



Cyprus on Netflix: A New Era for the Olivewood Scheme

Stelana Kliris' latest film, "Find Me Falling," marks a significant milestone as the first Cypriot movie to stream on Netflix. This achievement brings notable actor Harry Connick Jr. to Cyprus, spotlighting the success of the Cyprus Olivewood Scheme.

"Find Me Falling," a co-production by Jupiter Peak Productions (USA) and Meraki Films (Cyprus), with support from Cyprus' Deputy Ministry of Culture and the Cinema Advisory Committee, was entirely filmed across Cyprus, from Peyia to Nicosia. The production team consisted predominantly of local talent, with over 150 crew members from Cyprus, alongside a few from the US and Greece.

Launched in September 2017, the Olivewood Scheme aims to attract international film, documentary, and television productions to Cyprus, enhancing investment and employment while promoting the island as a cultural and tourist hub. This initiative aligns with European Commission Regulation 651/2014, providing a blend of grants and tax incentives to qualifying productions.

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A. Incentives Overview

Cash Rebate and Tax Credit: Producers can opt for either a cash rebate or a tax credit, not both, under the scheme. Additional incentives, such as tax allowances for infrastructure and equipment investments, and VAT returns, apply irrespective of this choice.

1. **Cash Rebate:** Up to 45% of eligible expenditures incurred in Cyprus, contingent on the production's cultural test score. The rebate is granted post-filming, upon submission and review of the audit report by the filming committee.
2. **Tax Credit:** Up to 35% of eligible expenditures, with unused credits carried forward for up to five years, subject to a cap of 50% of the applicant's taxable income in the production year.
3. **Tax Allowance for Investments:** Small and medium-sized enterprises can deduct up to 20% (small enterprises) or 10% (medium-sized enterprises) of their investment in film infrastructure and equipment from their taxable income. Investments must remain in Cyprus for at least five years.
4. **VAT Refund:** VAT incurred on qualifying production expenditures can be refunded. Cyprus VAT rates are 19%, 9%, and 5%, with refunds processed within six months of the VAT declaration deadline or the VAT return application date.

B. Scheme Extension and Impact

In September 2023, the Cyprus government extended the Olivewood Scheme for another three years, following a favorable cost-benefit analysis. An initial investment of 1 million euros yielded a return of 5.5 million euros, justifying the extension and an increased rebate rate of 45%.

C. Benefits of Filming in Cyprus

The Olivewood Scheme offers filmmakers cost-effective production opportunities against Cyprus' stunning landscapes, from crystal blue seas and sandy beaches to breathtaking mountains and modern cities. This initiative has elevated Cyprus as a preferred filming location and opened new avenues for investment in the local film industry.

Should you have any further questions, please do not hesitate to contact us at info@apageorgiou.com.

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