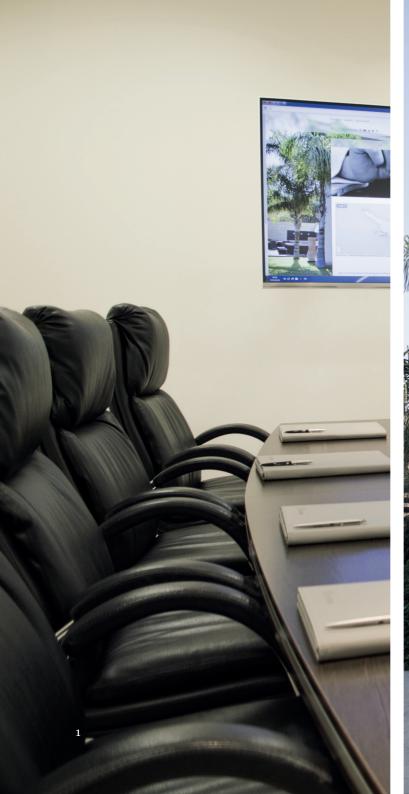
IDALION BUSINESS CENTER









At the centre of the current upheaval in the tax optimisation industry is the question of whether or not international groups have been abusive in their use of double tax treaties and have been too aggressive in benefiting from the advantages offered by low or zero tax jurisdictions. For the sake of simplicity, the essence of the argument is whether or not a structure has a valid "raison d'être", or whether the sole aim of the structure is to avoid paying taxes.

Google, Amazon, Apple and Starbucks are just some of the high profile companies that have been in the headlines and are under scrutiny for their global tax planning strategies.

As a result, substance, with all of its complex facets, has become the central focus of our industry, and is now the corner-stone of any successful international structure. In this respect, the famous "Cadbury Schweppes case" represented a landmark ruling by the European Court of Justice, whereby the European Court of Justice (ECJ) ruled against HM Treasury and stated that multinational companies can take advantage of low tax regimes abroad, as long as the structure is not wholly artificial, and is not a scheme designed purely to avoid paying tax. With this ruling, the ECJ firmly highlighted the need for substance, both economic and physical.

It should be noted that there is no exact definition of "substance", as this will be determined on a case by case basis. However, it can be divided into two parts, as follows:

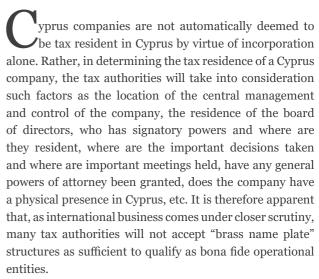
Location of central management and control – This includes elements such as who the main decision makers are and where they are resident, who has signatory rights, as well as all the other important decision making functions of a company.

Physical presence – does the company have a physical presence in the jurisdiction, or is it simply a "paper company".

As a general rule, substance becomes an issue whenever an international group establishes structures which include holding companies in low tax jurisdictions and subsidiary companies in so called high tax countries. In such cases, substance becomes a crucial consideration at the holding company level.

Even in cases where a double tax treaty exists, current anti-abuse provisions require that the holding company is not simply interposed, just for the purposes of avoiding withholding tax in the countries where the subsidiaries are located.

In our experience and in accordance with the propositions made by the attorney general in the Cadbury Schweppes case, a holding company should operate from genuine offices, employ genuine staff in real activities.



One of our areas of specialisation is the provision of substance. Through our dedicated business centre, the Idalion Business Centre, we are acknowledged to be one of the leading providers of real substance in Cyprus.







entaur Trust, through our Idalion Business Centre can offer clients a wide range of physical office solutions, to meet even the most demanding requirements.

Incorporating the latest developments in security, IT and communications, the building is ideally designed to meet the needs of our clients well into the future.

The Idalion Business Centre is situated in over 4,500 sq. meters of landscaped gardens. In addition to the 1,200 sq. meters of office space, it also offers a fully interactive auditorium capable of seating 50 people, an in-house gym, a swimming pool, a business lounge cafe, and state of the art substance offices for our clients.

The Idalion Business Centre is a self-contained facility, offering our clients individual, fully-equipped offices, with full access to conference and secretarial services. Offices of various sizes are available, from cubicle offices up to fully equipped offices with staff. Clients are able to choose from the comprehensive services offered by the Idalion Business Centre, and when in Cyprus, will have full access to our IT, communications and conference facilities.





henever a company needs to employ people, apart from choosing the appropriate staff to be employed, once the staff have been employed, companies also need to ensure compliance with an abundance of legislation (local employment laws, data processing and record keeping, social security and other payroll legislation as well as tax and pay-as-you-earn legislation). In an environment where regulations change continuously and scrutiny from the authorities is on the rise, it is becoming harder for companies to ensure that they are fully compliant.

We offer full support for handling your employment needs in a coordinated and compliant manner, provide advice on optimisation, and address related tax and immigration issues.

Furthermore, we offer full support for the proper legal and legislative documentation that is required for the employment of staff;

Preparation of employment agreements in accordance with local rules

Registration of the company as well as its staff with the relevant Income Tax and Social Insurance authorities

Preparation of the company's monthly payroll and arranging the payment of monthly salaries, taxes and social insurance contributions

Submission of the relevant monthly reports to the relevant authorities





Por clients who require a physical presence in Cyprus, we offer the following exclusive services:

Physical Offices - specifications

All the offices are large enough to accommodate at least two/three persons comfortably, and include the following:

- Lease agreement with our separate real-estate company
- Fully furnished and daily office cleaning
- Air conditioning/heating
- High specification structure cabling
- PC workstation with scanning/printing/copying facilities
- Internet access via dedicated high speed fibre optic cable
- Satellite back-up for internet connection
- · Our own electricity generator, in case of power cuts
- 24 hour security
- Establishment of a standard simple website having as a domain name the existing name of the company

- VOIP telephone system with dedicated (unique phone and fax number). Personalised call answering by a physical telephone operator in the name of the company
- Building entrance signage showing clearly the full name and registration number of the company
- Use of conference room, fully equipped training auditorium, reception and secretary services
- Use of outside areas: parking, landscaped gardens, swimming pool and professional gym

Staff

We can also arrange for the employment of part-time or full-time members of staff. This service includes:

- Salary & income tax contributions
- Payroll processing
- Social insurance contributions
- Employer's liability insurance

The persons appointed to our clients' companies are carefully chosen to ensure that their qualifications and backgrounds match the activities and requirements of each company. Staff of various levels can be provided, from secretarial to senior director level.

Should you wish to receive further details on any of the services we offer, please contact us for a confidential quotation, on:

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