Shipping



Cyprus is an internationally renowned shipping centre, home to some of the world’s leading names of the global shipping industry. The country’s accession to the European Union, in 2004, further boosted the reputation and overall image of the Cyprus flag and the infrastructure of Cyprus’ shipping in general.

The country’s unique geographical location at the crossroads of three continents, its advanced infrastructure and services, as well as the very competitive shipping taxation and other strategic advantages, make Cyprus the ideal location for ship owning, ship management, ship chartering and ancillary shipping-related services.

Facts about Cyprus’ shipping sector

More than 140 ship owning, ship management and shipping related companies controlling a merchant fleet of 2,200

vessels, with 50 million Gross Tonnage.

• 10th largest merchant fleet in the world

• 3rd largest merchant fleet in the EU

• 2nd largest Ship Management Centre in the world

• Largest third party Ship Management Centre in the EU

Cyprus has the only EU-approved “Open Registry” Regime with a very wide and legally endorsed Tonnage Tax System (TTS), which was introduced with the Merchant Shipping Law in 2010 and covers the three main “maritime transport” activities: ship owning, ship management (crew and technical management), and chartering.

In summary, advantages of the Cyprus TTS include:

• No tax on shipping activities other than “Tonnage Tax”

• No tax on shipping profits including profits from the sale of ships

• No tax on dividends paid from shipping profits

• No estate duty or capital gains tax

• No income tax for seafarers on Cyprus-flagged ships

• No stamp duties on documents or mortgage deeds

In addition to tax incentives and the country’s excellent geographical location, Cyprus maintains its competitive advantages through a high quality maritime cluster, offering efficient and quality services, as well as:

• Competitive ship registration fees

• Recognition of Competence Certificates from many countries

• Bilateral agreements of cooperation in merchant shipping with 23 countries

• Classification of the Cyprus flag on the “White List” of the Paris and Tokyo MoUs

• Beneficial owners’ protection through nominee or trustee shareholders

Cyprus has adopted a maritime safety policy, which focuses on the effective control of ships and the improvement of the quality of the country’s merchant fleet. Cyprus’ Maritime Offices are located in Limassol (Cyprus), as well as Hamburg (Germany), New York (USA), London (UK), Athens (Greece), Rotterdam (Netherlands) and Brussels (Belgium).

**Shipping Tonnage Tax System**

The European Union´s approval of a fully revised and upgraded Cyprus Shipping Taxation System in 2010 is a turning point for Cyprus and European Shipping. The new Shipping Taxation System covers the three basic Shipping activities in International Shipping, namely Shipowning, Shipmanagement (including Crew Management) and the Chartering of vessels. The benefits of the new system may soon render Cyprus, the “Shipping Metropolis” of Europe. Shipowners are exempted from Income Tax and are automatically taxed under the Tonnage Tax System. Shipmanagers and Charterers can exercise their option to be taxed under the Tonnage Tax System. You may view CIPA’s shipping [Filmette](http://%20www.cipa.org.cy/media-center/cipa-filmette/)or for more information, please visit the [Department of Merchant Shipping](http://www.mcw.gov.cy/mcw/dms/dms.nsf/index_en/index_en?opendocument).

**Key Industry Players**

Some of the world’s largest international ship management companies have headquarters in Cyprus, including:

* Bernhard Schulte
* Columbia Shipmanagement Ltd
* Dartmonth Shipping Limited
* Hanseatic Shipping Company Ltd
* Ocean Challenge
* OceanWide
* Schoeller Holdings Ltd
* Synergy

**Supervisory/Regulatory Framework**

As a member of the European Union (E.U.), Cyprus has a regulatory framework that is harmonized with E.U. requirements pertaining to the acquis communautaire. Legislation relating to the Shipping Sector includes:

* Merchant Shipping Laws, 1963-2005 (Registration of Ships, Sales and Mortgages)
* Merchant Shipping Laws, 1992-2007 (Fees and Taxing Provisions)
* Merchant Shipping Laws, 1963-2002 (Masters and Seamen)

**Competent Authority**

* The Cyprus Department of Merchant Shipping (www.shipping.gov.cy)

**Trade Association**

* The [Cyprus Shipping Chamber](http://csc-cy.org/) is the trade associationof the shipping industry in Cyprus promoting the interests of Cyprus shipping and furthering the reputation of the Cyprus flag, among other priorities.

**Advantages/Opportunities**

* Excellent geographical position at the crossroads of Europe, Africa and the Middle East
* “Open Registry” (one of two countries in the European Union), allowing non-Cypriot citizens to register ships under the Cypriot flag
* Advanced maritime infrastructure (two deep sea multipurpose ports in Limasol and Larnaca)
* Sound international relations
* Favourable taxation regime and other benefits for shipowners and crew members
* Low ship registration fees
* No income tax, estate duty or capital gains tax for Cyprus-registered ships
* No stamp duty on documents or mortgage deeds
* Anonymity of beneficial owners through nominee or trustee shareholders
* Recognition of Competence Certificates from many countries
* Easy deletion from the Cyprus Shipping Register

Documents

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[[Ship Management Survey_July-Dec. 2012_CBC](http://www.cipa.org.cy/images/media/assetfile/SHIPPINGSURVEY_EN_JULY_DECEMBER2012.pdf)Ship Management Survey\_July-Dec. 2012\_CBC](http://www.cipa.org.cy/images/media/assetfile/SHIPPINGSURVEY_EN_JULY_DECEMBER2012.pdf)

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