




Strengthening the substance of Cyprus companies Survey on the top concerns of Russian firms

 **Monitoring tax residency status**
97% are analyzing the tax residency status of their company(-ies) in Cyprus

 **Minimizing the risks of acquiring Russian tax residency status**
67% have already taken actions to minimize the risk of acquiring Russian tax residency for companies based in Cyprus (and other jurisdictions) as well as minimizing beneficial ownership risks in Russia

 **Strengthening substance**
65% are going to increase their substance in Cyprus (or another foreign jurisdiction) to mitigate risks in Russia

 **Staff relocation**
36% of Russian companies that are members of a group are considering the possibility of relocating their staff to Cyprus

 **Obtaining Cyprus citizenship**
27% are interested in receiving Cypriot citizenship by exception for themselves or members of their staff

 **Capital investment in Cyprus**
22% are considering investing new capital in a business in Cyprus

According to the results of the survey, Russian companies working in Cyprus are particularly concerned with:

-  The actions required to comply with the look-through approach
-  The possibility to prove the existence of business for the IP Cyprus companies that are transferring rights to Russian companies
-  Amendments to the Cyprus tax legislation
-  Forced acknowledgment of Russian tax residency
-  Capital investments
-  Hiring practices