



Doing Business in Cyprus:

2014 Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Cyprus](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

Chapter 1: Doing Business in Cyprus

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

Republic of Cyprus:

The Republic of Cyprus is the easternmost country of the European Union and is strategically located at the crossroads of three continents – Europe, Asia, and Africa. A European Union member since May 2004 and a member of the Euro-Zone since January 2008, Cyprus is seeking to capitalize on its geographic position by expanding its business relations and flight connections with the Middle East. A liberal investment regime and network of 49 double tax avoidance treaties makes Cyprus an attractive location from which to base international and regional operations. In 2012, the net inflow of FDI reached €979 million, while the net outflow from Cyprus was €219 million. In 2013, Cyprus imported goods worth €52.4 million from the United States and exported to the United States goods worth €57.7 million. As an island economy Cyprus imports all of its €6.4 billion worth of consumer goods, equipment, machinery, and petrochemicals. Cyprus' major exports are pharmaceutical products (€200.9 million in 2013), halloumi cheese (€76.4 million) and potatoes (€53.8 million).

In March 2013, the financial crisis led the Republic of Cyprus to seek bailout assistance from the Troika (European Commission, European Central Bank, and IMF). The Cypriot economy contracted by 5.4% in 2013 and is expected to contract by another 4.2% in 2014 before returning to mild growth in 2015. As part of the bailout package, Cyprus agreed to far-reaching reforms that included reducing government spending, privatizing several state-owned entities, and restructuring and consolidating the financial services sector, which remains temporarily constrained by capital controls on international transactions. As of mid-2014, the Cypriot economy had successfully completed four Troika reviews. Despite the downsizing of its financial sector, Cyprus continues to offer high-quality accounting, legal, and other professional services; these services are one of the strong points of the economy. The labor force of 356,600 is largely multilingual and college educated. As compared with the EU average, labor costs in Cyprus are relatively low. Cyprus has an advanced telecommunications network and infrastructure, relies on British common law for its legal system, maintains a wide network of air-routes offering excellent connections with Europe, Africa, and Asia, and has first-rate sea connectivity. This environment provides both challenges and opportunities for forward-looking foreign investors.

Despite sizeable cuts in public spending, public revenue is expected to remain subdued; therefore the fiscal deficit is expected to remain persistently high at 5.4-5.8% of GDP in 2014. The public debt-to-GDP ratio ballooned in recent years, from 61.3% in 2010 to

111.7% in 2013, and is expected to rise to 122.2% in 2014, and 126.4% in 2015. The European Commission's spring 2014 forecast offers additional information: http://ec.europa.eu/economy_finance/eu/forecasts/2014_spring/cy_en.pdf.

Area Administered by Turkish Cypriots:

Since 1974, Cyprus has been divided *de facto* into the Republic of Cyprus government-controlled area, composed of the southern two-thirds of the island, and a northern third, administered by the Turkish Cypriots; the Republic of Cyprus does not exercise effective control over the area administered by the Turkish Cypriots. In 1983, the Turkish Cypriots declared the northern part an independent "Turkish Republic of Northern Cyprus" (TRNC). The United States does not recognize the "TRNC," nor does any country other than Turkey. The United Nations Peacekeeping Force in Cyprus maintains a buffer zone or "Green Line" that separates the government-controlled area from the rest of the island. Even though the whole of the island is part of the EU, implementation of the EU *acquis communautaire* has been suspended in the area administered by Turkish Cypriots until political conditions permit the reunification of the island. In 2004, the Council of the European Union approved special trade regulations to deal with the movement of persons and goods across the buffer zone, also known as Green Line trade.

The Turkish Cypriot economy is dominated by the services sector. In 2012 (for which the latest data is available), the services sector was estimated to contribute 58.7% to GDP, which includes the public sector, trade, tourism, and education. In the same year, light manufacturing and agriculture contributed 2.7% and 6.2% to GDP respectively. The Turkish Lira is the preferred currency, though foreign currencies are widely accepted in business transactions. Most businesses are family-run and tend to be small. Manufacturing is limited mainly to food and beverages, furniture and fixtures, construction materials, metal and non-metal products, textiles and clothing. According to the 2011 census results, the Turkish Cypriot population was estimated to be just over 286,000 with a well-educated work force of nearly 112,000. The financial crisis in the Republic of Cyprus government-controlled area had no effect on the Turkish Cypriot economy. The Turkish Cypriot economy experienced estimated GDP growth of 2.8% in 2013 and is projected to grow 2.3% and 3.8% in 2014 and 2015 respectively. Per capita GDP reached an estimated \$14,000 (31,000 Turkish Lira) in 2012 (most current data).

With miles of coastline, medieval castles, and antiquities, tourism is a potential growth industry. According to the most recent data, tourist arrivals in 2013 increased 5.7% to just over one million. Tertiary education is also a growing sector, with seven local universities and three branches of Turkish universities attended primarily by students from Turkey, African countries, and Middle Eastern countries. The "State Planning Organization" estimated there were about 43,000 students registered for the 2010-2011 academic year (the most recent statistics available). Of those students, more than 80% were from abroad.

European Union:

The United States and the European Union (EU), with its 28 member states, enjoy a mature economic relationship that is characterized by nearly \$4 trillion in two-way investment as well as a massive merchandise trade of \$787 billion in 2013 - double the

level from 2000.¹ U.S. exports of goods and services to the EU-28 in 2013 reached approximately \$262 billion and imports from the EU, \$387 billion.² It is estimated that transatlantic commerce generates more than 15 million jobs.

Recognizing that the U.S.-EU economic relationship is already the world's largest, accounting for one-third of total trade in goods and services and nearly half of global economic output, President Obama, in his State of the Union address on February 12, 2013, announced the Administration's plans to begin negotiations on a Transatlantic Trade and Investment Partnership (T-TIP) with the EU. The negotiations were officially launched at the G8 Summit on June 17, 2013. Since that time, four negotiating rounds have taken place on both sides of the Atlantic (July 2013, November 2013, December 2013 and March 2014). The next negotiating session is expected to take place in Washington, DC in May 2014.

T-TIP is an ambitious and comprehensive trade and investment agreement that will promote transatlantic international competitiveness, jobs and growth. T-TIP aims to address non-tariff barriers that impede trade in goods and services and seeks to promote greater compatibility, transparency and cooperation in the regulatory and standards arenas. According to non-U.S. Government estimates, transatlantic zero-tariffs could boost U.S. and EU exports each by 17%.³ A 25% reduction in non-tariff barriers could increase the combined EU and U.S. GDP by \$106 billion.⁴ For up-to-date information on T-TIP, please visit the website of the [USTR](#).

According to forecasts by the European Commission (EC), full-year real GDP growth for 2014 is projected to rise for both the eurozone⁵ (1.2%) and for the EU as a whole (1.5%). EC forecasts suggest stronger growth for 2015 at 1.8% for the eurozone and 2.0% for the overall EU. The EC anticipates a return of confidence and a strengthening global economy over 2014, both of which should continue to help Europe rebound. According to the EC:⁶

- The EU country with the strongest growth in 2014 will be Latvia (4.2%); the weakest growth will be Cyprus (-4.8%);
- Two eurozone countries, Cyprus (-4.8%) and Slovenia (-1%) will be in recession in 2014;
- 11.7% unemployment is forecast for 2015 in the eurozone and 10.4% in the entire EU. Unemployment figures are expected to run from 4.7% in Austria to 24.6% in Spain in 2014. Youth unemployment is substantially higher in countries with negative growth.

¹ The Transatlantic Economy 2014, Annual Survey of Jobs, Trade and Investment between the U.S. and Europe; Daniel Hamilton and Joseph Quinlan

² US Dept of Commerce, Office of the EU

³ The Transatlantic Economy 2014, Annual Survey of Jobs, Trade and Investment between the U.S. and Europe; Daniel Hamilton and Joseph Quinlan

⁴ *ibid*

⁵ The eurozone is an economic and monetary union (EMU) of 18 EU member states that have adopted the euro as their common currency and sole legal tender. The eurozone consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain. Lithuania will adopt the Euro on January 1st, 2015, becoming the 19th eurozone member state.

⁶ http://ec.europa.eu/economy_finance/publications/european_economy/2014/pdf/ee2_en.pdf

U.S. business may benefit from the EU's border free Schengen area which covers 22 of the 28 EU member states⁷ and greatly eases the movement of goods and people across air, land, and sea borders. Ireland and the U.K. have opted out of the Schengen and it is not certain when Bulgaria, Croatia, Cyprus and Romania will join. In order to join, countries need the approval from existing members.

Enlargement of the EU continues after Croatia became a full member on July 1, 2013. The EU is currently negotiating with Iceland and is in discussions with Serbia and other Balkan states as well as Turkey.

Market Challenges

[Return to top](#)

Capital Controls: Despite lifting many of the temporary restrictive measures on transactions in the government-controlled area that were introduced by the Central Bank of Cyprus (CBC) at the height of the financial crisis in March 2013, the remaining controls on international transactions continue to hamper normal business activity. For the most current information, see the CBC website:

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=12583&lang=en

Tight Liquidity: Cypriot businesses and bankers alike point to lack of liquidity and new bank lending as challenges to growth. Ongoing restructuring and recapitalization efforts are well underway; however, it is unclear when the financial sector will return to normalcy. Private debt in Cyprus remains among the highest in the EU as a percentage of GDP.

Other market challenges include the relatively small size of the market. In the government-controlled area, this problem is somewhat cushioned by the relatively high standard of living, with a per capita GDP of almost EUR 22,100 in 2013 and close to 2.4 million tourist arrivals per year. In the area administered by Turkish Cypriots, per capita GDP was \$14,000 in 2012.

The island's continued *de facto* division constitutes a significant constraint on economic growth, investment, and trade. The partial lifting of travel restrictions between the Republic of Cyprus government-controlled area and the area administered by Turkish Cypriots in April 2003 has facilitated the movement of persons with no significant inter-ethnic incidents. In August 2004, new EU rules allowed goods produced in the north to be sold in the Republic of Cyprus provided they met EU rule of origin and sanitary/phytosanitary requirements. In May 2005, Turkish Cypriot "authorities" adopted a new regulation mirroring the EU rules and allowing certain goods produced in areas under the Republic of Cyprus government control to be sold in the north. Nevertheless, trade between the two communities remains limited. For more information, please visit: <http://www.cpnnet.net/>. Suppliers of imported products in the Republic of Cyprus cannot directly serve the Turkish Cypriot market and vice versa. The Council of the European Union approved a special rule for trade across the buffer zone ("Green Line Regulations"):

⁷ Twenty-two EU member states and four European Free Trade Association (EFTA) member states participate in the Schengen Area. Of the six EU members which do not form part of the Schengen Area three – Bulgaria, Croatia, Cyprus and Romania – are legally obliged to join the area, while the other two – Ireland and the United Kingdom – maintain opt-outs. Four non-EU members – Iceland, Liechtenstein, Norway, and Switzerland – participate in the Schengen Area.

Market Opportunities

[Return to top](#)

Republic of Cyprus:

The energy sector in general (exploration, exploitation, and ancillary services, among others) and alternative energy source generation hold much promise for U.S. business. Republic of Cyprus (ROC) government plans to privatize key state-owned enterprises offer attractive investment opportunities in the sectors of telecommunications services, electricity generation, and port management. Other areas with commercial potential can be found in the following areas: healthcare, shipping, high technology, financial services, environmental protection technology, and tourism infrastructure development projects. The ROC government is proceeding with plans for the construction and operation of an integrated resort casino to enhance its tourism sector. Please see Chapter 4 for more information on the best prospects for U.S. exports and investment.

Area Administered by Turkish Cypriots:

Tourism and education services hold much promise for further development in the area administered by Turkish Cypriots. Tourist arrivals in 2013 increased 5.7% over 2012 reaching 1.2 million. About 80% of tourists come from Turkey, 10% come from the UK, and the remaining 10% from a mix of countries. Other potential growth opportunities include franchises and food processing.

Market Entry Strategy

[Return to top](#)

A company's market entry strategy will largely depend on the type of product or service it has to offer. As in most markets, finding a reliable and competent importer, distributor, or partner is advised. The Embassy's Economic and Commercial Section represents the Department of Commerce U.S. Commercial Service and offers many services aimed at assisting U.S. companies wishing to enter the Cyprus market. A detailed description of these services is available here: <http://cyprus.usembassy.gov/companyservices.html>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5376.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

Republic of Cyprus:

It is relatively easy to find qualified Cypriots to serve as agents and distributors. Several U.S. companies are already represented here on an agency/representative basis. Cypriot agents/representatives normally market U.S. products and services under binding agency agreements based on commissions. In Cyprus, a commercial agent must register with the Council of Commercial Agents and receive a license with a registration number. The Economic/Commercial Section website, through its "Business Service Providers" program, provides a list of Cypriot companies who wish to do business with the United States. Please click on the following link if you would like to view our BSP program online:

<http://cyprus.usembassy.gov/bsp.html>

Area Administered by Turkish Cypriots:

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

Turkish Cypriot Chamber of Commerce contact details:

Tel.: +90 - 392-228-3760, +90 - 392-228-3645

Fax: +90 - 392-228-3089
Email: ktto@ktto.net
Postal address: 90 Bedreddin Demirel Cad. Nicosia
Website: <http://www.ktto.net/english/index.asp>

Our Economic/Commercial office can provide you with assistance in finding and selecting an agent, distributor, or partner through our Gold Key or International Partner Search services. If you have already selected a partner, before you finalize and sign contracts, our office can prepare a due diligence report on your prospective partner through the International Company Profile service. For more details, please see our list of services: <http://cyprus.usembassy.gov/companyservices.html>

European Union:

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted (Commission Notice 2001/C 368/07).

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF>

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery

of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF>

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:

<http://www.ombudsman.europa.eu/home/en/default.htm>

http://ec.europa.eu/solvit/site/about/index_en.htm

Establishing an Office

[Return to top](#)

Republic of Cyprus:

A company wishing to establish an office must first obtain approval for the legal entity of the company name by applying to the Registrar of Companies and Official Receiver, or through the One Stop Shop/Point of Single Contact. The required forms may be submitted in person, through a third party (lawyer), by mail, or online accompanied by a check in the name of the Registrar of Companies. It is possible to search through company names already registered in Cyprus by visiting this website:

<https://efiling.drcor.mcit.gov.cy/DrcorPublic/SearchForm.aspx?lang=EN&sc=0>

After securing a name for your company, the next step is to register with the Registrar of Companies office the documents outlining the entity's legal structure. Examples of this are a Memorandum of Understanding, Articles of Association, or Articles of Incorporation. A link to detailed instructions provided by the Republic of Cyprus is available below. When registering a company (private or public) the documents must be submitted by a licensed advocate/lawyer practicing in Cyprus. For a complete list of lawyers, visit the Cyprus Bar Association's website:

<http://www.cyprusbarassociation.org/v1/index.php/en/>

There are different forms of legal entities that the Department of the Registrar of Companies and Official Receiver can register. These forms include: Company (Private or public), Branch Company, General or Limited Partnership, European Company, and Business Name. More information on "Legal forms of entities" and "Incorporation fees" regarding the above types of companies are available through the Point of Single Contact Portal:

One Stop Shop & Point of Single Contact (PSC) Cyprus
Ministry of Energy, Commerce, Industry & Tourism
13-15 Andreas Araouzos
1421 Nicosia
Cyprus
Tel.: +357-22-409318 or 321
Fax: +357-22409432
Email: onestopshop@mcit.gov.cy, pscopyrus@mcit.gov.cy
Website:
http://www.businessincyprus.gov.cy/mcit/psc/psc.nsf/index_en/index_en?opendocument

Non-EU residents seeking to establish a company in the Republic of Cyprus must obtain a residence and employment permit from the Civil Registry and Migration Department. The procedure and regulations for obtaining a work permit for non-EU nationals is described within the Point of Single Contact (PSC) Cyprus Portal. The PSC Cyprus Portal also provides detailed information and instructions for incorporating a business (either a natural person or legal entity) in the Republic of Cyprus.

PSC Cyprus Portal Services include: Company registration, social insurance scheme registration, residence and employment permits, VAT registration, taxpayer registration, planning permission and development, and building Permits. The One Stop Shop & Point of Single Contact operates under the auspices of the Ministry of Energy, Commerce, Industry and Tourism.

Additional information required for certain sectors and business streams is available in a searchable index of procedures available on the PSC Cyprus Portal:

http://www.businessincyprus.gov.cy/mcit/psc/psc.nsf/permits_en/permits_en?OpenDocument#H

<https://efiling.drcor.mcit.gov.cy/DrcorPublic/SearchForm.aspx?lang=EN&sc=0>

Area Administered by Turkish Cypriots:

Foreign and domestic entities and natural persons are allowed to establish a business in the area administered by Turkish Cypriot. The first step is to secure the name of the entity being formed by applying to the "Company Registry Office" for approval. The next step is to submit required documents to the "Registrar of Companies Office." For more information about investing or establishing a business in the Turkish Cypriot administered area, contact "the Turkish Cypriot Investment Development Agency (YAGA)," which is a one-stop-shop for both foreign and domestic investors:

"Turkish Cypriot Investment Development Agency"
Tel: +90-392-228-9378
Website: <http://www.investinnorthcyprus.org>
E-mail: mehmet.yildirim@investinnorthcyprus.org

Franchising

[Return to top](#)

Republic of Cyprus:

U.S. franchises, particularly in the food and beverage sector, continue to be highly sought after and successful in Cyprus. U.S. franchise companies present in Cyprus include: McDonalds, Burger King, Starbucks, Coffee Beanery, Pizza Hut, Papa John's Pizza, Domino's Pizza, KFC, Bennigan's, TGI Friday's, Orkin, Curves, Cinnabon, Cold Stone Creamery, and Taco Bell.

Besides the U.S. franchises on the island, there are many international franchise brands in Cyprus, including Folli Follie, Accessorize, Goody's, Costa Coffee, Gloria Jeans, Second Cup, and Ocean Basket. Cypriots are brand-conscious shoppers; however, the 2013 economic crisis is likely to have a dampening effect on consumer spending for the near-term.

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

Area Administered by Turkish Cypriots:

The area administered by Turkish Cypriots is a service-oriented island economy that is highly dependent on imports. Foreign tourists (mainly from Turkey, African countries, eastern and middle-eastern countries), university students, and brand-conscious local consumers demand recognizable goods imported from abroad.

Foreign franchises present in the Turkish Cypriot-administered area include U.S. Orkin pest control, Johnny Rockets, GNC Nutrition, Gloria Jean's Coffees (Australian), and Domino's Pizza, which opened in 2013.

European Union:

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: <http://www.eff-franchise.com/spip.php?rubrique21>

Direct Marketing

[Return to top](#)

Republic of Cyprus:

Direct Marketing is a growth industry for Cyprus. The 2013 financial crisis has and will constrain consumer spending for the near term. Advertising methods for the local market have become sophisticated and the choice of available media is approaching those available in other developed countries.

Area Administered by Turkish Cypriots:

Marketing and advertising services are widely available and are the standard method for attracting new customers in the north. The Internet is also widely used in promotion efforts.

European Union:

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data

The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules

The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business over a distance with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook "the Consumer Rights Directive." The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the relevant sections of [EU Member States' Country Commercial Guides](#) and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online

platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:

Consumer Affairs Homepage:

http://ec.europa.eu/consumers/index_en.htm

Consumer Rights:

http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services

Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT>

Direct Marketing over the Internet

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing

[Return to top](#)

Republic of Cyprus:

In the case of most large government tenders or projects, local companies will seek to partner with foreign companies to prepare and submit bid proposals. As in many other markets, local firms seek partnerships in order to leverage economies of scale and technical know-how. Foreign partners benefit from having local expertise and established bona fides.

Area Administered by Turkish Cypriots:

It is required that foreign companies have a local partner if they wish to participate in a “public” tender in the area administered by Turkish Cypriots. Alternatively a foreign company can obtain domestic status by establishing a local company.

Selling to the Government

[Return to top](#)

Republic of Cyprus:

For most projects or large scale purchases, the Republic of Cyprus government is required to issue a tender or request for proposals following EU procurement regulations. Tender documents are typically released in the Greek language, which is an official EU language. In certain instances, usually for big projects, the tender documents are also released in the English language. U.S. companies will either bid on any tender directly, or through a local agent.

Under the procurement law, evaluating and awarding tenders is the responsibility of each Ministry's or state-owned enterprise's tender board. A Tenders Review Authority examines complaints from bidders and ensures that project awards are not mishandled: http://www.tra.gov.cy/aap/aap.nsf/dml_Index_en/dml_Index_en?opendocument. Semi-governmental organizations have their own tender boards and evaluating committees.

The government posts all tenders on the e-procurement website where prospective bidders can acquire tender documents and submit their proposals. To register, and for more detailed information on how the website works, please click on the following link: <https://www.eprocurement.gov.cy/ceproc/home.do>.

Information on upcoming tenders is available through the U.S. Embassy in Nicosia, Economic/Commercial Section (e-mail: nicosiaecon@state.gov). Alternatively, you can find relevant information through the following website: <http://export.gov/>

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

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

Area Administered by Turkish Cypriots:

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

Tenders are announced in the “Official Gazette” or in a minimum of two local Turkish language newspapers. Most large tenders permit participation from international companies. International companies can participate through an agent or with a partner in the area administered by Turkish Cypriots if the tender specifications clearly state that

the tender is open for international participation. The agent or partner must be fully registered in the area administered by Turkish Cypriots in order to represent any international company.

European Union:

The public procurement market in the EU is currently regulated by three Directives and in 2014, the EU adopted new legislation in this area. New EU Directives were adopted for the general and utilities sectors as well as one on concession contracts:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport and postal services; and
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

There is a separate Directive addressing the procurement of defense and sensitive security equipment.

According to some estimates, the size of the EU public procurement market is thought to be between 340 billion euros - 440 billion euros. More details on the size of the EU public procurement market are available in "The Annual Public Procurement Implementation Review:"

http://ec.europa.eu/internal_market/publicprocurement/docs/implementation/20121011-staff-working-document_en.pdf

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

The U.S. and the EC are signatories to the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds:

http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender; or 2) apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, are waived for the electricity sector.

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement

rules, as explained in our reports on “Selling goods and services to the EU institutions – Update 2014” and “Tenders for Government Contracts in the EU:”

<http://export.gov/europeanunion/marketresearch/index.asp>

Distribution and Sales Channels

[Return to top](#)

Republic of Cyprus:

Most imported products and services are handled through agents and distributors. While most agent agreements may not be exclusive, most distributor agreements are. In some cases, a distributor may obtain an agreement to represent a company in both Cyprus and Greece and sometimes in countries of Eastern Europe as well. There are several major local and European supermarket chains and a few department stores. There are also many small family-owned stores.

Most companies in Cyprus are relatively small and family-owned and operated, although there are some notable exceptions. Big companies representing several brands have their own distribution centers based out of industrial areas of the major cities. All products to Cyprus are shipped through Limassol port, which is operated by the Cyprus Ports Authority. A recent trend has been for foreign investors and companies to enter the market by purchasing existing companies in the Republic of Cyprus.

Area Administered by Turkish Cypriots:

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

Selling Factors/Techniques

[Return to top](#)

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

Electronic Commerce

[Return to top](#)

Republic of Cyprus:

The Ministry of Commerce is trying to promote E-commerce in Cyprus as an innovative way of doing business on the island. Although Internet access is widespread, Web-based trade remains relatively small, but is growing. Most companies have their own website.

Online banking is becoming increasingly popular and Cypriots are becoming accustomed to this channel for financial services.

The Government is also improving its websites and offers more services and information through the Web. The Government’s main website is:

http://www.cyprus.gov.cy/portal/portal.nsf/citizen_en?OpenForm&access=0&SectionId=citizen&CategoryId=none&SelectionId=home&print=0&lang=en

Area Administered by Turkish Cypriots:

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

European Union:

The Electronic Commerce Directive (2000/31/EC) provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a [report](#) on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

Businesses affected by EU Directive 2002/38 are U.S.-based and selling ESS to non-business EU customers, or EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses. The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

For more, go to the EC website:

http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

Trade Promotion and Advertising

[Return to top](#)

Republic of Cyprus:

Besides traditional advertising media like television and radio, direct marketing techniques that involve telephone calls to prospective customers and direct-mail to households have become popular in recent years. Telemarketing (advertising through TV, with call-in numbers to order directly) is also frequently used. Cable and satellite television are expanding their reach and offer another advertising medium. Advertising through the internet has grown significantly over the past few years as the number of

Internet users in Cyprus has increased. Several internet providers specialize in designing web pages.

More traditional advertising channels, such as billboards or the print media, are also used extensively. General and product-specific trade shows take place year-round. Most newspapers are affiliated with particular political parties. The major Greek language newspapers are *Phileleftheros* (<http://www.philenews.com/>), *Politis* (<http://www.politis-news.com/>), *Kathimerini* (<http://www.kathimerini.com.cy/>), *Alithia* (<http://www.alithia.com.cy/>), *Simerini* (<http://www.sigmalive.com/simerini>), and *Haravgi* (<http://www.haravgi.com.cy/>). The major English language newspapers are the *Cyprus Weekly*, *Cyprus Mail* (<http://cyprus-mail.com/>) and the *Cyprus Financial Mirror* (<http://www.financialmirror.com/>). There are sector specific magazines like *InBusiness* (<http://www.imhbusiness.com/Business-Media/in-businessnews-com>) and *Gold* (<http://www.imhbusiness.com/Business-Media/gold-magazine>) that are targeted to businesspeople.

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

There are many advertising, public relations, and promotion agencies on the island. Most of them are partnered up with major agencies abroad. Our Economic/Commercial Section could also assist U.S. companies with promotional events through the Single Company Promotion service: <http://cyprus.usembassy.gov/scp.html>.

Area Administered by Turkish Cypriots:

The advertising sector in the area administered by Turkish Cypriots is not as developed as in the government-controlled area, but there are a number of advertising agencies which provide advertising services. Besides traditional advertising media like television and radio, direct marketing techniques that involve direct-mail to households have been used in recent years. Cable and satellite television are widely available and offer another advertising medium.

More traditional advertising channels, such as billboards or the print media, are also used extensively.

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

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

Newspapers: *Kibris* (<http://www.kibrisgazetesi.com/>), *Yeniduzen* (<http://www.yeniduzen.com/>), *Gunes*, *Kibrisli* (<http://www.haberalkibrisli.net/>), *Ortam* (<http://www.ortamgazetesi.com/>), *Demokrat Bakis* (<http://www.demokratbakis.net/>), *Vatan*, *Afrika* (<http://www.afrikagazetesi.net/>), *Halkin Sesi* (<http://halkinsesikibris.com/>), *Cyprus Today*, *Volkan* (<http://www.volkangazetesi.net/>), *Star Kibris* (<http://www.starkibris.net/>), *Havadis* (<http://www.havadiskibris.com/>), *Haberdar* (<http://www.haberdarkibris.com/>), *Kibris Postasi* (<http://www.kibrispostasi.com/>), *Diyalog* (<http://www.diyaloggazetesi.com/>). As in the Republic of Cyprus, most newspapers are affiliated with particular political parties.

Pricing

[Return to top](#)

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

Sales Service/Customer Support

[Return to top](#)

Republic of Cyprus:

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

Area Administered by Turkish Cypriots:

For specific information on sales services/customer support, visit <http://www.investinnorthcyprus.org/> or <http://www.ktto.net/english/index.asp>

European Union:

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as

material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:

<http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/>

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN>

Protecting Your Intellectual Property

[Return to top](#)

Republic of Cyprus:

Intellectual Property Rights (IPR) legislation in Cyprus is, on the whole, modern and comprehensive. In 2012 Cyprus passed new legislation giving the authorities better tools to investigate and prosecute IPR cases. The amended 2012 copyright law provides higher penalties for IPR offenders, namely fines of up to €80,000, and/or 3 years imprisonment for first-time offenders and up to €100,000 and/or 4 years imprisonment for subsequent conviction.

According to the Business Software Alliance (BSA -- <http://globalstudy.bsa.org/2011/>), software piracy in Cyprus was 47% in 2013, one percentage point lower than the year before. The commercial value of that unlicensed software totaled \$19 million. This percentage is still relatively high compared to the EU average of 31% but, nevertheless, much lower than the Central and Eastern Europe average of 61%.

Area Administered by Turkish Cypriots:

Intellectual property rights are not adequately protected in the area administered by Turkish Cypriots. Current "legislation" is antiquated and rarely enforced.

Protecting Your Intellectual Property in Cyprus:

Several general principles are important for effective management of intellectual property (IP) rights in Cyprus. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Cyprus than in the U.S. Third, rights must be registered and enforced in Cyprus, under local laws. Your U.S. trademark and patent registrations will not protect you in Cyprus. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Cyprus market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Cyprus. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Cyprus law. The U.S. Embassy in Cyprus can provide a list of local lawyers: <http://cyprus.usembassy.gov/lawyers.html>.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Cyprus require constant attention. Work with legal counsel familiar with Cyprus laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Cyprus or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: <http://www.stopfakes.gov/business-tools/international-ip-advisory-program>
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Due Diligence

[Return to top](#)

U.S. companies are advised to perform due diligence prior to signing contracts with new partners. Although the majority of the business community is serious and professional, it is best to do some additional research before making any commitments. To assist U.S. companies with their due diligence efforts on the island, the Economic/Commercial Section offers the International Company Profile (ICP) report service – a background check into the particulars of potential business partners in Cyprus, including information on key officers, financial health, sales volume and reputation.

The cost for an ICP report in Cyprus is US\$600 for small companies and US\$900 for large companies. The report is delivered within 15 working days. For more information on our ICP service, please check the Commercial Section's website:
<http://cyprus.usembassy.gov/icp.html>

European Union:

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services

[Return to top](#)

Republic of Cyprus:

A local attorney must prepare the Articles of Incorporation of the company and submit the application for registration to the Registrar of Companies. A list of local attorneys registered with the U.S. Embassy in Nicosia is available from the Embassy's Consular Section: <http://cyprus.usembassy.gov/lawyers.html>. A full list of attorneys registered in Cyprus (more than 1,600) is available from the Cyprus Bar Association website:
<http://www.cyprusbarassociation.org/v1/index.php/en/>

The island offers a plethora of professional accounting, financial, consulting, advertising, public relations, and legal services. The services sector is considered one of the big sources of income for Cyprus. There are many professional services associations registered under the Cyprus Chamber of Commerce and Industry.
<http://www.ccci.org.cy/>

U.S. companies can also find service providers listed on the Economic/Commercial Section webpage under the Business Service Provider link:
<http://cyprus.usembassy.gov/bsp.html>

Area Administered by Turkish Cypriots:

The Turkish Cypriot Chamber of Commerce can provide a list of professional services available, as well as contact information. <http://www.ktto.net/english/index.asp>

Web Resources

[Return to top](#)

The U.S. Embassy in Nicosia, Cyprus

<http://cyprus.usembassy.gov>

U.S. Embassy, Economic/Commercial Section in Nicosia, Cyprus

<http://cyprus.usembassy.gov/business.html>

Republic of Cyprus:

The Government of Cyprus official website includes information on ministries and all branches of the government:

http://www.cyprus.gov.cy/portal/portal.nsf/citizen_en?OpenForm&access=0&SectionId=citizen&CategoryId=none&SelectionId=home&print=0&lang=en

For information on Cypriot companies by name or sector and for detailed information regarding associations registered with the Chamber of Commerce and Industry:

<http://www.ccci.org.cy/>

The American Chamber of Commerce - Cyprus (AmCham Cyprus) is dedicated to promoting bilateral trade relations between Cyprus and the U.S. and has very close cooperation with the U.S. Embassy in Nicosia.

<http://www.amchamcyprus.com.cy/>

To find out if a company is registered in Cyprus, check the website of the Department of the Registrar of Companies and Official Receiver. The website also provides statistics on companies registered in Cyprus and other services.

http://www.mcit.gov.cy/mcit/drcor/drcor.nsf/index_en/index_en?opendocument

Cyprus Bar Association:

<http://www.cyprusbarassociation.org/v1/index.php/en/>

Area Administered by Turkish Cypriots:

The website of the Turkish Cypriot Chamber of Commerce:

<http://www.ktto.net/english/index.asp>

The Turkish Cypriot Chamber of Industry website:

http://www.kktcsanayiodasi.org/index.php/tr/about_us/purposes-duties-powers-ctcii.html

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [Energy Sector](#)
- [Shipping, Ports, and Marinas](#)
- [Health/Medical Sector](#)
- [Integrated Casino Resort Construction and Operation](#)
- [Science and Technology Collaboration Possibilities](#)

Agricultural Sectors

Energy Sector

Overview

[Return to top](#)

After the discovery of natural gas in Israel's Exclusive Economic Zone (EEZ), which is adjacent to Cyprus' EEZ, the ROC government began to explore and develop a plan to monetize its potential offshore natural gas resources. The energy sector in Cyprus is experiencing unprecedented growth and offers numerous opportunities to U.S. businesses. From licenses for offshore hydrocarbons exploration off the coast of Cyprus, to the commercialization of discovered natural gas deposits, to growth in renewable energy projects, there are significant and varied prospects. Cyprus lacks an indigenous energy support services industry, a growing need that U.S. companies could satisfy. The Republic of Cyprus (ROC) government continues to streamline the processes for energy development and commercialization, with most of the responsibilities coming under the Ministry of Energy, Commerce, Industry, and Tourism (MECIT) and organizations like the Cyprus Energy Regulatory Authority (CERA), the Cyprus Natural Gas Public Company (DEFA), the Cyprus Hydrocarbons Company and the State-owned Electricity Authority of Cyprus (EAC). The U.S. Embassy Economic/Commercial team can assist any company interested in pursuing these and other opportunities. To acquire our Cyprus Energy Profile report or to contact the team, please use the following link: nicosiaecon@state.gov.

Sub-Sector Best Prospects and Opportunities

[Return to top](#)

Oil and Gas Exploration, Exploitation, and Ancillary Services Opportunities (OGS):

In 2008, the ROC government awarded Noble Energy a license to develop Block 12; exploratory drilling began in 2011. In February 2013, the ROC government approved Noble Energy's transfer of 30% of its interests in Block 12 to the Israeli firms Delek Drilling (15%) and Avner Oil Exploration (15%). During a second licensing round, the ROC government awarded blocks 2, 3, and 9 to an Italian/South Korean consortium of ENI and KOGAS, and blocks 10 and 11 went to the French firm Total.

In October 2013, Noble Energy announced estimates for Block 12 that ranged from 3.6 – 6 Tcf of natural gas, with a mean of 5 Tcf. ENI/KOGAS is expected to start exploratory drilling in late 2014, and Total has plans to begin drilling in 2015. Noble Energy's announcement of estimates for Block 12 revealed the need for additional sources of natural gas to confirm the commercial viability of constructing an onshore liquefied natural gas (LNG) export terminal, the ROC government's preferred option for monetizing its offshore resources. The LNG export terminal project is estimated to cost \$10 billion and would be located near the largest power station in Vasilikos. The project will require the expansion of a proposed state-owned energy park. As a potential energy exporter and regional energy hub, the ROC government is drafting and amending its legislation to bring its energy-related legal and regulatory framework in line with European Union requirements. U.S. companies offering related ancillary services in exploration and exploitation of natural gas and in the construction of LNG terminals could find potential opportunities in Cyprus.

Construction & Operation of a Natural Gas Onshore Distribution Network (ACE, OGS):

Provided Cyprus establishes onshore supply of its own offshore Natural Gas (NG), the Natural Gas Public Company of Cyprus (DEFA) intends to seek via tender an experienced company to construct and operate an onshore natural gas distribution network for domestic consumption. DEFA officials have stated they will follow a tendering procedure to select a preferred bidder who will undertake the project. DEFA officials have also announced their plans to seek assistance in designing, developing, and constructing the distribution network. U.S. companies with expertise in this sector could get a head start by informing DEFA of their interest in this project. DEFA is currently in the process of evaluating four bids for the interim supply of natural gas to Cyprus starting on January 1, 2016 for a period of seven to ten years.

Fuel Storage Projects:

- VTTI B.V., the holding company of VTT Vasiliko Ltd (VTTV), invested approximately €300 million to construct an oil terminal in Cyprus at Vasilikos. The company's shareholders are Vitol (a Swiss-based, Dutch-owned energy and commodity trading company) and Malaysia International Shipping Corporation (an international maritime corporation owned by PETRONAS and specializing in energy transportation). The facility, which is currently under construction (28 tanks in total), is scheduled to be operational by end of September, 2014. It will serve as an import/export and trans-shipment center. VTTV will facilitate oil trade within the Eastern Mediterranean, the Middle East, and European markets and will also provide storage options for domestic use. Phase two of the project is still under evaluation and will require the construction of an additional 13 tanks. Companies servicing fuel storage facilities may find business opportunities with VTTV.
- In January 2014, and as part of its efforts to focus on the tourism sector, the Larnaca municipality issued a decree requiring oil companies operating there to relocate their fuel storage facilities within the next three years. Companies offering site remediation may find opportunities for new business as a result of this requirement.

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

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

Renewable Sources of Energy (OGS – REQ):

Republic of Cyprus:

Cyprus' consumer electricity prices are among the highest in the EU. ROC government efforts to lower energy costs to consumers include procuring cheaper fuel (e.g. bringing onshore its own natural gas) to power Vasilikos power station (VPS) and liberalizing power generation to allow independent power producers into the market. The ROC

government also seeks to expand the share of renewable energy sources (RES) in Cyprus' energy mix through government subsidies and incentives. In 2013, the Cyprus Energy Regulatory Authority (CERA) initiated the first phase of a net metering project targeting end-consumers and prioritizing low income households. Cyprus' goal is to increase to 60,000 by 2016 the number of households participating in the project. Under EU-mandated targets, Cyprus is required to increase from 6% to 13% by 2020 its total energy consumption that is drawn from RES. ROC government projects include biomass-fueled power plants, the construction of additional photovoltaic parks, and the modernization of residential and commercial solar hot water heaters.

Potential projects for renewable energy sources include: 1) solar photovoltaic electricity generation; 2) biomass for the production of electricity from organic waste; and 3) replacement of existing solar hot water heaters. A few wind turbine parks and solar energy projects are constructed or already underway but there is a lot of room for entering the market. Companies interested in the renewable energy sector can contact the office of the Energy Regulator:

Cyprus Energy Regulatory Authority
P.O. Box 24936
1355 Nicosia
Cyprus
Tel.: +357-22-666363
Fax: +357-22-666353
Website: <http://www.cera.org.cy/main/default.aspx>

RES Power Storage:

A lack of domestic storage capability for RES generated power is an issue the Cyprus Transmission Systems Operator (TSO) plans to address in the coming months. U.S. companies with grid stabilizing expertise or storage technology may find new business opportunities in this sector.

Area Administered by Turkish Cypriots:

The Turkish Cypriot community passed the "Renewable Energy Resources Law" which aims to reduce use of fossil fuels and allow use of alternative energies. The website for the "Ministry of Economy and Energy" is <http://www.kktceeb.com/index.php> (Turkish only).

Shipping, Ports, and Marinas

Overview

[Return to top](#)

Cyprus' shipping register is the third largest flag in Europe and the island is a global leader in ship management. Despite the financial crisis of 2013 and a 17-year-old Turkish embargo on ROC flagged and managed ships, Cyprus shipping offers new and exciting opportunities for United States economic and commercial engagement. As a hub for ship management, ship ownership, and vessel chartering services, Cyprus offers much potential for U.S. companies seeking to export shipping-related goods and services, including shipping insurance services, and marine support services for Cyprus' budding offshore energy sector. ROC tenders for ports and marinas also offer potential.

Sub-Sector Best Prospects and Opportunities

[Return to top](#)

Consultancy Services for the Partial Privatization of the Limassol Port:

The Cyprus Ports Authority (CPA), a state-owned enterprise (SOE) managing Cypriot ports, is one of three SOEs in Cyprus heading for partial privatization. The Ministry of Communications and Works is currently seeking consultancy services for privatizing part of the operations of the new Limassol port, which has recently undergone extension.

Management, Operation, and Commercial Exploitation of Port Land:

Additionally, the CPA has invited bids for the management, operation, commercial exploitation, and maintenance of the land area around the old Limassol port for a period of ten years. This area, adjacent to the new Limassol Marina, has a total of 18 new buildings spread on 5,800 square meters. The deadline for this tender was August 1, 2014, and the CPA is seeking a minimum rent of €2.3 million.

Port Expansion and Re-Development:

CPA and the Ministry of Communications are evaluating a proposal to expand the port at the Vasilikos area to accommodate energy companies. The project is estimated to cost €150 million. U.S. companies that design, construct, or service energy ports may find business opportunities here.

Site Remediation and Port Re-Development Services:

Limassol and Larnaca ports are currently servicing energy companies, although recently energy companies in Cyprus are moving their drilling mud production units from Limassol to Larnaca. This move is likely to be temporary as local officials in Larnaca consider transitioning the port away from energy to service the growing tourism sector. Local authorities are likely to seek the assistance of environmental-assessment experts once these decisions are finalized, particularly in an effort to transition fuel storage areas for other uses. Companies with site remediation technology and expertise may also find opportunities here.

Health/Medical Sector (HCS – DRG – MED)

[Return to top](#)

Republic of Cyprus

Cyprus' Memorandum of Understanding with Troika calls for far-reaching reforms in the country's health care sector. These reforms include shifting to universal coverage in a National Health Insurance Scheme (NHIS), making public hospitals self-sustaining, and introducing the use of information technology systems in all public hospitals and health centers. Tenders for the implementation of the NHIS are expected within the coming months. The tenders will call for applications for electronic medical record systems, healthcare information systems, business intelligence for health, electronic content management, decision-support, and knowledge management. Tools will include software and hardware devices as well as equipment. There are also several efforts that aim to upgrade the healthcare sector on the island by attracting international medical tourism.

Area Administered by Turkish Cypriots:

Medical devices, medical disposables, and medical equipment are developing markets in the Turkish Cypriot community. The presence of the private owned and operated Near East University Hospital has improved access to medical services and expanded available health and medical services to local residents.

The Republic of Cyprus (ROC) is pursuing legislation that would allow the release of international tenders for an Integrated Casino Resort license before the end of the year and hopes to attract foreign investors. The Ministry of Energy, Commerce, Industry, and Tourism (MECIT) will submit the draft legislation to Parliament in September for approval. U.S. company Deloitte is the ROC's consultant and will assist the government in its endeavor and guide it through the process. The Minister announced on March 13, 2013 that he is hopeful that within the next two years the ROC will have its own casino. The primary aim of providing the casino license and creating the infrastructure necessary is to attract more affluent tourists to the island. Competitors for the license will have to make provisions for other year-round attractions including shows, golf courses, spas, or theme parks. A five star hotel and a conference center will also be part of the project. The license will most likely be granted for 30 years with an exclusive operation right for the first 15 years. All major cities expressed interest in having a casino but the ultimate decision of where to construct it will be up to the investor.

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

Area Administered by Turkish Cypriots:

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

European Union:

Despite frequent disputes, bilateral agricultural trade between the United States and the EU-28 totaled \$29.6 billion in 2013. The EU is the fifth largest export market for U.S. agricultural products after China, Canada, Mexico, and Japan. For the eleventh year in a row, the trade balance in agricultural, forestry, and fishery goods continued in the EU's favor (\$17.7 billion vs. \$11.9 billion). U.S. imports from the EU included wine and beer, essential oils, cheese, and processed fruits and vegetables.

The main U.S. products exported to the EU by value were tree nuts, soybeans, processed fruits and vegetables, and wine and beer. Increases were seen in U.S. exports of soybeans and soybean meal, vegetable oils, processed fruits and vegetables, tree nuts, and wine and beer. Tree nuts exports increased by 32% in 2013 and reached their highest EU export sales since 1970.

Global branding and further integration of European markets is continuing to produce a more homogeneous food and drink market in Europe, but significant national differences in consumption remain. Nevertheless, certain common trends are evident throughout the EU: demand for greater convenience, more openness to non-traditional foods, and a growing interest in health foods, organics and niche markets. For a thorough analysis of what commodities and products offer the best opportunities, access www.usda-eu.org and consult Brussels' and the individual member states' Food and Agricultural Import Regulations and Standards (FAIRS) Reports at <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports>.
<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

<http://www.usda-eu.org/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Republic of Cyprus:

Cyprus has fully adopted the European Union's Common Customs Tariff (CCT) for third countries. EU products enjoy zero tariff rates.

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is the integrated Tariff of the European Union and it is a multilingual database in which all measures relating to the EU customs tariff, commercial and agricultural legislation are integrated. Post recommends exporters review the TARIC for their products to determine if a license is required for a particular product. The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Area Administered by Turkish Cypriots:

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

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Trade Barriers

[Return to top](#)

Republic of Cyprus:

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

Biotechnology

In April 2011, the Republic of Cyprus House of Representatives passed a law (the first of its kind in the EU) requiring local stores to place all bioengineered products (defined as products with a biotechnology content above 0.9%) on separate shelves under a sign clearly declaring them as containing genetically modified organisms or "GMOs." This law sets an important precedent in the EU, although there have been no signs of actual implementation, whether at supermarkets or other retail sales points.

In May 2012, the House of Representatives also passed a law providing "zero tolerance" of biotech content in conventional seeds. Under this legislation, any load of conventional seeds imported into Cyprus cannot contain even a trace of biotech seeds. The law also provides that each shipment of seeds into Cyprus must be accompanied by a "Certificate of non-Biotechnology." The government has consistently voted against applications to the EU for new bioengineered crops and has declared 11.5% of the Republic of Cyprus as "GMO-free" under the Natura 2000 project. The government also advocates consistently EU member states' right of choice to decide for themselves whether to allow growing biotech crops on their soil.

Professional recognition of real estate agents

The current law licensing real estate agents to practice in Cyprus, last amended in 2010, creates some barriers to entry into the profession. The law recognizes only licensed individuals (not companies) to act as authorized real estate entities. Licenses are only granted to individuals who have served as apprentices to licensed individuals for a minimum of five years (changed from eight years). To obtain a license to practice real estate in Cyprus, an individual must seek approval from the Licensing Board, which is made up of seven members, four of whom are real estate agents.

Area Administered by Turkish Cypriots:

For more information on trade barriers, contact the Turkish Cypriot Chamber of Commerce at: <http://www.ktto.net/english/index.asp>

European Union:

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:
<http://www.ustr.gov/sites/default/files/2013%20NTE%20European%20Union%20Final.pdf>

Information on agricultural trade barriers can be found at the following website:
<http://www.usda-eu.org/>

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://export.gov/europeanunion/>

Republic of Cyprus:

The Department of Customs requires the following documents for clearing products originating from non-EU countries: delivery order for the goods; an invoice; and a packing list. Various other documents according to the nature of each import will be required. A health certificate and ingredients list is required for imported food products. Additional information for business and trade is available from Customs' website: http://www.mof.gov.cy/mof/customs/customs.nsf/ced04_en/ced04_en?opendocument

Area Administered by Turkish Cypriots:

Firms wishing to engage in the import business in the area administered by Turkish Cypriots must register with either the Chamber of Commerce or with the Chamber of Industry. They must also obtain an import permit from the "Department of Trade" in the "Ministry of Economy and Energy."

European Union:

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if an import license is required for a particular product.

Many EU member states maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: [EU Member States' Country Commercial Guides](#) or conduct a search on the Commerce Department's Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp>.

Import Documentation***The Single Administrative Document***

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whomever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm

Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation; its substantive provisions will apply only on May 1, 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number can be found at:

http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an [agreement](#) on customs cooperation and mutual assistance in customs matters. For additional information, please see

http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S. voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):

http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at:

<http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision>

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial, and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties

in interpreting its provisions. For more information, see our market research report:
http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals," is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2018**. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer.' A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU:
<http://export.gov/europeanunion/reachclp/index.asp>

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets:
http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List can be found at:
<http://echa.europa.eu/web/guest/candidate-list-table>. The Authorization List is available at <http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list>

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018 with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit:
<http://export.gov/europeanunion/weeerohs/index.asp>

RoHS

The Restriction of Hazardous Substances (RoHS) Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork; however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the

Directive will apply to medical devices, monitoring, and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit: <http://export.gov/europeanunion/weerohs/index.asp>

Cosmetics Regulation

On November 30, 2009, the EU adopted a new regulation on cosmetic products, which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: <http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing>

For more general information, see:

http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>.

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1,

2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

[Return to top](#)

Exports of U.S. military goods to Cyprus are prohibited. Additionally, U.S. products that are considered dual-use items (commercial and military applications) are restricted and may require an Export License from the appropriate U.S. authority (U.S. Department of Commerce or U.S. Department of Defense, etc. depending on the item).

European Union:

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at: <http://www.bis.doc.gov/enforcement/redflags.htm>

Also, BIS has "Know Your Customer" guidance at: <http://www.bis.doc.gov/Enforcement/knowcust.htm>

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: <https://www.bis.doc.gov/forms/eeleadsntips.html>

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening

national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: <http://export.gov/ecr/index.asp>

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: <https://www.bis.doc.gov/seminarsandtraining/index.htm>

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov/>

Temporary Entry

[Return to top](#)

Republic of Cyprus:

The temporary entry of goods, allows for importation without payment of duty and it is extended to motor vehicles, goods for processing or repair prior to their re-exportation, goods for exhibition, and commercial samples, provided they do not change their form or character. The initial temporary entry permit, obtained at the time of importation, is valid for three months and can be extended by application to Customs headquarters.

Additional information is available from the Department of Customs' website:

http://www.mof.gov.cy/mof/customs/customs.nsf/index_en/index_en?OpenDocument

Area Administered by Turkish Cypriots:

The temporary entry of goods allows for importation without payment of duty. For more information, contact the Turkish Cypriot Chamber of Commerce at:

<http://www.ktto.net/english/index.asp>

Labeling and Marking Requirements

[Return to top](#)

Republic of Cyprus:

As with other EU countries, food product labels must include in Greek: the product name, ingredients, net contents, name of importer/distributor, and country of origin. For additional information, please contact the Medical and Public Health Services Department of the Ministry of Health:

(http://www.moh.gov.cy/moh/mphs/phs.nsf/DMLcontact_us_en/DMLcontact_us_en?OpenDocument) or see the following references:

Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation, and advertising of foodstuffs: <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1403082958676&uri=CELEX:02000L0013-20130701>

Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers: <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1403083354428&uri=CELEX:02011R1169-20140219>

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

Area Administered by Turkish Cypriots:

Labeling and marking requirements are much looser in the area administered by Turkish Cypriots than in the government-controlled area and are not yet in line with EU norms. For example, mandatory labeling in Turkish is not a requirement for imported products, as long as the label is in English or one of the other main European languages. For more information, contact the Turkish Cypriot Chamber of Commerce at: <http://www.ktto.net/english/index.asp>

European Union:

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at: http://buyusainfo.net/docs/x_366090.pdf

Prohibited and Restricted Imports

[Return to top](#)

Republic of Cyprus:

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

- Rifles and repeating firearms, automatic and semi-automatic, repeating and semi-repeating shotguns, air guns, air rifles, and air pistols of a caliber exceeding 0.177 inches;
- Narcotics;
- Seditious publications;
- Counterfeit or false coins or currency notes;
- Goods bearing a false trade mark;
- Agricultural products, such as fresh vegetables, fruits, and plants without a phytosanitary certificate by the Ministry of Agriculture; and

-- Dogs, cats, tropical fish, parrot and other birds may be imported into Cyprus after the issuance of a special permit from the Director of the Veterinary Services.

Additional information is available from the Department of Customs' website:

<http://www.mof.gov.cy/mof/customs/customs.nsf/All/CA64DD718E077D17C22572A6003C4E5E?OpenDocument>

Area Administered by Turkish Cypriots:

Importation of the following items is prohibited:

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

European Union:

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:

http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information

[Return to top](#)

Republic of Cyprus:

Customs duties are regulated by a tariff system based on the Harmonized Commodity Description and Coding system. Goods are classified according to their composition, description and purpose, and carry various rates of duty. In addition to tariffs, the following products are subject to relatively steep excise taxes: fuel products, cars and motorcycles, carbonated soft drinks, smoked salmon, caviar, fur clothing, water faucets

made of or coated by precious metals, crystal and porcelain products, and imitation cheese (e.g. cheese made of soy substitutes). Notably, excise taxes apply to the above products regardless of origin (i.e. whether they originate from the EU or not, as well as for products made in Cyprus). Additionally, Cyprus imposes a 19% value added tax (VAT) on most goods and services, with certain exceptions. Please visit the Department of Customs website for more:

http://www.mof.gov.cy/mof/customs/ced.nsf/DMLsitemap_en/DMLsitemap_en?OpenDocument

Area Administered by Turkish Cypriots:

The harmonized system is also used in the area administered by Turkish Cypriots. However, tariffs are not harmonized with the EU's CCT and they tend to be higher. VAT rates that range from 0% to 20% respectively in different categories are imposed on most goods and services. The "Department of Customs" (The "Ministry of Finance") has the following website:

<http://www.kktcmaliye.com/apex/f?p=100:1:3992502078101454> (Turkish Only)

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

Republic of Cyprus:

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

Area Administered by Turkish Cypriots:

The area administered by Turkish Cypriots lags behind the Republic of Cyprus in terms of harmonization with EU standards and directives. The European Union Support Office, operated by the EU Task Force for the Turkish Cypriot community, and the "EU Coordination Center," which operates under the "Prime Ministry," coordinate closely to achieve this objective. Since 2004, 66 pieces of EU harmonized legislation (27 primary and 39 secondary) have been adopted.

Republic of Cyprus:

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

Additional information on CYS and its activities can be obtained from its website:
<http://www.cys.org.cy/default.asp?id=175>

Area Administered by Turkish Cypriots:

The Turkish Standards Institute representative for northern Cyprus is in charge of standards in the area administered by Turkish Cypriots. No website is available for the representation office, but the Institute's main web site is: <http://global.tse.org.tr/>. Director Mr. Gokhan Karay is the northern Cyprus Representative and can provide additional information on Tel.: +90-392-2279639/40.

European Union:

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.eu/>)
2. ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)
3. CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cen/pages/default.aspx>)

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers

an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

[Return to top](#)

Republic of Cyprus:

The Cypriot organization tasked with conformity assessment and accreditation issues is the Cyprus Organization for the Promotion of Quality. The following website provides additional information on this body and its scope:

<http://www.cys.mcit.gov.cy/english/main.html>

The list of conformity assessment bodies accredited in Cyprus is noted below:

<http://www.cys.mcit.gov.cy/english/accr1.html>

Additional information can be obtained also from:

<http://www.cys.mcit.gov.cy/eu/NAD/index.jsp>

Area Administered by Turkish Cypriots:

There is no requirement for Conformity Assessment in the area administered by Turkish Cypriots.

European Union:

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification

[Return to top](#)

Republic of Cyprus:

The leading domestic certification body in Cyprus is the Cyprus Certification Company, a subsidiary of the CYS: <http://www.cycert.org.cy/> (English version of the website is under construction). Additionally, the following international quality system registration bodies

have offices or affiliates in Cyprus (as listed in the ISO website:
<http://www.iso.org/iso/home.htm>.

- EUROCERT S.A. (Based in GREECE)
- GLC (Based in GERMANY)
- NQA (Based in UNITED KINGDOM)
- SGS-ICS (Based in SWITZERLAND)

CE marking (Note: CE stands for "Communauté Européenne") is a declaration that the product meets all the appropriate provisions of the relevant legislation implementing certain European directives.

Area Administered by Turkish Cypriots:

There is no requirement for CE marking in the area administered by Turkish Cypriots, except for Green Line Trade purposes.

Accreditation

[Return to top](#)

Republic of Cyprus:

The Cypriot organization tasked with conformity assessment and accreditation issues is the Cyprus Organization for the Promotion of Quality. The following website provides additional information on this body and its scope:

<http://www.cys.mcit.gov.cy/english/main.html>

Area Administered by Turkish Cypriots:

There is no requirement for Conformity Assessment and accreditation.

European Union:

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (<http://www.european-accreditation.org>) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of Technical Regulations

[Return to top](#)

Republic of Cyprus:

The Cyprus Organization for the Promotion of Quality website offers useful information on technical regulations and notifications:

<http://www.cys.mcit.gov.cy/english/main.html>

Area Administered by Turkish Cypriots:

There is no requirement for the publication of technical regulations.

European Union:

The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (<http://eur-lex.europa.eu/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

Labeling and Marking

[Return to top](#)

Republic of Cyprus:

Cyprus follows EU rules and regulations on labeling and marking of products.

Area Administered by Turkish Cypriots:

There are fewer labeling and marking requirements in the area administered by Turkish Cypriots and are not aligned with EU norms. For example, mandatory labeling in Turkish is not a requirement for imported products, as long as the label is in English or one of the other main European languages. For more information, contact the Turkish Cypriot Chamber of Commerce at: <http://www.ktto.net/english/index.asp>

European Union:

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17,000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between \$480 to \$2000), with a 20% reduction for companies registered under the [EU Eco-Management and Audit Scheme](#) (EMAS) or certified under the international standard [ISO 14001](#). Discounts are available for small and medium sized enterprises (SMEs).

Key Links:

[Eco-label Home Page](#)

Contacts

[Return to top](#)

Republic of Cyprus:

Additional information on standards and labeling may be obtained from:

Mr. Marios Drousiotis
Senior Commerce and Industry Officer
Competition and Consumer Protection Service
Ministry of Commerce, Industry & Tourism
CY-1421 Nicosia
CYPRUS
Tel. +357-22-867108
E-mail: mdrousiotis@mcit.gov.cy

Area Administered by Turkish Cypriots:

Mr. Gokhan Karay
Director, northern Cyprus representative
Turkish Standards Institute
Tel.: +90-392-2279639/40
Website: <http://global.tse.org.tr/>

Trade Agreements

[Return to top](#)

European Union:

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp

Republic of Cyprus:

Cyprus Organization for Standardization (CYS):
<http://www.cys.org.cy/default.asp?id=175>

Cyprus Organization for the Promotion of Quality:
<http://www.cys.mcit.gov.cy/english/main.html>

Cyprus Certification Company, a subsidiary of the CYS: <http://www.cycert.org.cy/>
(English version of website is currently under construction.)

Department of Customs:
http://www.mof.gov.cy/mof/customs/ced.nsf/DMLindex_en/DMLindex_en?OpenDocument

Area Administered by Turkish Cypriots: <http://global.tse.org.tr/>

European Union:

Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: <http://echa.europa.eu>

Taxation and Customs Union:
http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF>

Electronic Customs Initiative: Decision N° 70/2008/EC:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF>

Modernized Community Customs Code Regulation (EC) 450/2008):
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

Legislation related to the Electronic Customs Initiative:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk
http://exporthelp.europa.eu/thdapp/index_en.html

International Level:

What is Customs Valuation?

http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF>

Pre Arrival/Pre Departure Declarations:

http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:

http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:

<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>

Cenelec, European Committee for Electrotechnical Standardization:

<http://www.cenelec.eu/>

ETSI, European Telecommunications Standards Institute:

<http://www.etsi.org/>

CEN, European Committee for Standardization, handling all other standards:

<http://www.cen.eu/cen/Pages/default.aspx>

Standardisation – Mandates:

http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

ETSI – Portal – E-Standardisation:

http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector:

<http://www.cen.eu/work/areas/Pages/default.aspx>

CEN - Standard Search:
<http://esearch.cen.eu/esearch/>

Nando (New Approach Notified and Designated Organizations) Information System:
<http://ec.europa.eu/enterprise/newapproach/nando/>

Mutual Recognition Agreements (MRAs):
<http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main>

European Co-operation for Accreditation:
<http://www.european-accreditation.org/home>

Eur-Lex – Access to European Union Law:
<http://eur-lex.europa.eu/en/index.htm>

Standards Reference Numbers linked to Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

National technical Regulations:
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:
<http://www.nist.gov/notifyus/>

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

European Union Eco-label Homepage:
<http://ec.europa.eu/environment/ecolabel/>

U.S. websites:

National Trade Estimate Report on Foreign Trade Barriers:
<http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1>

Agricultural Trade Barriers:
<http://www.usda-eu.org/>

Trade Compliance Center:
<http://tcc.export.gov/>

U.S. Mission to the European Union:
<http://useu.usmission.gov/>

The EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:

<http://export.gov/europeanunion/reachclp/index.asp>

WEEE and RoHS in the EU:

<http://export.gov/europeanunion/weeerohs/index.asp>

Overview of EU Certificates:

<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/>

Center for Food Safety and Applied Nutrition:

<http://www.fda.gov/Food/default.htm>

EU Marking, Labeling and Packaging – An Overview:

http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:

http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:

http://tcc.export.gov/Trade_Agreements/index.asp

[Return to table of contents](#)

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

Republic of Cyprus:

The Republic of Cyprus' favorable business climate for foreign investment is derived from its strategic geographic location, low corporate and personal tax rates, its 49 double taxation avoidance treaties (including with the United States), excellent telecommunications and transportation infrastructure, and its highly-educated English-speaking labor force. An unintended consequence of the 2013 financial crisis is that Cypriot businesses are pursuing foreign strategic investors more aggressively for projects and deals that span from expanding and broadening tourism-related infrastructure, modernizing the ports, to opportunities to invest in Cyprus' banking sector. Foreign investors may establish a business in Cyprus on equal footing with local investors in most sectors. As permitted under EU regulations, some restrictions apply:

- Non-EU entities (persons and companies) may purchase only two real estate properties for private use (normally, two holiday homes or a holiday home and a shop or office). This restriction does not apply if the investment is through a company registered in Cyprus or another legal entity elsewhere in the EU.
- Non-EU entities also cannot invest in the production, transfer, and provision of electrical energy. Additionally, the Council of Ministers may refuse granting a license for investment in hydrocarbons prospecting, exploration, and exploitation

to a third-country national or company if that third country does not provide similar treatment to Cyprus or other EU member states.

- Individual non-EU investors may own no more than 5% of a local TV and radio station, and total non-EU ownership of a local TV or radio station is restricted to 25%.
- The right to register as a building contractor in Cyprus is reserved for citizens of EU member states. Non-EU entities are not allowed to own a majority stake in a local construction company. Non-EU physical persons or legal entities may bid on specific construction projects, but only after obtaining a special license by the Council of Ministers.
- Non-EU entities cannot invest in tertiary private institutions.
- Provision of healthcare services on the island are also subject to certain restrictions, applying equally to all non-residents.
- Finally, the Central Bank's prior approval is necessary before any individual person or entity, whether Cypriot or foreign, can acquire over 9.99% of a bank incorporated in Cyprus.

For more information:

One Stop Shop & Point of Single Contact
Ministry of Commerce, Industry & Tourism
13-15 Andreas Araouzos
1421 Nicosia, Cyprus
Tel.: +357 22 409318 or 321
Fax: +357 22 409432
Email1: onestopshop@mcit.gov.cy
Email2: pscyprus@mcit.gov.cy
Website: <http://www.businessincyprus.gov.cy>

Area Administered by Turkish Cypriots:

To establish a company, a foreign entity or individual must first obtain the approval of the "Council of Ministers." Turkish Cypriot authorities welcome foreign investment and are eager to attract projects or investments that include the transfer of advanced technology and technical skills. Priority is also given to investments in export-oriented industries. According to the "registrar of companies office," foreign ownership of construction companies is restricted to 49%. No foreign investment is allowed in travel agencies. The authorities in the area administered by Turkish Cypriots established the "Turkish Cypriot Investment Development Agency (YAGA)" – a one stop shop for foreign and domestic investors.

According to the "registrar of companies office" statistics, as of March 2014, there are: 16,769 Turkish Cypriot majority-owned companies; 330 foreign companies; and 281 international companies.

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

“North Cyprus Investment Development Agency”

Tel.: (+90) 392 - 22 82317

Website: <http://www.investinnorthcyprus.org>

E-mail: mehmet.yildirim@investinnorthcyprus.org

Turkish Cypriot Chamber of Commerce

<http://www.ktto.net/english/index.asp>

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

Fax: (+90) 392 - 227 07 82

Conversion and Transfer Policies

[Return to top](#)

Republic of Cyprus:

The ROC government implemented capital controls on March 28, 2013 prohibiting the transfer of funds internationally, limiting cash withdrawals, and preventing account holders from changing banks. Some aspects of these restrictions have been eased in the months since the financial crisis. New investments post-March 2013 are completely exempt from capital controls. U.S. companies interested in investing in Cyprus are encouraged to regularly refer to the Central Bank's website on capital controls for the most current restrictions:

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=12583&lang=en

Area Administered by Turkish Cypriots:

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

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

Special Note: In late 2013 and resulting from a move to strengthen their own anti-money laundering operating procedures, some U.S. banks decided to stop offering U.S. dollar correspondent facilities to banks in certain jurisdictions, including Cyprus. Bankers and politicians in both the Republic of Cyprus and Turkish Cypriot-administered areas have expressed concerns about the impact such business decisions could have on bilateral money flows.

Republic of Cyprus:

The Republic of Cyprus government expropriates private property for public purposes in a non-discriminatory manner and in accordance with EU norms and established principles of international law. Investors and lenders to expropriated entities receive compensation in the currency in which the investment was made. In the event of any delay in the payment of compensation, the government is also liable for the payment of interest based on the prevailing 6-month LIBOR for the relevant currency.

Area Administered by Turkish Cypriots:

Private property can be expropriated for "public" purposes and a process is followed whereby investors are entitled to compensation. Foreign investors may claim any damages in cases of expropriation by non-"legal" means or by incorrect performance of responsibilities by the authorities.

According to the "Title Deeds Office," the "government" issues a notice to private owners when it intends to acquire land. The "government" will then seek the approval of the "Council of Ministers" for the acquisition, and notification of the acquisition is published in the official gazette. "District officers" are sent to inspect the land/property a final time and a notice of compensation is issued to the private owner. If the private owner accepts the package, then compensation payments are paid. In cases where the owner declines the compensation package, the case is turned over to the "court" for a final decision.

Special Note: For information pertaining to the risks associated with investing in Greek Cypriot property in the Turkish Cypriot-administered area or in Turkish Cypriot property in the Government-controlled area, please see the detailed section on "Protection of Property Rights."

Republic of Cyprus:

International disputes are resolved through litigation in Cypriot courts or by alternative dispute resolution methods such as arbitration and mediation. Cyprus' judicial system is independent and judgments on cases generally take between three and five years to be issued, and up to 12 years for some investment disputes involving property foreclosure. The number of non-performing loans has grown, in the aftermath of the financial crisis, to account for more than 40% of the national portfolio, adding to pressure on the judicial system and dispute resolution mechanisms. The Ministry of Finance encourages the use of mediation services for banks and distressed borrowers. Commercial arbitration is available, offering an alternative recourse to normal judicial proceedings, provided both sides to the dispute agree to it. Under the Arbitration Law of Cyprus, an arbitrator can be appointed when the parties are unable to reach a settlement. Arbitration rulings are fully enforceable and the court may enforce an arbitral award in the same way as a judgment. Mediation is not fully enforceable. Cyprus is a signatory to both the International Center for the Settlement of Investment Disputes (ICSID) and the New York

Convention on the Recognition and Enforcement of Foreign Arbitral Awards (UNCITRAL). A foreign award may be enforced in Cyprus by an action in common law.

- The Cyprus Chamber of Commerce and Industry (CCCI, <http://www.ccci.org.cy/>) offers arbitration and mediation. A 2012 law sanctions international and domestic mediation and designates the following three bodies to act as mediators: the Cyprus Bar Association, CCCI, and the Scientific and Technical Chamber of Cyprus. For more info: <http://www.jurisint.org/en/ctr/62.html>
- The Cyprus Arbitration and Mediation Centre (CAMC):
<http://www.cypusarbitration.com.cy/default.asp?pid=28>
<http://www.triantafyllides.com/highlights-of-cyprus/86/24>; and
- The Euro-Mediterranean Alternative Dispute Resolution Centre:
http://www.neocleous.biz/gr/download/busop_ccica.htm
<http://www.neocleous.com/index.php?pageid=49&pageaction=neo&modid=102&newid=1524>

Area Administered by Turkish Cypriots:

Foreign investors may make use of all the rights guaranteed to Turkish Cypriots. Private dispute resolution is not available and alternatives to the formal "court" system in the Turkish Cypriot-administered area, to bring about settlement via arbitration or mediation, do not exist. The resolution of commercial and/or investment disputes through the "judicial system" takes an average of three to five years.

Performance Requirements and Incentives

[Return to top](#)

Republic of Cyprus:

Cyprus does not have a rigid system of performance requirements for foreign investment and is a signatory to the WTO's Trade-Related Investment Measures (TRIMS) agreement. In the aftermath of the 2013 financial crisis, the ROC has stepped up efforts to promote Cyprus as an investment destination. New incentives added to the investment for visa/residency scheme can be found here:

<http://www.investcyprus.org.cy/images/media/assetfile/Citizenship0002.pdf>. Cyprus also offers investors one of the lowest corporate tax rates in the EU at 12.5%. Cyprus' other tax advantages include:

- one of the EU's lowest top statutory personal income tax rates at 30%;
- an extensive double tax treaties network with over 49 countries, enabling lower withholding tax rates on dividend or other income received from the subsidiaries abroad;
- no withholding tax on dividend income received from subsidiary companies abroad under certain conditions; and
- no withholding tax on dividends received from EU subsidiaries.

A full description of Cyprus's investment incentives is available at:

http://www.businessincyprus.gov.cy/mcit/psc/psc.nsf/index_en/index_en?opendocument

Area Administered by Turkish Cypriots:

The Turkish Cypriot-administered area does not impose performance requirements on investments and offers incentives such as:

- No limitations on transferring proceeds;
- Exemption from Custom Duties;
- Zero rate VAT on imported and locally purchased machinery and equipment.

For a full description of investment incentives, visit:

“North Cyprus Investment Development Agency”

Tel.: +90 392 228 9378

Website: <http://www.investinnorthcyprus.org/>

E-mail: mehmet.yildirim@investinnorthcyprus.org

Or: info@InvestInNorthCyprus.org

Right to Private Ownership and Establishment

[Return to top](#)

Republic of Cyprus:

Foreign investors, like domestic business owners, can register a company directly with the Registrar of Companies. Foreign investors may acquire shares in an existing Cypriot company. Foreign investors, and domestic investors, are required to inform the Registrar of Companies about any changes in ownership to any Cyprus-registered company. Foreign investors are required to obtain all permits that may be necessary under Cypriot law to do business in Cyprus. For example, they may need to obtain a municipal permit to set up a kiosk or abide by prevailing health standards to own and operate a catering company, etc.

Local and foreign investors may establish any of the following legal entities or businesses in the Republic of Cyprus:

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

This process involves completing an application for approval/change of name, followed by several steps outlined in the following link:

<http://www.businessincyprus.gov.cy/mcit/psc/psc.nsf/All/A2E29870C32D7F17C2257857002E18C9?OpenDocument>

Area Administered by Turkish Cypriots:

Registered foreign investors may buy property for investment purposes. Foreign natural persons also have the option of forming private liability companies, and foreign investors can form mutual partnership with one or more foreign or domestic investors.

Republic of Cyprus:

The newest IPR law passed was 2012 Law 207(I), which places the burden of proof on the defendant in cases of intellectual property right infringement. The law also allows the police to assess samples of pirated articles in lieu of the whole shipment and introduces the alternative for out-of-court settlement in some cases. Other important IPR laws include Law 103 (2007) on unfair commercial practices, and Law 133(I) (2006) strengthening earlier legislation targeting copyright infringement. Cyprus has been off the Special 301 list since 2007. The last time Cyprus was included in the Special 301 report was in 2006, when the International Intellectual Property Alliance (IIPA) included Cyprus in its "special mention" category.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: Andrea Donnally DonnallyAS@state.gov

Local attorney list: <http://cyprus.usembassy.gov/lawyers.html>

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

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

For additional information and application forms for the acquisition of property by non-EU residents, please refer to the Ministry of Interior website:
http://www.moi.gov.cy/moi/moi.nsf/index_en/index_en?OpenDocument

Legal requirements and procedures for acquiring and disposing of property in Cyprus are complex but professional help from real estate agents and developers can ease the

burden of complying with government requirements. The Government's Department of Lands and Surveys keeps records and follows internationally-accepted procedures. Non-residents are allowed to sell their property and transfer abroad the amount originally paid, plus interest or profits, without restriction.

Area Administered by Turkish Cypriots:

Intellectual property rights are not adequately protected in the area administered by Turkish Cypriots. The "laws" in this area are inadequate, antiquated, and most importantly, lack enforcement. Infringing goods imported from Turkey and other sources are a significant concern. For information, please contact the same sources listed above.

Special Note: Investors are advised to consider the risks associated with investing in immovable property and potential investors are strongly advised to obtain independent legal advice concerning purchasing or leasing property.

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

For property in the Turkish Cypriot-administered area, only pre-1974 title deeds are uncontested. In response to the European Court of Human Rights' (ECHR) 2005 ruling in the Xenides Arestis case that Turkey's "subordinate local authorities" in Cyprus had not provided an adequate local remedy for property disputes, Turkish Cypriot authorities established an Immoveable Property Commission (IPC) to handle property claimed by Greek Cypriots. In a March 2010 ruling, the ECHR found the IPC to be an effective local remedy. As of April 2014, the IPC has received 5853 applications, of which 503 of them have been concluded through friendly settlements, and 12 through formal hearings. For more info on IPC please visit <http://www.tamk.gov.ct.tr/>

On January 19, 2010, the UK Court of Appeal enforced an earlier court decision taken in the Republic of Cyprus in support of a Greek Cypriot person's trespassing claim (the Orams case - <http://curia.europa.eu/juris/liste.jsf?language=en&num=C-420/07> and <http://www.bailii.org/ew/cases/EWCA/Civ/2010/9.html>), effectively voiding the transfers of Greek Cypriot property in the Turkish Cypriot-administered area. This landmark decision also establishes precedent in cases where foreign investors purchasing disputed properties outside of the government-controlled area can be found liable for damages.

Transparency of Regulatory System

[Return to top](#)

Republic of Cyprus:

In the past, U.S. companies competing on government tenders have noted concerns about opaque rules and the possible bias in decisions made by the technical committees responsible for preparing specifications and reviewing tender submissions. Overall, procedures and regulations are transparent and applied in practice by the government without bias.

When passing new legislation or regulations, Cypriot authorities follow the EU *Acquis Communautaire*. A formal public notice and comment procedure is not legally mandated in Cyprus, although it is a requirement for specific types of laws. Despite not being legally-mandated, the Cypriot government typically seeks feedback directly from stakeholders. Draft legislation must be published in the Official Gazette before being debated in the House to allow stakeholders an opportunity to submit comments. The House of Representatives also typically invites specific stakeholders to offer their feedback when debating bills. Draft regulations, on the other hand, do not have to be published in the Official Gazette prior to being approved. Most regulations are published in Greek and English translations are usually made available.

Area Administered by Turkish Cypriots:

The level of transparency for "lawmaking" and adoption of "regulations" in the area administered by Turkish Cypriots does not meet EU or U.S. standards.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Republic of Cyprus:

The Cyprus Stock Exchange (CSE), launched in 1996, is one of the EU's smallest stock exchanges, with a capitalization under €1 billion (USD 1.2 billion) as of April 2014. The CSE and the Athens Stock Exchange (ASE) have operated from a joint trading platform since 2006, allowing capital to move more freely from one exchange to the other, even though both exchanges retain their autonomy and independence. The joint platform has increased capital available to Cypriot firms and improved the CSE's liquidity, although its small size remains a problem. The private sector has access to a variety of credit instruments, which has been enhanced through the operation of private venture capital firms. Credit is allocated on market terms to foreign and local investors alike. Foreign investors may acquire up to 100% of the share capital of Cypriot companies listed on the CSE, with the notable exception of companies in the banking sector.

Area Administered by Turkish Cypriots:

There is no stock exchange in the Turkish Cypriot-administered area.

The "Central Bank" oversees and regulates all branches of local banks, foreign banks, private banks and international banking units. Out of 22 banks, there are 14 Turkish Cypriot banks, seven international branch banks, and one development bank. All banks are required to follow KYC and AML "laws," are regulated by the "Ministry of Economy," and supervised by the "Central Bank." Due to non-recognition issues, Turkish Cypriot banks encounter practical difficulties hampering their operations as a result of not qualifying for an international SWIFT number. (SWIFT code is a standard format of Bank Identifier Codes (BIC).) Therefore, Turkish Cypriots and foreigners making international transfers depend on Turkish banks for assistance. Turkish Cypriot banks access

international markets via Turkey. The total number of deposits – which includes bank, “public”, individual, and other – was around USD 5.3 billion as of December 2013. More information is available at the “Central Bank” website:
http://www.kktcmerkezbankasi.org/ser/english/index_englishz.htm

Competition from State Owned Enterprises

[Return to top](#)

Republic of Cyprus:

The Republic of Cyprus maintains exclusive or majority-owned stakes in approximately 40 entities, although Troika recommendations will change this in the years to come through the recently approved road map for privatizations. Despite union opposition, the Cypriot government has already embarked on a privatizations program to raise €1.4 billion (USD 1.93 billion). The parliament passed legislation establishing the legal framework for privatizations on March 4, 2014. The government intends to privatize the following SOEs:

- Cyprus Ports Authority (CPA): The first SOE offered for partial privatization, in March 2014, was the Ministry of Communications and Works when it invited tenders for a consultation study on how to privatize Limassol port operations. The government plans for CPA to remain a regulator, but management of port commercial activities will be transferred to the private sector. This public-private partnership model is already being implemented for Larnaca port. The government plans to issue a tender and grant a long-term license for an operator of Limassol port by December 31, 2015.
- Cyprus Telecommunications Authority (CyTA): According to the Roadmap, CyTA will be converted into a private company with the state as the only shareholder by December 31, 2014. By early 2015, CyTA employees and the union of workers will be offered the first right of refusal to buy shares, after which strategic investors will have an opportunity to buy shares of the telecom company.
- Electricity Authority of Cyprus (EAC): by June 30, 2015, the electricity company’s various business streams will be unbundled into separate legal entities. EAC will be turned into a private company (or companies) with the state as the only shareholder by December 31, 2015. A share of the equity will be offered to workers by March 31, 2016. The government plans to complete the sale of shares of EAC September 30, 2017.
- The Cyprus Stock Exchange: Details are forthcoming, target privatization date is June 30, 2016.
- Cyprus State Fairs Authority: Details are forthcoming, target privatization date is June 30, 2016.
- Cyprus Forest Industries (51% state-owned): Details are forthcoming, target privatization date is June 30, 2016.
- The government stake in the Pancyprian Bakers’ Company (11.9% state-owned): Details are forthcoming, target privatization date is June 30, 2016.

The government anticipates conducting studies on the efficacy of privatizing the House Financing Organization, Land Development Organization, Fuel Storage Company, Cyprus Grain Commission, and the immovable property of the main slaughterhouse in Kofinou.

Area Administered by Turkish Cypriots:

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

Corporate Social Responsibility

[Return to top](#)

Republic of Cyprus:

In recent years, Corporate Social Responsibility (CSR) awareness among both producers and consumers has been growing in Cyprus. Leading foreign and local enterprises tend to follow generally-accepted CSR principles, and firms pursuing these practices tend to be viewed more favorably by the public. The Cyprus Stock Exchange does impose CSR requirements for companies that are publicly-listed on the main market, and encourages voluntary CSR for smaller companies listed on the alternative market. See the CSE website for further information on these requirements prior to seeking to list on the Stock Exchange: <http://www.cse.com.cy/en-GB/home/>

Area Administered by Turkish Cypriots:

In recent years, CSR awareness among both producers and consumers has been growing. Firms pursuing these practices tend to be viewed more favorably by the public.

Political Violence

[Return to top](#)

Republic of Cyprus:

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

Area Administered by Turkish Cypriots:

There have been no incidents of politically-motivated damage to foreign projects and or installations since 1974.

Corruption

[Return to top](#)

Republic of Cyprus:

The U.S. government is not aware of any U.S. firms identifying corruption as a significant obstacle to foreign direct investment in Cyprus. Notwithstanding certain well-publicized cases in the recent past that tend to suggest that the public is less tolerant of corruption involving politically-exposed persons, Cyprus does well by most international measures: it ranked 31 out of 177 on the 2013 Transparency International Corruption Index and 85% on the World Bank "Control of Corruption" World Governance Indicator.

Corruption, both in the public and private sectors, constitutes a criminal offense. Under Cyprus' Constitution, the Auditor General controls all government disbursements and receipts and has the right to inspect all accounts on behalf of the Republic. In the most recent annual report, the Auditor General identifies specific instances of mismanagement or deviation from proper procedures in the civil service.

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

Area Administered by Turkish Cypriots:

The Embassy is unaware of any recent complaints from U.S. businesses involving corrupt practices in the north. Corruption, both in the public and private sectors, constitutes a criminal offense. The "Audit Office" controls all disbursements and receipts and has the right to inspect all accounts. In its annual report, the "Audits Office" identifies specific instances of mismanagement or deviation from proper procedures and anecdotal evidence suggests that corruption and patronage continue to be a factor in the economy.

Bilateral Investment Agreements

[Return to top](#)

Republic of Cyprus:

The United States is in negotiations with the EU for a Transatlantic Trade and Investment Partnership which would extend bilateral investment incentives and protections to Cyprus once the agreement is reached. Cyprus is a party to 27 bilateral investment treaties (BITs), listed here:

http://unctad.org/Sections/dite_pcbb/docs/bits_cyprus.pdf

The United States and Cyprus entered into a Tax Convention in 1985, which remains valid today. Under this treaty, residents or citizens of the United States are taxed at a reduced rate, or are exempt from foreign taxes, on certain items of income they receive from sources within Cyprus. This income tax treaty contains what is known as a "saving clause" which prevents a citizen or resident of the United States from using the provisions of a tax treaty in order to avoid taxation of U.S. source income. Cyprus has

negotiated and ratified bilateral double tax treaties with 49 countries:

http://www.mof.gov.cy/mof/ird/ird.nsf/dmldtc_en/dmldtc_en

OPIC and Other Investment Insurance Programs

[Return to top](#)

The U.S. Overseas Private Investment Corporation (OPIC) is not active in Cyprus, but OPIC finance and insurance programs are open and may be useful when bidding on Build Operate and Transfer (BOT) contracts in the government-controlled area. Cyprus is a member of the Multilateral Investment Guarantee Agency (MIGA).

Labor

[Return to top](#)

Republic of Cyprus:

Unemployment in Cyprus has risen sharply in the last two years, reaching 17% at the end of 2013, and exceeding the corresponding averages of both the Euro area and the EU 28. Cyprus has a high per capita rate of college graduates, including many U.S. university graduates and offers an abundant supply of English-speaking staff. Cyprus' total labor force is estimated at 356,600 persons. The breakdown is: services, 79.5%; industry and construction, 17.7%; and agriculture, 2.8%. More women are joining the labor force, and their percentage participation has risen from 33.4% in 1980 to around 45% today. For information, about hiring local employees, contact the Ministry of Labor and Social Insurance:

http://www.mlsi.gov.cy/mlsi/dlr/dlr.nsf/index_en/index_en?OpenDocument

The financial crisis further weakened already declining trade union influence in the Republic of Cyprus. The percentage of the labor force belonging to unions as of April 2014 was estimated to be around 50%, down from around 70% in 2012, and 80% in 1980. Local labor experts predict that this percentage will shrink further to around 30-40% over the next few years, on par with EU averages. Head-on confrontations between management and unions in Cyprus are rare. Most recently, disagreement has arisen over the Troika requirement to privatize several state-owned enterprises. International companies are not required to hire union labor.

Cyprus imposes a minimum wage for certain professions as follows:

- Clerks/secretaries, sales assistants, paramedical, live-in maids/domestic helpers, school assistants/child-carers: €870 per month, rising to €924 after six months' employment.
- Security guards: €4.90 per hour, rising to €5.20 after six months' employment.
- Cleaning personnel: €4.55 per hour, rising to €4.84 after six months' employment. Non-EU, live-in domestic servants have a separate minimum wage, set at €309 per month, plus their room and board as of April 2014.

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

Area Administered by Turkish Cypriots:

As of January 2012, the "State Planning Office" estimated the labor force in the area administered by Turkish Cypriots to be 108,929. The area administered by Turkish Cypriots also has a high per capita rate of college graduates, including many U.S. and European university graduates, and offers an abundant supply of white-collar workers. As of December 2013 estimated unemployment was approximately 9.6%. The breakdown of employment by sector at the end of 2011 was as follows: 3.7% in agriculture, 8.7% in construction sector, and 80.3% in services (including "public sector," trade, and tourism). As of the most recent statistics available in 2011, women accounted for roughly 32% of the labor force. Around 10% of private sector workers and more than 65% of "semi-public" and "public sector" workers belong to labor unions. Workers are allowed to form and become members of unions. As of January 2014, the minimum wage was TL 1,560 per month.

Foreign persons are required to obtain work permits through their employer. Foreign entities may import their key personnel from abroad and are also permitted to hire trainees and part-time workers. A full-time work week is 39 hours.

Foreign-Trade Zones/Free Ports

[Return to top](#)

Republic of Cyprus:

The lead government agency handling areas subject to a special customs regime is the Department of Customs and Excise. Specific rules for the two main types of such areas, namely Customs Warehouses and Free Zones, are listed below, and are fully harmonized with equivalent EU norms:

<http://www.mof.gov.cy/mof/customs/customs.nsf/All/6D61C14C3E95345CC22572A6003BCBD5?OpenDocument>

There are two types of Free Zones:

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

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

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

Director
Department of Customs and Excise
Michali Karaoli Str.
1096 Nicosia
Tel.: +357-22-601754 or 55
Fax: +357-22-302018
Website:
http://www.mof.gov.cy/mof/customs/ced.nsf/DMLindex_en/DMLindex_en?OpenDocument
E-mail: headquarters@customs.mof.gov.cy

When larger projects are involved, potential investors interested in establishing their own customs warehouse or seeking to engage existing customs warehouses may also contact the Ministry of Commerce, Industry and Tourism for guidance on identifying suitable locations. For additional info, please contact:

One Stop Shop & Point of Single Contact
Ministry of Commerce, Industry & Tourism
13-15 Andreas Araouzos
1421 Nicosia
Tel.: +357 22 409318 or 321
Fax: +357 22 409432
Email 1: onestopshop@mcit.gov.cy
Email 2: pscopyprus@mcit.gov.cy
Website:
http://www.businessincyprus.gov.cy/mcit/psc/psc.nsf/index_en/index_en?opendocument

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

Cyprus Ports Authority
P.O. Box 22007
1516 Nicosia
23, Kritis Street
1061 Nicosia
Tel.: +357-22-817200, X-0
Fax: +357-22-762050
E-mail: Kokkinos@cpa.gov.cy
Website: <http://www.cpa.gov.cy/>

Area Administered by Turkish Cypriots:

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

Operations and activities permitted there include:

-- Engaging in all kinds of industry, manufacturing, and production;

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

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

Foreign Direct Investment Statistics

[Return to top](#)

Republic of Cyprus:

Given its small size, the Republic of Cyprus attracts considerable investment flows, particularly registration of businesses whose real operations are elsewhere, known as "brass plate" companies. Following is a link to the United Nations Conference on Trade and Development (UNCTAD) "2013 World Investment Report:"

http://unctad.org/en/publicationslibrary/wir2013_en.pdf

In 2012, according to Central Bank of Cyprus, the net inflow of FDI (excluding "brass plate" companies) reached €979 million, while the net outflow from Cyprus reached €219 million. Economists estimate that 90% of the net inflow in 2012 came from the Russian Federation. In 2012, the stock of FDI in Cyprus reached €15.9 billion, while the stock of Cypriot investment abroad reached €5.6 billion. [Note: In 2011, the Central Bank of Cyprus stopped including FDI transactions by companies that either were not physically present in or operating in Cyprus, otherwise known as "brass plate" companies.]

Cyprus' liberal investment climate and, more recently, its potential offshore energy reserves have made it a progressively more attractive destination for U.S. investors. In 2012, the stock of U.S. Foreign Direct Investment (FDI) on the island reached USD 4,119 million, down from USD 4,430 million in 2011, making up 20% of Cyprus' total stock investment. The net inflow of U.S. investment into Cyprus was USD 110.1 million in 2012. Other projects involving U.S. investment in recent years have focused on services, specifically (in order of magnitude): finance and insurance (including re-insurance); management consulting; real estate; professional, scientific and technology/IT consulting; and wholesale trade. Over the next few years, Cyprus is poised to attract additional investment in the field of offshore energy exploration and infrastructure. For more info on Cyprus' FDI stocks and flows, please refer to following links posted by the Central Bank of Cyprus:

http://www.centralbank.gov.cy/media/pdf/FDI_report_2012.revised.pdf

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=10905

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=12490&lang=en

<http://www.cipa.org.cy>

Area Administered by Turkish Cypriots:

No detailed statistics on investment in the area administered by Turkish Cypriots are available. However, it is clear that most foreign direct investment in the Turkish Cypriot-administered area since 1974 has come from Turkey. The sectors which have attracted the most investment are tourism and real estate. For additional information on foreign direct investment: <http://www.investinnorthcyprus.org>

Contact Point at Post

[Return to top](#)

Ms. Andrea Donnally
E-mail: DonnallyAS@state.gov

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

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

Credit rating reports are available through the following firms:

InfoCredit Group Cyprus Ltd.

Address: Philippou Hadjigeorgiou 5A, Acropolis, Nicosia 2006

Tel.: +357-22-398000

Fax: +357-22-458937

E-mail: info@infocreditgroup.com

Website: <http://www.infocreditgroup.com/>

Rime Information Bureau Ltd.

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

Tel.: +357-22-768662

Fax: +357-22-768660

E-mail: rimeib@rimeib.com

Website: <http://www.rimeib.com/MAIN/default.aspx>

Argus Information Service Ltd.

Member of Lyssiotis Group

10A Salaminos Ave.

Alexia Court, 2nd Floor

P.O. Box 21176, 1503 Nicosia

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Artemis Bank Information Systems Ltd

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

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

Fax: +357-22-454786

Email: achilleas.amvrosiou@artemis.com.cy

Website: https://www.artemis.com.cy/home_en.aspx

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

How Does the Banking System Operate

[Return to top](#)

Republic of Cyprus:

The Cypriot banking system is currently undergoing significant consolidation and restructuring. The Ministry of Finance implemented capital controls at the height of the 2013 financial crisis. Many of these controls have been rolled back; all capital controls on domestic transactions were lifted as of June 2014. Some controls on foreign transactions remain and present a hurdle to domestic business operations (please see section below on Foreign Exchange Controls). Otherwise, the standard of banking services in the Republic of Cyprus generally compares well with other European countries and the United States. The Central Bank of Cyprus supervises private banks and requires them to meet Bank for International Settlements (BIS) standards as well as corresponding directives by the European Union. Bank financial statements are in compliance with international standards and audited by internationally recognized auditors. Since 2001, a deposit insurance scheme has been in operation, under the Banking Law of 1997. Regulations passed in the summer of 2009 raised the guaranteed amount under this scheme from Euros 20,000 to Euros 100,000 per depositor.

Area Administered by Turkish Cypriots:

Banking supervision has improved in the past few years. The "Central Bank" oversees and regulates all branches of local banks, foreign banks, private banks and international banking units. Out of 23 on-shore banks, there are 14 Turkish Cypriot banks, 7 international bank branches and 1 development bank. Two of the five members of the "Central Bank's" "Board of Directors" are from Turkey, as is the "Central Bank Governor." Turkish Cypriot banks do not have access to the SWIFT system so Turkish Cypriot banks rely on their correspondent banking relationships for foreign currency transactions.

"Central Bank" website:

http://www.kktcmerkezbankasi.org/ser/english/index_englishz.htm

Turkish Cypriot Banks Association website:

<http://www.bankalarbirligi.org/SPhERE/cPortal/kkbb/layouts/home.jsp?pLanguageId=238>

Foreign-Exchange Controls

[Return to top](#)

Republic of Cyprus:

At the height of the 2013 financial crisis, the Republic of Cyprus government passed the "Enforcement of Restrictive Measures on Transactions in case of Emergency Law of 2013." The Ministry of Finance and the Central Bank of Cyprus have lifted many of these measures though some capital controls remain on international transactions. As these rules change frequently the current information is available at: http://www.centralbank.gov.cy/nqcontent.cfm?a_id=12583&lang=en

Foreign banks affected by these capital controls may apply to the Central Bank of Cyprus for exemption. Generally, transactions with international customers are not subject to any restrictions. As of May 2014, the Central Bank had exempted 16 foreign banks from these controls, as per the following link:

http://www.centralbank.gov.cy/media/pdf/20_DECREE_FOREIGN_BANKS_CLEAR_02_05_2014.pdf

Area Administered by Turkish Cypriots:

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

U.S. Banks and Local Correspondent Banks

[Return to top](#)

Republic of Cyprus:

There are 40 banks in Cyprus of which 13 are incorporated locally. The remaining banks are branches of foreign-incorporated banks or representative offices, conducting their operations mainly with non-residents. These banks offer all types of services, including deposit accounts, lending advances, leasing, credit card facilities, and automatic banking machines. Some of them have subsidiaries dealing with insurance services, investment banking, and other related services. Most of these banks, particularly those incorporated domestically, have correspondent arrangements with U.S. banks. Following is a list of all banks currently operating in Cyprus from the Central Bank of Cyprus website: http://www.centralbank.gov.cy/nqcontent.cfm?a_id=8154

Area Administered by Turkish Cypriots:

The area administered by Turkish Cypriots has a total of 22 on-shore banks (15 Turkish Cypriot banks, 7 international branch banks and 1 development bank). Most of these branch banks have correspondent facilities with the United States. The full list of domestic banks in the area administered by Turkish Cypriots can be obtained from the Turkish Cypriot Banks Association website:

<http://www.bankalarbirligi.org/SPhERE/cPortal/kkbb/layouts/home.jsp>

Project Financing

[Return to top](#)

Republic of Cyprus:

Despite recent upgrades in early 2014, Cyprus' sovereign credit rating by all three major credit rating agencies remains below investment grade. A list of the current ratings is available from:

http://www.mof.gov.cy/mof/pdmo/pdmo.nsf/pdmo06_en/pdmo06_en?OpenDocument

Obtaining credit from local banks has become harder over the past year for most Cypriot businesses in view of ongoing efforts to recapitalize the banking sector. Banks in Cyprus employ all modern methods of cross-border financing, including letters of credit, bills for collection, documentary credit and cash against documents. U.S. EXIM Bank financing could also be applied in Cyprus for U.S. source equipment purchases. EXIM Bank is open for short- and long-term trade financing. Cyprus graduated from World Bank borrowing in 1992.

Area Administered by Turkish Cypriots:

A difficulty arising from non-recognition is that domestic banks and Turkish Cypriot businesses have limited access to international capital. U.S. EXIM Bank financing may be available for U.S. source equipment purchases and trade financing involving the private sector. EXIM Bank financing is not available for projects involving the "public" sector.

European Union:

EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries. The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the member states' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. For the period of 2014 – 2020, the EU has earmarked 352 billion euros for projects under the EU's cohesion policy. In addition to funding economic development projects proposed by member states or local authorities, EU Structural and Investment Funds (ESIF) also support specialized projects promoting EU environmental and socioeconomic objectives. Member states negotiate regional and "sectoral" programs with EC officials. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/index_en.cfm

For projects financed through ESIF, member state regional authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU:

<http://export.gov/europeanunion/marketresearch/index.asp>

The Cohesion Fund

The Cohesion Fund is another instrument of the EU's cohesion policy. Its 63 billion euro (2014-2020) budget will fund projects in two areas: Trans-European Network projects in transport infrastructure and environmental projects, including areas related to sustainable development and energy for projects with environmental benefits.

The fund will support projects in Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:

Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States

Another set of sector-specific grants offer assistance to EU member states in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found at:

http://ec.europa.eu/grants/index_en.htm

External Assistance Grants

"Development and Cooperation – EuropeAid" is the Directorate-General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to participate. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

For more information: http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood Instrument (ENI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA II is the second EU program of support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Iceland, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-20 is 11.7 billion euros. For more information, see: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean (i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine). The ENI budget is 15.4 billion euros for 2014-2020. Additional information can be found at: http://ec.europa.eu/world/enp/index_en.htm

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As a non-profit banking institution, the EIB assesses reviews and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB makes loans to both private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate action, and strategic infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). In 2013, the EIB loaned 75 billion euros for projects, an increase of 37% over 2012. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects that contribute to the European objectives cited above, as EIB lending rates are lower than most other commercial rates. Projects financed by the EIB must contribute to the socioeconomic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The EIB website displays lists of projects to be considered for approval. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: <http://www.eib.org/projects/pipeline/index.htm>

For more information, see our report on the EIB: <http://export.gov/europeanunion/marketresearch/index.asp>

Web Resources

[Return to top](#)

Republic of Cyprus:

Central Bank of Cyprus:
http://www.centralbank.gov.cy/nqcontent.cfm?a_id=1

Area Administered by Turkish Cypriots:

“Central Bank:”
http://www.kktcmerkezbankasi.org/ser/english/index_englishz.htm

Turkish Cypriot Banks Association:
<http://www.bankalarbirligi.org/SPhERE/cPortal/kkbb/layouts/home.jsp>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

Business customs across Cyprus are not very different from those in the United States. Despite the long and hot summer, the conventional business dress code usually calls for a suit and tie for men and conservative attire for women. More casual wear is usually worn when entertaining business guests, depending on the venue. It is considered a courtesy for business people to host business lunches or dinners while discussing possible cooperation.

Travel Advisory

[Return to top](#)

Cyprus enjoys a low crime rate, good hygienic conditions, and a modern array of goods and services. Visitors may obtain travel advisory information from the following link: <http://travel.state.gov/content/passports/english/country/cyprus.html>

Visa Requirements

[Return to top](#)

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

State Department Visa Website: <http://travel.state.gov/content/visas/english.html>

U.S. Embassy Consular Section: <http://cyprus.usembassy.gov/visas.html>

Republic of Cyprus:

U.S. citizens do not need visas to enter Cyprus. Persons arriving with the intention to work must obtain special work permits. For more detailed information, please visit the Ministry of Interior, Civil Registry and Migration Department website: http://www.moi.gov.cy/moi/crmd/crmd.nsf/page11_en/page11_en?OpenDocument&Start=1&Count=1000&Expand=5

Area Administered by Turkish Cypriots:

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

Telecommunications

[Return to top](#)

Republic of Cyprus:

The island's telecommunications system is advanced and efficient. More than 190 countries can be reached through fully automatic direct dialing. Installation services are usually completed within a few days. Telefax and internet service are widely available. The average Internet connection speed is 8 Mega Bytes per Second (MBPS), although speeds of up to 100 MBPS are readily available for a higher fee. Wi-Fi is widely available in hotels, restaurants, and coffee shops. GSM cellular phone technology is the standard and it is delivered on European frequencies. Both the Cyprus Telecommunications Authority (CyTA – a semi-governmental organization) and MTN provide cellular phone services. MTN also offers Blackberry services. PrimeTel offers fixed line, internet, and cellular phone services. All telecommunication services are regulated by the Office of the Commissioner of Telecommunications and Postal Regulations: http://www.ocecpr.org.cy/nqcontent.cfm?a_id=1.

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

Area Administered by Turkish Cypriots:

The “Telecommunications Authority” provides telephone, telex, internet/ADSL, fax and telegram transmission services. The telephone service is integrated into the Turkish market and relies on Turkey's country code. Two private companies, KKTCCell (subsidiary of Turkish company Turkcell) and Telsim (now owned by the British Vodafone Company in Turkey) provide GSM-Mobile services (including 3G). Internet services are widely available, including broadband services. Cellular phones purchased in the Turkish Cypriot-administered area cannot roam while located in the Republic of Cyprus, and vice versa.

Transportation

[Return to top](#)

Republic of Cyprus:

Inner city travel is often by taxi, public buses or rental car. Cars are right-hand drive and rental cars are available in manual and automatic drive options. Public transportation within cities and between towns is not as frequent or convenient as in many other EU countries, although the government is currently working to improve this service. Taxis are metered. The cost for a taxi from the airport in Larnaca to Nicosia averages Euro 50. Prices vary depending on the season and the visitor's car selection for car rentals.

Air traffic is served through two international airports situated in Larnaca and Paphos. Cyprus Airways is the national carrier. Many international airlines including Cyprus Airways offer daily flights to major destinations in Europe and the Middle East. The port of Limassol serves the country's external trade and seaborne passenger traffic, acting also as transshipment center for the region.

Area Administered by Turkish Cypriots:

Means of public transportation in the north is by public bus or taxi. Rental car services are also available, including both with right and left hand drive. The distances are relatively short and the roads are in fairly good condition. The Republic of Cyprus discourages the use of its air space for flights into Ercan airport, an airport it considers illegal. Only Turkish carriers fly to the area administered by Turkish Cypriots, and all flights must currently touchdown in Turkey. The two ports of Famagusta and Kyrenia are used for cargo and passenger transportation. Most goods destined for the area administered by Turkish Cypriots are transshipped through the Turkish port of Mersin -- significantly increasing the cost of shipping cargo to northern Cyprus.

Language

[Return to top](#)

The official languages in Cyprus are Greek, Turkish and English. Greek and English are widely spoken in the Republic of Cyprus. English is increasingly spoken in the area administered by Turkish Cypriots. Press is available in many languages (European and other). English is usually preferred in business dealings.

Health

[Return to top](#)

Republic of Cyprus:

Cyprus has a general hospital in every city and several private clinics. Most facilities provide adequate medical care and are equipped with modern equipment and trained medical professionals. There are many English-speaking doctors and dental specialists in Cyprus who were trained in Europe or the United States.

Area Administered by Turkish Cypriots:

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

Local Time, Business Hours, and Holidays

[Return to top](#)

Republic of Cyprus:

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

The list of holidays observed by businesspersons in Cyprus for 2014:

| | |
|-----------|----------------|
| January 1 | New Year's Day |
| January 6 | Epiphany Day |

| | |
|-------------|------------------------------|
| March 3 | Green Monday - Start of Lent |
| March 25 | Annunciation Day |
| April 1 | Cyprus National Day |
| April 18 | Good Friday |
| April 21 | Easter Monday |
| May 1 | Labor Day |
| June 9 | Holy Spirit Day |
| August 15 | Assumption Day |
| October 1 | Cyprus Independence Day |
| October 28 | Greece National Day |
| December 24 | Christmas Eve |
| December 25 | Christmas Day |
| December 26 | Boxing Day |

Businesspersons should avoid making appointments on the above dates (holidays that fall on a Saturday or Sunday are not observed on weekdays – stores remain closed on Saturday if it is a national holiday). The months of July and August are relatively slow months because many businesses close for summer vacation. Other dates to avoid when setting appointments are Christmas and Easter.

Government Offices:

Monday – Friday: 7:30 –15:00

Banking sector:

Monday: 7:30 – 14:30 and 15:00 – 18:00
 Tuesday – Friday: 7:30 – 14:30

(Note: Teller services are available to the public from 8:30 to 13:30 daily and from 15:15 to 16:45 on Monday afternoons. The banks are closed on Monday afternoon from May to October.) Automatic tellers are available in larger cities, but there are not as many one would expect to find in U.S. cities and towns.

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

Business travelers to Cyprus seeking appointments with U.S. Embassy Nicosia officials should contact the Economic/Commercial Section in advance. Section staff can be reached by phone at +357-22-393520, +357-22-393362, or +357-22-393361 or through email: nicosiaecon@state.gov.

Area Administered by Turkish Cypriots:

"Public" holidays for 2014 are:

| | |
|------------|--------------------|
| January 1 | New Year's Day |
| January 10 | Prophet's Birthday |
| April 23 | Children's Day |
| May 1 | Labor Day |
| May 19 | Youth Day |

| | |
|------------|-------------------------|
| July 28 | Ramadan Bairam |
| July 29 | Ramadan Bairam |
| July 30 | Ramadan Bairam |
| August 1 | Communal Resistance Day |
| October 3 | Kurban Bairam |
| October 6 | Kurban Bairam |
| October 7 | Kurban Bairam |
| October 29 | Republic of Turkey Day |

“Government” Offices: (Monday – Friday)

December, January, February
Monday – Friday 08:00 – 15:30
Thursdays 08:00-13:00 and 14:00-17:00

March – November
Monday – Friday 07:30 – 15:30
Thursdays 08:00-13:00 and 14:00-18:00

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

Banks:
(Monday – Friday) 08:00 – 12:30 and 14:00 – 15:30

Factories: (Monday – Friday)
07:30 – 16:00

Business travelers to the area administered by Turkish Cypriots seeking appointments with U.S. Embassy Nicosia officials should contact the Economic/ Commercial Section in advance. The Section staff can be reached by phone at +357-22-393520, +357-22-393362, or +357-22-393363 or through email: nicosiaecon@state.gov.

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

There are no restrictions for temporary entry of materials or personal belongings within the limits of the law (e.g. not guns, narcotics, etc).

European Union:

For information on this topic please consult the Commerce Department’s Country Commercial Guides on EU member states: [EU Member States’ Country Commercial Guides](#).

Alternatively, search the Commerce Department’s Market Research Library, available from: <http://www.export.gov/mrktresearch/index.asp> under Country and Industry Market Reports.

Web Resources

[Return to top](#)

Republic of Cyprus official website: <http://www.cyprus.gov.cy>

Area Administered by Turkish Cypriots:

"TRNC" Presidency Website: <http://www.kktcb.org/Default.aspx>

Market Research Library

<http://www.export.gov/mrktresearch/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

Republic of Cyprus:

All government websites and independent services can be accessed through the Internet at the following web address:

http://www.cyprus.gov.cy/portal/portal.nsf/citizen_en?OpenForm&access=0&SectionId=citizen&CategoryId=none&SelectionId=home&print=0&lang=en.

Ministry of Foreign Affairs

| | |
|---|---|
| Minister | Mr. Ioannis Kasoulides Tel.: +357-22-401200 Fax: +357-22-663649 |
| Permanent Secretary | Ambassador Alexandros N. Zenon Tel.: +357-22-401213 Fax: +357-22-663716 |
| Email: minforeign1@mfa.gov.cy | |
| Website: http://www.mfa.gov.cy/mfa/mfa2006.nsf/index_en/index_en?OpenDocument | |

Ministry of Finance

| | |
|---|--|
| Minister | Mr. Harris Georgiades Tel.: +357-22-601104 Fax: +357-22-602741 |
| Permanent Secretary | Mr. Christos Patsalides Tel.: +357-22-601115 Fax: +357-22-602743 |
| Email: minister@mof.gov.cy | |
| Website: http://www.mof.gov.cy/mof/mof.nsf/index_en/index_en?OpenDocument | |

Ministry of Energy, Commerce, Industry and Tourism

| | |
|---|---|
| Minister | Mr. George Lakkotrypis Tel.: +357-22-867111 Fax: +357-22-375323 |
| Permanent Secretary | Dr. Stelios Himonas Tel.: +357-22-867196 Fax: +357-22-375120 |
| Email: perm.sec@mcit.gov.cy | |
| Website: http://www.mcit.gov.cy/mcit/mcit.nsf/dmlindex_en/dmlindex_en?OpenDocument | |

Ministry of Communications and Works

| | |
|---|---|
| Minister | Mr. Marios Demetriades Tel.: +357-22-800102 Fax: +357-22-776265 |
| Permanent Secretary | Mr. Alecos Michaelides Tel.: +357-22-800106 Fax: +357-22-776248 |
| Email: minister@mcw.gov.cy | |
| Website: http://www.mcw.gov.cy/mcw/mcw.nsf/index_en/index_en?OpenDocument | |

Ministry of Agriculture and Natural Resources

| | |
|---|--|
| Minister | Mr. Nicos Kouyialis Tel.: +357-22-408326 Fax: +357-22-780623 |
| Permanent Secretary | Ms. Aegly Pantelaki Tel.: +357-22-408317 Fax: +357-22-781156 |
| Email: registry@moa.gov.cy | |
| Website: http://www.moa.gov.cy/moa/agriculture.nsf/index_en/index_en?OpenDocument | |

Ministry of Health

| | |
|---|---|
| Minister | Mr. Philippos Patsalis Tel.: +357-22-605303 Fax: +357-22-434189 |
| Acting Permanent Secretary | Ms. Maria Yiannaki Tel.: +357-22-605312 Fax: +357-22-434203 |
| Email: minister@moh.gov.cy | |
| Website: http://www.moh.gov.cy/moh/moh.nsf/index_en/index_en?OpenDocument | |

Ministry of Interior

| | |
|---|--|
| Minister | Mr. Socrates Hasikos Tel.: +357-22-867600 Fax: +357-22-676709 |
| Acting Permanent Secretary | Mr. Constantinos Nicolaidis Tel.: +357-22-867620 Fax: +357-22-867696 |
| Email: minister@moi.gov.cy | |
| Website: http://www.moi.gov.cy/moi/moi.nsf/index_en/index_en?OpenDocument | |

Ministry of Labor and Social Insurance

| | |
|---|---|
| Minister | Mrs. Zeta Emilianidou Tel.: +357-22-401732 Fax: +357-22- 670993 |
| Permanent Secretary | Mr. Andreas Assiotis Tel.: +357-22-401742 Fax: +357-22- 670993 |
| Email: administration@mlsi.gov.cy | |
| Website: http://www.mlsi.gov.cy/mlsi/mlsi.nsf/index_en/index_en?OpenDocument | |

Electricity Authority of Cyprus

| | |
|---|---|
| Chairman | Mr. Othonas Theodoulou Tel.: +357-22-201004/5 Fax: +357-22-201009 |
| General Manager | Dr. Stelios Stylianos Tel.: +357-22-201004 Fax: +357-22-201509 |
| Email: eac@eac.com.cy | |
| Website: http://www.eac.com.cy/EN/customerservice/Pages/default.aspx | |

Registrar of Companies and Official Receiver

| | |
|---|--|
| Registrar | Mr. Spyros Kokkinos Tel.: +357-22-404301 Fax: +357-22-304887 |
| Deputy Official Receiver | Ms. Stalo Papaioannou Tel.: +357-22-404388 Fax: +357-22-304887 |
| Email: deptcomp@drcor.mcit.gov.cy | |
| Website: http://www.mcit.gov.cy/mcit/drcor/drcor.nsf/index_en/index_en | |

Cyprus Telecommunications Authority

| | |
|--|--|
| Chairman | Mr. Christos Patsalides Tel.: +357-22-701200 Fax: +357-22-701500 |
| Chief Executive Officer | Mr. Aristos Riris Tel.: +357-22-701620 Fax: +357-22-494940 |
| Website: http://www.cyta.com.cy/ | |

Commission of Telecommunications and Postal Regulations

| | |
|---------------------|---|
| Acting Commissioner | Mr. Petros Galides Tel.: +357-22-693000 Fax: +357-22-693030 |
|---------------------|---|

| | |
|---|-----------------------------|
| Deputy Commissioner | Vacant -Pending Appointment |
| Email: Info@ocecpr.org.cy | |
| Website: http://www.ocecpr.org.cy/nqcontent.cfm?a_id=767&tt=ocecpr&lang=gr | |

Cyprus Energy Regulatory Authority (CERA)

| | |
|--|--|
| Commissioner | Mr. George Shammass Tel.: +357-22-666363 Fax: +357-22-667763 |
| Vice – President | Mr. Constantinos Eliopoulos Tel.: +357-22-666363 Fax: +357-22-667763 |
| Email: info@cera.org.cy | |
| Website: http://www.cera.org.cy/main/default.aspx?tabid=71 | |

Natural Gas Public Company (DEFA)

| | |
|--|---|
| Executive Chairman | Mrs. Eleni Vasileiadou Tel.: +357-22-761761 Fax: +357-22-761771 |
| Email: info@defa.com.cy | |
| Website: http://www.defa.com.cy/en/ | |

Cyprus Ports Authority

| | |
|---|---|
| Acting Director General | Ms. Anthi Cleridou Tel.: +357-22-817200 Fax: +357-22-765420 |
| Email: cpa@cpa.gov.cy | |
| Website: http://www.cpa.gov.cy/CPA/page.php?pageID=1&langID=0 | |

Country Trade Associations/Chambers of Commerce:

The American Chamber of Commerce Cyprus (AmCham Cyprus) was established in 1997 (initially as the Cyprus-American Business Association - CyABA) under the umbrella of the Cyprus Chamber of Commerce and Industry to handle matters related to trade with the United States. AmCham Cyprus is also a member of the U.S. Chamber of Commerce. AmCham Cyprus' current President is Mr. Miltos Miltiadou, who was re-elected for a second two-year term on May 16, 2013.

Contact:

Mr. Miltos Miltiadou, President
AmCham Cyprus
38 Griva Digeni Ave. and Deligiorgis Streets
P.O. Box 21455
1509 Nicosia
CYPRUS
Tel.: 357-22-889830
Fax: 357-22-668630
E-mail: andersson@ccci.org.cy
Website: <http://www.amchamcyprus.com.cy/>

The Cyprus Chamber of Commerce and Industry, with regional chambers in all four major towns, is the major contact for business advice in Cyprus.

Contact:

Mr. Marios Tsiakkis, Secretary General
Cyprus Chamber of Commerce and Industry
38 Griva Digeni Ave. and Deligiorgis Streets
P.O. Box 21455
1509 Nicosia
CYPRUS
Tel.: 357-22-660066
Fax: 357-22-669048
E-mail: secgen@ccci.org.cy / Marios@ccci.org.cy
Website: <http://www.ccci.org.cy/>

There are also trade associations governing most professions. Most of these associations are housed within the Cyprus Chamber of Commerce and Industry building.

Another organization you can contact for business related information is the Cyprus Employers and Industrialists Federation (Greek acronym OEV):

Contact:

Mr. Michalis Pilikos
Director General
Cyprus Employers and Industrialists Federation
P.O. Box 21657
1511 Nicosia

CYPRUS

Tel.: +357-22-665102

Fax: +357-22-669459

E-mail: info@oeb.org.cy

Website: <http://en.oeb.org.cy/>

Area Administered by Turkish Cypriots:

“Ministries”

“Prime Ministry”

| | |
|---|---|
| “Prime Minister” | Mr. Ozkan Yorgancioglu Tel.: (+90) (392) 228 31 41 Fax: (+90) (392) 2277225 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Ministry of Foreign Affairs”

| | |
|---|---|
| “Minister” | Mr. Ozdil Nami Tel.: (+90) (392) 228 32 41 Fax: (+90) (392) 228 42 90 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Deputy Prime Ministry & Ministry of Economy, Tourism, Culture and Sports”

| | |
|---|---|
| “Minister” | Mr. Serdar Denktas Tel.: (+90) (392) 6112000 Fax: (+90) (392) 2279675 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Ministry of Finance”

| | |
|------------|---|
| “Minister” | Mr. Zeren Mungan Tel.: (+90) (392) 2283116 Fax: (+90) (392) 227 82 30 |
|------------|---|

Address:
Lefkoşa – “TRNC”
Via Mersin 10
Turkey

“Ministry of Public Works and Transportation”

| | |
|------------|--|
| “Minister” | Mr. Ahmet Kasif Tel.: (+90) (392) 228 36 66 Fax: (+90) (392) 228 18 91 |
|------------|--|

Address:
Lefkoşa – “TRNC”
Via Mersin 10
Turkey

“Ministry of Interior”

| | |
|------------|---|
| “Minister” | Mr. Teberruken Ulucay Tel.: (+90) (392) 611 1100 Fax: (+90) (392) 6111322 |
|------------|---|

Address:
Lefkoşa – “TRNC”
Via Mersin 10
Turkey

“Ministry of Labor and Social Security”

| | |
|------------|--|
| “Minister” | Mr. Aziz Gurpinar Tel.: (+90) (392) 6112222 Fax: (+90) (392) 228 64 54 |
|------------|--|

Address:
Lefkoşa – “TRNC”
Via Mersin 10
Turkey

“Ministry of Education and Culture”

| | |
|------------|--|
| “Minister” | Dr. Mustafa Arabacioglu Tel.: (+90) (392) 228 31 36 Fax: (+90) (392) 228 23 34 |
|------------|--|

Address:
Lefkoşa – “TRNC”
Via Mersin 10
Turkey

“Ministry of Food, Agriculture, and Energy”

| | |
|---|---|
| “Minister” | Mr. Onder Sennaroglu Tel.: (+90) (392) 228 35 95 Fax: (+90) (392) 228 69 45 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Ministry of Health”

| | |
|---|--|
| “Minister” | Mr. Ahmet Gulle Tel.: (+90) (392) 228 31 73 Fax: (+90) (392) 228 38 93 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Ministry of Environment and Natural Resources”

| | |
|---|--|
| “Minister” | Mr. Hamit Bakirci Tel.: (+90) (392) 89 629 611 2200 Fax: (+90) (392) 2279 675 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“State Planning Organization”

| | |
|---|---|
| “Under Secretary” | Mr. Ali Korhan Tel.: (+90) (392) 2283 141 Fax: (+90) (392) 2285 988 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Department of Official Receiver and Registrar”

| | |
|---|--|
| | Mr. Kemal Ozcakil Tel.: (+90) (392) 2284 345 Fax: (+90) (392) 2272 205 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Central Bank”

| | |
|---|--|
| “Governor” | Mr. Bilal San Tel.: (+90) (392) 6115000 Fax: (+90) (392) 228 86 07 |
| Address: Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Development Bank”

| | |
|--|---|
| “Director” | Dr. Ahmet Atanel Tel.: (+90) (392) 228 84 40 Fax: (+90) (392) 227 82 55 |
| Address: P.O. Box 29 Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

“Free Port and Zone Administration”

| | |
|--|--|
| “Director” | Mr. Hasan Curcioglu Tel.: (+90) (392) 365 11 64 Fax: (+90) (392) 365 47 75 |
| Address: Magusa – “TRNC” Via Mersin 10 Turkey | |

Cyprus Turkish Chamber of Industry

| | |
|---|--|
| President: | Mr. Ali Cirali Tel.: (+90) (392) 58131 Fax: (+90) (392) 2258 130 |
| Address: Sanayi Bolgesi Lefkoşa – “TRNC” Via Mersin 10 Turkey | |

Turkish Cypriot Chamber of Commerce

| | |
|--|--|
| President: | Mr. Fikri Toros Tel.: (+90) (392) 228 37 60 Fax: (+90) (392) 228 30 89 |
| Address: Bedreddin Demirel Caddesi Lefkoşa – "TRNC" Via Mersin 10 Turkey | |

U.S. Embassy Trade Personnel

The Embassy's Economic/Commercial Unit is located in the main chancery. An American Economic/Commercial Section Chief is assigned to the Embassy for a three-year tour and supervises the Section. One Cypriot Commercial Specialist, a Cypriot Commercial Assistant, and a Cypriot Economic Specialist are available to assist the U.S. business community. The Embassy's telephone number is +357-22-393939 and the direct numbers for the Commercial Section are +357-22-393520, +357-22-393362, or +357-22-393363. The Section's website is: <http://cyprus.usembassy.gov/commercial.html>. You can also reach the Section through the following e-mail: nicosiaecon@state.gov.

European Union:

United States Department of Commerce - Contacts at the U.S. Mission to the EU:

Minister Counselor for Commercial Affairs
Beryl Blecher
Tel: 32.2.811.5374
Beryl.Blecher@trade.gov

Deputy Senior Commercial Officer
Patricia Gonzalez
Tel: 32.2.811.5328
Patricia.Gonzalez@trade.gov

Commercial/Standards Attaché
William Thorn (*until Summer 2014*)
Tel: 32.2.811.5034
William.Thorn@trade.gov

Commercial Attaché
Ilona Shtrom
Tel: 32.2.811.5632
ilona.Shtrom@trade.gov

Commercial Attaché
Michael Rogers
Tel: 32.2.811.4244
Michael.Rogers@trade.gov

NOAA Fisheries Representative
Stephane Vrignaud
Tel: 32.2.811.5831
Stephane.Vrignaud@trade.gov

U.S. Commercial Service
U.S. Mission to the European Union
Rue Zinner 13
B-1000 Brussels, Belgium
Tel.: 32.2.811.4100
Fax: 32.2.811.5151
E-mail: brussels.ec.office.box@trade.gov
Website: <http://export.gov/europeanunion/>

United States Department of Agriculture - Contacts at the U.S. Mission to the EU:

Office of Agricultural Affairs
U.S. Mission to the European Union
Rue Zinner 13
B-1000 Brussels, Belgium
Tel.: 32.2.811.4247
Fax: 32.2.811.5560
E-mail: AgUSEUBrussels@fas.usda.gov
Website: <http://www.fas.usda.gov/posthome/Useu/>

The European Commission:

European Commission
Rue de la Loi 200 / Wetstraat 200
B-1049 Brussels, Belgium
Tel: 32.2.299.11.11 (switchboard)
Fax: 32.2.295.01.38 (also 295.01.39 and 295.01.40)
Websites: http://ec.europa.eu/index_en.htm (European Commission)
http://eeas.europa.eu/us/index_en.htm (EU-U.S. relations)

For general information about the European Union:
Delegation of the European Commission to the United States

Washington, D.C. 20037
Tel: (202) 862-9500
Fax: (202) 429-1766
Website: <http://www.eurunion.org/>

Directorate General Taxation and Customs Union

Rue de la Loi 200
1049 Brussels
Tel: 32. 2.299.50.50
Fax: 32.2.296.90.46
Website: http://ec.europa.eu/taxation_customs/index_en.htm

Directorate General Enterprise and Industry

Avenue d'Auderghem 45/Rue Belliard 100
1049 Brussels, Belgium
Tel: 32.2.299.56.72
Fax: 32.2.299.16.75
Website: http://ec.europa.eu/enterprise/standards_policy/index_en.htm

Directorate General for Environment

Website: http://ec.europa.eu/dgs/environment/index_en.htm

Directorate General Health and Consumers (SANCO)

4 Rue Breydel/101 Rue Froissart
1040 Brussels - Belgium

The Cosmetics & Medical Devices and Pharmaceuticals units are located at:

24 Rue De Mot
1040 Brussels, Belgium
Tel: 32.2.299.11.11
Website: http://ec.europa.eu/dgs/health_consumer/index_en.htm

Directorate General for Trade

Multiple locations
See <http://ec.europa.eu/trade> for further information.

EFTA – European Free Trade Association

Rue Joseph II, 12-16
B – 1000 Brussels
Tel: 32.2.286.17.11
Fax: 32.2.286.17.50
Website: <http://www.efta.int/>

Business Associations:

AmchamEU

53 Avenue des Arts
1000 Brussels, Belgium
Tel: 32.2.513.68.92
Fax: 32.2.513.79.28
Website: <http://www.amchameu.eu/>

Business Europe

The Confederation of European Business
Avenue de Cortenberg 168
1000 Brussels, Belgium
Tel: 32.2.237.65.11
Fax: 32.2.231.14.45
Website: www.bussinesseurope.eu

Tech America Europe

40 Rue des Drapiers
1050 Brussels, Belgium
Tel: 32.2.502.75.60
Fax: 32.2.502.67.34
Website: <http://www.techamerica.org/europe>

The European Institute

1001 Connecticut Avenue, N.W., Suite 220,
Washington DC, 20036-5531
Tel: (202) 895-1670
Website: <http://www.europeaninstitute.org/>

Centre for European Policy Studies (CEPS)

1 Place du Congres
B-1000 Brussels, Belgium
Tel: 32.2.229.39.11
Fax: 32.2.219.41.51
Website: <http://www.ceps.eu/index.php>

The European Policy Centre

Residence Palace
155 Rue de la Loi
1040 Brussels, Belgium
Tel: 32.2.231.03.40
Fax: 32.2.231.07.04
Website: <http://www.epc.eu/>

European Round Table of Industrialists (ERT)

Place des Carabiniers 18a
B-1030 Brussels
Tel: 32 2 534 31 00
Fax: 32 2 534 73 48
Website: <http://www.ert.be/>

The Transatlantic Policy Network

Rue Froissart 115, 1st floor
B-1040 Brussels, Belgium
Tel: 32.2.230.61.49
Fax: 32.2.230.58.96
Website: <http://www.tponline.org/>

Transatlantic Business Council

Washington Office
919 18th Street NW, Suite 220
Washington, DC 20006
Tel: 1 202 828 9104
Fax: 1 202 828 9106

Brussels Office

Av. de Cortenbergh 168
1000 Brussels
Tel: 32 2 514 05 01
Website: <http://transatlanticbusiness.org/>

The Trans European Policy Studies Association (TEPSA)

11 Rue d'Egmont
B-1000 Brussels, Belgium
Tel: 32.2.511.34.70
Fax: 32.2.511.67.70
Website: <http://www.tepsa.be/>

Key EU-related websites:

For general information on the European Union

The EU's portal website
<http://www.europa.eu/>

Resource for EU news, policy positions and actors
<http://www.euractiv.com/>

A to Z index of European Union websites
<http://www.eurunion.org/infores/euindex.htm>

For information on topics related to doing business in the European Union

EU's "One Stop Internet Shop for Business" (EU funds, technical standards, intellectual property law, and free access to public procurement tender notices via the Tenders Electronic Daily (TED) database)
http://ec.europa.eu/youreurope/business/index_en.htm

EU Member State Chambers of Commerce in the U.S.
<http://www.eurunion.org/states/doingbizweu.htm>

EU market access database (information on tariffs and other trade information)
<http://madb.europa.eu/>

EURLEX – Access to EU law
<http://eur-lex.europa.eu/en/index.htm>

CORDIS – Community Research and Development Information Service (EU research and innovation website)
<http://cordis.europa.eu/>

European Commission Statistical Office (Eurostat)
<http://epp.eurostat.ec.europa.eu/>

EU Office of Official Publications
<http://publications.europa.eu/>

EU official website on the euro
http://ec.europa.eu/euro/index_en.html

European Central Bank, Frankfurt
<http://www.ecb.int/>

European Investment Bank, Luxembourg
<http://www.eib.org/>

Council of the European Union
<http://www.consilium.europa.eu/>

European Commission
http://ec.europa.eu/index_en.htm

European Parliament
<http://www.europarl.europa.eu/>

European Court of Justice
<http://curia.europa.eu/>

EU Who is Who – The Official Directory of the European Union
<http://europa.eu/whoiswho/public/>

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please visit the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

[Return to top](#)

Please click on the links below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

<http://cyprus.usembassy.gov/upcomingevents.html>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small- and medium-sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

Embassy Cyprus' Economic/ Commercial Office represents the Department of Commerce (DOC) through its Athens, Greece Partner Post and is part of a network of offices across the United States and in more than 80 countries that work directly to support U.S. exports. In this capacity, our office provides all DOC services to interested U.S. companies (<http://cyprus.usembassy.gov/companyservices.html>).

For more information on the services the Economic/Commercial Section of Embassy Cyprus offers to U.S. exporters, please click on the following link: <http://cyprus.usembassy.gov/business.html>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

NOTE: Exchange rate as at August 8, 2014: €1 = US\$1.34

[Return to table of contents](#)