



Freemont Group

I welcome you to the October 2016 edition of our newsletter.

In this issue, we discuss the latest changes of the Cyprus Citizenship Program, Cyprus' Foreign Investor's Naturalisation Scheme, and the Forex Sector in Cyprus.

We also cover an array of interesting topics including Grenada's citizenship by investment programs, and Cyprus' latest tax treaty with Latvia, as well as update on the Cyprus – Ukrainian DTA agreement.

Concerning the UAE, we highlight the New Bankruptcy Law and overview the latest agreements signed by the DIFC and Abu Dhabi Free Zone. We also cover the Intellectual Companies in Dubai.

And in Freemont news, executives from Freemont Group attended as participants numerous conferences and seminars worldwide.

I sincerely hope you enjoy reading our newsletter and we are happy to receive your feedback and welcome your suggestions.

George Philippides

Chairman

Highlights on Cyprus

Improved Cyprus Citizenship Program

The program has become more attractive, as on 13th September 2016, the Cyprus Government stated that the Council of Ministers approved revised criteria lowering the threshold for granting Cypriot citizenship to investors.

Key amended criteria:

Investment:

For individual applications and the collective investment scheme, the required minimum investment has been reduced to €2 million from €5 million and €2,5 million respectively.

Citizenship for the parents:

An applicant's parents are now eligible to apply for Cyprus citizenship in case that they own a residential property worth at minimum €500.000. Otherwise, the investor and parents can purchase one property with a total value of minimum €1 million.

Investing in governmental bonds:

The investment has been reduced to €500.000 from €2.5 million.

Residence permit:

To get the Cypriot Citizenship, applicants must be holders of a residence permit in Cyprus. Therefore, applications for residence permits can be submitted to the Authorities at the same time of submitting Citizenship application.

Benefits:

- a) Permitted travel, reside and work within the European Union
- b) The application process takes 3 months only
- c) Investment should be kept for 3 years only
- d) Low government costs for the application
- e) Dual citizenship is allowed and the acquisition of citizenship is not reported to other countries

Foreign Investor's Naturalisation Scheme: Alternative Investment Funds (AIFs)

The Permanent Secretary of the Ministry of Finance of the Republic of Cyprus has recently stated that AIFs Funds established in the Republic of Cyprus and licensed by the Cyprus Security Commission and which invest exclusively in Cyprus, in investments eligible for the naturalization program can be regarded as approved financial investment for the foreign investors naturalization scheme.



Therefore, they consider that is necessary that eligible investment is retained for three (3) years, and a mechanism of reporting and verification, satisfactory to both Ministry of Finance and Interior, should be established.

Finally, the Ministry of Finance is presently under the review of the criteria for foreign investors naturalization scheme.

In 2016 we launched our Citizenship by Alternative Investment Funds programme, which allows investors to apply for citizenship by establishing an AIF. For more information and for a complimentary consultation please contact us as info@freemontgroup.com

Forex sector continues to grow in Cyprus

GRS Global Recruitment Solutions has recently brought to light that Cyprus' foreign exchange sector is growing. The Forex sector was not affected by Cyprus' economic setbacks due to the economic downturn.

By adding retail Forex as a duly regulated financial product under the Markets in Financial Instruments Directive (MiFID) (Directive 2004/39/EC), the Cyprus Regulator, the Cyprus Securities and Exchange Commission (CySEC) has made Cyprus the second EU Member State to do so in Europe, following in the footsteps of the FCA in the UK. Thus, many international Forex brokers have decided to choose Cyprus over other jurisdictions to benefit from passporting to Europe. There are currently 193 CySEC regulated and registered entities in Cyprus.

Furthermore, Cyprus continues to attract a high number of binary options firms. It should be noted that in 2012, CySEC was the first financial regulator that was globally recognised to regulate binary options as a financial instrument, and ever since the legislation allowing trade in international markets came into force, binary trading has risen in popularity. As a result, some of the world's biggest financial institutions now also add binary trading options to their portfolios of financial trading instruments.

Grenada: The Caribbean's most Family Friendly Citizenship Program by Investment

Grenada launched its Citizenship by Investment Programme in August 2013 enabling individuals to acquire permanent residence and citizenship of Grenada.

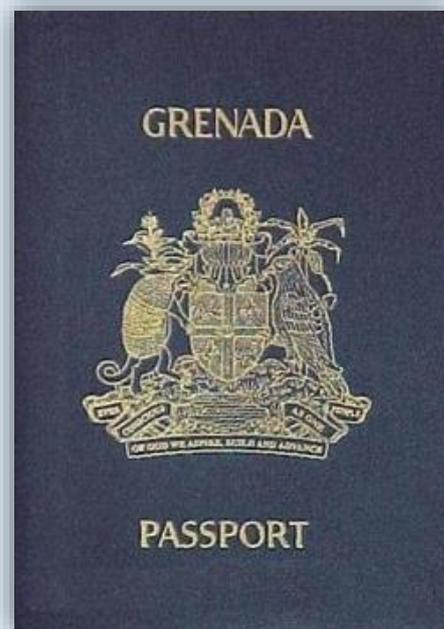
There are currently two programmes:

1. through a contribution/donation to the National Transformation Fund (NTF)
2. by acquiring government approved real estate.

Both programmes offer lifetime citizenships that can also be passed on to descendants.

Grenada's citizenship by investment programmes are considered to be the most family friendly out of all the other Caribbean citizenship by investment programmes, as it does not charge exorbitant processing and due diligence fees for spouses and family members, and also allows the possibility for a newborn child to obtain citizenship for a very low cost.

Grenada is also an attractive option for international businessmen looking for security and travel options for their families, offering visa-free travel to more than 135 countries. It also offers a speedy application process,



as quick as 60 days for approval and issue of passport, and has no visitation requirement for applicants to qualify for citizenship.

The real estate option of Grenada requires a minimum of US\$350,000 investment into a government approved real estate and the donation option requires a contribution in the amount of US\$200,000 for a family of four, into the national fund.

To find out more about Grenada's citizenship by Investment Program and for a complimentary consultation please contact us at info@freemontgroup.com

Cyprus and Latvia Tax Treaty



Cyprus and the Republic of Latvia signed the Treaty for the Avoidance of Double Taxation on Income in Brussels on 25th May 2016. The treaty will contribute to the further improvements in the trade and generally in economic relations.

The improvement, maintenance and extension of the existing network of treaties for the avoidance of Double taxation, which are of great political and economic importance, aim at further enhancing and attracting foreign investments, and promoting Cyprus as an international business centre.

The treaty is based on the OECD Model Convention for the Avoidance of Double Taxation on Income and on Capital. The agreement will enter into force once the countries complete the constitutional procedures and notify the other side. The provisions will be effective from the beginning of 2017.

Update in Double Tax Treaty between Cyprus and Ukraine

The protocol amending the double tax treaty (the old treaty between Cyprus and the USSR) was signed on 20th December 2015. With the effect of the protocol, the two provisions have been changed:

The withholding tax on dividends paid shall apply as follows:

- 5% on withholding tax on dividends paid in the case that the beneficial owner of the dividends is a company holding at least 20% of the capital of the company paying the dividends and has invested in the acquisition of the shares worth at least €100,000.
- 10% in all other cases

The withholding tax on interest paid is increased to 5%

Capital gains from the sale of shares of property rich companies where at least 50% of the value of assets represents immovable property will be taxable in the country where the immovable property is located

The above provisions shall not apply in cases of alienation of shares:

- Where shares or the alienator are listed on an approved stock exchange

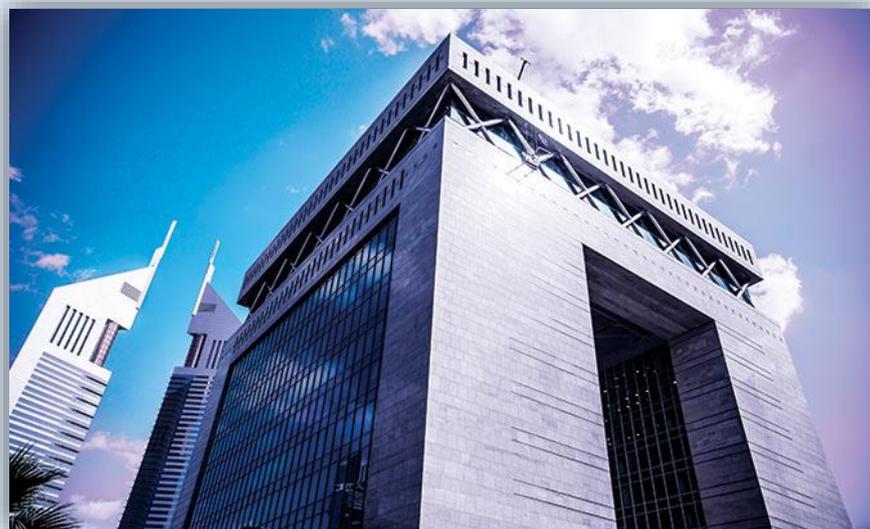
- Where the immovable property from which the shares derived their value is the immovable property from where the business is carried out
- Where shares belong to public companies or the alienator is a public company
- In the course of corporate reorganization
- Similar interest in Real Estate Funds
- Where the alienator is a pension fund, provident fund or similar entity

Notably, Cyprus has been granted the most favoured nation provision, indicating that in the case where Ukraine, after 2 July 2015, enters into a Double Tax Agreement (DTA) with another country under which the provisions are more favourable in terms of dividends, interest, royalties and capital gains than those provided in the Cyprus – Ukraine DTA, then the agreement will be amended to incorporate more favourable rates and provisions. The Protocol is estimated to enter into force on 1 January 2019.

Highlights on the UAE

Growing the confidence and investment with a New Bankruptcy Law in the UAE

There has been a long debate over the New Bankruptcy Law and finally the positive signs have appeared. As we have informed earlier, the law is designed to encourage investment in the region making the UAE a more attractive place to invest, while reducing the barriers to enter the market.



Rather than punish investors who previously faced the threat of jail, the new law aims to assist a company and give it a longer time period to recover.

Under the existing legislation, companies and businesses that faced financial distress and unpaid debt could force the business owners and executives to run away from the country leaving behind large unpaid debts. The law will also prevent individuals from bypassing the law as there is a punishment, including five years' prison sentence as well as fines of up to Dh1 million. The bankruptcy law is implemented on both private and government owned companies, with some exceptions such as firms based in special free zones.

According to the Ministry of Finance, the law sets up a new regulatory body named the Committee of Financial Restructuring that will oversee the procedures of financial restructuring outside the scope of the courts, in addition to appointing experts and establishing an electronic record of individuals with a bankruptcy ruling.

Dubai Economic Council and DIFC sign agreement

The Dubai International Financial Centre (DIFC) in United Arab Emirates (UAE) signed a strategic partnership on 27 April 2016 with the Dubai Economic Council (DEC) as a means to augment trade and business growth in the emirate and boost the development of the financial services sector in Dubai, the wider UAE and the whole region in general.

In accordance to the provisions of the agreement, the two sides will share best practices in preparing financial studies on research and on corporate governance, and cooperate in developing programs and projects that achieve their mutual strategic objectives and enhance the economic initiatives of both Dubai and UAE as a whole. They will also cooperate in promoting Islamic finance.

The DIFC is a world-class financial centre and offers a number of important benefits and advantages in an attractive investment environment including:

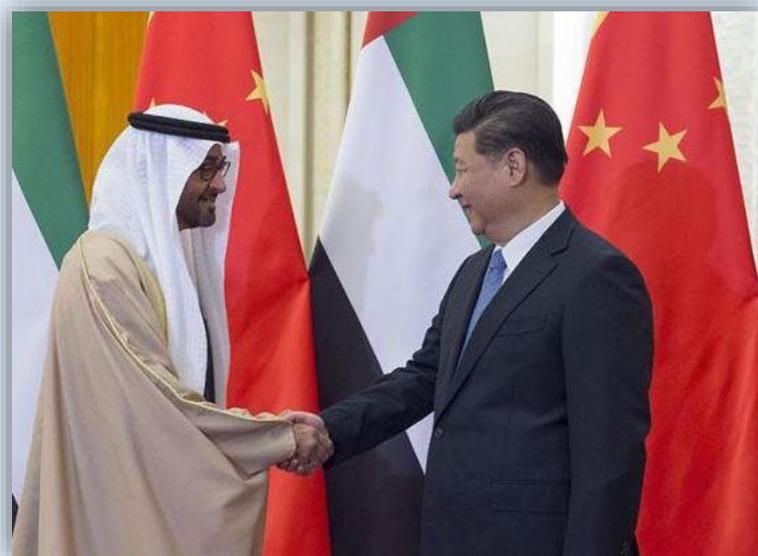
- 100 percent foreign ownership
- zero percent tax rate on income and profits
- the freedom to repatriate capital and profits without restrictions
- operational facilities encompassing modern office accommodation, business continuity facilities, state of the art technical support and data protection facilities, a low cost environment, and the availability of a skilled labour force and highly trained professionals who can be easily outsourced in the region
- an extensive tax treaty network for the UAE incorporated entities
- internationally accepted laws and regulatory processes
- a world class, independent, regulatory agency working alongside other financial regulatory agencies located in major global jurisdictions
- a wholly transparent operating environment, complying with global best practices
- a dollar denominated environment
- an international stock exchange with primary and secondary listings of debts and equity instruments, and
- a variety of legal vehicles that may be established with capital structuring flexibility

If you are interested in setting up an entity in DIFC please contact our regional director Mr Mahmood Tassadeq at m.tassadaq@freemontgroup.com

Cooperation Pact between Abu Dhabi Free Zone and China

The UAE Free Zone of Abu Dhabi and the China Banking Regulatory Commission (CBRC) have recently signed a cooperation agreement to enhance ties between the two countries and deepen exchange of information.

The agreement was signed by the Abu Dhabi Global Market (ADGM) Financial Services Regulatory Authority (FSRA) and is the first to have entered into with an Asian Regulator. In accordance with its provision, the agreement provides a framework for the FSRA and CBRC to render mutual assistance, exchange relevant regulatory information and co-operation on the supervision of banks.



In addition, the two authorities may also offer joint training programs and exchange technical expertise.



Dubai is among the world's most leading innovation-driven cities: Why register your Intellectual company in Dubai.

Dubai has achieved the 16th place out of the 28 peer global cities in terms of innovation and a hub for registering intellectual companies in Dubai. Furthermore, Dubai has also progressed in the field for efficiency in innovation outputs. We explain further why someone should register his intellectual property company in the UAE.

Dubai government and regulation encourages innovation

Dubai notches well for Government and regulation. This is a clear sign that the government of Dubai is aiding innovation in the emirate while developing the right environment for innovation.

Business policies and regulations governing the business environment in Dubai and the UAE in the area have the main principle to ease business. The Dubai chamber of commerce has worked over the past year on various initiatives to enhance the business environment and advocate business policies to improve the UAE's ranking in the Global Innovation Index.

Growth in Intellectual Property

Dubai's growth is in the field of output and performance, particularly in the launch of new products and services and outputs of technology. Intellectual property and opportunities for collaboration with institutions and economies for scientific work have emerged as areas for improvement, as did the subject of co-operation between public and private sectors.

Dubai's benchmark for innovation is in line with the outcome of the Global Innovation Index 2016 which shows the strengths of the emirate in infrastructure and information technology

Register your Intellectual Company in Dubai

Dubai is a no tax emirate. Inventions can be protected in the form of a single patent across the Gulf Cooperation Council (GCC states are: Bahrain, Oman, Qatar, Kuwait, Saudi Arabia, and the UAE). Patents are granted for a period of 10 years.

Freemont Group News

Citizenship by Investment & International Residence Summit Middle East 2016

Executives of Freemont Group participated in the 2016 Citizenship by Investment that took place on 11-12 October in Dubai

More than 100 attendees attended the summit, with over 10 exhibitors.

Our team had the chance to discover and learn the future of the citizenship and residency programmes in Europe, America and the Caribbean through a series of workshops and open discussions.

InvestPro Bosco Conference Almaty Kazakhstan 2016

Executives of Freemont Group took part in the Academy & Finance's event, which took place in Almaty, Kazakhstan on 21-22 September 2016.

Conference covered important and relevant topics of asset protection, private assets management, and new solutions in the areas of investments, property and citizenship. The attendees has the chance to overview and discuss the challenges for CIS clients in 2016 as well as look at alternative jurisdictions as a long term compliant solution for CIS clients tax planning.

International Emigration Expo Almaty Kazakhstan 2016

The team presented the various citizenship programs at the exhibition for Kazakhstan citizens, which took place in Almaty Kazakhstan on 19th October 2016. The exhibition was for international education, business, property, emigration, and citizenship programs.



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