

BKMS GROUP

Incentives for Film Production in Cyprus



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Film Production Scheme

- The Council of Ministers of the Republic of Cyprus approved on 27 September 2017 a scheme aiming to put Cyprus on the map of attractive destinations for shooting films and other audio-visual productions.
- The advantages offered by Cyprus with this scheme together with the good geographical location and convenient time zone, excellent and steady weather conditions including many days of sunshine, short travel distance between different locations within the country and the variety of landscapes, is placing Cyprus on the map of international film productions.
- The scheme covers productions such as films, TV series, documentaries, animations, research and natural history TV programs.



Monetary and Tax Incentives

- A cash rebate of up to 35% of selected expenditure incurred in Cyprus with a maximum of EUR650,000 per production in a 12-month period, with a total for all productions equal to EUR1,500,000 per annum.
- The percentage of the rebate will be determined based on certain criteria of a cultural nature (including participation of local actors, of cultural elements, etc.)
- The rebate will be granted upon completion of shooting and after a financial audit is completed;



Monetary and Tax Incentives

- As an alternative to the above a tax credit available to the production company, with no cap. The same criteria as with a cash rebate apply for this option as well.
 - The application needs to be submitted by a legal person, which is liable to tax in Cyprus and the credit can not exceed 50% of the taxable income in the year in which the production takes place;
 - A tax deduction on capital expenditure (filming infrastructure and technological equipment) not exceeding 20% of deductible expenses for small businesses and 10% for all others. In case of equipment this must remain in Cyprus for a period of at least 5 years; and
 - a VAT refund of 14% available to the production company for selected expenses made for the production by physical persons or legal entities from third countries.



Monetary and Tax Incentives

- The scheme is expected to take the form of a bill soon in order to be presented to the Parliament for voting in to a law.
- Other important incentives already available in Cyprus, which could be combined with this scheme, include the following:
 - citizenship and permanent residency by investment;
 - exemptions from emoluments earned in Cyprus for persons who become tax residents to work in the country;
 - “non-dom” regime (exemption from all taxes on dividends, interests and rents irrespective of where they are earned & of whether they are received in Cyprus or not);
 - notional interest deduction on fresh equity (applicable to both new and existing companies as from 1 January 2015);
 - IP Regime with 80% exemption of profits on qualifying intangible assets.



Filming Locations

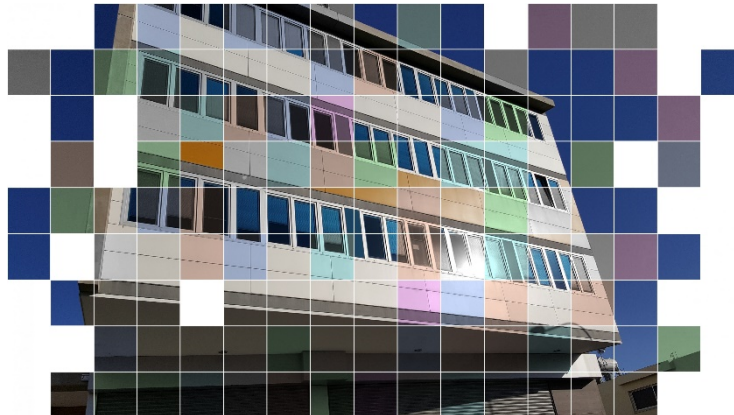
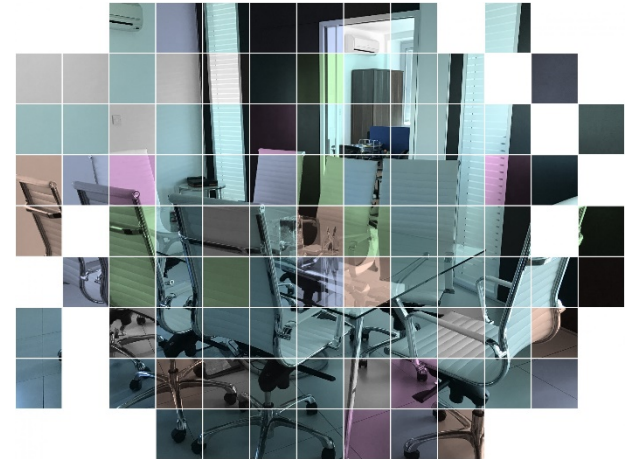
- Samples of filming locations as well as more information about filming in Cyprus can be found at the following website of the Ministry of Education and Culture of Cyprus at

www.filmingincyprus.gov.cy

- Filming locations include
- Mountains
- Sea
- Religious and Historical Monuments
- Ports – Marines
- Beaches
- Cities

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