

IO4 Business Development and Planning Framework

MODULE 1 - Starting your business activity

UNIT 2: Business typology and legal framework

Welcome!

Welcome to the **RESET Module 1 Starting your business activity** resource! This resource will introduce you to **Unit 2: Business typology and legal framework**

INTRODUCTION and AIMS:

In this Unit we will present you the process of starting a business in Cyprus, either through a company or other legal form..

LEARNING OUTCOMES:

On successful completion of this resource, you will be able to:

- Identify the different types of businesses in Cyprus
- Define the different steps to set up a company in Cyprus

Business legal form

The following five types of businesses may be registered under Cyprus law:

- Limited liability private or public company;
- General or limited partnerships;
- Business/trade name;
- European Company (SE);
- Branch of overseas companies.



Procedures for business constitution or adoption of legal form 1/2

- Submit an application for the name of the business.
- The application for approval or change of name is submitted by hand or by mail to the “One Stop Shop” Office or to the Registrar of Companies and Official Receiver.
- Applications for name approval can be submitted online.



Procedures for business constitution or adoption of legal form 2/2

- A name approval is valid for six (6) months.
- If during this period of time (six months from the date of the name approval) a company (business name, partnership etc.) is not registered, the name approval has to be renewed by following the same procedure.



Companies 1/3

The Law 113 provides for two categories of companies:

- ❖ A Private Company: requiring one or more founding members, is limited to 50 shareholders, but cannot offer shares for public submission nor does it have the right to transfer shares.
- ❖ A Public Company: requiring minimum of seven members and its main feature is the power to extend an invitation to the public to subscribe to its shares.



Companies 2/3



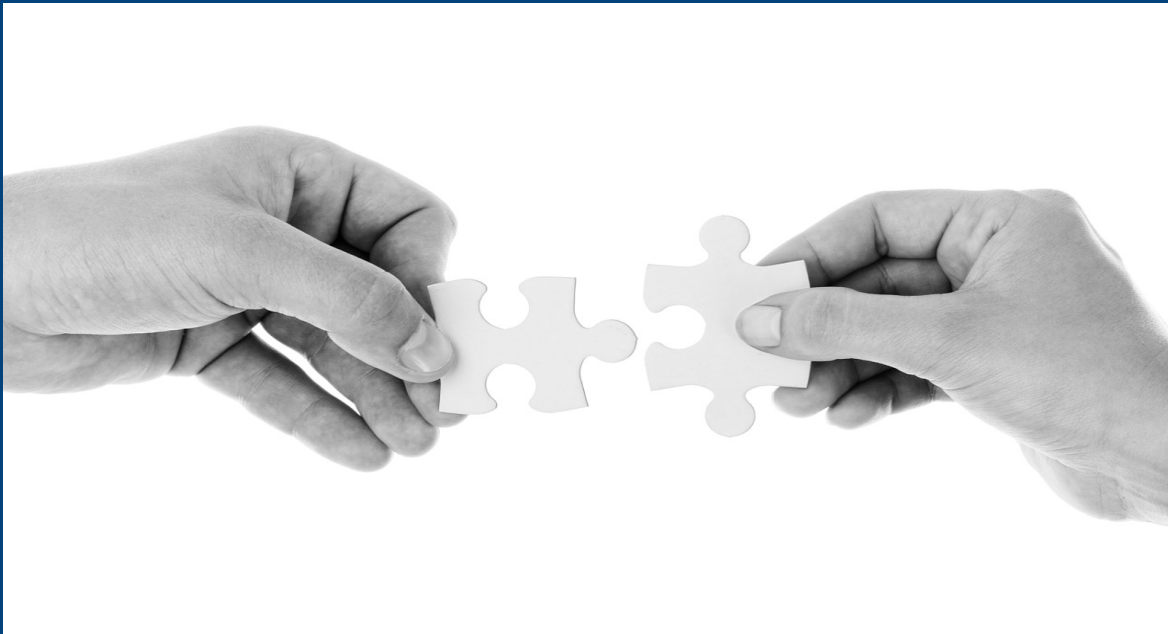
Companies 3/3



Partnerships 1/2

Partnerships are registered under the Partnerships and Business Names Law. There are two kinds of partnerships:

- General Partnership;
- Limited Partnership.



Partnerships 2/2

- The Partnership Registration Form (OE1) is submitted, by hand or by mail, to the One Stop Shop/PSC Cyprus' office or Registrar of Companies and Official Receiver.
- Partnership registration is completed within one (1) month under ordinary procedure or one (1) week (between two (2) to five (5) working days) under accelerated procedure.



Business/Trade Name

- Business names are registered under the Partnerships and Business Names Law.
- The registration is completed within one month under ordinary procedure or one week under accelerated procedure.



European Company 1/3

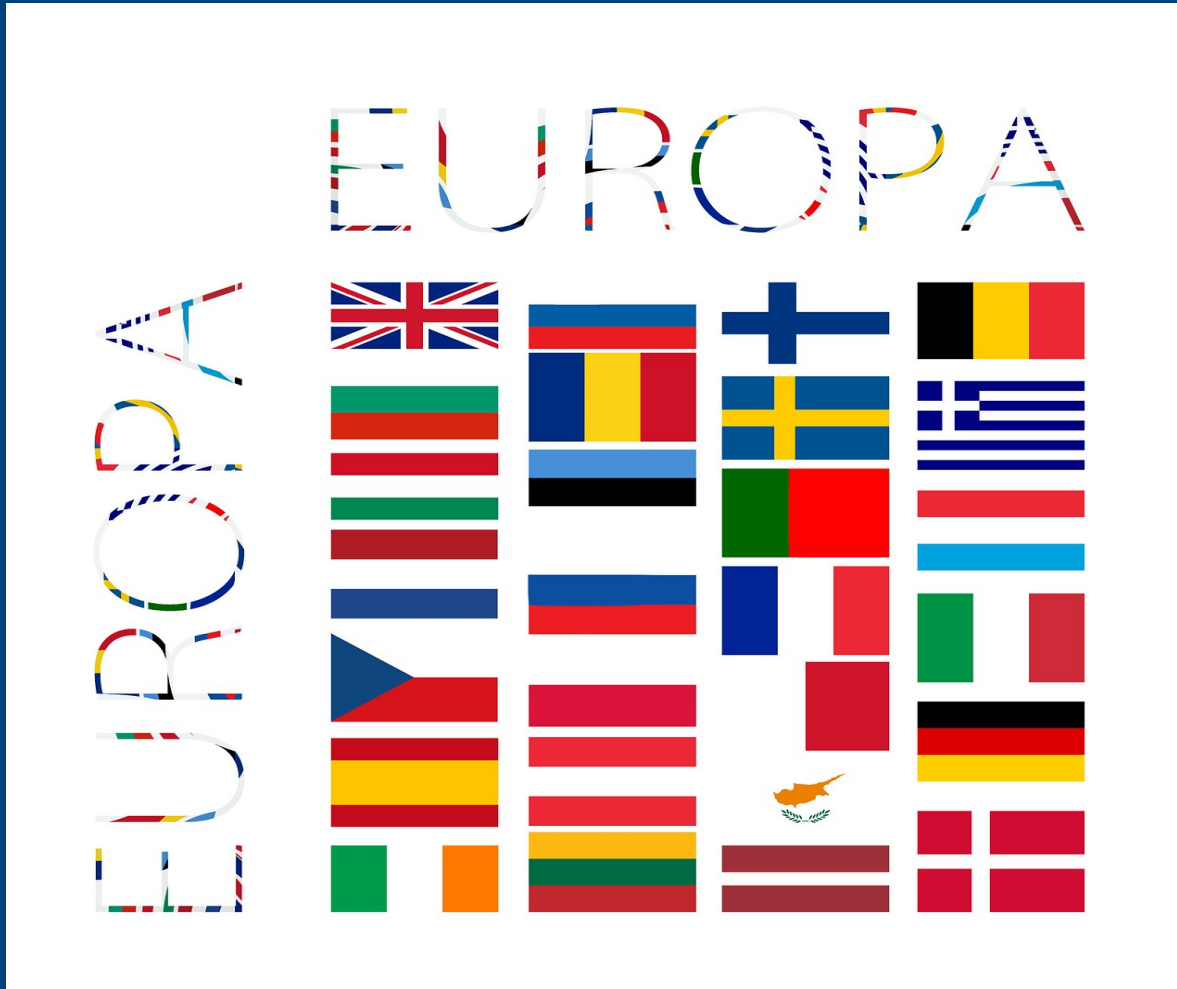
- The registration of a European Company is in line with the Council Regulation (EC) No. 2157/2001. The main objective is to allow companies incorporated in different member states to merge or form a holding company or joint subsidiary, while avoiding the legal and practical constraints from the existence of different legal systems.



European Company 2/3

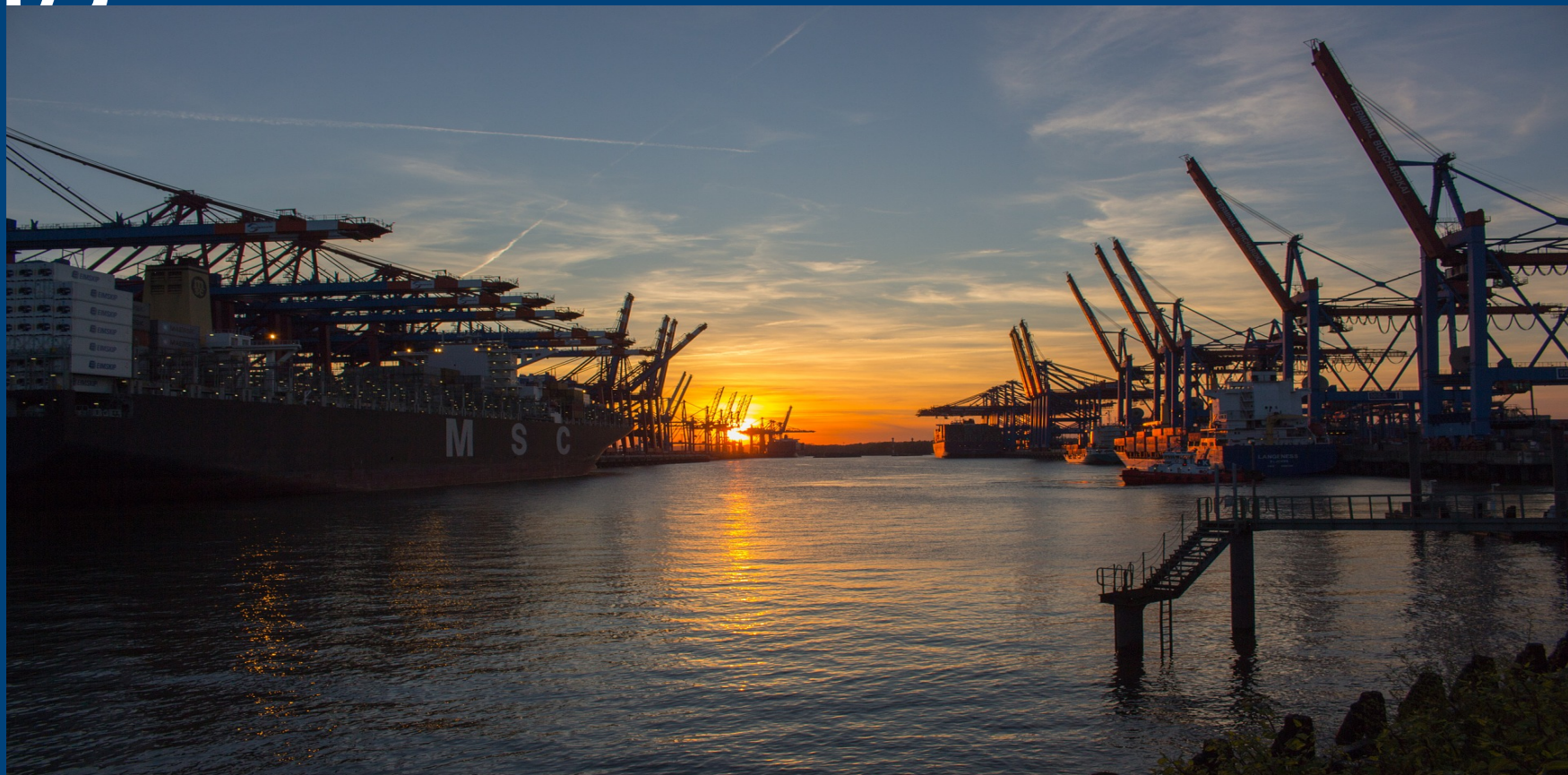


European Company 3/3



Branch of overseas companies

1/2



Branch of overseas companies

2/2



Other legal forms 1/3

There are others types of legal form for companies:

- Companies Limited by Guarantee;
- Foundations;
- Associations;
- Clubs;
- Cooperatives.



Other legal forms 2/3



Other legal forms 3/3



Licences and Permits

They depend on the type of business, a license (or several licenses) may be needed while some sectors are subject to strict regulation by the appropriate Authorities.



Thank you for taking the time to use this “Business typology and legal framework” resource developed by the RESET project team.

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