side: Can a shipowner compel seafarers to take the COVID-19 vaccine?***

For the purposes of our review, the provisions of the Law of 2012 - Maritime Labour Convention, 2006 (Ratification) and for Matters Connected Therewith (the "Law") have been taken into consideration. The Law has ratified the Maritime Labour Convention of 2006 as amended (the "MLC"), which provides for minimum safety standards and the rights of seafarers. The Law, amongst others, provides for the minimum obligations on shipowners and seafarers in relation to seafarers' medical certificates and also for medical care on board ships and ashore. Nonetheless, no expressed provision for seafarers' vaccination is included.

Looking into other pieces of national legislation, the Safety and Health at Work Laws ("the Safety at Work Law") requires employers to take reasonable steps to reduce workplace risks. Under the Safety at Work Law, employees also have a duty to cooperate with their employer to reduce workplace risks. It would be a reasonable step, for the purpose of reducing the risk of COVID-19 in the workplace, for the employer to require employees to take the vaccine, as immunization of employees would likely allow for a return to 'normal' in the workplace. If an employer carried out a risk assessment and concluded that having a vaccine is the most reasonably practicable way of controlling the risk of COVID-19 then, in theory, he could order the vaccination as a health and safety requirement. Nevertheless, at this point in time, no authority is granted to the shipowners as employers, under the Safety at Work Law to compel a seafarer to be vaccinated.

Further, the Quarantine Law (Cap. 260) gives the government powers to impose measures through regulations and decrees to prevent, control or mitigate the spread of COVID-19 as a dangerous infectious disease. Nonetheless, no regulation or decree has made the vaccination mandatory until now. Most importantly, in accordance with the patient's protection rights as provided through European legislation, a patient has the right to refuse or to halt any sort of medical intervention, whilst the obligation would rest on the medical practitioner to explain any repercussions to the patient of refusing or halting such intervention.

It follows from the above that no legislation is currently in force, compelling seafarers to get vaccinated.

### ***Implementing new policies***

In the absence of legislation, a shipowner cannot force an employee to be vaccinated. However, shipowners may choose to follow a legitimate route by implementing policies or contractual provisions through employment agreements for the purposes of addressing this issue. This, for example, could be accomplished by making the COVID-19 vaccination a condition of an employment contract or by amending an existing employment contract. It is the case that many shipowners have made it a provision of an employment relationship for the seafarer to have certain vaccines which are obligatory in countries to which the vessel might sail.

Looking into workplace policies, shipowners could also consider having in place strategies, procedures and policies concerning the Covid-19 vaccine. Notably, any workplace policy, including one that would mandate employees to receive the COVID-19 vaccination, shall be reasonably necessary and rationally connected to the workplace. For example, a mandatory vaccination policy could be deemed reasonably necessary if an employee is employed in the healthcare sector or is required to have frequent close contact with members of the public. In such a case, this requirement would be consistent with the employer's duty of care to provide a safe work environment. However, such a policy may not be considered by everyone reasonably necessary for the shipping sector, especially in cases where seafarers do not have immediate contact with the public and where sufficient safety precautions are in place. Given this, shipowners should not assume that a mandatory vaccination policy is going to be legal. As noted above, before implementing such vaccination policy, shipowners should carefully consider the circumstances of the particular ship, the level of exposure to individuals who are especially vulnerable or at risk. Also, before implementing such policy, shipowners must be mindful of potential human rights implications which could arise, as well as the impact it could have on a seafarer's privacy rights. Shipowners should carefully consider whether such a policy is truly necessary for their particular workplace and, if so, ensure that the policy takes all of these factors into account.

### ***The Contractual route***

Turning to contractual provisions, it is the case that, by practice, many seafarers' employment agreements include clauses which set as a condition for seafarers the acceptance of "necessary" vaccines for the countries their ship might enter. As far as the COVID-19 pandemic is concerned, being characterized as a dangerous infectious disease, the possibility of being considered as a "necessary" vaccination by the majority of the countries is high. This means that a seafarer could reasonably be required to get the COVID-19 vaccination where his existing contract includes such provision. The same may apply for new contracts. That is to say that should the Covid-19 vaccine fall within the "necessary vaccination" provision or should the employer reasonably include it specifically as a term of the new employment agreement, then this would mean that the seafarers would reasonably be obliged to be vaccinated. On the contrary, this could not easily be applicable with regard to existing contracts which do not include a 'vaccination provision'. It is possible that any amendments to the employment relationship for this purpose might not be considered valid in cases where seafarers would not wish to be vaccinated, taking into consideration the provisions of the employment law and the applicable regime in Cyprus. Nonetheless, instead of "obliging" the seafarers to get vaccinated through a contractual provision or a mandatory vaccination policy, shipowners should, in any case, appropriately inform the seafarers in relation to the vaccine and encourage them to get vaccinated.

In any case, though, if a mandatory policy is nonetheless necessary, shipowners should consider providing seafarers with a reasonable, non-disciplinary alternative to vaccination, such as allowing non-vaccinated seafarers to go on unpaid leave of absence when the risk of workplace transmission is particularly high. Further, for employees unable to be vaccinated for health reasons, disability,

religion, or faith, shipowners might also be needed to provide appropriate accommodation and to ensure the protection of other crew members. Such measures might include providing for alternative duties, separate accommodation (where it is reasonably possible) and providing appropriate protective equipment. If such accommodation is not possible, or the vessel is unable to operate safely, an option for the shipowner would also be to remove from the vessel the non-vaccinated individual from the vessel, provided all contractual and other legal obligations to the individual are met.

At present, it is difficult to say what the correct approach should be. Much will depend on the individual shipowners who will now have to consider all the above-mentioned factors in their risk assessment process. In any case, in deciding whether to mandate a COVID-19 vaccination for seafarers, a shipowner must balance the right to refusal to be vaccinated of seafarers against the health benefits associated with the vaccination requirement.

### ***Liability issues: Who would be liable for such vaccinations?***

Another implication that may arise regarding seafarers' vaccination is the matter of responsibility. Would the shipowner be liable for the costs and consequences of vaccinating seafarers, including any side effects? According to PART XVI of the Law (*also Article IV of the MLC*) and the Merchant Shipping (Minimum Requirements of Medical Treatment on Board Ships) law, seafarers shall at all times have access to medical treatment and should be protected from the financial consequences of sickness, injury or death occurring in connection with their employment. That is to say, if a seafarer is required by a shipowner to be immunized against COVID-19, then the responsibility would lie with the shipowner to ensure that a vaccine was offered and it would also be at no cost to the seafarer. Moreover, according to the provisions of the applicable laws, the shipowner shall also be liable and for any costs arising from illness or adverse reaction that might result from vaccination.

Things may nevertheless be different in terms of the shipowners' liabilities in case the vaccine is taken voluntarily by a seafarer or is mandated by the seafarer's home country. For instance, in cases where the seafarer has voluntarily taken the vaccine as it has been offered, let us say, by his home country authorities, then it is unlikely that the shipowner would be liable for any adverse consequences or any associated costs. This should also be the case in terms of the cost and liability if the COVID-19 vaccine is imposed by the authorities in the seafarer's home country. Nonetheless, what happens if a seafarer gets ill while travelling to/from or on board the ship due to the vaccination quality or a reaction? In such a case, the seafarer should be treated as any other case of medical treatment being required by a serving seafarer, as provided in the law, regardless of the link to the COVID-19 vaccine. This means that in cases of adverse consequences whilst travelling to/from or on board that vessel attributable to the COVID-19 vaccine, the shipowner is obliged to react subject to the seafarer's employment agreement and protect the seafarer's health.

In conclusion, it follows from the above that many issues are uncertain and yet to be decided and assessed by the relevant authorities in order to provide effective guidance to the shipowners as to how they should respond to these challenges following the COVID-19 pandemic.

*The content of this article is valid as at the date of its first publication. It is intended to provide a general guide as to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on your specific matter before acting on any information provided. For further information or advice, please contact Andria Kouloumi, Associate at [andria.kouloumi@kyprianou.com](mailto:andria.kouloumi@kyprianou.com)*



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Balmoral Road  
Gillingham  
Kent, ME7 4NT

01634 580555

#### **Hertfordshire office**

Allen House  
The Maltings  
Station Road  
Sawbridgeworth  
CM21 9JX

01279 886388

#### **Dubai office**

Level 3, Building C3, DWTC  
Sheikh Zayed Road  
P.O.Box 9573  
Dubai  
United Arab Emirates

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[admin@ospgrouppltd.com](mailto:admin@ospgrouppltd.com) • [www.ospgrouppltd.com](http://www.ospgrouppltd.com)



## London property market predictions for 2021: six major threats identified from Brexit to a third wave of Covid



By Antony Antoniou - Luxury Property Expert at Trellocs, Greater Northampton Area, U.K.



It's hard to remember the last time London's property market was poised quite so delicately on a knife edge. The capital's property prices rose by almost 10 per cent in the year to November, according to the Office for National Statistics, while the number of homes sold was up on 2019's figures.

This year, despite lockdown, demand for homes has held up. Rightmove recently reported its busiest-ever January. But with a series of hurdles to negotiate, is 2021 the right year to buy?



### Threat 1: Stamp duty

The tax holiday encouraged buyers with a tax break of up to £15,000. But it is due to end on March 31, despite pressure on Chancellor Rishi Sunak to take a more tapered approach to help the thousands currently mid-purchase.

Winkworth chief executive Dominic Agace thinks the Government will compromise with a "short extension" to allow those already going through the buying process to benefit. "The Government has proven to be very pro-homeownership," he said.

### Threat 2: Mortgages

Lenders have struggled to cope with high demand for mortgages over the past year and thousands of deals are stuck in a massive backlog.



Rightmove says it now takes more than four months for a sale to go through, although choice is improving, crucially for buyers who only have a 10 per cent deposit. Interest rates are holding low and steady. The average interest on a two-year fixed mortgage is 2.52 per cent.

Lawrence Bowles, research analyst at Savills, believes that when the stamp duty holiday ends, first-time buyers will regain their “competitive advantage” because their pre-existing tax breaks will resume. “Banks may be launching more FTB-friendly products now anticipating them to make up a greater proportion of the market in the spring,” he said.

### **Threat 3: Brexit**

Years of post-referendum uncertainty had a massive impact on consumer confidence, and the property market paid the price. Agace feels that now the deed has been done buyers and sellers feel reassured. “There is clearly a worry that the financial services industry will suffer job losses ... affecting buyer demand in prime central London,” he said. “So far these concerns have been unfounded.”

### **Threat 4: Furlough**

Buying agent Laura Johnstone, of London Property Search, believes the end of furlough in April will trigger a short-term increase in property for sale, as some of those out of work will have to sell or rent out, increasing supply and lowering prices.

Bowles is more optimistic. His take is that furlough will continue until lockdown restrictions are over. “This will allow businesses to bring their employees back to work,” he said.

In the longer term the Bank of England believes the economy could return to its pre-pandemic size early next year as those consumers who are still working begin spending the £125 billion in lockdown savings.

### **Threat 5: London exodus**

The population of the capital is expected to decline for the first time in more than 30 years, according to PwC. It expects more than 300,000 people to leave London in 2021, and fewer people means less demand. Even with this, the capital’s population will still total 8.7 million. There has also been an exodus of over 1.3 million European workers, with over 700,000 leaving from London, so the true extent of the drop may be much higher.

As London reopens, Agace believes younger buyers and renters will return to the centre to “make up for lost time by enjoying all the bright lights a city has to offer”.

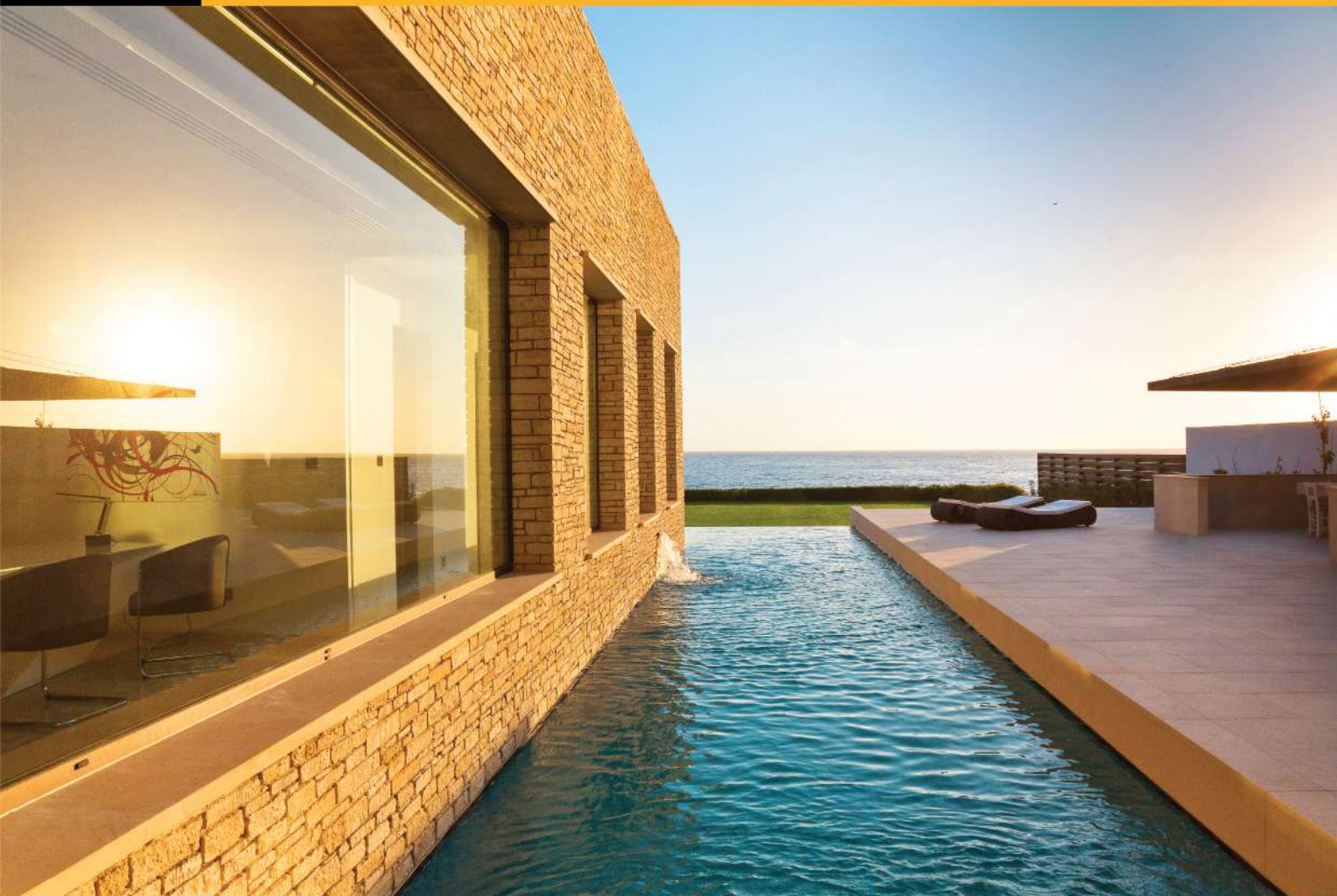
### **Threat 6: A third wave?**

The evolution of the pandemic is, of course, the great unknown. Most of us are pinning our hopes on the vaccination programme to return the world to a relatively normal state by the summer.

But nobody truly knows how things will play out and even in a best-case scenario, the social and economic effects of Covid-19 will be felt for years to come.

On the other hand, the past year has made us all appreciate the importance of where we live more than ever and the deeply imprinted desire for homeownership will continue to drive demand — for those in a financial position to step on to or up the ladder.

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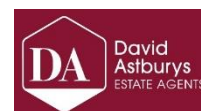
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