REPUBLIC OF CYPRUS
MINISTRY OF FINANCE

ΤΜΗΜΑ
ΦΟΡΟΛΟΓΙΑΣ
TAX DEPARTMENT

HEADQUARTERS
1471 NICOSIA

Ref. no. : 13.36.001.001.008 (IRD)
Tel. : 22 601921
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February 11, 2020

Messrs D. Marinou & Co Management Services Ltd
P. O. Box 42656
6501, 6043 Larnaca

Dear Sirs,

Limited - T.I.C.: X

Subject: IP Box

I refer to your letter dated 2/1/2020 concerning the above matter and based on the information provided you are informed as follows:

1. The Cyprus company Limited is entitled to take advantage of the IP Box Regime, as from 1/7/2016 onwards, on the services (i.e. development of software component libraries) it provides to its client , as described in your letter, based on the provisions of Article 9(1)(k) of the Income Tax Law and Regulation 336/2016.

2. As such, Limited can claim an 80% deemed deduction on any "qualifying profits" earned from the disposal of the said intellectual property to , provided and to the extent this is so permitted on the basis of the formula stipulated in the above mentioned Regulation.

3. Please note that, the income to be generated by the company from the technical support of the said intellectual property, which is embedded in the selling price of the software, will not be included in the "overall income" for the purposes of the above mentioned Article and Regulation.

Yours sincerely

For the Commissioner of Taxation

Cc.: District Officer Larnaca