



Doing Business in Cyprus: 2013 Country

Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2013. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

- [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 Fact Sheet](#)

Market Overview

[Return to top](#)

Republic of Cyprus:

The Republic of Cyprus offers good business services, modern telecommunications, an educated labor force, good airline connections, a sound legal system, and a low crime rate. Cyprus' once thriving financial services sector is currently undergoing significant restructuring and consolidation, and it is temporarily constrained by capital controls following the March 2013 bailout agreement with the European Commission, European Central Bank, and International Monetary Fund (aka the "Troika."). Cyprus' EU membership, its strategic location, low tax rates, and modern infrastructure make it a natural hub for companies looking to do business within the EU and with the Middle East, Eastern Europe, the former Soviet Union and North Africa. A liberal investment regime has also helped increase the flow of direct investment into Cyprus in recent years. In 2011, according to the Central Bank of Cyprus, the net inflow of FDI (excluding "brass plate" companies) reached Euros 987 million (USD 1.4 billion), while the net outflow from Cyprus reached Euros 608 million (USD 845 million). Intellectual property is protected under modern copyright and patent legislation, although better enforcement of these laws is needed.

Cyprus' prosperity has come under severe pressure over the past two years. The European Commission's Spring 2013 European Economic Forecast notes that the Cypriot economy contracted by 2.4% in 2012, and will deteriorate further in 2013-14. In 2013, real GDP is expected to decline by 8.7%, burdened by the immediate restructuring of the banking sector, fiscal consolidation, and the high degree of economic uncertainty weighing on domestic demand and investment. In addition, temporary restrictive measures on capital are expected to hinder international capital flows and reduce business volumes in both domestic and international activities. The bail-in of uninsured depositors also caused considerable loss of wealth, affecting private consumption and investment. Overall, the Cypriot economy is estimated to contract by around 15% cumulatively in 2012-14.

(http://ec.europa.eu/economy_finance/eu/forecasts/2013_spring_forecast_en.htm)

Reduced business activity, possible spillovers from the restructuring of the banking sector to professional business services, and the hiring freeze in the public sector are

expected to push unemployment higher in the immediate future (15.5% in 2013, and 16.9% in 2014).

The fiscal deficit remained persistently high in 2012 at 6.7% of GDP, despite sizeable consolidation measures. Only marginal improvements are expected over the next two years (2013 and 2014) owing to the fact that public revenue will be held back by the slump in economic activity. The public debt-to GDP ratio ballooned in recent years, from 58.5% in 2009, to 85.8% in 2012, and is expected to rise to 109.5% in 2013 and 124.0% in 2014.

Cyprus is one of ten countries to have joined the European Union (EU) on May 1, 2004. Even though the entire island entered the union, the EU *acquis communautaire* -- the body of common rights and obligations -- is suspended in the area administered by Turkish Cypriots. Cyprus has been a member of the Eurozone since January 1, 2008, when it replaced the Cyprus Pound with the Euro. The final conversion exchange rate between the Cypriot pound and the Euro was one Euro per 0.585274 Cyprus pounds.

Area Administered by Turkish Cypriots:

Since 1974, Cyprus has been divided *de facto* into the Republic of Cyprus-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 UN Peacekeeping Force in Cyprus patrols the buffer zone separating the two sides, but people, narcotics, and other illicit goods routinely cross uncontrolled. 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 the four years between 2003 and 2006, the Turkish Cypriot economy recorded growth rates averaging around 13.4 % per annum. This growth was fuelled by the relative stability of the Turkish Lira, a large construction boom, the expansion of Turkish Cypriot universities -- which cater mainly to Turkish and other international students -- and the employment of more than 4,000 Turkish Cypriots in the Republic of Cyprus. Since 2007, the economy in the north has entered into recession, with real growth rates of 1.5 % in 2007 and minus 3.4 % in 2008. In 2008 and 2009, the economy continued to record a decrease in growth rates. The Turkish Cypriot budget deficit also deteriorated in 2009 due to decreased state revenues and increased "government" expenditures on public sector salaries and social services. The real growth rate for 2009 was negative 5.7%. The Turkish Cypriot economy began to make improvements from the recession and the growth rate reached 3.7% in 2010. The latest statistics in the north, published by the "State Planning Office", are for 2011, and mark economic growth for 2011 at 3.6%.

Most businesses in the north are family-run and tend to be very small. Manufacturing is limited mainly to food and beverages, furniture and fixtures, construction materials, metal and non-metal products, textiles and clothing. According to "State Planning Office" statistics, in 2011 unemployment was estimated at 9.7% and the total workforce at 107,514 persons. The minimum wage is currently USD 786 (1415 TL) per month.

With hundreds of miles of coastline, medieval castles and antiquities, tourism is a major potential growth industry. Tertiary education and tourism are two of the strongest sectors in the area administered by the Turkish Cypriots. There are currently eight universities attended primarily by students from Turkey, African countries, eastern and middle-eastern countries. According to the "State Planning Organization," about 43,000 students registered for the 2010-2011 academic year (the last for which figures are available), again drawing over 80% of students from Turkey and other countries.

European Union:

The United States and the European Union (EU), with its soon to be 28 member states¹, enjoy a mature economic relationship that is characterized by \$3.6 trillion in two-way investment as well as a massive two-way merchandise trade of \$650 billion in 2012 - up 68% from \$387 billion in 2000. U.S. exports of goods and services to the EU-27 in 2012 reached approximately \$265 billion and imports from the EU, \$380 billion. 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 notify Congress of its intent to launch negotiations on a Transatlantic Trade and Investment Partnership (TTIP) with the EU. Congress was formally notified on March 20, 2013. The Administration intends to begin negotiations on the new agreement in summer 2013.

The President's decision to launch TTIP negotiations with the EU follows discussions that began at the November 2011 U.S.-EU Summit. There, the [U.S.-EU High Level Working Group on Jobs and Growth](#) was tasked with identifying policies and measures to increase U.S.-EU trade and investment to support mutually beneficial job creation, economic growth and international competitiveness.

The TTIP is envisioned as an ambitious and comprehensive trade and investment agreement that will promote U.S. international competitiveness, jobs and growth. The TTIP will aim to address non-tariff barriers that impede trade in goods and services and seek to promote greater compatibility, transparency and cooperation in the regulatory and standards arenas.

According to forecasts by the European Commission (EC)², full-year real GDP growth for 2013 is projected to contract for both the EU as a whole (-0.1%) and the eurozone³ (-0.4%). Stronger growth is projected for 2014 at 1.4% for the eurozone and the overall EU. The EC anticipates a gradual return of confidence and a strengthening global economy over 2013, both of which should help Europe rebound. Ongoing restructuring in many of the EU's most vulnerable economies is expected to contribute to faster growth in 2014. Risks are considered to be more balanced throughout 2013 with threats to eurozone integrity receding to some extent. According to the EC:

¹ Croatia will formally join the EU in July 2013 becoming its 28th member.

² May 3, 2013 Spring Forecast

³ These figures compare the entire real GDP generated in 2013 with that of 2012. The eurozone is an economic and monetary union (EMU) of 17 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, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

- The EU country with the strongest growth in 2013 will be Latvia (3.8%); the weakest growth will be Cyprus (-8.7%);
- Eight eurozone countries, including Cyprus, will be in recession in 2013 (France with -0.1%, the Netherlands -0.8%, Italy -1.3%, Spain -1.5%, Portugal -2.3%, Slovenia -2.0% and Greece -4.2%);
- Outside the eurozone, only the Czech Republic (-0.4%) is projected to contract in 2013;
- All countries, except Slovenia and Cyprus, are expected to return to positive growth in 2014;
- 12.1% unemployment is forecast for 2014 in the eurozone and 11.1% in the entire EU. Unemployment figures are expected to run from 4.7% in Austria to 26.4% in Spain in 2014. Youth unemployment is substantially higher in countries with negative growth.

Market Challenges

[Return to top](#)

Republic of Cyprus:

The Restrictive Measures on Transactions (capital controls), introduced by the Central Bank of Cyprus (CBC) on a temporary basis in March 2013, continue to hamper normal business activity. (More details under "Foreign Exchange Controls" in Chapter 7.) A full description of the restrictive measures currently in effect is to be found on the CBC website:

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

Other market challenges include the relatively small size of the market in both communities. In the Republic of Cyprus, this problem is somewhat cushioned by the relatively high standard of living, with a per capita GDP of almost USD 30,000 and close to 2.3 million tourist arrivals per year. In the area administered by Turkish Cypriots, per capita GDP was USD 14,488.

The island's continued division constitutes another significant constraint on trade. The partial lifting of travel restrictions between the Republic of Cyprus and the area administered by Turkish Cypriots in April 2003 has allowed the movement of persons – over three million crossings in both directions every year -- 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, the Turkish Cypriot "authorities" adopted a new regulation mirroring the EU rules and allowing certain goods produced in the Republic of Cyprus to be sold in the north. Nevertheless, trade between the two communities remains limited. For more information, please visit 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 has approved special rules for trade across the buffer zone (the "Green Line Regulation"):

<http://www.mof.gov.cy/mof/customs/customs.nsf/All/05AEEF243C9BFC8BC22572BF002D0A28?OpenDocument>

Area Administered by Turkish Cypriots:

In the area administered by Turkish Cypriots, per capita GDP was USD 14,703 in 2010. According to statistics provided by the tourism authorities, there is an 18.5% increase in the number of tourists in 2012, compared to 2011. The number of tourists in the north was recorded as 1.022.089 in 2011 and 1.166.186 in 2012.

European Union:

Europe continues to navigate a challenging path of fiscal and financial reforms. The European Central Bank (ECB) and eurozone governments have joined together to support a strategy to ensure that countries undertaking reforms retain access to market financing and that banks have access to liquidity and hold 'credible' capital. The ECB's commitment to Outright Monetary Transactions and the pooling of fiscal resources through the European Stability Mechanism provide important financial tools to protect reforms and limit the spread of the crisis. It is thought that a single supervisory mechanism and banking union will be paramount in bringing Europe back on the path to growth. Continuing to build on the stability European leaders have achieved thus far, while addressing rising unemployment, will remain critical to reinvigorate demand-led growth and facilitate internal rebalancing in the eurozone.

While the EU continues to move in the direction of a Single Market, the reality today is that U.S. exporters in some sectors continue to face barriers to entry and other challenges in the EU market. In several industries such as pharmaceuticals, telecommunications, legal services, and government procurement, some of these barriers are still pronounced in specific member states.

EU legislation generally takes two forms. "Regulations" have mandatory language and are directly applicable in Member States when implemented. "Directives" provide a general framework and must be "transposed" into national legislation at the Member State level. Differences in how directives are transposed in Member States are common, which complicates compliance for U.S. companies doing business in the EU. Industry has periodically raised concerns over perceived onerous regulations and high compliance costs.

The EU has legislative harmonization competence that it can choose to exercise in such areas as the free circulation of goods, services and capital within the internal market as well as agriculture, fisheries, transport and energy. Human health, tourism and civil protection are examples of areas where the EU can only legislate in support of Member States' initiatives.

Additionally, while the EU Community Customs Code establishes a standard legal framework for basic customs procedures, it is currently being modernized and the EU as yet does not operate as a single customs administration. The implementation of a modernized customs code that should bring the EU closer to a single authority on customs is currently scheduled to come into force by June 2013.

Discussions on a range of existing and proposed trade irritants are ongoing, including transparency in developing regulatory procedures and standards. To ensure that U.S. companies get the full benefits of the trade agreements the United States has negotiated, the U.S. Government has developed a trade compliance initiative that includes the establishment of the [Interagency Trade Enforcement Center \(ITEC\)](#). U.S. trade agencies work closely and diligently with the business community to ensure that the EU and its member states comply with their bilateral and multilateral trade obligations, and to minimize market access problems affecting U.S. firms.

Market Opportunities

[Return to top](#)

Republic of Cyprus:

Best prospects for U.S. firms lie in the energy sector in general (exploration, exploitation, and ancillary services, among others) and in alternative energy source generation, while the existence of natural gas and possible petroleum reserves off the southern and eastern coast of Cyprus opens up new opportunities. Other areas with commercial potential are shipping, high technology sectors, financial services, environmental protection technology, and tourism infrastructure development projects. The government is considering proposals to legalize casino gambling and, in the event this occurs, formalizing regulations for providing licensing for the construction and operation of resort casinos.

The liberalization of foreign direct investment regulations has made Cyprus an increasingly attractive destination for U.S. investors in recent years. Traditionally, U.S. direct investment in Cyprus consisted of relatively small projects, mostly by Greek-Cypriot expatriates. The abolition of restrictions on investment originating from the EU allows U.S. investors to benefit if they work through subsidiaries in the EU.

Area Administered by Turkish Cypriots:

No detailed statistics on investment are readily available in the area administered by Turkish Cypriots. However, most foreign direct investment in north Cyprus since 1974 has come from Turkey – both from the government and private sector. Tourism has attracted the most investment. The “State Planning Organization” has released a Guide for Foreign Investors available at <http://www.devplan.org>. The Turkish Cypriot Investment Development Agency (YAGA) which was formed in 2007 to serve as a one-stop shop for investors, performs investment assistance services to foreign investors, and more information can be obtained from www.investinnorthcyprus.org or by emailing its director at mehmet.yildirim@investinnorthcyprus.org

Construction activity is now almost at a standstill after the boom years of 2004-2006. Tourism continues to hold much promise for further development. In 2007, the total number of tourist arrivals increased by 10.5 % reaching 791,000 and remained relatively around 800,000 the following two years in 2008 and 2009. There is an 18.5% increase in the number of tourists in 2012, compared to 2011. The number of tourists in the north was recorded as 1.022.089 in 2011 and 1.166.186 in 2012. About 60 % of tourists come from Turkey while 20% come from the UK and the remaining 20% from other countries.

Other potential growth opportunities include agribusiness (especially in citrus, pomegranates, potatoes, and carob – which can be used as a chocolate substitute in health foods) and the export to north Cyprus of cereals and animal feed.

European Union:

U.S. businesses may benefit from several recent developments in the EU:

- Transatlantic Trade and Investment Partnership (TTIP): A successfully negotiated agreement could boost economic growth in the United States and Europe by further opening markets and strengthening rules-based investment to grow the world's largest such relationship.
- Enlargement of the EU continues with Croatia having signed its accession treaty. It is scheduled to become a full member as of July 1, 2013, once all 27 members have ratified the treaty. This will add an estimated 4.5 million individuals to the already existing population of 502.5 million people in the single market. The EU is currently negotiating with Iceland and is in discussions with Serbia and other Balkan states as well as Turkey.
- The border free EU Schengen area now covers 26 countries, including some non-EU members⁴, and greatly eases the movement of goods and people across air, land, and sea borders. Two more countries are expected to join the Schengen area (Romania and Bulgaria), as soon as approval is received from the existing members.
- Historically, U.S. exporters and investors have faced relatively low barriers to doing business in the EU. Nonetheless, issues exist as would be expected given the breadth and depth of the commercial relationship.
- The EU is also one of the biggest international donors and its budget generates sizeable public procurement opportunities in all sectors, in addition to the domestic market of its Member States. The EU annually allocates over 150 billion Euros (nearly \$200 billion) for regional and infrastructure development alone.

U.S. firms doing business in Europe should be aware that there are several organizations in Brussels focused on representing U.S. business interests and engaging with EU institutions including the European Commission, European Parliament and the Council. See [chapter 9](#) for further details and contact information.

Market Entry Strategy

[Return to top](#)

Republic of Cyprus:

A company's market entry strategy for Cyprus will largely depend on the type of product or service it has to offer. Finding a reliable and competent importer, distributor, or partner on the island is usually the best way to go since they know the market well and already have their distribution and contact network in place. The Embassy has many

⁴ Twenty-two EU member states and four European Free Trade Association (EFTA) member states participate in the Schengen Area. Of the five EU members which do not form part of the Schengen Area three – Bulgaria, 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.

services available for U.S. companies wishing to enter the Cyprus market and can help U.S. companies understand how the market operates and what the advantages of operating from Cyprus are: <http://cyprus.usembassy.gov/companyservices.html>

Area Administered by Turkish Cypriots:

A company's market entry strategy for the north will also largely depend on the type of product and service that it has to offer. Finding a reliable and competent importer, distributor, or partner on the island is generally the best way to go since they know the market well and already have their distribution and contact network in place for more information on the market and company services contact YAGA at www.investinnorthcyprus.org or the Turkish Cypriot Chamber of Commerce at www.ktto.net.

European Union:

The European Union market is a differentiated one, with specific supply and demand needs varying from Member State to Member State. While a pan-European business strategy is critical, individual market entry plans must be developed on a country-by-country basis. For details of these tactics, please consult the Commerce Department's Country Commercial Guides of the soon to be 28 EU member states found at the following website: [EU Member States' Country Commercial Guides](#).

To conduct a more thorough search for reports on specific industries and sectors within EU member states please consult the Commerce Department's Market Research Library: <http://www.export.gov/mrktresearch/index.asp>

[Return to table of contents](#)



COUNTRY FACT SHEET: CYPRUS

PROFILE

Population in 2011 (Millions): 1
 Capital: Nicosia
 Government: Republic

ECONOMY

	2009	2010	2011
Nominal GDP (Current Billions \$U.S.)	23.5	23.0	24.7
Nominal GDP Per Capita (Current \$US)	28,658	27,387	28,670
Real GDP Growth Rate (% change)	-1.9	1.1	0.48
Real GDP Growth Rate Per Capita (% change)	-4.5	-1.4	-2.1
Consumer Prices (% change)	0.17	2.6	3.5
Unemployment (% of labor force)	5.4	6.2	7.8
Economic Mix in 2008: 19.6% All Industries; 7.6% Manufactures; 78.3% Services; 2.1% Agriculture			

FOREIGN MERCHANDISE TRADE (\$US Millions)

	2009	2010	2011
Cyprus Exports to World	1,351	1,506	1,955
Cyprus Imports from World	7,933	8,645	8,789
U.S. Exports to Cyprus	179	134	97.3
U.S. Imports from Cyprus	53.0	11.1	20.8
U.S. Trade Balance with Cyprus	126	123	76.6
Position in U.S. Trade:			
Rank of Cyprus in U.S. Exports	127	132	155
Rank of Cyprus in U.S. Imports	135	162	156
Cyprus Share (%) of U.S. Exports	0.02	0.01	0.01
Cyprus Share (%) of U.S. Imports	0	0	0

Principal U.S. Exports to Cyprus in 2011:

1. Computer & Electronic Products (18.4%)
2. Machinery, Except Electrical (13.6%)
3. Miscellaneous Manufactured Commodities (7%)
4. Agricultural Products (6%)
5. Transportation Equipment (5.9%)

Principal U.S. Imports from Cyprus in 2011:

1. Goods Returned (Exports For Canada Only) (25.2%)
2. Computer & Electronic Products (22.6%)
3. Food & Kindred Products (17.8%)
4. Fish, Fresh/Chilled/Frozen & Other Marine Products (13.8%)
5. Minerals & Ores (5.4%)

FOREIGN DIRECT INVESTMENT

	2009	2010	2011
U.S. FDI in Cyprus (US \$Millions)	1,009	1,109	1,021
FDI in U.S. by Cyprus (US \$Millions)		3,082	2,649

DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 36 of 185
 Heritage/WSJ 2012 Index of Freedom Rank: 19 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Cyprus Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

U.S.-CYPRUS RELATIONS

The United States established diplomatic relations with Cyprus in 1960 following its independence from the United Kingdom. Shortly after the founding of the republic, serious differences arose between the Greek Cypriot and Turkish Cypriot communities about the implementation and interpretation of the constitution. The 1960s and early 1970s saw intercommunal violence and foreign intervention by Greece and Turkey. Since 1974, Cyprus has been divided de facto into the Republic of Cyprus controlled two-thirds of the island and the remaining one-third of the island, which is administered by Turkish Cypriots. In 1983, the Turkish Cypriots declared an independent "Turkish Republic of Northern Cyprus" ("TRNC"). The United States does not recognize the "TRNC," nor does any country other than Turkey. United Nations peacekeeping forces have maintained a buffer zone between the two sides.

The United States regards the status quo on Cyprus as unacceptable and supports efforts to reach a comprehensive settlement to reunify the island as a bizonal, bicomunal federation. Successive U.S. administrations have viewed intercommunal negotiations under UN auspices as the best means to achieve a fair and permanent settlement. The United States has urged all parties to intensify their work on behalf of peace and progress.

The United States works closely with Cyprus to advance our shared transatlantic priorities both bilaterally and in the context of our strategic partnership with the European Union, which Cyprus joined in 2004. Our bilateral partnership continues to grow in areas of common interest, such as promoting peace and security in the region, fostering opportunities for greater trade and investment, and protecting cultural heritage. A mutual legal assistance treaty and a Proliferation Security Initiative agreement on ship boarding facilitate bilateral cooperation.

U.S. Assistance to Cyprus

The U.S. goal in Cyprus is to build regional stability through a comprehensive settlement of the Cyprus dispute. U.S. assistance focuses on creating conditions conducive to the resolution of the dispute by promoting mutual understanding between the Greek Cypriot and Turkish Cypriot communities through support for activities that bring them together to design Cypriot solutions to common problems. U.S. assistance also seeks to address economic disparities between the two communities and promote expanded business and economic relationships between them.

Bilateral Economic Relations

The Republic of Cyprus is a member of the European Union. The EU's body of common rights and obligations (*acquis communautaire*) is suspended in the area administered by Turkish Cypriots pending a Cyprus settlement. U.S. exports and projects involving U.S. investment are primarily in the energy, financial services, tourism, logistics, and

consumer goods sectors. There may be additional opportunities for investment in Cyprus' growing energy sector. U.S. imports from Cyprus include agricultural products, salt, and minerals. Bilateral business ties also encompass a healthy exchange in services.

Cyprus's Membership in International Organizations

Cyprus and the United States belong to a number of the same international organizations, including the United Nations, Organization for Security and Cooperation in Europe, International Monetary Fund, World Bank, and World Trade Organization. Cyprus also is an observer to the Organization of American States.

Bilateral Representation

The U.S. Ambassador to Cyprus is [John M. Koenig](#); other principal embassy officials are listed in the Department's [Key Officers List](#).

Cyprus maintains an [embassy](#) in the United States at 2211 R Street NW, Washington, DC 20008 (tel. 202-462-5772).

More information about Cyprus is available from Department of State publications here:

<http://www.state.gov/p/eur/ci/cy/>

[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 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:

Cooperation with a Turkish Cypriot 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. The TCCC has a list of members with their respective line of business and contact information.

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

Other 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

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. In essence, 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, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that the Directive states that parties may not derogate 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 affecting 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 undertakings. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

Key Link:

http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.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-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF](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 register must first get 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 (for a fee of €8.54 or €25.36 to expedite the process.) The required forms may be submitted in person, through a lawyer, by mail, or online accompanied by a check in the name of the Registrar of Companies. It is possible to search though company names already registered in Cyprus by visiting this website:

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

After securing the legal entity's name, the company must submit the relevant documents for the legal entity's registration (i.e. Memorandum of Understanding, Articles of Association, etc.) according to the type of the legal form of the entity. In the case of registering a company (private or public) the documents must be submitted through an advocate / lawyer practicing in Cyprus. For a complete list of lawyers, visit the Cyprus Bar Association's website:

www.cyprusbarassociation.org

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 Cyprus
Ministry of Commerce, Industry & Tourism
13-15 Andreas Araouzou
1421 Nicosia
Cyprus

Tel. +357 22 409318 or 321
Fax: +357 22 409432
Email: onestopshop@mcit.gov.cy, pscopyprus@mcit.gov.cy
Website: www.businessincyprus.gov.cy

Non-EU residents wishing to establish a company in Cyprus need to obtain a residence and employment permit by the Civil Registry and Migration Department. The procedure and regulations for obtaining a work permit for non-EU nationals is described within the PSC Cyprus Portal.

Detailed Information regarding business incorporation and the basic registrations that need to be carried out by natural persons or legal entities, in order to establish a business in the Republic of Cyprus, is provided through the 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. One Stop Shop & Point of Single Contact operate under the auspices of the Ministry of Commerce, Industry and Tourism, 13-15 Andrea Araouzou, tel. +357 22 409318 or 321.

Depending on the business activity pursued, specific procedures may be required. A searchable index of procedures is available at the PSC Cyprus Portal:

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

Area Administered by Turkish Cypriots:

Both local and foreigners can set up a local business under equal circumstances and treatment with the same procedures. Only foreign branches are subject to the approval of "Council of Ministers". There are no restrictions on free movement of capital and almost all sectors are open to foreign capital. When the foreign investment takes place in construction and travel agency sectors, then there are certain rules requiring a Turkish Cypriot citizen's role play in the capital ownership or management of a company; in this case company may be established with 51% local participation. The establishment procedures begin by applying to the "Company Registry Office" for approval of the Company name.

In order to set up a company in the area administered by Turkish Cypriots, various documents need to be submitted to the "Official Receiver and Registrar ". For more information on how to invest, contact YAGA – the Turkish Cypriot Investment Development Agency – which is a one-stop-shop for both local and foreign investors:

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

Republic of Cyprus:

U.S. franchises, particularly in the food/beverage sectors, have been extremely successful in Cyprus in recent years. However, given the current economic downturn in the market, the franchising sector is slowing down. Companies that opened franchise outlets in Cyprus since 1990 include: McDonalds, Burger King, Starbucks, Coffee Beanery, Pizza Hut, Papa John's Pizza, KFC, Bennigan's, TGI Friday's, Orkin, Curves, Century 21, Remax, ERA, Cinnabon, Cold Stone Creamery, and Taco Bell Operation of these ventures results in returns in the form of licensing fees and royalty payments every year for U.S. and other foreign franchises.

Besides the U.S. franchises on the island, there are many Greek and other franchises including Folli Follie, Accessorize, Pita Pan, Goody's, Costa Coffee, Gloria Jeans, Second Cup, and Ocean Basket. Cypriots are brand-conscious, but the economic crisis is likely to have a dampening effect on the franchising sector in the near-term. .

U.S. companies interested in getting more information on the franchising sector in Cyprus can contact the Embassy 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 with high level of imports. Tourists, thousands of university students and brand-aware local consumers create a high demand for commercial goods imported from abroad. This is also the case for services provided by globally known brands.

Gloria Jean's Coffees (Australian) opened in December 2007 and the pest control company, Orkin, provided a master franchise in the region to a Turkish Cypriot company in 2010. Another U.S. franchise, fast food chain Johnny Rockets opened a store in the area administered by Turkish Cypriots in 2010. There is also a successful local fast food chain and franchises are a potential growth industry.

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 has been a growth industry for Cyprus in recent years, to the point where many local firms offer their services to customers in the region. 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 are widely used in the north. Generally, major campaigns and advertising materials come directly from Turkey. The Internet is also widely used in promotion efforts, and there are approximately 20 internet service providers with high-speed internet services (including 3G and ADSL).

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 at 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, 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 information available via the hyper-links, to check the relevant sections of national

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 tender projects, Cypriot companies join forces with foreign companies to prepare and submit bid proposals. The expertise of foreign companies in

certain sectors is necessary and their cooperation with local companies gives them an edge as well in terms of the locals' knowledge and expertise in the Cypriot market.

Area Administered by Turkish Cypriots:

It is required that foreign companies have a local partner if they wish to participate in a tender in the area administered by Turkish Cypriots. Foreign companies can also participate by establishing a local company.

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.

Selling to the Government

[Return to top](#)

Republic of Cyprus:

The government announces procurements for international or local tenders. With EU accession, the procurement law was amended to comply with EU laws and regulations. Tender documents are typically released in the Greek language, which is an official EU language. In most cases, U.S. companies may bid directly or through a local agent on any tender.

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 for electronic procurement where prospective bidders can 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 Department of Commerce in Washington, through the following website: www.stat-usa.gov, through the U.S. Embassy in Nicosia, 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.

Area Administered by Turkish Cypriots:

The “Central Tenders Commission” (CTC), which is under the “Ministry of Finance”, handles all “Government” tenders released in the area administered by Turkish Cypriots. In the case of “municipalities,” however, each “municipality” has its own tender board and follows its own regulations and procedures.

Tenders are announced in the “Official Gazette” or in a minimum of two local Turkish language newspapers. International tenders are also announced abroad as per the 1986 “By-Laws Governing State Tenders.” 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 EU public procurement market, including EU institutions and member states, totals approximately EUR 1.6 billion. This market is regulated by three Directives:

- 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 the following sectors: 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.

Remedy directives cover legal means for companies who face discriminatory public procurement practices. These directives are implemented in the national procurement legislation of the EU member states.

The U.S. and the EU 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.

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in the EU coverage of the GPA. The Utilities Directive allows EU contracting authorities in these sectors to either 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 is entitled to 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, were waived for the electricity sector.

For more information, please visit the U.S. Commercial Service at the U.S. Mission to the European Union website dedicated to EU public procurement.

Key Link:

<http://export.gov/europeanunion/grantstendersandfinancing/eu-fundedprogramsgrants/index.asp>

Distribution and Sales Channels

[Return to top](#)

Republic of Cyprus:

Most imported products and services are handled through agents and distributors. Although 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.

Most companies in Cyprus are relatively small and family-owned and operated, although there are some notable exceptions. A recent trend has been for foreign investors and companies, especially from Greece, to enter the market by purchasing existing companies on the island. There are several major local and European supermarket chains and a few department stores. There are also many small family-owned stores.

Area Administered by Turkish Cypriots:

The market structure in the area administered by Turkish Cypriots is mostly small and family-owned and operated businesses. Imports are also 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: www.cyprus.gov.cy

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) mentioned in the direct marketing section above 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

In July 2003, the EU started applying 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.

U.S. businesses mainly affected by the 2003 rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions. There are a number of compliance options for businesses. The Directive created 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.

Key Link: http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

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 been used 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 (see Chapter 9). Most newspapers are affiliated with particular political parties. The major Greek language newspapers are *Phileleftheros*, *Politis*, *Kathimerini*, *Alithia*, *Simerini*, and *Haravghi*. The major English language newspapers are the *Cyprus Weekly*, *Cyprus Mail* and the *Cyprus Financial Mirror*. There are sector specific magazines like *InBusiness* and *Gold* 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.

Area Administered by Turkish Cypriots:

The advertising sector in the area administered by Turkish Cypriots is not as developed as in the Republic of Cyprus, but there are a number of advertising agencies which undertake advertising issues and campaigns. 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, Ada 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, Yeniduzen, Gunes, Kibrisli, Ortam, Demokrat Bakis, Vatan, Afrika, Halkin Sesi, Cyprus Today, Volkan, Star Kibris, Havadis, Haberdar*. As in the Republic of Cyprus, most newspapers are affiliated with particular political parties.

European Union:

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." member states can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming will be subject to a code of conduct that will include a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below, though this Directive will be incorporated into the Consumer Rights Directive mentioned above by June 2014.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:

http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicines

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if

the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. The debate on the framework however is currently blocked in the member states and therefore, current varying systems at national level are in force.

Key Link:

http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the Use of nutrition claims such as “low fat” or “high in vitamin C” and health claims such as “helps lower cholesterol”. The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011 on information to consumers mentioned below.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states “high sugar content”. A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Key Link: <http://ec.europa.eu/nuhclaims/>

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Key link: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>

Food Supplements

[Directive 2002/46/EC](#) harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by Member States.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. The EU proposed a revision to the Tobacco Products Directive in 2012 with proposals to include bigger, double-sided health pictorial warnings on cigarette packages and plain packaging along with health warnings, tracking systems.

Key link: <http://ec.europa.eu/health/tobacco/products/revision/>

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, 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 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 www.investinnorthcyprus.org or www.ktto.net

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.

As of June 2014, Directive 1999/44/EC will be incorporated into the new Consumer Rights Directive previously mentioned.

Key link: http://ec.europa.eu/consumers/rights/gen_rights_en.htm

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property

[Return to top](#)

Republic of Cyprus:

IPR legislation in Cyprus is, on the whole, modern and comprehensive. Towards the end of 2012, the Cyprus House of Representatives passed the "Sampling and Reversal of the Burden of Proof" law, further bolstering IPR legislation. This new law makes police investigations of IPR cases simpler and facilitates processing through the judicial system. Additionally, Cyprus passed Copyright Law no. 207 (I) of 2012, providing higher penalties for IPR offenders, i.e. 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.

Software piracy remains flat at 48%, according to the 9th Annual BSA Global Software Piracy study (May 2012). This percentage is still relatively high compared to the Western Europe average of 33% but, nevertheless, lower than the Central and Eastern Europe average of 68%.

<http://globalstudy.bsa.org/2011/#>

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.

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 Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- 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.

Due Diligence

[Return to top](#)

In an effort to assist U.S. companies with their due diligence efforts on the island, the Commercial Section offers the International Company Profile (ICP) report service. This report is 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 each 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/>

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/turkce/index.asp>

European Union:

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:

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

For information on professional services located within each of the EU member states, please see EU Member State Country Commercial Guides which can be found at the following website [EU Member States' Country Commercial Guides](#)

Web Resources

[Return to top](#)

The U.S. Embassy in Nicosia, Cyprus

<http://cyprus.usembassy.gov>

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

<http://cyprus.usembassy.gov/commercial.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 a 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/el/>

Area Administered by Turkish Cypriots:

The official website of the Turkish-Cypriot Chamber of Commerce

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

The Turkish Cypriot Chamber of Industry website

<http://www.kktcsanayiodasi.org/index.php/tr/>

European Union:

Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:
http://eurlex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf

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

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

EU's General Data Protection Directive (95/46/EC):
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF>

Safe Harbor:
http://export.gov/safeharbor/eu/eg_main_018476.asp

Information on contracts for transferring data outside the EU:

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage :

http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules:

http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:

[http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF)

E-commerce Directive (2000/31/EC):

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

VAT on Electronic Service:

http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:

[http://ec.europa.eu/consumers/rights /](http://ec.europa.eu/consumers/rights/)

Information to Patients - Major developments:

http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006

[http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF)

Regulation on Food Information to Consumers:

[Regulation 1169/2011](#)

EU-27 FAIRS EU Country Report on Food and Labeling requirements:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Brussels%20USEU_EU-27_12-27-2012.pdf

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA

http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims

http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco

http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:

http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety

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

Legal Warranties and After-Sales Service:

http://ec.europa.eu/consumers/rights/gen_rights_en.htm

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML>

Industrial Property

http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark

http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)

<http://www.european-patent-office.org/>

Office for Harmonization in the Internal Market (OHIM)

<http://oami.europa.eu/>

World Intellectual Property Organization (WIPO) Madrid

<http://www.wipo.int/madrid/en>

U.S. websites:

IPR Toolkit: http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:

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

Local Professional Services:

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

[Return to table of contents](#)

[Return to table of contents](#)

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

[Commercial Sectors](#)

[Agricultural Sector](#)

Commercial Sectors

Opportunities For Investment

[Return to top](#)

Republic of Cyprus:

Current Tenders/Investment Opportunities:

The energy sector in Cyprus is experiencing unprecedented growth offering numerous opportunities to potential investors. From licenses for offshore hydrocarbons exploration off the coast of Cyprus, the commercialization of found resources, future development of an onshore LNG network for industrial and consumer use, logistics and service sector support for this emerging market and rapid growth in renewable energy projects, there are significant and varied opportunities for investing in Cyprus' energy sector. The Republic of Cyprus continues to streamline the processes for energy development and commercialization, with most of the responsibilities related to the sector located in the Ministry of Commerce and state-owned organizations like the Cyprus Energy Regulatory Authority (CERA), the Cyprus Public Natural Gas Company (DEFA) and the Electricity Authority of Cyprus (EAC). In 2012, the ROC established a public company registered under private law called the Cyprus National Hydrocarbons Company (CNHC or Greek acronym KRETYK), which is 100% owned by the government. Cyprus is beginning a restructuring of its energy supply and distribution system, which will include offshore exploration, the construction of onshore receiving and storage units, a Liquefied Natural Gas Terminal export facility, an on-shore gas distribution system and renewable energy production facilities. U.S. energy companies are well-regarded in Cyprus. The U.S. Embassy commercial team is prepared to assist any company interested in pursuing these and other significant opportunities.

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

The Republic of Cyprus, represented by the Ministry of Commerce, Industry and Tourism, held a "Second Licensing Round Offshore Cyprus Concerning the Authorization for Hydrocarbons Exploration" on February 11, 2012. 12 offshore blocks were available for bid submissions. Following all bid evaluations, the ROC awarded 5 blocks as follows: blocks 2, 3, and 9 to ENI/KOGAS and blocks 10 and 11 to TOTAL. The Ministry of Commerce, Department of Energy conducted its first Hydrocarbon Exploration Licensing Round for potential offshore oil and natural gas deposits on February 15, 2007 and awarded one block (block 12 or Aphrodite) to U.S. company Noble Energy, which recently announced its deposit findings of 5 – 8 tcf of natural gas. Noble will proceed with an appraisal drill in June 2013 to confirm its initial findings. As a result of these projects, many ancillary services and energy exploration and exploitation related companies are needed on the island in the immediate and near future. Interested companies can contact the Commercial Section of the American Embassy, Nicosia for more information at Tel.: +357-22-393362 or email: charalambidouey@state.gov.

2. Construction & Operation of Natural Gas Onshore Distribution Networks (ACE, OGS)

Once Cyprus has a Liquefied Natural Gas (LNG) supply, the Natural Gas Public Company of Cyprus (Greek acronym DEFA), will need a company with experience in the

construction and operation of NG onshore terminals and distribution networks for a future cooperation. U.S. companies with an interest in such projects should express their interest to DEFA as soon as possible.

3. Renewable Sources of Energy (OGS – REQ)

Under EU-mandated targets, Cyprus will have to reach at least 13% of total energy consumption from renewable energy sources (RES) by 2020. This is necessary for Cyprus to comply with directive 2009/28/EC, which requires EU member states to produce a pre-agreed proportion of energy consumption from renewable sources such that the EU as a whole shall obtain at least 20% of total energy consumption from renewables by 2020. Currently, only 5% of the island's energy needs are covered by RES.

Projects for renewable sources of energy are still pending, specifically in the following sectors: 1) solar photovoltaic electricity generation; 2) wind turbines electricity generation; 3) biomass for the production of electricity from organic waste; and 4) 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>

4. Casino Construction and Operation

The Republic of Cyprus (ROC) is pursuing legislation that would allow the release of international tenders for casino resort licenses in the near future and hopes to attract foreign investors. The government is concurrently pursuing legislation to regulate the casino sector appropriately in the event that casino gambling is approved by the parliament.

The Minister of Energy, Commerce, Industry, and Tourism announced on March 13, 2013 that he had asked the CTO to revise previous feasibility studies commissioned in 2005 on the viability of resort casinos to reflect today's needs and stated that he is hopeful that within the next two years the ROC will have its own casinos.

The primary aim of providing casino licensing and creating the infrastructure necessary is to attract more affluent tourists to the island. Competitors for the licenses may be expected to offer other year-round attractions including shows, golf courses, spas, or theme parks. All major cities expressed interest in having a casino.

5. Health/Medical Sector (HCS – DRG – MED)

The Health / Medical sector is undergoing major restructure. The government is now in the process of switching to a National Health Insurance Scheme (NHIS) that will cover all citizens through both the public and private sector. To implement this strategy, the government created the state-owned Health Insurance Organization (HIO). The costs of implementation the NHIS are estimated at over USD 1 billion. In the last few years, there have been several large development-stage projects aimed at upgrading the healthcare sector on the island targeted to attract international medical tourism and Cypriot clients. The economic downturn limited investment in the last year, but the sector is expected to pick up as the result of current restructuring efforts. Tenders for the implementation of the NHIS are expected within the coming year.

6. Science and Technology Collaboration Possibilities

On February 5, 2009 the United States Government and the Republic of Cyprus signed a Science and Technology Agreement. The purposes of this agreement are 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 collaborations between the United States and Cyprus on all levels of government, business, and academia.

7. Education – Energy related degrees from Cypriot Universities in Collaboration with U.S. universities:

With Cyprus' recent discovery of deposits of offshore natural gas, the potential for more discoveries and the growth of the energy sector on the island, many local universities created curricula that cover hydrocarbons, petroleum engineering, and related sectors. Cypriot universities are looking to create linkages with U.S. universities in these and other fields.

Area Administered by Turkish Cypriots:

1. Agricultural Sector

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.

2. Renewable Sources of Energy (OGS – REQ)

The T/C 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>

3. Health/Medical Sector

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 provided many health and medical needs to local residents who seek medical and health care at the private hospital. For more information visit <http://neareasthospital.com/>

European Union:

In his 2010 State of the Union address, President Obama announced the National Export Initiative (NEI) to renew and revitalize U.S. efforts to promote American exports abroad. The Obama Administration made it a top priority to improve the conditions that directly affect the private sector's ability to export – working to remove trade barriers abroad, helping firms to overcome hurdles in market entry and assisting with financing.

The Department of Commerce and the Commercial Service continue to be a major force in this effort. To contribute to NEI efforts within the European Union, Commercial Service EU has focused its work on: 1) avoiding the creation of unnecessary regulatory and standards barriers to transatlantic trade and investment in key emerging sectors; 2) working with the EU to remove common market access barriers in third countries and enforcing and protecting intellectual property rights; and 3) promoting entrepreneurship and innovation in support of SME development, job creation and economic growth.

U.S. Government engagement in such sectors as automotive (e-vehicles), chemicals, energy and environment (smart grids, renewables), health and medical technologies, and information and communications technology will continue to contribute towards meeting the goals of the NEI.

Overview

[Return to top](#)

	2012	2013
GDP (nominal)	16,573.0	17,285.9
Total EU Exports to the world	2,168.1	2,260.9
Total EU Imports from the world	2,304.1	2,280.1
Imports from the U.S.	265.1	284.77
Exports to the U.S.	380.8	422.8
2011 Exchange Rate (Euro Zone): 1 USD	.7783	.7623

Unit: USD billions

Data Sources:

2012: DOC/MAC/Country Fact Sheet;
2013: Eurostat exchange rate

Web Resources

[Return to top](#)

European Commission, Directorate-General for Trade, EU-U.S. trade factsheet:
http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113465.pdf

Agricultural Sector

[Return to top](#)

European Union:

Despite frequent disputes, bilateral agricultural trade between the United States and the EU-27 totaled \$29.9 billion in 2012. 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 (\$17.8 billion vs. \$12.1 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 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 (<http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports>).

[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.

Area Administered by Turkish Cypriots:

Tariff rates in northern Cyprus tend to be higher than in the Republic of Cyprus, depending on the product, and do not conform to the CCT. Tariffs are applied based upon 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).

European Union:

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. To determine if a license is required for a particular product, check the TARIC. 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.

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:

Property Acquisition

Cypriot law imposes significant restrictions on the foreign ownership of real property. Non-EU residents may purchase only a single piece of real estate (not to exceed three donums, or roughly one acre) for private use (normally a holiday home). Exceptions can be made for projects requiring larger plots of land but they are difficult to obtain and are rarely granted. In November 2011, the European Commission referred Cyprus to the EU Court of Justice over this issue for non-compliance with EU Treaty rules on the free movement of capital. The government has drafted amending legislation (currently pending before the House of Representatives) to address this problem.

Biotechnology

The ROC has adopted a number of restrictive biotechnology policies. On April 7, 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." The law was passed unanimously, despite earlier concerns about conflicts with commercial interests. Passage of this legislation capped nine years of effort by the local environmentalist party after several earlier efforts to adopt the measures. The European Commission has not raised any objections against this law, adopting the view that it would not impact the free flow of goods, and ruling that the notification procedure under Directive 2000/13/EC on labeling and food safety laws was not applicable. This law, which sets an important precedent in the EU, has been in effect since late 2011 but there have been no signs of its actual implementation, whether at supermarkets or other retail sales points.

On May 17, 2012, the House of Representatives passed a law providing "zero tolerance" of GMO-content in biotech 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 for new bioengineered crops considered by the EU, and has declared as "GMO-free" the area under the Natura 2000 project (corresponding to 11.5 % of the land area of the island). The government also advocates consistently EU member states' right of choice to decide for themselves whether to allow growing biotech crops on their soil. Additionally, the government commissioned a study in 2009 aimed at establishing that co-existence between bioengineered and conventional crops is impossible in Cyprus. The results of this study are expected in 2013.

Investment restriction in media companies

Cyprus restricts non-EU ownership of local mass media companies to 5 % or less for individual investors and 25 % or less for all foreign investors in each individual media company.

Construction

Under the Registration and Control of Contractors Laws of 2001 and 2004, the right to register as a construction 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 natural persons or legal entities may bid on specific construction projects, but only after obtaining a special license from the Cypriot Council of Ministers.

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 and licenses are only granted to individuals who have served as apprentices to licensed individuals for up to five years (changed from eight years). Existing real estate agents are trying to use the law to restrict new entrants in the local real estate market. 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. The government of Cyprus revised the law after the European Commission found it overly restrictive.

Professional recognition of medical doctors

As of October 2007, Cyprus complies fully with EU Directive 2005/36, allowing doctors who are either EU citizens or spouses of EU citizens to register to practice medicine in Cyprus. Doctors from non-EU countries can register only in "extreme cases."

Area Administered by Turkish Cypriots:

For more information on trade barriers, contact the Turkish Cypriot Chamber of Commerce at www.ktto.net.

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.fas.usda.gov/posthome/useu/>

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/>

Import Requirements and Documentation

[Return to top](#)

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 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 a 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 whoever 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/

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension.

The Modernized Customs Code (MCC) of the European Union is expected to be fully in place by June 2013. Some facets of the MCC have already been implemented including EU wide Economic Operators Registration and Identification (EORI) numbers. The MCC replaces existing Regulation 2913/92 and simplifies various procedures such as introducing a paperless environment, centralized clearance, and more. Check the EU's Customs website periodically for updates:

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

New 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 will take place in 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/linkhandler/cgov/trade/cargo_security/ctpat/ctpat_program_information/international_efforts/eu_faq.ctt/eu_faq.pdf

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. 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 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, 2013**: <http://echa.europa.eu/web/guest/reach-2013>. 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>

Material Safety Data Sheets (MSDS) must be updated 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. 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 the 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. The revised WEEE Directive expands the scope of products covered to include all electrical and electronic equipment. The expanded scope will apply from August 14, 2018. U.S. exporters seeking more information on the WEEE Directive should visit: <http://export.gov/europeanunion/weerohs/index.asp>

RoHS

The 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 WEEE 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 will apply from July 11, 2013. The new 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.fas.usda.gov/posthome/Useu/certificates-overview.html>

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. Commission Decision 2006/199/EC lays down specific conditions on imports of fishery products from the U.S. 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.

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1012/2012. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

Since June 2009, the unique 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.vignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

Exports of U.S. military goods to Cyprus are prohibited. Additionally, U.S. products that are considered dual-use items 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. This facility 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:

www.mof.gov.cy/mof/customs/customs.nsf/All/8AF9C47B94C88F2F4225778C003A0859?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 www.ktto.net.

Labeling and Marking Requirements

[Return to top](#)

Republic of Cyprus:

Since 1997, food products in Cyprus must comply with a strict law on the labeling of food products, requiring that the product name, ingredients, net contents, and country of origin be in the Greek language, in line with EU norms. A sticker with a Greek translation on the product is acceptable, provided it does not conceal the original label and it has the approval of the Ministry of Commerce, Industry, and Tourism. Additional information may be obtained directly from the Ministry of Commerce, Industry, and Tourism website:

www.mcit.gov.cy/mcit/mcit.nsf/dmlindex_en/dmlindex_en?OpenDocument

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 northern Cyprus than in the Republic of Cyprus 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.

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 importation of certain items is prohibited. 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 northern Cyprus, 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, fizzy soft drinks, smoked salmon, caviar, fur clothing, water faucets made of or coated by precious metals, crystal and porcelain products, 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 17% value added tax (VAT) on most goods and services. The Department of Customs has the following website:

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 in northern Cyprus 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>

European Union:

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:

- The [Security and Safety Amendment to the Customs Code](#), which provides for full computerization of all procedures related to security and safety;
- The Decision on the paperless environment for customs and trade ([Electronic Customs Decision](#)) which sets the basic framework and major deadlines for the electronic customs projects;
- The [Modernized Community Customs Code](#) which provides for the completion of the computerization of customs.

Key Link:

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

Homepage of Customs and Taxation Union Directorate (TAXUD) Website

Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

The EU imports in excess of 2 trillion euro worth of goods. It is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value.

The EU applies an internationally accepted concept of '[customs value](#)'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:

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

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

Overview

[Return to top](#)

Republic of Cyprus:

Cyprus 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, but some progress has been made due to efforts by 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."

European Union:

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to <http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main>.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: <http://www.fas.usda.gov/posthome/useu/about.html>

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website:
<http://www.fas.usda.gov/posthome/useu/about.html>

Standards Organizations

[Return to top](#)

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 aimed at ensuring the impartiality and integrity of the local system, while, at the same time, harmonizing 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/>

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 in northern Cyprus, but the Institute's main web site is:

www.tse.org.tr

Director Mr. Gokhan Karay is the northern Cyprus Representative and can provide additional information on tel. 00-90-392-2279639/40.

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>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates – or requests for standards - can be checked on line at: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kyrgyzstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "sectors" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU

legislation, expectations are that they will eventually serve as the basis for EU-wide standards.

Key Link: <http://www.cen.eu/cenorm/products/cwa/index.asp>

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a “Platform Committee” reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

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 systems are the Keymark, the CENCER mark, and CEN workshop agreements (CWA) Certification Rules. CENELEC has its own initiative. ETSI does not 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/>. 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.

European Union:

To sell products in the EU market of 27 member states – soon 28 - as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

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 issues in the area administered by Turkish Cypriots

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 with EN45003 or ISO/IEC Guide 58.

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 Publication of Technical Regulations issues in the area administered by Turkish Cypriots,

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](#)

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 30 different product groups, and approximately 1300 licenses have been awarded for several hundred products.

Applications to display the eco-label should be directed to the competency body of the member state in which the product is sold. The application fee will be somewhere between €300 and €1300 depending on the tests required to verify if the product is eligible. The eco-label also carries an annual fee equal to 0.15% of the annual volume of sales of the product range within the European community. However, the minimum annual fee is currently set at €500 and maximum €25,000.

There are plans to significantly reform the eco-label in the near future, reducing the application and annual fees and expanding the product ranges significantly. It is also possible that future eligibility criteria may take into account carbon emissions.

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

Or

Mr. George F. Demetriou
Economic Specialist
American Embassy
CY-1385 Nicosia
CYPRUS
Tel. +357-22-393361
E-mail: DemetriouGF@state.gov
Website: <http://cyprus.usembassy.gov>

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 in northern Cyprus, but the Institute's main web site is:

www.tse.org.tr

Director Mr. Gokhan Karay is the northern Cyprus Representative and can provide additional information on tel. 00-90-392-2279639/40.

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

Web Resources

[Return to top](#)

Republic of Cyprus:

Cyprus Organization for Standardization (CYS): <http://www.cys.org.cy/>

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

Cyprus Certification Company, a subsidiary of the CYS: <http://www.cycert.org.cy/>

Department of Customs:

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

Area Administered by Turkish Cypriots:

EU websites:

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

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF](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-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF](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-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF](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-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF](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/cenorm/sectors/index.asp>

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.fas.usda.gov/posthome/Useu/>

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

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

The New 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/weerohs/index.asp>

Overview of EU Certificates:
www.fas.usda.gov/gainfiles/200605/146187632.doc

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](#)

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 (ROC)⁵, a full EU member since May 1, 2004, has a liberal investment climate oriented towards the financial services sector. Best prospects for U.S. firms generally lie in the energy sector, particularly alternative energy source

⁵. Since 1974, Cyprus has been divided *de facto* into the Republic of Cyprus-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 UN Peacekeeping Force in Cyprus patrols the buffer zone separating the two sides, but people, narcotics, and other illicit goods routinely cross uncontrolled. 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.

generation, while the existence of natural gas and possible petroleum reserves off the southern and eastern coast of Cyprus offer new opportunities. Until the current banking crisis, U.S. food and beverage and other franchises and apparel licensors were also finding fertile ground for expansion in Cyprus. Other areas with relative potential are shipping, services, high technology sectors such as computer equipment and data processing services, environmental protection technology, medical and telecommunications equipment, and tourism development projects. Given the country's small market, Cyprus has not attracted much U.S. foreign direct investment relatively, but it is currently four times larger, at USD 1.0 billion, compared to investment levels seen in the middle of the last decade.

The 2012-2013 Cypriot financial crisis will significantly impact future policies. Initial bailout proposals include taxing bank deposits above the 100,000 euro deposit insurance threshold, privatizing state assets, restructuring the pensions and health systems, and raising corporate and value-added tax rates. Despite these dramatic reforms, the Cypriot economy is expected to shrink substantially over the next two years.

Keeping in mind the unfolding financial crisis, what follows was the status of Cyprus' investment climate in the period leading up to the current situation.

Cyprus offers many advantages to foreign investors, including a strategic geographic location, favorable business climate, low corporate and personal tax rates, modern legal, banking, and financial systems, excellent telecommunications and infrastructure, a highly-educated labor force, and widespread knowledge of English. These advantages have encouraged foreign investors to set up companies in Cyprus, structuring their investments through a holding company on the island, or investing directly. As a result, the number of annual company registrations has grown significantly since EU accession in 2004.

International companies may invest and establish business in Cyprus on equal terms with local investors in most sectors. Foreign investors can register a company directly with the Registrar of Companies, and are eligible to obtain any license, if needed, from the appropriate authority depending on the nature of investment.

Since 2004, the ROC had eliminated most capital restrictions and limits on foreign equity participation or ownership, thereby granting national treatment to investors outside the EU. While capital controls were imposed in early 2013, they apply equally to foreign and domestic owners. Non-EU investors (both natural and legal persons) may invest freely in Cyprus in most sectors, either directly or indirectly (including all types of portfolio investment in the Cyprus Stock Exchange). The only exceptions concern the acquisition of property and, to a lesser extent, ownership restrictions on investment in the sectors of banking, construction, mass media, and higher education (see "Right to Private Ownership and Establishment").

The ROC has a policy of nondiscrimination; there is no mandatory screening of foreign investment. Foreign investors can register a company directly at the Registrar of Companies through qualified accountants or lawyers, a procedure identical to that of local residents. Similarly, foreign investors may now acquire shares in an existing Cypriot company directly, without prior authorization by the Central Bank. They are expected, however, to inform the Registrar of Companies about any change in ownership status. 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. Furthermore, non-EU residents wishing to take up employment in Cyprus must obtain work permits issued by the Migration Department.

The Republic of Cyprus has Trade Centers (under the Ministry of Commerce, Industry and Tourism) in eleven locations outside Cyprus, including one in New York City handling trade with the United States of America, Canada, and Latin America. The full list of these offices is available at:

http://www.mcit.gov.cy/mcit/mcit.nsf/dmlindex_en/dmlindex_en?OpenDocument

The Cyprus Investment Promotion Agency (CIPA) established in 2007 and tasked with attracting foreign investment, advising foreign investors, and providing assistance to them. CIPA operates as a private organization reporting to the Ministry of Commerce, Industry, and Tourism. Through CIPA and the Ministry of Commerce, Industry and Tourism, ROC authorities offer expedited processing by other governmental departments for larger projects (over USD 2.5 million) in line with Cyprus' economic development goals and objectives. Additional information can be obtained from the two organizations directly:

Cyprus Investment Promotion Agency
Severis Building
9 Makariou III Ave.
4th Floor
Nicosia
1065 Cyprus
Tel.: +357 22 441133
Fax.:+357 22 441134
E-mail: info@cipa.org.cy
Website: www.cipa.org.cy

Competitiveness Rankings

The various global benchmarks reflect Cyprus' relatively liberal and transparent investment climate going into the 2012-2013 financial crisis: 36th of 185 countries in the 2013 World Bank's "Doing Business Index"; 47th of 142 in the World Economic Forum's Competitiveness Index; 20th in the Heritage Foundation 2012 Index of Economic Freedom; 29th of 176 in the Transparency International Corruption Index.

Summary of Third-Party Rankings

Index	Year	Ranking
Transparency Intl. (TI) Corruption Index	2012	29/176 or 83%
Heritage Economic Freedom	2012	20/184 or 71.8%
World Economic Forum Competitiveness Index	2012-13	58/144
World Bank, Doing Business (DB) Index	2013	36/185
World Bank, Worldwide Governance Indicators (WGI) :		Percent

Voice and Accountability	2011	82.9/100
Political Stability	2011	65.0 /100
Government Effectiveness	2011	91.0/100
Regulatory Quality	2011	86.0/100
Rule of Law	2011	85.0/100
Control of Corruption	2011	80.0/100

Area Administered by Turkish Cypriots

Since 1974, the southern two-thirds of Cyprus has been under the control of the government of the Republic of Cyprus, while the northern part of the island has been administered by Turkish Cypriots. In 1983, the northern part of the island declared itself the "Turkish Republic of Northern Cyprus" ("TRNC"), but this has not been recognized by any country other than Turkey. Turkish Cypriot authorities actively encourage foreign investment, targeting the transfer of advanced technology, technical skills, and export-oriented industries. There are no sectoral restrictions, except for projects deemed threatening to "national security." Complications arising, however, from the lack of international recognition of the "TRNC" and the absence of a comprehensive political settlement, including with regard to property, should be taken into consideration by the foreign investor (see section on "Protection of Property Rights" for additional information).

The authorities in the area administered by Turkish Cypriots established YAGA – the Turkish Cypriot Investment Development Agency – in 2007 with the aim of creating a one-stop-shop for both local and foreign investors:

“North Cyprus Investment Development Agency”

Tel: 90 392 228 9378

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

E-mail: mehmet.yildirim@investinnorthcyprus.org

The Turkish Cypriot Chamber of Commerce (TCCC) publishes an annual Competitiveness Report on the Turkish Cypriot economy, based on the World Economic Forum methodology. The TCCC 2011-2012 Competitiveness Report ranked northern Cyprus 118th among 142 economies.

Conversion and Transfer Policies

[Return to top](#)

Republic of Cyprus:

Up until the March 2013 crisis there were no restrictions on the transfer of funds in and out of the country pertaining to foreign investors, including remittances for investment capital, earnings, loan repayments, lease payments or other business transactions. Since March 2013, extensive capital controls have been introduced to prevent massive capital flight. At this time it is unclear when the controls will be lifted. For guidance on the current status of capital controls, please consult the Central Bank's website:

<http://www.centralbank.gov.cy>

Area Administered by Turkish Cypriots:

There is no limitation on the transfer of goods and proceeds from the area administered by Turkish Cypriots. Foreign investors may take part in the operation and/or management of a company, repatriate all investments and all capital (if anticipated in the initial article of association of the company), take part in profits, and transfer and reinvest profits, including the trade of currency. The financial systems in the two parts of the island are almost completely separate. 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.

Expropriation and Compensation

[Return to top](#)

Republic of Cyprus:

The ROC only expropriates private property for public purposes in a non-discriminatory manner and in accordance with established principles of international law. In cases where expropriation is necessary, due process is followed and there is transparency of purpose. Investors and lenders to expropriated entities receive compensation in the currency in which the investment is 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:

Turkish Cypriot authorities state that nationalization has never been part of their policy and that they do not contemplate any such action in the future. However, Turkish Cypriot authorities do not grant any protection for Greek Cypriot properties in the north. For information pertaining to the risks associated with investing in Greek Cypriot property in the north or in Turkish Cypriot property in the GOC-controlled area, please see the section on "Protection of Property Rights."

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.

Dispute Settlement

[Return to top](#)

Republic of Cyprus:

There have been no outstanding expropriation/nationalization cases or outstanding investment disputes in recent years. However, it should be noted that resolution of commercial and/or investment disputes through Cyprus' normal judicial system takes a long time -- on average, between three and five years. Effective means are available for enforcing property and contractual rights.

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 is appointed when the parties' attorneys cannot settle a dispute between the parties to an agreement. The court may enforce an arbitral award in the same way as a judgment. 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 (KEBE, from the local acronym, <http://www.ccci.org.cy/>) offers arbitration, chiefly for domestic disputes, under International Court of Arbitration (ICC) rules. For more info: www.jurisint.org/en/ctr/62.html

The private sector also offers arbitration options. The Cyprus Arbitration and Mediation Centre (CAMC) is a non-profit organization established in 2010 that offers domestic and international arbitration based on UNCITRAL rules. For more info: www.cyprusarbitration.com.cy/default.asp?pid=28
www.triantafyllides.com/highlights-of-cyprus/86/24

In late 2012, Andreas Neocleous & Co LLC, a leading law firm on the island, established the Euro-Mediterranean Alternative Dispute Resolution Centre in Limassol. For more info: www.neocleous.biz/gr/download/busop_ccica.htm
www.neocleous.com/index.php?pageid=49&pageaction=neo&modid=102&newid=1524

In addition to arbitration, mediation is also available in Cyprus, through KEBE. Although it does not result in enforceable decisions, mediation can sometimes help resolve disputes. The ROC passed a law in 2012 sanctioning international and domestic mediation. This law designates the following three bodies to act as mediators: the Cyprus Bar Association, KEBE, and the Scientific and Technical Chamber of Cyprus (ETEK).

Area Administered by Turkish Cypriots:

The foreign investor may make use of all the rights guaranteed by the "domestic legal" framework. Private dispute resolution is not available in the area administered by Turkish Cypriots. Alternatives to the formal "court system" in the north, to bring about settlement via arbitration or mediation, do not exist. The resolution of commercial and/or investment disputes through the "judicial system" takes a long time - on average around five years.

Performance Requirements and Incentives

[Return to top](#)

Republic of Cyprus:

A low level of taxation has been Cyprus's primary competitive advantages. Cyprus has had one of the lowest corporate tax rates currently in the EU at 10%, although this is likely to rise to 12.5 percent after April 2013. 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 45 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:
www.businessincyprus.gov.cy

Cyprus does not have a rigid system of performance requirements for foreign investment across the board and has signed the WTO's Trade-Related Investment Measures (TRIMS) agreement. Applications by non-EU residents for investment in Cyprus are judged on their own merit.

Area Administered by Turkish Cypriots:

The area administered by Turkish Cypriots offers incentives for investing on "state property," but prospective investors should be knowledgeable about the risks associated with the purchase, lease, or use of property. The "TRNC Constitution" (Article 159 (1) (b), May 7, 1985) defines "state property" as: "All immovable properties, buildings, and installations which were found abandoned on 13 February 1975 when the "Turkish Federated State of Cyprus" was proclaimed or which were considered by law as abandoned or ownerless after the above-mentioned date, or which should have been in the possession or control of the public even though their ownership had not yet been determined ... and ... situated within the boundaries of the "TRNC" on 15 November 1983 ... notwithstanding the fact that they are not so registered in the books of the Land Registry Office."

The Republic of Cyprus rejects such claims outright and, specifically, it does not recognize title changes effected in the north by the Turkish Cypriot administration since 1974. As stated under the "Protection of Property Rights" section of this report, potential investors should be cautious and obtain independent legal advice concerning purchasing or leasing property in the north.

The North Cyprus Investment Development Agency was created in late 2007 with the responsibility of approving all investment and providing incentives. Contact information:

"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:

Aside from real estate acquisition issues, outlined in the next section, several other restrictions infringe on the foreign investor's right to private ownership and establishment in Cyprus. For example, current ROC legislation restricts ownership of local electronic mass media companies (e.g. TV and radio stations, but excluding print media) to a

ceiling of 25% of each local media company for EU investors, and to just 5% of each local media company for non-EU investors.

Under the Registration and Control of Contractors Laws of 2001 and 2004, 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.

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 (whether listed on the Cyprus Stock Exchange or not).

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. As stated under the "Protection of Property Rights" section of this report, potential investors should be cautious and obtain independent legal advice concerning purchasing or leasing property in the north.

Protection of Property Rights

[Return to top](#)

Republic of Cyprus:

EU nationals and companies domiciled in any EU country are not subject to any restrictions when buying property in Cyprus. By contrast, ROC law imposes significant restrictions on the foreign ownership of real estate by non-EU residents. Non-EU persons and entities may purchase only a single piece of real estate (not to exceed three donums, or roughly one acre) for private use (normally a holiday home). Exceptions can be made for projects requiring larger plots of land (i.e., beyond that necessary for a private residence), but they are difficult to obtain and are rarely granted.

The Acquisition of Real Estate (Aliens) Cap and the Amending Laws of 2003, in force since May 1, 2004, provide that non-EU member state citizens, legal entities registered in non-EU countries, and EU-registered legal entities controlled by non-EU citizens (as per the definition below), can acquire real estate subject to the approval of the relevant District Administration Offices. In case the real estate concerned exceeds two donums (one donum = 1338 square meters), approval may be granted only for residential purposes (not exceeding an area of three donums), professional or commercial premises, and industrial sectors deemed beneficial for the Cypriot economy and relate to the production of products or the utilization of new technology and/or technological know-how.

The definition of a legal entity controlled by non-EU citizens is as follows, 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 belongs by 50% or more to non-EU citizens;
- Either its 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, District Administration Offices can be contacted through the Ministry of Interior website:

http://www.moi.gov.cy/moi/da/dadmin.nsf/dmlindex_en/dmlindex_en?OpenDocument

The legal requirements and procedures for acquiring and disposing of property in Cyprus are complex, but professional help by real estate agents and developers can ease the burden of dealing with government bureaucracy. This procedure involves Central Bank verification that funds from abroad are to be used by non-EU residents to purchase real estate. It also involves final approval by the Council of Ministers, which is given routinely for holiday homes.

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.

Investors are advised to consider the risks associated with Greek Cypriot property in the north and Turkish Cypriot property in the ROC-controlled area. Several high-profile cases have already been brought before the European Court of Justice and other international bodies, while other cases are still pending.

The following GOC website provides additional information on the risks of investing in the northern part of Cyprus:

http://www.mfa.gov.cy/mfa/properties/occupiedarea_properties.nsf/index_en/index_en?OpenDocument

There are restrictions on investing in Turkish Cypriot property in the ROC-controlled area. The Turkish Cypriot Property Management Service (TCPMS), established in 1991, administers properties of Turkish Cypriots who are not ordinarily residents of the GOC-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.

Area Administered by Turkish Cypriots:

The absence of a comprehensive political settlement poses an inherent risk for the foreign investor interested in buying or leasing property in northern Cyprus. Potential investors should be cautious and obtain independent legal advice concerning purchasing

or leasing property in the north. Unless the property in question was in Turkish Cypriot hands prior to 1974, it will be very unlikely that the title to the land will be free and unchallengeable. The Republic of Cyprus does not recognize title changes in the north since 1974. Foreign buyers of land may also face legal challenges from those displaced in 1974 either in Republic of Cyprus courts or courts in their country of residence. In response to the ECHR's 2005 ruling in the Xenides Arestis case that Turkey's "subordinate local authorities" in Cyprus had not provided an adequate local remedy for claims, Turkish Cypriot authorities established an "Immovable Property Commission (IPC)" to handle claims (please see website below). In a March 2010 ruling, the ECHR recognized the IPC as a domestic remedy. The IPC had reportedly received 4400 applications by January 2013.

<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 backing a Greek Cypriot person's efforts to claim trespassing (the Orams case), effectively voiding property transfers of Greek Cypriot property in the north. As a result of the ruling, the Orams -- a British couple, who had bought the land and built a holiday home on it -- have been ordered to pay compensation and court fees, demolish the home, halt all improvements on the property, and deliver it to its legal owner. This ruling by the Cypriot court is enforceable against the Orams' assets in the UK per the UK Court of Appeal and the European Court of Justice. Lawyers believe that the effect of this case is that assets of any individual in an EU member state could be attached in settlement of property cases in northern Cyprus based on court decisions in the Republic of Cyprus.

Foreign investors have the right to claim any damages that have been made by non-legal means or by incorrect performance of responsibilities by the authorities.

Transparency of Regulatory System

[Return to top](#)

Republic of Cyprus:

Existing procedures and regulations affecting business are generally transparent and applied in practice without bias.

In some cases, U.S. companies competing on government tenders have expressed concerns about lack of transparency and the appearance of bias in decisions made by the technical committees responsible for preparing specifications and reviewing tender submissions. The U.S. Embassy monitors these tenders closely to ensure a level playing field for U.S. businesses.

Area Administered by Turkish Cypriots:

The area administered by Turkish Cypriots has made strides in recent years in terms of adopting a more transparent regulatory system. However, the level of transparency still lags behind EU or U.S. standards. A common complaint among the business community in northern Cyprus is that the court system is overloaded, resulting in long delays.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Republic of Cyprus:

Cyprus has modern and efficient legal and accounting services. EU accession on May 1, 2004 was instrumental in establishing an efficient capital market in Cyprus through the abolition of such restrictions as the interest rate ceiling in 2001 and exchange controls for residents. However, the March 2013 crisis has reversed much of this progress, causing a massive upheaval in the island's otherwise efficient banking and financial sector. The outcome of this crisis is still being assessed, although it is clear that the banking sector will consolidate considerably. Capital controls, introduced on a temporary basis in March 2013, remain in place for the time being (June 2013).

Credit to foreign and local investors alike is allocated on market terms. The private sector has access to a variety of credit instruments, which has been enhanced through the operation of private venture capital firms. The banking sector is generally sound and well-supervised.

The Cyprus Stock Exchange (CSE), launched in 1996, is one of the EU's smallest stock exchanges, with a capitalization of around Euros 0.8 billion (USD 1.0 billion) at the end of 2012. The CSE and the Athens Stock Exchange (ASE) operate 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.

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. 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 (whether listed on the CSE or not).

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 the Euro, U.S. dollar, and British Pound are frequently used. The vast majority of borrowing comes from domestic sources and Turkey. There is no stock exchange in the area administered by Turkish Cypriots.

There are currently 22 "domestic" banks of which 7 are branch banks, plus a Development Bank operating in the area administered by Turkish Cypriots. The total number of deposits, which includes bank, public, individual and other was around USD 1.1 billion as of December 2012. Out of the total, bank deposits were around USD 613 million as of December 2012.

Competition from State Owned Enterprises

[Return to top](#)

Republic of Cyprus:

Cyprus has about a dozen organizations exclusively or majority-owned by the state, providing common utilities and other essential services. Some of these may be

considered for privatization in light of the 2012-2013 financial crisis. The most important of these organizations are:

- Electricity Authority of Cyprus
- Natural Gas Public Company of Cyprus
- Cyprus Telecommunication Authority
- Cyprus Ports Authority
- Cyprus Airways
- Cyprus Tourism Organization
- Cyprus Land Development Corporation
- Cyprus Broadcasting Corporation
- Cyprus State Fairs Authority
- Human Resource Development Authority of Cyprus
- Central Agency for Equal Distribution of Burdens
- Cyprus Sport Organization
- Cyprus Youth Board

These organizations' boards of directors typically include politically-affiliated individuals. They generally follow good corporate governance practices, such as filing annual reports and submitting their books to independent audits.

For more information on the Commission for the Protection of Competition, responsible for the harmonious operation of the market and fair competition, please visit:

http://www.competition.gov.cy/competition/competition.nsf/index_en/index_en?opendocument

Area Administered by Turkish Cypriots:

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

Some of these organizations are:

- K-PET - Turkish Cypriot Petrol Corporation
- KIBTEK - Turkish Cypriot Electricity Board Telecommunications
- BRTK - State Television and Radio Broadcasting Corporation
- Cyprus Turkish News Agency
- Agricultural Products Corporation
- Turkish Cypriot Milk Industry
- Turkish Cypriot Tobacco Products Corporation
- Cypruvex Ltd. - Citrus Facility
- EMU - Eastern Mediterranean Foundation Board

Corporate Social Responsibility

[Return to top](#)

In recent years, CSR awareness among both producers and consumers is 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.

Political Violence

[Return to top](#)

There have been no incidents of politically-motivated serious damage to foreign projects and or installations since 1974, although potential foreign investors should have a basic understanding of the current political situation. Since 2004, when the Republic of Cyprus joined the EU as a full member, the EU *acquis communautaire* has been temporarily suspended in the northern part of the island due to the unresolved political situation. Reunification negotiations between the Greek Cypriot and Turkish Cypriot leaders under UN auspices continue to the present day.

The partial lifting of travel restrictions between the two parts of the island in April 2003 has allowed the movement of persons between the two parts of the island, with a volume of close to a million crossings (in both directions) per year.

The Green Line Regulation provides special rules for trade across the buffer zone. The maximum allowable ceiling on the total value of goods contained in the personal luggage of persons crossing the Green Line is currently Euros 260 (USD 333). Details on the Green Line Regulation are available from:

http://ec.europa.eu/cyprus/turkish_cypriots/green_line_regulation/index_en.htm

In August 2004, new EU rules allowed goods produced in the north to be sold in the south, provided they were produced or "substantially transformed" in the north. Shortly thereafter, Turkish Cypriot authorities adopted a new regulation mirroring the EU rules and allowing certain goods produced in the south to be sold in the north. Trade between the two communities remains limited, making up only about 0.1% of each community's total imports (although a more significant portion – over 15% – of Turkish Cypriot community exports). In 2012, Green Line trade from the Greek Cypriot community to the Turkish Cypriot community amounted to Euros 1.0 million (USD 1.3 million). Green Line trade in the opposite direction (Turkish Cypriot community to Greek Cypriot community) amounted to Euros 8.9 million (USD 11.4 million) in the same year.

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; however, in some cases, U.S. companies competing on government tenders have expressed concerns about lack of transparency and the appearance of bias in decisions made by the technical committees responsible for preparing specifications and reviewing tender submissions. Cyprus ranked 83% on the 2012 Transparency International Corruption Index and 80% 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 disbursements and receipts and

has the right to inspect all accounts on behalf of the Republic. In her most recent Annual Report, the Auditor General identifies specific instances of mismanagement or deviation from proper procedures in the civil service. Since 1991, Cyprus has also introduced the institution of the "Ombudsman," who oversees the acts or omissions of the administration.

Cyprus cooperates closely with EU and other international authorities on fighting corruption and providing mutual assistance in criminal investigations. Cyprus has signed the European Convention on Mutual Assistance on Criminal matters and is in the process of ratifying it. 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 has signed and ratified (in 1999 and 2001, respectively) the Criminal Law Convention on Corruption and has joined the "Group of States Against Corruption-GRECO.

Area Administered by Turkish Cypriots

Although the Embassy is unaware of any recent complaints from U.S. businesses involving corrupt practices in the north, anecdotal evidence suggests that corruption and patronage continue to be a factor in the economy, despite efforts to introduce standards of transparency in licensing and tendering.

Corruption, both in the public and private sectors, constitutes a criminal offense. The "Audit's Office" controls all disbursements and receipts and has the right to inspect all accounts. In the Annual Report, the "Audit's Office" identifies specific instances of mismanagement or deviation from proper procedures in the civil service.

U.S. Government Guidance on Corruption:

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-bribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Anti-bribery Convention: The OECD Anti-bribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Anti-bribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Anti-bribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive

measures against corruption provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco).

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors,

encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html
- See also new Anti-bribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic

evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

[Return to top](#)

While the United States does not share a bilateral investment treaty (BIT) with Cyprus, the ROC Ministry of Foreign Affairs and the U.S. State Department have exchanged letters on the reciprocal protection of investments. Cyprus is a party to 23 bilateral investment treaties (BITs) with the following countries: Armenia, Belarus, Belgium and Luxembourg, Bulgaria, China, Czech Republic, Egypt, Greece, Hungary, India, Iran, Israel, Italy, Jordan, Lebanon, Malta, Montenegro, Poland, Qatar, Romania, Russian Federation, Serbia, and Seychelles. However, currently only 16 of the above treaties have entered into force. Treaties with Iran, Israel, Italy, Jordan, Montenegro, Qatar and Russian Federation are awaiting ratification.

Taxation Treaties: Cyprus and the United States have shared a Taxation Convention since 1986. 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 entered into bilateral double tax treaties with a total of 45 countries. The main purpose of these treaties is the avoidance of double taxation of income earned in any of these countries. Under these agreements, a credit is usually provided for tax levied by the country in which the taxpayer resides for taxes imposed in the other treaty country. The effect of these arrangements is normally that the taxpayer pays no more than the higher of the two rates. For more information on Cyprus' bilateral double tax treaties:

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 ROC. Cyprus is a member of the Multilateral Investment Guarantee Agency (MIGA).

Labor

[Return to top](#)

Republic of Cyprus:

Cyprus' labor force is estimated at 378,300 persons. The breakdown by broad sector is: services, 73.3% (including 27.1% trade and tourism); industry and construction, 19.1%; agriculture and mining, 7.6%.

The harmonized rate of unemployment in Cyprus has risen sharply in the last two years, reaching 14% at the end of 2012, and exceeding the corresponding averages of both the Euro area and the EU 27. Given the current financial crisis, this level will likely increase.

Cyprus has a high per capita rate of college graduates, including many U.S. university graduates and offers an abundant supply of white-collar workers. English is widely spoken.

In response to labor shortages in recent years, more women have joined the labor force (women are now about 45% of the labor force, compared with 33.4% in 1980). A growing number of Cypriots repatriated from abroad in recent years but this trend is very likely to be reversed as the effects of the March 2013 crisis hit the real economy.

The legislated minimum wage (effective January 2013) for sales assistants, clerks, paramedical, and child care staff is currently USD 1,114 per month, rising to USD 1,183 after six months' employment. Neither amount is sufficient to provide a decent standard of living for a worker and family. All other occupations, including unskilled workers, are covered under collective bargaining agreements between trade unions and employers within the same economic sector, and the wages set in these agreements are significantly higher than the legislated minimum wage. Existing legislation requires that

foreign workers receive at least the minimum wage. However, foreign domestic servants have a separate minimum wage. As of January 2012, the minimum net wage for live-in domestic servants was USD 424 per month, plus their room and board.

Currently, about 70% of the labor force is unionized (compared to 80% in 1980), which gives the unions a strong say in collective agreements. Head-on confrontations between management and unions do occur, although long-term work stoppages are rare. A recent study by Harvard University covering 60 countries found that union power in Cyprus was perceived to be "the strongest in the world," while labor relations were "relatively peaceful." International business companies are not required to hire union labor. Wages and salaries economy-wide are adjusted for inflation twice a year through an automatic Cost of Living Allowance (COLA). Up until 2011, about 65% of employees in Cyprus benefited from COLA. However, since late 2011, the ROC has temporarily suspended COLA for civil servants, in an effort to assist the government's fiscal consolidation efforts. Correspondingly, many employers in the private sector have also followed suit over the past two years.

Residency and Employment Permits

Non-EU residents wishing to establish a company in Cyprus need to obtain a residence and employment permit by the Civil Registry and Migration Department. The process of applying for and obtaining such permits can be complex. A Temporary Residency application (without the right to work in Cyprus) requires a bank guarantee and a full medical insurance certificate, valid for one year, along with other official forms. Applying for an employment permit is more complicated, involving, for example, a requirement on the part of the employer to place an ad in local media, as well as on EURES (the EU's seasonal employment portal) for the specific position. Only if there are no other applicants from Cyprus or the rest of the EU after six weeks can the GOC consider the non-EU applicant. Applying for permanent residency requires continued presence in Cyprus for over five consecutive years, being over the age of 30 and having a clean police record. (Domestic helpers are excluded from this policy.) Such applications are reviewed on a case-by-case basis by an inter-agency committee, comprising Ministry of Commerce, Ministry of Interior, Ministry of Labor, and other officials.

Individuals meeting ONE of the following criteria below (approved in October 2011) may apply for Republic of Cyprus citizenship, provided they are over the age of 30, have a clean police record, and possess a permanent residence in the ROC with a current value in excess of Euros 1 million (USD 1.3 million):

- Have direct investments worth over Euros 10 million (USD 13 million) including, among others, immovable property, companies or businesses, shares or securities issued and registered in Cyprus;
- Maintain complete control over a company (or companies) incorporated in Cyprus with an average turnover of at least Euros 10 million (USD 13 million) per year over the three years prior to their citizenship application; or with at least one-third of their employees being Cypriots;
- Maintain personal deposits in Cypriot banks of over Euros 15 million (USD 20 million) for a period of at least five years;

-- Have combined assets from any combination of the above in excess of Euros 15 million (USD 20 million); or

-- Pay in Cyprus (either directly, or through companies that they control) annual income tax, or business services fees in excess of Euros 500,000 (USD 640,000) on average per year for three years prior to their citizenship application.

Area Administered by Turkish Cypriots:

The labor force in the area administered by Turkish Cypriots was estimated at 107,514 by the "State Planning Office" in October 2011, out of which 97,103 were employed and 10,411 were unemployed.

The breakdown of employment by sector was as follows at the end of 2011: 3.7% in agriculture, 8.7% in construction sector, and 80.3% in services (including in trade and tourism). The minimum wage for the private sector in general was 1,300 Turkish Lira (TL) per month (approximately USD 700) effective December 2010. The rate of unemployment was estimated to be approximately 9.7% as of December 2010. Registered unemployment has been falling steadily over the last three years.

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. English is widely spoken. 32.2% of the labor force is composed of women in 2011.

Foreign persons obtain work permits through their employer. Foreign persons have the option of importing their key personnel, and employers can hire trainees and part-time workers. Full-time working hours are 39 hours per week.

Around 10% of private sector workers and more than 65% of "semi-public" and "public sector" workers belong to labor unions. The "law" allows unions to conduct their activities without interference, and the authorities generally protected this right in practice.

Foreign-Trade Zones/Free Ports

[Return to top](#)

Republic of Cyprus

Cyprus has two 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 ROC legislation. The Department of Customs has jurisdiction over both areas 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.

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

Mr. Yiannakis Kokkinos
Director General

Cyprus Ports Authority
P.O.Box 22007
1516 Nicosia
23, Kritis Street
1061 Nicosia
tel. +35722-817200, X-0
fax: +35722-762050
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," there exists a "free port and zone" area in Famagusta.

Operations and activities permitted there are as follows:

- 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.
- 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 if "brass plate" company figures are included. Following is a link to the United Nations Conference on Trade and Development (UNCTAD) "2012 World Investment Report":

[http://unctad.org/en/Pages/DIAE/World Investment Report/WIR2012_WebFlyer.aspx](http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/WIR2012_WebFlyer.aspx)

In 2011, according to Central Bank of Cyprus, the net inflow of FDI (excluding “brass plate” companies) reached Euros 987 million (USD 1.4 billion), while the net outflow from Cyprus reached Euros 608 million (USD 845 million). (Note: If “brass plate” company data were included, these figures would have been much higher. However, since 2011, official FDI statistics exclude “brass plate” company figures because of reliability issues.) About 70% of this investment (in both directions) was with EU member states. In 2011, the stock of FDI in Cyprus reached Euros 16.0 billion (USD 22.2 billion), while the stock of investment from Cyprus to the rest of the world reached Euros 9.7 billion (USD 13.5 billion).

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 2011, the stock of U.S. Foreign Direct Investment (FDI) on the island was catapulted to USD 4,430 million (from U.S. USD 195.4 million in 2010) making up 20.0% of Cyprus' total stock investment. This was the result of massive, new investment in “Professional, Scientific, and Technical Activities.” The Central Bank’s confidentiality regulations do not allow a more detailed breakdown but it is believed this was energy-related investment. The net inflow of U.S. investment into Cyprus was USD 94.5 million in 2011. Other projects involving U.S. investment in recent years have focused on services, specifically (in order of magnitude): finance and insurance (including re-insurance, and pension funding); 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/nqcontent.cfm?a_id=12490&lang=en

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=11094

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=11128

Additional information on foreign direct investment statistics can be obtained from:

<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 northern Cyprus since 1974 has come from Turkey – both from the government and private sector. The sectors which have attracted the most investment are tourism and real estate.

Additional information on foreign direct investment in the north can be obtained from:

<http://www.investinnorthcyprus.org>

American Embassy in Nicosia:

<http://cyprus.usembassy.gov>

Commercial Section in Nicosia:

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

Republic of Cyprus

Government of Cyprus portal:

<http://www.cyprus.gov.cy>

Ministry of Foreign Affairs:

http://www.mfa.gov.cy/mfa/properties/occupiedarea_properties.nsf/index_en/index_en?OpenDocument

Point of Single Contact (Ministry of Commerce, Industry and Tourism):

<http://www.businessincyprus.gov.cy>

Cyprus Investment Promotion Agency:

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

Ministry of Interior:

<http://www.moi.gov.cy/da>

Ministry of Finance:

<http://www.mof.gov.cy>

Central Bank of Cyprus:

<http://www.centralbank.gov.cy>

Department of Merchant Shipping:

<http://www.shipping.gov.cy>

Cyprus Bar Association:

<http://www.cyprusbarassociation.org>

Green Line Regulation:

http://ec.europa.eu/cyprus/turkish_cypriots/green_line_regulation/index_en.htm

Commission for the Protection of Competition:

http://www.competition.gov.cy/competition/competition.nsf/index_en/index_en?opendocument

Area Administered by Turkish Cypriots

"TRNC State Planning Organization":

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

Turkish Cypriot Chamber of Commerce:
<http://www.ktto.net>

“North Cyprus Investment Development Agency:”
<http://www.investinnorthcyprus.org>

[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.

How Does the Banking System Operate

[Return to top](#)

Republic of Cyprus:

The Cypriot banking system is currently undergoing significant consolidation and restructuring. The foreign exchange controls introduced on a temporary basis since the end of March 2013, constitute a significant hurdle that needs to be overcome before normality is restored in the local banking sector. These controls are described in detail below 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 closely 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:

The area administered by Turkish Cypriots went through a severe banking crisis from 1999 to 2001, which resulted in the closure of several banks and in financial losses for hundreds of local depositors. The crisis was fuelled mainly by the Turkish financial crisis but also by inadequate supervision. Banking supervision in the north has improved significantly in the past few years. The “Central Bank” oversees and regulates the 22 on-shore banks, many of which have correspondence relationship with foreign banks. 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.

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

Foreign Exchange Controls

[Return to top](#)

Republic of Cyprus:

Restrictive Measures on Banking

Under the "Enforcement of Restrictive Measures on Transactions in case of Emergency Law of 2013," Cypriot authorities (the Ministry of Finance and the Central Bank) continue to restrict banking transactions through successive decrees posted on both agencies' websites. These restrictions have eased off gradually since they were first introduced on March 28, 2013. However, the continued enforcement of these measures acts as an impediment to the free flow of capital and is a disincentive to investment. The Cypriot business community has demanded the full abolition of these controls but authorities are proceeding cautiously to avert the risk of capital flight.

Due to the changing nature of these capital controls, it is best to consult the Central Bank's website for the latest measures in effect:

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

Foreign banks may apply to the Central Bank of Cyprus for exemption from the capital controls. Generally transactions with international customers are not subject to any restrictions. International customers are defined as (1) non-residents of Cyprus, and (2) any corporation, trust, partnership, or legal entity in which 100% of the ultimate beneficial owners are non-resident natural persons or a company listed on a recognized exchange outside the Republic of Cyprus). By May 24, 2013, a total of 12 foreign banks had been exempted from these controls, as per the following link:

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=1

Several local firms and NGOs post useful information on their websites concerning the CB's restrictive measures, such as the ones below:

<http://www.bakertillyklitou.com/default.aspx?articleID=2320>

<http://www.cipa.org.cy/media-center/industry-news/>

Area Administered by Turkish Cypriots:

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.

Republic of Cyprus:

Cyprus currently hosts a total of 42 banks, 14 of which 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 domestic banks and a Development Bank, of which seven are branches of Turkish banks. 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 following website:

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

Republic of Cyprus:

Since June 2012, Cyprus' sovereign credit rating has been rated "junk" by all three major credit rating agencies. 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 in recent months 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.

The March 2013 decision to haircut deposits over € 100,000 at the island's two largest banks (by up to 60% for the BOC, and by 100% for Laiki) has had a negative effect on trade. The continued uncertainty in the banking sector and Cyprus' low credit ratings compound credit-related problems. In practice, Cypriot companies have been finding it much harder to obtain goods on credit in recent months, and most suppliers (whether in Cyprus or abroad) currently insist on prepayment or cash on delivery.

Area Administered by Turkish Cypriots:

Due to the “TRNC’s” lack of international recognition, both domestic banks and businesses currently have very 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. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports 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 accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The EU provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds program are distributed through the member states’ national and regional authorities, and are only available for projects in the 27 (soon to be 28) EU member states. All grants for projects in non-EU countries are managed through the Directorate-General EuropeAid in conjunction with various European Commission departments, such as DG Regional Development.

EU Structural Funds

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. From 2007 – 2013, the EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs. In addition to funding economic development projects proposed by member states or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member states negotiate regional and “sectoral” programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/atlas2007/index_en.htm

For projects financed through the Structural Funds, member state officials and 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 meet with DG Regional Development officials and local officials in Member States to discuss local needs.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation and EU Treaty rules. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is highly advisable to team up with a local partner to gain credibility and demonstrate references.. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. 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 EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU member states from Central and Eastern Europe. These projects are generally 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 offers assistance to EU member states in the fields of science, technology, communications, energy, 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 on:

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

External Assistance Grants

“Development and Cooperation – EuropeAid” is a new Directorate-General (DG) responsible for designing EU development policies and delivering aid through programs and projects across the world. It incorporates the former Development and EuropeAid DGs. 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 country 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 form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link:

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 and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is €11.4 billion.

Key Link: http://ec.europa.eu/enlargement/index_en.htm

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 Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is €11.9 billion for 2007-2013.

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 the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2012, the EIB lent EUR 52 billion for projects. 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.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB created a list of projects to be considered for approval and posted the list on its website. 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>

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

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>

Republic of Cyprus:

Central Bank of Cyprus

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=1

Area Administered by Turkish Cypriots:

Turkish Cypriot Banks Association

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

[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 in Cyprus are not very different from 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 a 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 Embassy's website: <http://cyprus.usembassy.gov>. Any foreigner arriving in Cyprus must possess a valid passport except EU passengers who can enter the island with only their European identification.

Visa Requirements

[Return to top](#)

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 information contact the Consular Section of Embassy Nicosia at +357-22-393939. Information is also available on the Embassy website: <http://cyprus.usembassy.gov/visas.html>

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/visa/>

Area Administered by Turkish Cypriots:

U.S. citizens do not need visas to enter the area administered by Turkish Cypriots. U.S. citizens can enter the area administered by Turkish Cypriots either directly (through the Ercan airport and the Kyrenia and Famagusta seaports) or from the government-controlled area (at one of the 7 current crossing points over the UN-patrolled green line). Since 1974, the Cypriot government has designated Larnaca and Paphos international airports, and the seaports of Limassol, Larnaca, and Paphos, as the only legal points of entry into and exit from Cyprus. These ports are all in the Republic of Cyprus.

The Government of Cyprus considers entry or exit via any other air or seaport an illegal act. Until 2004, visitors choosing to arrive at “non-designated” airports and seaports in the north were not allowed to cross the United Nations-patrolled “green line” to the government-controlled area in the south. In June of 2004, however, Cypriot authorities implemented new EU-related crossing regulations that allowed Americans (and citizens of most other countries) to cross freely regardless of their port of entry into Cyprus.

Visitors arriving in the Republic of Cyprus are normally able to cross into the area administered by Turkish Cypriots without hindrance, although on occasion difficulties are encountered 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 quite advanced and efficient. More than 190 countries can be reached through fully automatic direct dialing. Installation services are usually offered within a few days notice. Telefax service is available, as is the internet. Cyprus uses GSM cellular phone technology on European frequencies and standards. Both the Cyprus Telecommunications Authority (CyTA – a semi-governmental organization) and MTN (previously Areeba) provide cellular phone services. MTN also offers Blackberry services. PrimeTel offers fixed line services and internet line although it is currently considering entering the cellular phone market. All telecommunication services are controlled by the Office of the Commissioner of Telecommunications and Postal Regulations: http://www.ocecpr.org.cy/nqcontent.cfm?a_id=1

Area Administered by Turkish Cypriots:

The “Telecommunications Authority” in the north provides telephone, telex, fax and telegram transmission services. The telephone service is integrated into the Turkish market and uses the Turkish country code. Two private companies, KKTCell (subsidiary of Turkish company Turkcell) and Telsim (now owned by the British Vodafone Company in Turkey) provide GSM-Mobile services (including 3G) in the north. Internet services are widely available, including broadband services.

Transportation

[Return to top](#)

Republic of Cyprus:

Traveling within Cyprus is by taxi and bus service or rental car. Bus services are not as frequent or convenient as in many other EU countries, although the government is currently working to improve this service across the island. Taxis are metered. The cost for a taxi from the airport to Nicosia is around Euro 50.00 (depending on the rate of conversion; currently approximately USD 68). 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 of Cyprus. 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 sea borne passenger traffic, acting also as transshipment center for the region.

Area Administered by Turkish Cypriots:

Means of public transportation in the north is by bus or taxi. Rental cars services are also available. The distances are relatively short and the roads are in fairly good condition. Because the Republic of Cyprus actively discourages the use of its air space for flights into Ercan airport (an airport it considers illegal), only Turkish and Turkish Cypriot 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 transhipped 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. Press is available in many languages (European and other). English is usually preferred in business dealings. Turkish is widely spoken in the area administered by Turkish Cypriots.

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:

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 provided many health and medical needs.

Republic of Cyprus:

The list of holidays observed by businesspersons in Cyprus for 2013:

January 1	New Year's Day
January 6	Epiphany Day
March 18	Green Monday - Start of Lent
March 25	Annunciation Day
April 1	Cyprus National Day
May 1	Labor Day
May 3	Good Friday
May 6	Easter Monday
June 24	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 – but stores remain closed on Saturday if there is a national holiday). The months of July and August are relatively slow months because many businesses are closed for summer vacations. We recommend that you avoid making appointments during Christmas and Easter holidays as well.

Government Offices:

Monday – Friday: 7:30 – 16:00

(Note: Starting September 1, 2013 Government Offices will work from 8:00 a.m. to 16:30 p.m. Monday through Friday).

Banking sector:

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

Tuesday – Friday: 7:30 – 14:30

(Note: The banks are closed on Monday afternoon starting from May and until October).

Private sector 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. Private sector hours are the same year round.

Business travelers to Cyprus seeking appointments with U.S. Embassy Nicosia officials should contact the Commercial Section in advance. The Commercial Section can be reached by phone at +357-22-393520 or +357-22-393362, by fax at +357-22-393923 or through email: nicosiaecon@state.gov.

Area Administered by Turkish Cypriots:

Public holidays for 2013 are:

January 1	New Year's Day
January 24	Prophet's Birthday
April 23	Children's Day
May 1	Labor Day
August 8	Ramadan Bairam
August 9	Ramadan Bairam
August 10	Ramadan Bairam
30	Victory Day
October 15	Kurban Bairam
October 16	Kurban Bairam
October 17	Kurban Bairam
October 18	Kurban Bairam
October 29	Republic of Turkey Day
November 15	TRNC 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

Private sector 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. Private sector hours are the same year round.

Banks:

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

Factories: (Monday – Friday)

07:30 – 16:00

07:30 – 16:00

Business travelers to the area administered by Turkish Cypriots seeking appointments with U.S. Embassy Nicosia officials should contact the Commercial Section in advance. The Commercial Section can be reached by phone at +357-22-393520 or +357-22-393362, by fax at +357-22-393923 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.cm.gov.nc.tr/>

TRNC" Presidency Website: <http://www.kktcbasbakanlik.org/>

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:

The government websites 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

Through this website there are links to all Ministries and independent services.

Ministry of Foreign Affairs

Minister	Mr. Ioannis Kasoulides Tel.: +357-22-401200 Fax: +357-22-663649
Permanent Secretary	Ambassador Andreas Mavroyiannis 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 Lakkotrypīs 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. Tasos Mitsopoulos 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. Egly 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?Op	

[enDocument](#)

Ministry of Health

Minister	Mr. Petros Petrides Tel.: +357-22-605303 Fax: +357-22-434189
Permanent Secretary	Mr. Dionysis Mavronicolas 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
Permanent Secretary	Andreas Assiotis 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. George Papageorgiou 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. Charalambos Tsouris 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/Pages/Home.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. Stathis Kittis 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

Commissioner	Dr. Polys Michaelides 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 Shammas 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	

Public Company for Natural Gas (PCNG – 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

General Manager	Mr. Yiannakis Kokkinos Tel.: +357-22-817200 Fax: +357-22-765420
Email: cpa@cpa.gov.cy Website: http://www.cpa.gov.cy/CPA/page.php?pagelD=1&langID=13	

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 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 OEB):

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”

“Ministry”	“Minister”	Address	Telephone	Fax
“Prime Ministry”	“Prime Minister” Mr. Irsen Kucuk	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 31 41	(+90) (392) 227 52 81
“Ministry of Foreign Affairs”	Mr. Huseyin Ozgurgun	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 32 41	(+90) (392) 228 42 90
“Ministry of Economy Energy”	Mr. Sunat Atun	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 31 16	(+90) (392) 228 52 04
“Ministry of Finance”	Mr. Ersin Tatar	Lefkoşa – “TRNC” Via Mersin 10	(+90) (392) 228 3341	(+90) (392) 227 82 30

		Turkey		
“Ministry of Public Works and Transportation”	Mr. Hamza Ersan Saner	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 36 66	(+90) (392) 228 18 91
“Ministry of Interior”	Mr. Nazim Cavusoglu	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 611 1100	(+90) (392) 6111322
“Ministry of Labor and Social Security”	Mrs. Serife Unverdi	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 2286 848	(+90) (392) 228 64 54
“Ministry of Education and Culture”	Mr. Mutlu Atasayan	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 31 36	(+90) (392) 228 23 34
“Ministry of Agriculture”	Mr. Ali Cetin Amcaoglu	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 35 95	(+90) (392) 228 69 45
“Ministry of Health and Social Welfare”	Dr. Ertugrul Hasipoglu	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 31 73	(+90) (392) 228 38 93
“Ministry of Tourism, Environment and Natural Resources”	Mr. Unal Ustel	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 89 629 611 2200	(+90) (392) 2279 675

“Public and Private Organizations”

Organization Name	“Directors”	Address	Telephone	Fax
“State Planning Organization”	“Under Secretary”: Mr. Ali Korhan	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 31 41	(+90) (392) 228 59 88
“Department of Official Receiver and Registrar”	Mr. Kemal Ozcakir	Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 43 45	(+90) (392) 227 22 05
“Central Bank”	“Governor”: Mr. Bilal San	Lefkoşa – “TRNC” Via Mersin 10	(+90) (392) 228 32 16	(+90) (392) 228 86 07

		Turkey		
“Development Bank”	Dr. Ahmet Atanel	P.O. Box 29 Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 84 40	(+90) (392) 227 82 55
“Free Port and Zone Administration”	Mr. Hasan Curcioglu	Magusa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 365 11 64	(+90) (392) 365 47 75
Cyprus Turkish Chamber of Industry	President: Mr. Ali Cirali	Sanayi Bolgesi Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 45 96	(+90) (392) 2258 130
Turkish Cypriot Chamber of Commerce	President: Mr. Gunay Cerkez 	Bedreddin Demirel Caddesi Lefkoşa – “TRNC” Via Mersin 10 Turkey	(+90) (392) 228 37 60	(+90) (392) 228 30 89

U.S. Embassy Trade Personnel

The Embassy’s Commercial Unit is in the main chancery. An American Economic/Commercial Officer is assigned to the Embassy for a three-year tour and supervises the Economic/Commercial 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 or +357-22-393362. The fax number is +357-22-393923. The Commercial 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
Tel: 32.2.811.5034
William.Thorn@trade.gov

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

Market Access and Trade Compliance Attaché (*As of Summer 2013*)
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/>

For Information on Customs-related Matters within the European Union:

Mr. Heinz ZOUREK, Director General
Directorate General Taxation and Customs Union
Rue de la Loi 200
B-1049 Brussels
Tel: 32. 2.299.50.50
Fax: 32.2.296.90.46
Website: http://ec.europa.eu/taxation_customs/index_en.htm

European Commission - Directorate - General Enterprise and Industry

Avenue d'Auderghem 45/Rue Belliard 100
B – 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

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/>

Standards Contacts:

Mr. George W. Arnold
Director
Standards Coordination Office
National Institute of Standards & Technology
100 Bureau Dr.
Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: <http://ts.nist.gov/Standards/Global/about.cfm>

CEN – European Committee for Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19
Website: <http://www.cen.eu/>

CENELEC – European Committee for Electrotechnical Standardization

Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71

Fax: 32.2.519.69.19
Website: <http://www.cenelec.eu/>

ETSI - European Telecommunications Standards Institute

Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16
Website: <http://www.etsi.org/>

NORMAPME – European Office of Crafts Trades and Small and Medium-Sized Enterprises for Standardization

Rue Jacques de Lalaing 4
B – 1040 Brussels, Belgium
Tel: 32.2.282.05.30
Fax: 32.2.282.05.35
Website: <http://www.normapme.com/>

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization

Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30
Website: <http://www.anec.org>

ECOS – European Environmental Citizens Organization for Standardization

Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.55
Fax: 32.2.894.46.10
Website: <http://www.ecostandard.org/>

EOTA – European Organization for Technical Approvals (for construction products)

Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14
Website: <http://www.eota.be/>

Business Associations:

AmchamEU

53 Avenue des Arts
B-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 Cortenbergh 168
1000 Brussels, Belgium
Tel: 32.2.237.65.11
Fax: 32.2.231.14.45
Website: www.businessseurope.eu

Tech America Europe

40 Rue des Drapiers
B-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
B-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 go to 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 aims to double exports over five years by marshaling 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

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

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.

[Return to table of contents](#)