

Cyprus - Israel

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September 14, 2022



Doing business in Cyprus

Exclusive conference

- ✓ Cyprus and its economic environment.
- ✓ Types of investments offered to international investors.
- ✓ How the global tax environment affects Cyprus and the available tax incentives?
- ✓ Tax challenges for Israelis investing in Cyprus.
- ✓ VAT issues in Cyprus relating to investment in real estate.



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Partner, GT Israel



Polys Polyviou
Assurance partner
GT Cyprus



Yigal Rofhe
Head of tax
department, GT Israel



Leon Amiras
President, Israel-Cyprus
chamber of commerce



Kyriakos Fili
VAT partner,
GT Cyprus



George Karavis
Tax partner GT Cyprus

From Israel to Cyprus – 45 min. of air travel

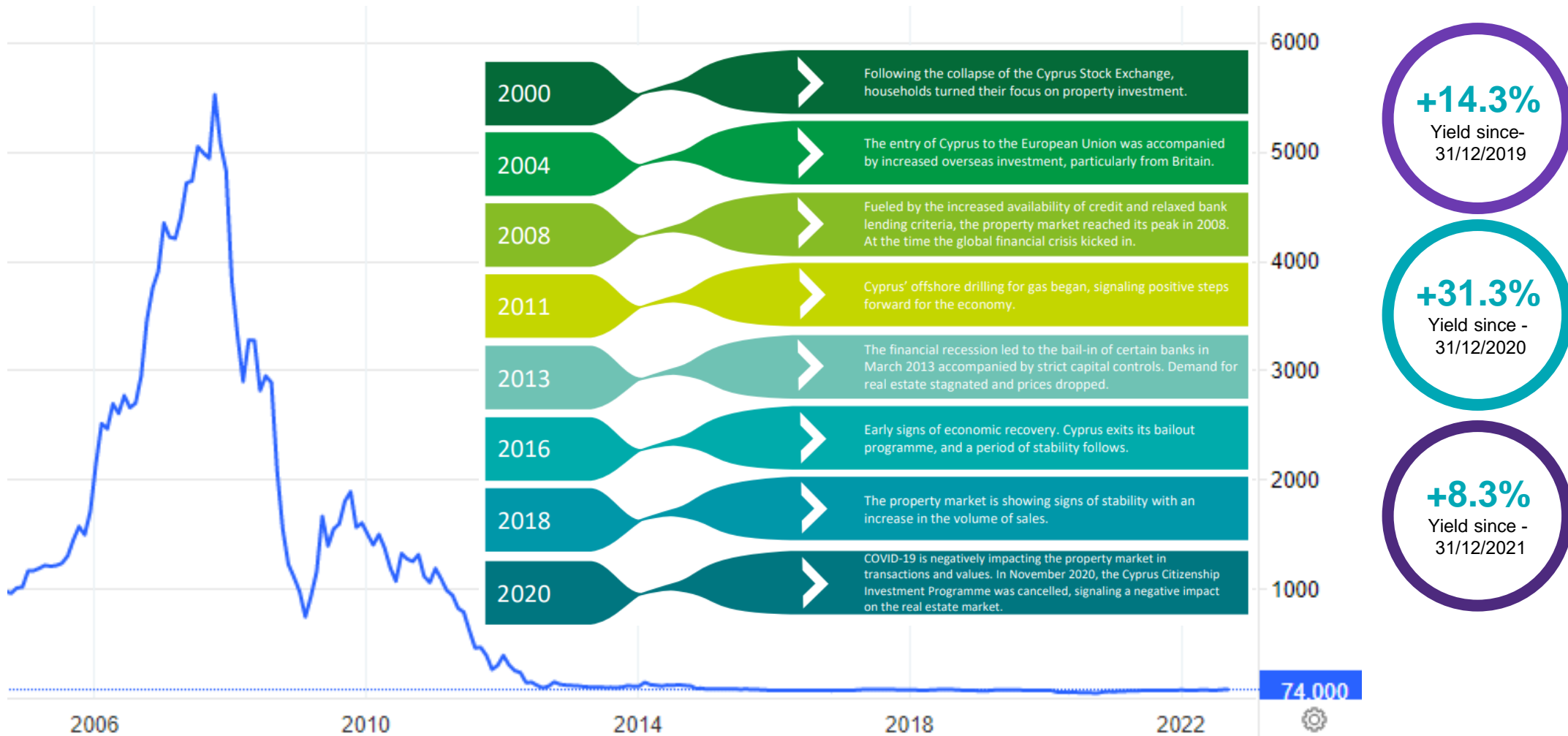


Cyprus and Israel main economic indicators

Employment	Cyprus	Israel
Population (2022)	1.3m	9.5m
GDP (2022E)	\$28b	\$521b
GDP Per Capita (2022E)	\$31k	\$55k
Real GDP Annual Growth Rate (2022E)	2.8%	5.0%
Central Bank interest rate (9/22)	1.25%	2.0%
Corporate tax rate (2022)	12.5%	23%
Unemployment Rate (2022E)	7.5%	4.3%
Last credit rating (S&P)	BBB	AA

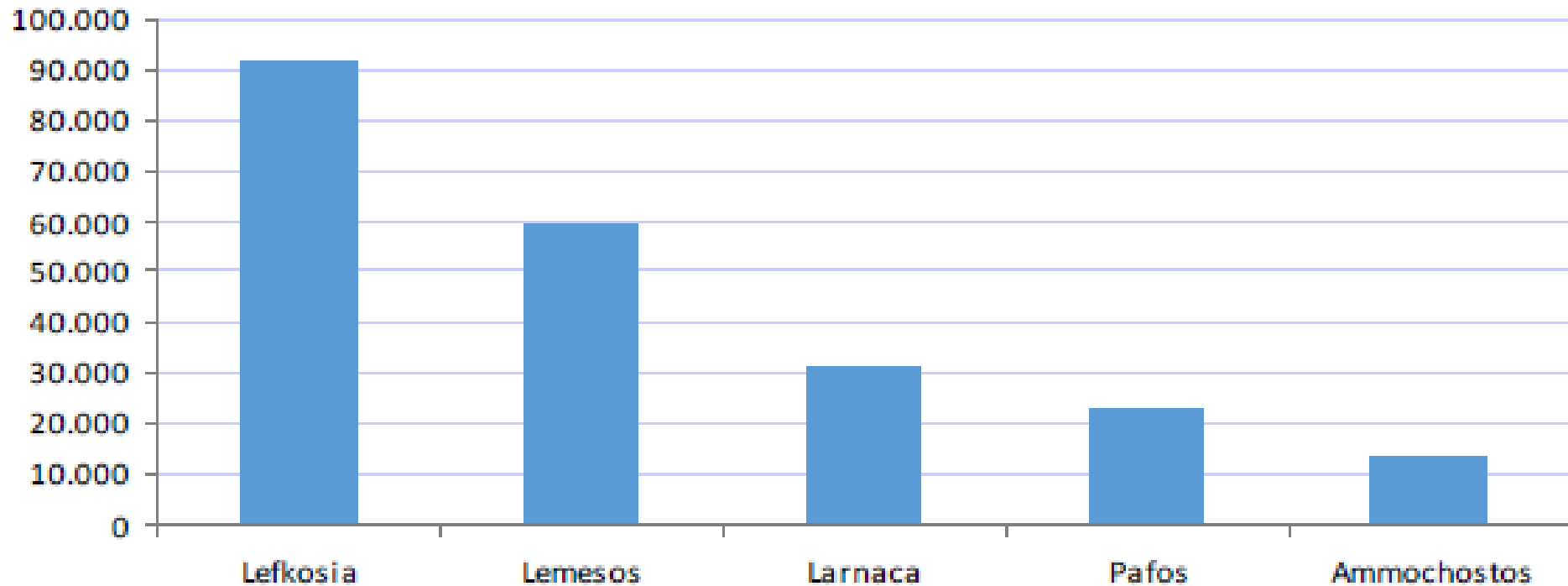
(*) Bloomberg system and IMF

Cyprus General Index



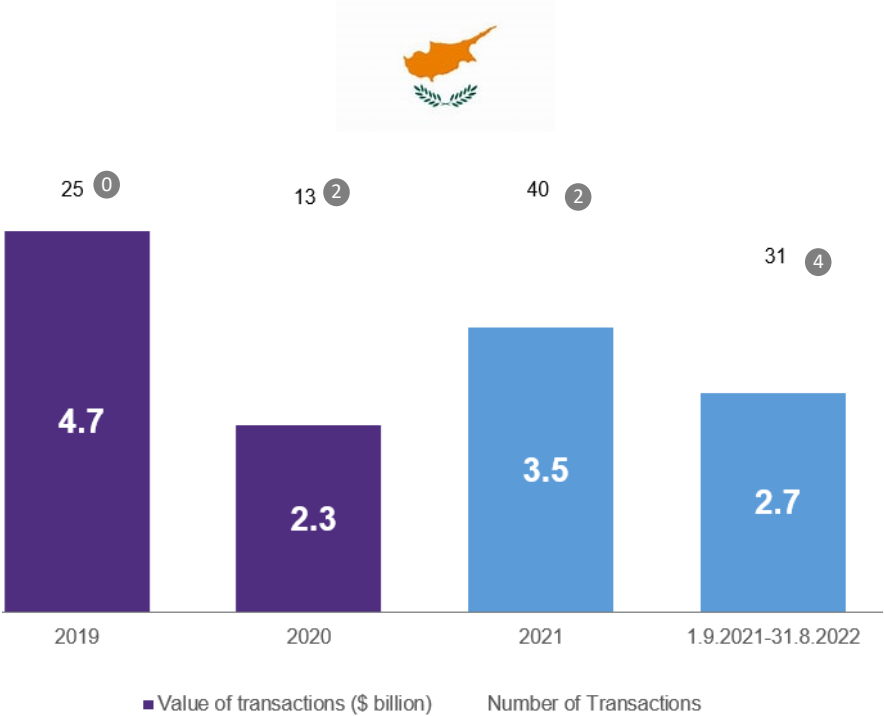
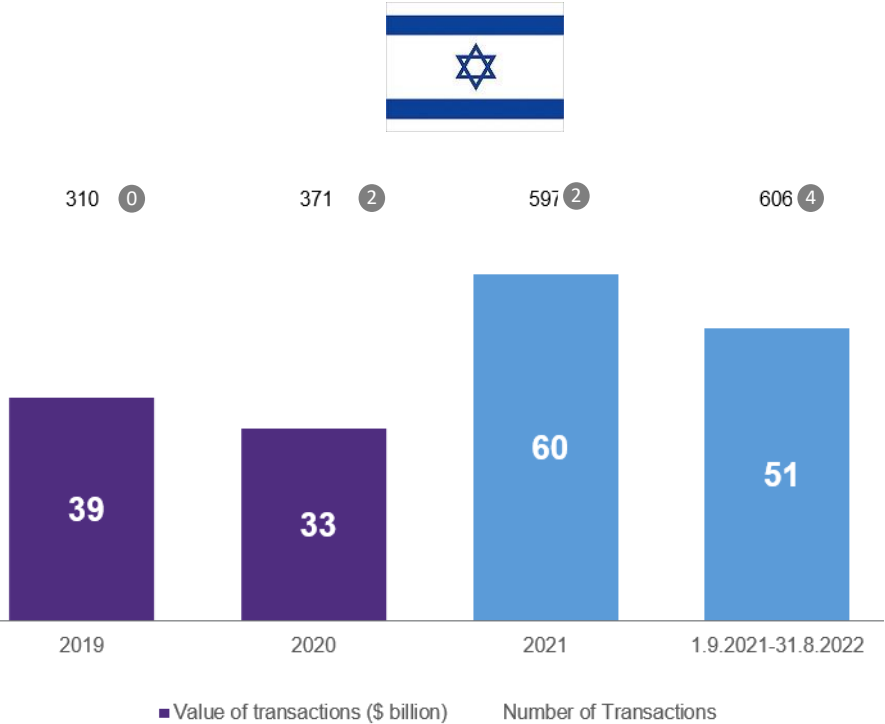
source: Cyprus Stock Exchange, Bloomberg, Fahn Kanne & co research as of 9/9/2022

Investors' Geographical Allocation in Cyprus:



Transactions in private markets – Cyprus & Israel

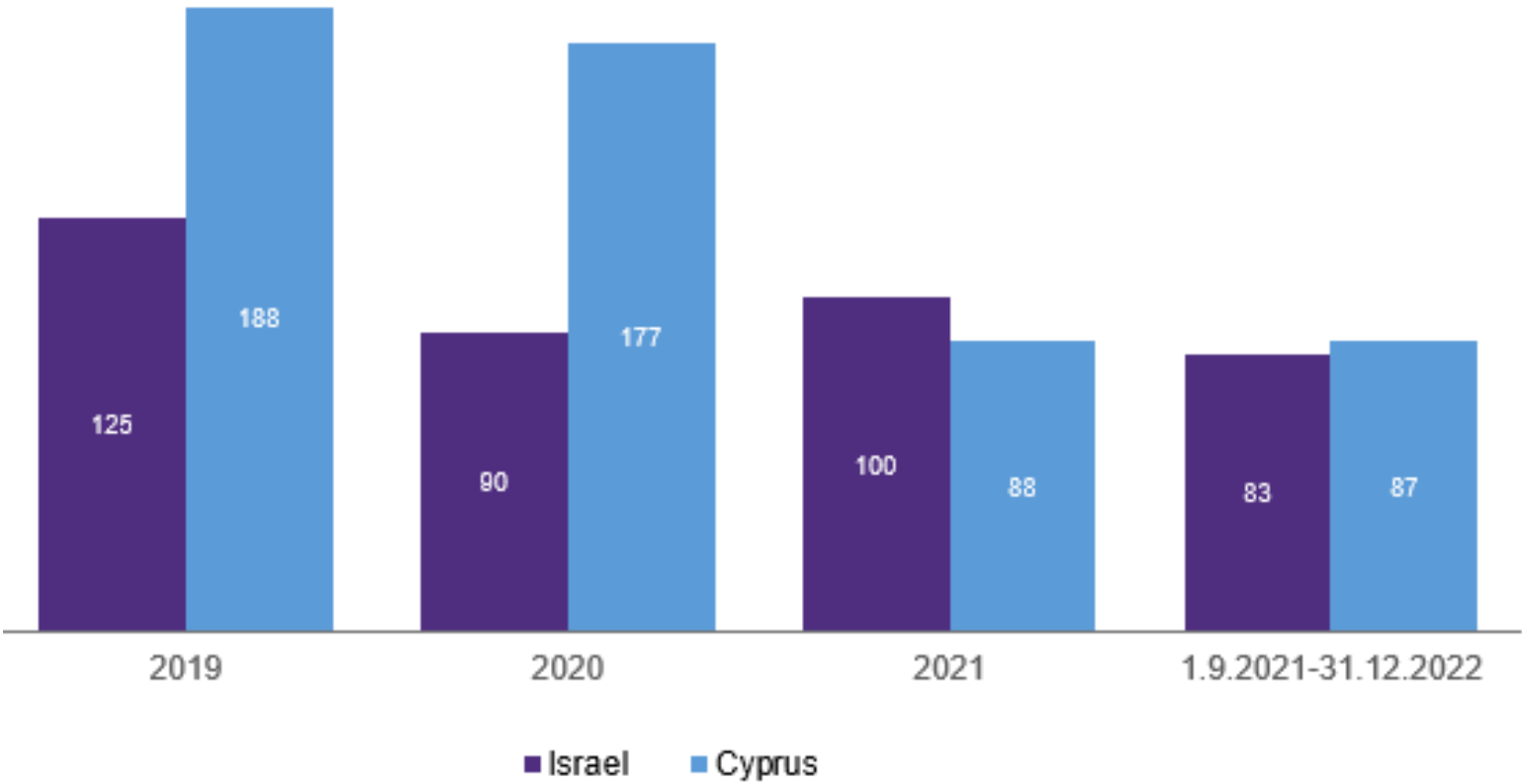
Volume and number of all transactions in Israel and Cyprus (b\$)



Transactions over \$5 million.

Average deal size - Cyprus and Israel

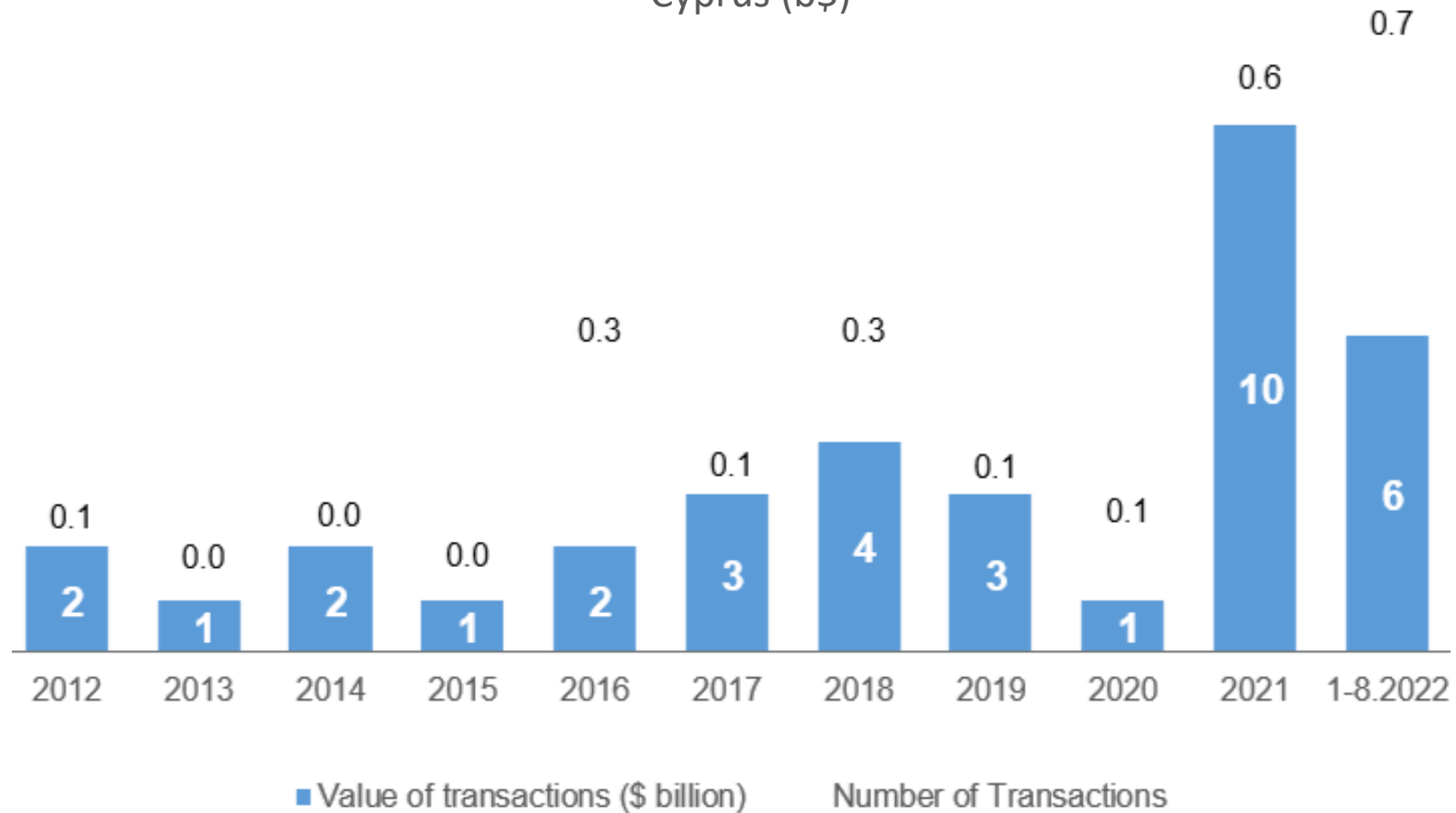
Average deal volume in the Israeli and Cyprus transactions (\$m)



Transactions over \$5 million.

Industry breakdown – Significant increase in technology industry over recent years

Volume and number of technology transactions in Cyprus (b\$)



Transactions over \$5 million.

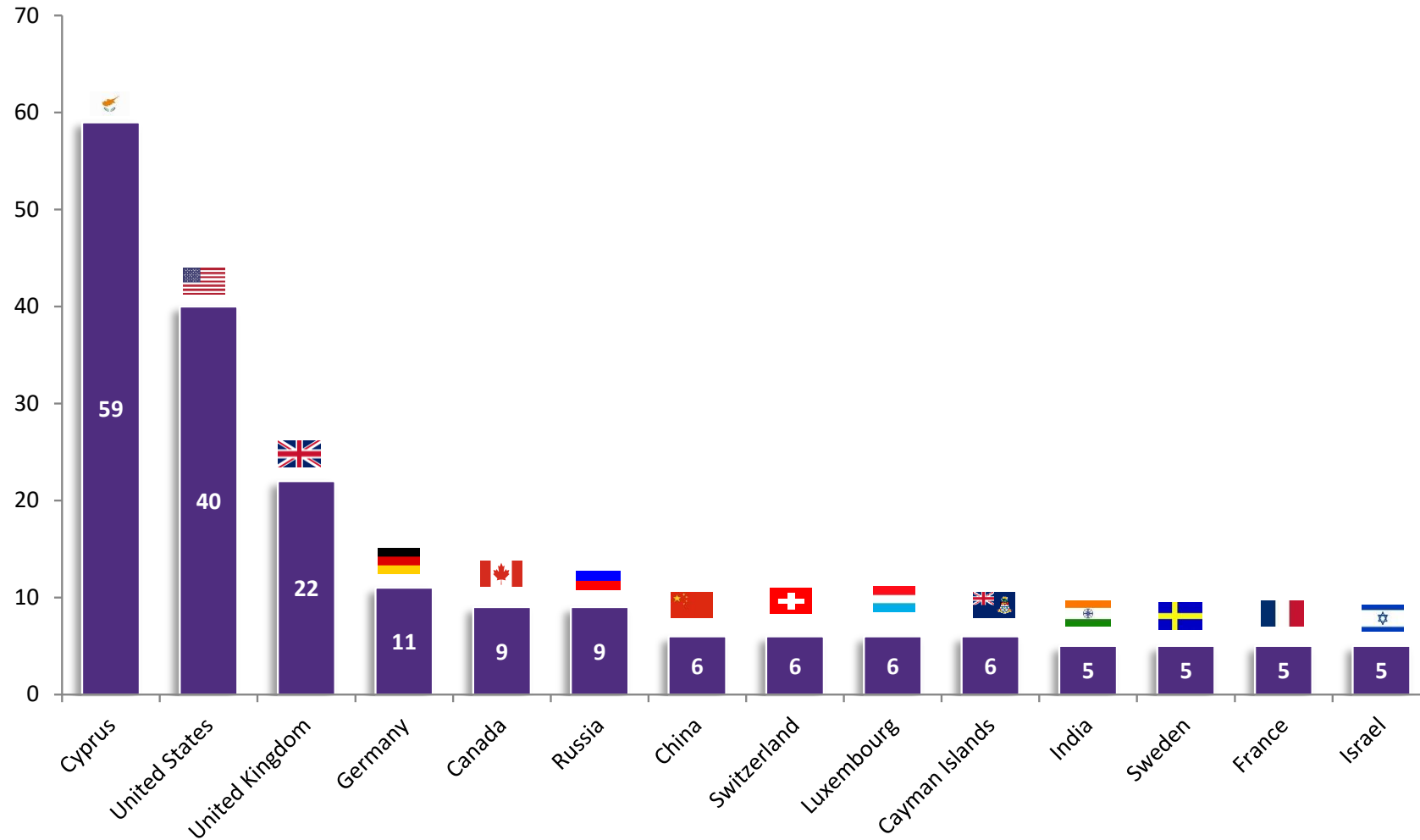
Industry breakdown – the dominance of the real estate industry 2019-8/2022

Industry	Sectors	Deals	Value	Average deal volume	Comments
Financial	Real Estate, Insurance, Diversified Finan Serv, REITS, Banks, Investment Companies	29	3.4B	117	Mostly real estate (2.4B\$)
Technology	Software, Computers	20	1.4B	70	Mostly software (1.4B\$)
Consumer, Non-cyclical	Biotechnology, Healthcare-Services, Pharmaceuticals, Food, Commercial Services	12	1.0B	83	70% high tech industries
Consumer cyclical	Lodging, Home Furnishings, Auto Manufacturers, Retail, Leisure Time	10	1.9B	190	
Basic Materials	Mining, Chemicals	9	3.1B	344	Mostly Mining (2.3B\$)
Communications	Internet, Telecommunications	6	0.5B	83	
Industrial	Engineering&Construction, Transportation	6	0.5B	83	
Other	Utilities, Energy	4	0.1B	25	
Total		96	11.7B	122	

Transactions over \$5 million.


Analysis of investors

Investor analysis in Cyprus target companies by country



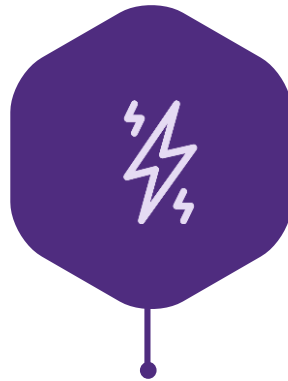
Transactions over \$5 million.

Real-Estate Key Facts in Cyprus

 Post COVID growing potential will attract investors into the market



Real-estate
portion is
16% out of
GDP



Growing
demand for
small housing
units



Efficient
regulation



Increase in
foreign
investments
(outside of
Cyprus)



Grant Thornton Cyprus

Our Presence:

Grant Thornton Cyprus has been helping clients identify and tackle their most strategic goals. We specialized in niche professional services, have a team of **160+** people including **16** partners in **Nicosia & Limassol**, and are here to help dynamic organisations unlock their potential.

Our Key Clients:

From business owners, we continue to support local and international organisations, and cover a number of sectors including:

- Banking & FS
- Construction & Real estate
- Technology
- Distributed Ledger Technology (Blockchain)

Grant Thornton Israel

Our Presence:

With 55 years of experience, **Grant Thornton Israel** is one of the 6th leading accounting firms in Israel. The firm employs **370+** professional staff, including **26** partners. While the firm’s size affords its ability to perform high-quality services, we are of a size that can provide our clients with a personal and friendly approach.

Our Key Clients:

- Manufacturing
- Construction & Real Estate
- Tech
- Insurance
- Capital Markets
- Transportation
- Non-profit
- Local Authorities and Government Ministries.

OUR SHARED SERVICES :

Audit

We have a long-established audit practice with specialists who have supported local and international clients.

Advisory

While business goals and strategies evolve, our services support you wherever you are in your business cycle.

Tax

Forces such as taxation reforms are creating huge challenges for organizations, and we can assist with guiding businesses through their tax journeys.



Some facts about Grant Thornton International



US\$6.6bn

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(2021)



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Thank You!

