



**ALTUS
CITADEL**
Corporate Services Ltd.



CYPRUS TRUST

AS INSTRUMENT FOR INVESTMENT PORTFOLIO HOLDING

TRUST. DEFFINITION



Trust is the legal relationship between the settlor who transfers his assets to a trustee and the trustee who acts in the interests of beneficiaries. A trust can appoint a trust protector to supervise the actions of the trustee.

The proposed type of trust:

a revocable non-discretionary trust

Purpose of establishment:

The instrument of owning an investment portfolio*

TRUST. SOLVABLE OBJECTIVES



Tax Efficiency



Asset protection



Solution of an inheritance matter



Transparent European jurisdiction

1 May 2004 – Cyprus accession to the European Union.

Recognized by the Institute of Trusts

The Trustee Law of 1955, the International Trusts Law of 1992.

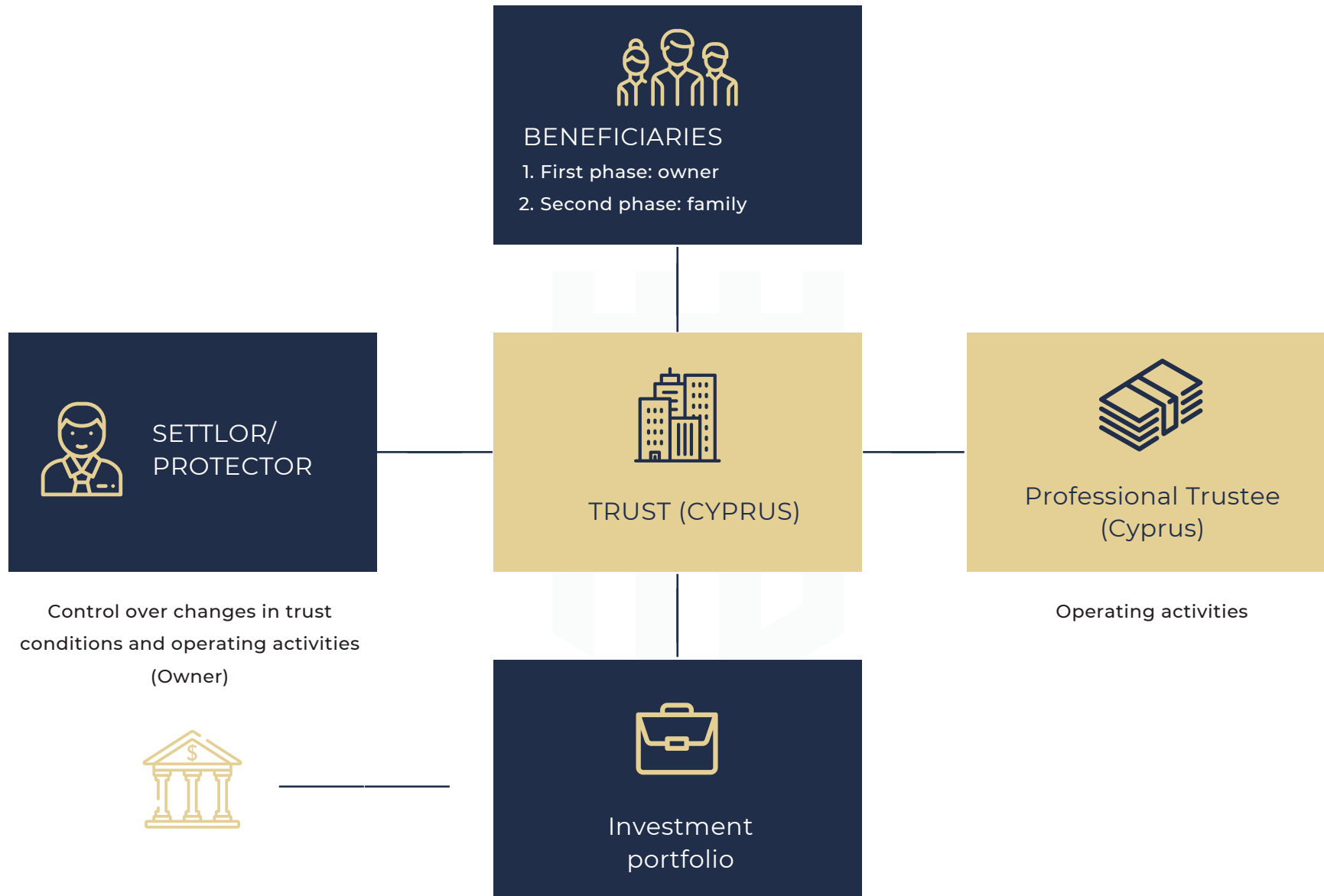
Well-developed infrastructure

Wide variety of trustees.

Favorable tax regime Trusts

are not taxed in Cyprus.

CYPRUS TRUST. EXAMPLE OF A STRUCTURE



CYPRUS TRUST. ADVANTAGES



Tax advantages

- Trust cannot be recognized as a Russian tax resident as it is not a legal entity;
- There is no taxation on both, receipt and distribution of income in Cyprus.

Regulatory benefits

- No restrictions on currency legislation of the Russian Federation;
- No obligation to submit reports on cash flow on foreign accounts to the Russian tax authorities;
- Beneficiaries that do not control the trust should not submit notifications to the Russian Federation tax authorities.

COMPARISON OF CYPRUS TRUST AND COMPANY

	COMPANY	TRUST
Establishment	From 5 days	From 2 days
Registration with disclosure of participants	Required	Only trustee disclosure is required
Liquidation	From 3 months	From 10 days
The risk of recognition by a tax resident of the Russian Federation	High	Minimal
Criteria for sufficient presence in the jurisdiction	At most, a local address and director with authority	No
Additional expenses for ensuring sufficient presence	Required	No
Level of control by the owner	Medium	High
Taxes in Cyprus	Some income types are taxed, such as bond coupons.	None
Inheritance	Separate instrument is required (will, inheritance fund, other)	Is an independent hereditary instrument



Cyprus trust

- Minimizes the risk of the structure being recognized as a Russian tax resident;
- Not taxable in Cyprus;
- Is a cheaper and more flexible instrument than the company;
- It is a hereditary instrument.

TRUST ESTABLISHMENT

- Development of a trust structure that takes into account the investment strategy and inheritance issues;
- Implementation of the developed structure, including the assignment of a trustee;
- Bank account opening;
- Submission of notice of trust establishment.

TRUST MAINTANANCE

- Organization of the trustee's duties.
- Monitoring of regulatory requirements and their changes, structure adaptation if necessary;
- Organization of the financial statements and its audit;
- Submission of CFC notifications and assistance in complying with other requirements of tax legislation

TRUST MANAGEMENT

- Strategy formation and selection of investment instruments;
- Implementation of investment strategy in various formats (consulting, management);
- Execution of special client requests;
- Interaction with auditors, brokers, depositories, etc.;
- Preparation of reports on management results.

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