

Stay tuned

Cyprus goes on Netflix

Stelana Kliris' new film "Find Me Falling" is the first Cypriot film to be streamed on Netflix. Actor Harry Connick Jr is heading to Cyprus, and this is all because of the Cyprus Olivewood Scheme.

The Cyprus-US co-production, produced by Jupiter Peak Productions (USA) and Meraki Films (Cyprus) with support from Cyprus' Deputy Ministry of Culture and the Cinema Advisory Committee, was entirely shot in Cyprus, from Peyia to Nicosia. Other than a handful of cast and crew from the US and Greece, the rest of the team was from Cyprus with over 150 people working on the film.

In an effort to boost investment and employment in the film, documentary and television production industries and promoting the country as a tourist and cultural destination, the government of the Republic of Cyprus, in September of 2017 introduced a package of incentives aiming to encourage international producers to choose Cyprus as their next filming destination.

The Olivewood Scheme was created in accordance with Regulation 651/2014 of the European Commission on declaring certain categories of aid, as compatible with the internal market and especially article 54 which aims to promote

European Culture and article 17 in relation to investment aid for small and middle-sized enterprises and consists of a combination of grants and tax incentives.

The scheme offered a combination of financial and tax incentives according to which the production companies that chose Cyprus as their filming destination could take advantage

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of either a cash rebate or tax credit extending up to 35% on eligible production expenses and could also benefit from tax allowance for investments made on equipment and infrastructure, at the rate of 20% as well as VAT returns on expenditure in scope of the scheme. Qualifying production categories include feature films - long films, TV series & films, digital and/or analogue animation, creative documentary & reality show which promote Cyprus.

In September 2023, the Cyprus government extended the scheme for another three years. The Ministry of Finance made the decisions after considering the scheme's cost-benefit analysis. The Cyprus government invested 1 million euro in the scheme but gained a substantial benefit of 5.5 million euro justifying the extension as well as the rate increase to 45%.

With respect to the cash rebate or tax credit, the applicant must select which incentive it will take advantage of, since they cannot both apply at the same time. Whatever the applicant will choose, will not impact the application of the other incentives available.

In a summary the scheme now offers the following:

Rebate of up to 45% on eligible expenditures incurred in Cyprus. The amount granted will depend on the score of the production at the cultural test. The rebate will be given once filming is completed, on receipt of the audit report and its review by the filming committee.

The maximum aid, as a reduction of applicable corporate tax for the Applicant, shall represent up to 35% of the eligible expenditure made in the Republic of Cyprus. The tax credit, to the extent that it is not granted due to the above

percentage restriction, shall be carried forward and be given within the next five years, subject to the above percentage restriction.

Any small and medium-sized enterprise subject to a tax liability in Cyprus investing in film production infrastructure and technological equipment shall be entitled to deduct the amount of its investment from its taxable income. The aid may not exceed 20% of the eligible expenditure in the case of small enterprises and 10% of the eligible expenditure in the case of medium-sized enterprises. Investment in the case of equipment should remain in the territory of Cyprus for a period of at least 5 years.

Therefore, it is not surprising why the Olive-wood Scheme keeps expanding. Filmmakers and productions companies can have cost effective productions with benefits and incentives against crystal blue seas and sandy beaches, breath-taking mountains, charming villages and modern cities. The Olivewood Scheme has put Cyprus on the spotlight of preferred filming locations, but at the same time opened new investment opportunities.

So, stay tuned on the 19th of July 2024 as its time to escape to Cyprus.

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