

REDOMICILIATION AND TALENT EMPOWERS **CYPRUS'** **SHIPPING SECTOR**

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Cyprus is one of Europe's most attractive maritime centres, a jurisdiction that offers not only a reputable flag, but a complete package for shipowners, ship managers, and maritime investors. Through targeted initiatives, the Government has developed a framework that combines competitiveness, certainty, and a commitment to sustainable shipping.

The Green Incentives Scheme, approved by the Council of Ministers in 2024, grants up to a 30% reduction in annual tonnage tax for vessels achieving measurable emission reductions or meeting recognised efficiency standards. This complements the EU-approved Tonnage Tax System, extended to December 2029, which taxes shipowners, charterers and managers on fleet tonnage rather than profits, effectively exempting qualifying income and related dividends from corporate tax. In addition, employees earning over €55,000 from first employment in Cyprus enjoy a 50% income tax exemption.

Further incentives strengthen Cyprus' position as a shipping hub. There is no capital gains tax on shares in shipowning companies, and no withholding tax on dividend distributions to non-residents. The Shipping Deputy Ministry's digital transformation, under its long-term "SEA Change 2030 strategy", alongside to "CYSh1P" one-stop-shop portal, is digitalizing ship registration, tonnage tax management and crew certification through online platforms, aiming for full digitalisation of services by 2030.

Equally important is the immigration and naturalisation framework introduced under the Council of Ministers Decision No. 92.018 of 15 October 2021, which forms part of the national Strategy for Attracting Companies to Cyprus. Under this framework, employees of Cypriot

shipping companies engaged in high-skilled employment may qualify for Cypriot citizenship, enabling international shipping groups to attract and retain talent in Cyprus.

Limassol is serving as the island's maritime capital, home to a strong network of ship management companies, classification societies, and professional service providers.

Cyprus gives **shipping companies** a stable place to grow.

In his address at the opening of the Maritime Cyprus 2025 Conference in Limassol, Cyprus President, Mr. Nikos Christodoulides noted that over the past two years, Cypriot shipping has recorded "impressive growth", with the Cyprus ship registry increasing by 20%, the greatest rise in two decades, while the number of companies registered under the tonnage-tax system rose by 15%. This growth reflects the success of ongoing reforms and the trust gained by the global maritime community in Cyprus as a reliable EU maritime hub.

It is therefore no surprise that an increasing number of international shipping companies are choosing to redomicile to Cyprus by transferring their seat of incorporation to the island.

Redomiciliation of Shipping Companies to Cyprus

Redomiciliation offers foreign shipping companies a practical and strategic route to establish a long-term presence in Cyprus without

interrupting their legal or commercial continuity. It allows a company to retain its corporate identity, assets, and contractual relationships, while benefiting from Cyprus' incentives regime.

In practice, the redomiciliation procedure before the Cyprus Registrar of Companies involves the following stages (as per Companies Law, Cap. 113 - continuation provisions):

- Step 1 (approx. 3–4 weeks): The foreign company ensures that its Memorandum and Articles of Association permit continuation in another jurisdiction and prepares the required supporting documents, including apostilled certificates of incumbency, good standing, and shareholder resolutions authorising the transfer to Cyprus.

- Step 2 (approx. 2 months): After the examination of the relevant application and the supporting documents, the Cypriot Registrar verifies compliance with all legal requirements and a Temporary Certificate of Continuation (TCC) is issued. From this point, the company is deemed to be a legal entity governed by Cyprus law, enjoying all corresponding rights and obligations.

- Step 3 (approx. 2–3 weeks): The TCC is submitted to the competent authority in the company's original jurisdiction to obtain a Certificate of Discontinuation (CD), confirming that it is no longer registered there.

- Step 4 (approx. 2 weeks): The CD and relevant application are filed with the Cyprus Registrar, who then issues the Certificate of Continuation, formally completing the company's permanent registration under Cypriot law.

All documents originating from abroad must be apostilled or notarised, as appropriate, to be accepted by the Cypriot authorities.

High-Skilled Employment and Naturalisation Incentives

Once a company is registered in Cyprus, one of its key advantages is access to the naturalisation framework for high-skilled employees under Article 111B(2) of the Civil Registry Law and Council of Ministers Decision No. 92.018 of 15 October 2021. This regime forms part of Cyprus' Strategy for Attracting Companies, and it

expressly includes Cypriot shipping companies among eligible employers.

Under this scheme, foreign employees working in Cypriot shipping companies may apply for Cypriot citizenship by naturalisation, provided they meet certain requirements, including:

- Continuous legal residence in Cyprus for at least 12 months prior to applying, with total absences not exceeding 90 days.

- Additional residence in Cyprus for a cumulative period of four or three years in the preceding decade, depending on the applicant's Greek language proficiency (A2 or B1).

- Good character, adequate knowledge of Greek and Cypriot society, stable income, and an intention to permanently reside in the Republic.

The category of high-skilled employees covers individuals employed in senior or specialised positions, such as Directors, Managers, or Key Personnel, as well as professionals earning at least €2,500 per month and holding a university degree or at least two years of relevant professional experience.

Applicants employed by the company for at least two years may request accelerated examination of their application. Spouses, partners, and dependent family members can also apply if they meet the relevant residence and language criteria.

The scheme allows Cypriot shipping companies retain and attract skilled professionals, since many employees choose to relocate or remain in Cyprus to take advantage of the opportunity to obtain Cypriot citizenship through long-term and high-skilled employment.

Conclusion

Cyprus has built a clear advantage as a maritime centre. For shipping companies, it offers a place where business can grow with confidence, supported by skilled personnel. As the industry moves toward greener and more transparent practices, Cyprus stands out as a stable and forward-looking base for global shipping.

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