

Establishment of a branch in Cyprus by an overseas company



1 Introduction

The Cypriot Companies Law, Cap 113 allows companies incorporated outside of Cyprus to establish a place of business (a “ **Branch**”) within Cyprus. In order to achieve this, certain documents and procedures need to be followed and these are outlined in this memorandum, which is intended to provide practical guidance on the Branch registration and establishment process. It should also be noted that the establishment of a Branch in Cyprus does not amount to a registration of a separate legal entity, rather the overseas company registering the Branch has the ability to operate via the Branch in Cyprus in connection with any Cypriot or international activities it may be engaged in.

2 Process and timeline

- 2.1 Overseas companies wishing to establish a Branch in Cyprus shall, within one month of the establishment of the Branch, deliver to the Cypriot Registrar of Companies (“ **ROC**”) for registration the documents which are set out in the Schedule to this memorandum.
- 2.2 Where the overseas company has more than one Branches within Cyprus, for the second and subsequent branches the obligation with respect to the delivery of the documents referred to in section 2.1 can be satisfied by simply referring to the information relating to the first Branch.
- 2.3 In addition, if, subsequent to the initial delivery of the prescribed documents, there are any alteration made with respect to (i) the constitutional documents of the overseas company; (ii) the director or secretary of the overseas company; or (iii) the names or addresses of the persons authorised to accept service on behalf of the overseas company, a further return should be delivered to the ROC containing the prescribed particulars of the alteration.

3 Notifications and service

Any notice or process served on the Branch is deemed properly served if sent by post or left for the person whose name and details have been filed with the ROC as the person for such service within Cyprus.

4 Special Permits / Authorisations

Depending on the activities of the Branch, a permit or permits by state authorities may be required (e.g. for banking, insurance or other regulated activities).

5 Differences between a Branch and a separate Cypriot subsidiary

There are a number of similarities between a Branch and a separate Cypriot subsidiary in terms of set up and operation. For example, it takes a similar amount of time to register a Branch and a subsidiary and reporting and tax filing is similar (although information from the main overseas company). The main difference between the two types of entities is that a Cypriot subsidiary has a separate legal personality and liability is limited to its share capital, whereas a Branch does not, and liability therefore affects the parent overseas entity.

Schedule Deliverables to the ROC

The following documents should be submitted to the ROC for registration within one month of the establishment of the Branch:

- a written report to include the following:
 - o the name and legal form of the overseas company (and the Branch's, if that is different);
 - o the head office and the address of the overseas company and the place of business;
 - o the object and subject of business of the overseas company and the place of business;
 - o the overseas register where the overseas company's basic data have been entered (where applicable) and relevant registration number;
 - o its subscribed capital (where this exists);
 - o in case this is applicable, information in relation to the winding-up of the overseas company, the appointment of liquidators etc.;
 - o in the case of an overseas company of a non-member state of the EU, the law governing the company;
- certified copy of the constitutional documents of the company (as well as every amendment thereto). If these are not written in the English language, a certified translation is also needed;
- A list of:
 - o the directors of the company containing:
 - in the case of an individual (i) his present Christian name and surname and any former Christian name or surname (ii) his usual residential address (iii) his nationality and (iv) his business occupation; and
 - in the case of a corporation, its corporate name and registered or principal office;
 - o the secretary of the company containing:
 - in the case of an individual (i) his present Christian name and surname (and any former Christian name and surname) and (ii) his usual residential address; and
 - in the case of a corporation its corporate name and registered office;
 - o all the persons authorised to represent (i) the company (including the commencement, termination and extent of their authorization) and (ii) the branches (including the commencement, termination and extent of their authorization) in its transactions with third parties and before the Courts.

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- The names and addresses of persons resident in the Republic authorised to accept on behalf of the company service of process and any notices required to be served on the company (see also section 352).

Key Contacts

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