Redomiciliation. Guide

Full guide to changing a company's jurisdiction

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legal & tax

Introduction

In today's world, business is becoming increasingly mobile: companies seek to strengthen the legal protection of their assets and improve operational efficiency across different jurisdictions. One of the tools that enables these goals is redomiciliation — the process of changing a company's jurisdiction of incorporation without terminating its legal existence.

This guide will be useful for entrepreneurs, investors, as well as legal and financial professionals who are considering relocating a company to another country.

What is the Guide about?

This guide will be useful for entrepreneurs, investors, as well as legal and financial professionals who are considering relocating a company to another country.

In it, we examine in detail the key issues related to redomiciliation:

- In which cases can redomiciliation be beneficial?
- Which countries allow redomiciliation and what are the key legal differences between them?
- What tax and legal consequences may arise when changing jurisdiction?
- What is the procedure of redomiciliation in popular jurisdictions such as Cyprus, the UAE, Kazakhstan, and Georgia?

Authors of the Guide

We created this document to help you understand the complexities of the redomiciliation process, avoid potential mistakes, and make a well-informed decision. The guide brings together up-to-date legal and tax considerations, as well as practical recommendations for successfully "relocating" your company.

We hope this material will serve as a useful tool for you and make the redomiciliation process easier, helping your business reach a new level.

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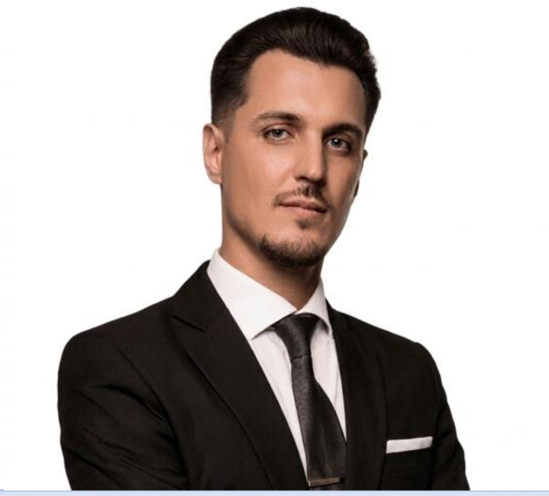

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CONTENTS

What is redomiciliation?

Redomiciliation is the change of a company’s jurisdiction (place of registration), during which the company’s legal existence is not interrupted. Redomiciliation does not imply liquidation of the company; therefore, by changing its place of registration, the company continues to exist as the same legal entity.

Change of country of registration

During redomiciliation, only the country of registration changes. The company continues to exist as the same legal entity, simply being registered under a new jurisdiction.

Preservation of legal history

The company preserves its legal history, structure, as well as all assets, rights, and obligations in its relationships with counterparties.

Analogy with moving (relocation)

In essence, redomiciliation is similar to a change of residence: when a person moves, they become a tax and legal resident of another jurisdiction.

What should be considered in redomiciliation?

Despite its apparent simplicity, redomiciliation is a complex process. It requires the involvement of multiple specialists, including lawyers, accountants, and auditors in both the “exit” and “entry” jurisdictions. Before making a decision, it is important to consider the following points:

1. Permissibility of redomiciliation

Does corporate redomiciliation require that it is permitted under the legislation of both the “exit” jurisdiction and the “entry” jurisdiction? The list of such countries is quite limited.

2. Business specifics

Not every business can or should be redomiciled. For example, relocating a holding company to an offshore jurisdiction without a diversified network of double tax treaties (DTTs) often makes little sense.

3. Shareholder rights

Some jurisdictions require the consent of all shareholders or a qualified majority (e.g., 2/3). Dissenting minority shareholders may be entitled to have their shares bought out at a fair price.

4. Third-party requirements

It is necessary to verify the existence of any debts to creditors or government authorities, any ongoing legal proceedings, and any outstanding tax liabilities. Redomiciliation is not possible until all such obligations have been fully settled.

5. Scope of costs associated with redomiciliation

Redomiciliation is not a low-cost process. In particular, it is usually necessary to take into account the expenses arising directly from the procedure itself, namely:

Consultants and documentation

These include expenses for consultants in the jurisdiction from which the company intends to redomicile, as well as costs related to the preparation, support, and execution of the documentation required for the company's redomiciliation process.

Auditors and reporting

These include expenses related to external auditors engaged in the jurisdiction from which the company plans to redomicile. Their work typically covers the preparation of financial statements and obtaining tax clearance certificates, as many "receiving" jurisdictions require audited financial reporting in order to prepare the company's opening balance sheet after redomiciliation.

Payments to employees and shareholders

These include expenses for compensating employees who choose not to relocate with the company, as well as, in certain cases (typically regulated by the legislation of the "exit" jurisdiction), payments to shareholders who voted against the relocation, including minority shareholder buyouts at a fair market value.

Settlements with creditors

These include expenses related to settling accounts with all creditors of the company in the original ("exit") jurisdiction, as local legislation often requires the company, prior to redomiciliation, to satisfy in a short timeframe all outstanding obligations to creditors who demand early repayment or enforcement of their claims before the transfer of the company takes place.

Early payment of taxes

These include expenses related to the advance payment of all taxes and fees whose due date would not have occurred if the company had not decided to redomicile.

Fees of the receiving jurisdiction

These include expenses related to payment of fees in the destination ("receiving") jurisdiction for the review, examination, and processing of documents submitted as part of the redomiciliation application, including administrative and registry charges required to assess and approve the transfer of the company..

Additional future expenses

Redomiciliation may also lead to additional ongoing costs in the future. In some jurisdictions, opening a bank account may require leasing a physical office rather than using a registered or nominal legal address. Local legislation may also require directors to obtain a visa if they are not citizens of the country to which the company has relocated. Some jurisdictions (notably the UAE) require companies to pay an annual fee to maintain active status, while others mandate the appointment of a registered agent or corporate secretary responsible for handling ongoing corporate compliance and statutory procedures.

Tax implications of redomiciliation in the exit jurisdiction

When considering redomiciliation, it is important to take into account the tax rules of the original jurisdiction. In jurisdictions without corporate income tax, the procedure is usually completed without significant tax consequences. However, in more developed tax systems, “exit tax” rules may apply, which can trigger taxation upon departure from the jurisdiction.

Jurisdictions without corporate income tax

In jurisdictions without corporate income tax, the redomiciliation process generally does not result in significant tax consequences.

ATAD I Directive (EU)

In EU countries, Directive 2016/1164 (ATAD I) applies: companies are required to pay tax on the difference between the market value and the tax (book) value of their assets at the time of exit. Each Member State implements these rules individually, so the specific rates, thresholds, and exemptions are determined by national legislation.

Exit tax in Cyprus

In the case of outbound redomiciliation, a company ceases to be a Cyprus tax resident. Any unrealised capital gains on assets may be subject to taxation at the standard corporate income tax rate of 12.5%, taking into account exemptions and reliefs provided under the Cyprus Income Tax Law (as amended, including changes effective from January 2020). This includes, in particular, exemptions for gains arising from the disposal of shares and other qualifying securities, which may significantly reduce the effective tax burden depending on the structure of the company and the nature of its assets.

Tax audits and DAC6

Tax authorities may initiate audits prior to approving an exit, which can result in additional tax assessments and procedural delays in the redomiciliation process. In addition, redomiciliation from the EU may qualify as a reportable cross-border arrangement under Council Directive (EU) 2018/822 (DAC6), provided it meets the specific hallmarks indicating a potential tax risk as defined by the Directive.

Tax implications in the receiving jurisdiction

Corporate taxation

It is important to review applicable tax rates and incentives for the company’s income streams, including dividends from subsidiaries, royalties, interest on loans, and controlled foreign company (CFC) rules.

Withholding taxation (taxation at source)

It is important to assess the taxation of distributions to shareholders of a redomiciling company in the new jurisdiction, as well as the criteria for applying double tax treaty (DTT) reliefs.

Tax residency

It is necessary to determine how the redomiciling company will obtain tax residency in the new jurisdiction and whether it will be able to receive a tax residency certificate from the new country.

Onshore vs. offshore

Some jurisdictions distinguish companies as “onshore” (operating domestically and treated as tax residents) and “offshore” (primarily operating outside the jurisdiction, often with different or limited tax residency status).

Redomiciliation within the EU

On 27 November 2019, the European Parliament and the Council of the EU adopted a Directive governing procedures for company cross-border mobility within the EU. At present, the relevant legislation has been transposed into national law by all EU Member States.

The Directive distinguishes three types of cross-border operations:

Conversion (redomiciliation)

A company, without liquidation, changes its legal form from the jurisdiction of origin to the legal form of the destination jurisdiction (e.g., from a Czech s.r.o. to a Cypriot Ltd), while preserving its legal personality, assets, liabilities, and shareholder structure.

Merger (cross-border merger)

The company merges with another company registered in a different EU Member State.

Division (split-up / demerger)

A company is split into several new companies, with one entity remaining in the original country and the others potentially relocating or being established in different EU Member States. The original company's assets, liabilities, and business activities are allocated among the newly created entities, each of which continues independently as a separate legal person within the EU legal framework.

This Directive and national legislation regulate company "relocation" only within the EU. Rules on redomiciliation outside the EU are adopted by countries individually (e.g., Cyprus, Malta, and several others).

The process of changing jurisdiction from one EU country to another includes several stages:

1

Preparation of the draft terms of redomiciliation.

The company develops a relocation plan, including timelines and potential legal, operational, and tax consequences.

2

Preparation of a report for the company's shareholders and employees.

This document explains the legal and economic rationale for the change of jurisdiction, as well as its impact on shareholders and employees.

3

Expert assessment.

The appointed expert evaluates the terms of the Transition from the perspective of shareholders' interests: in particular, they review the fairness of the proposed cash compensation for shareholders who disagree with the redomiciliation and wish to exit the company, as well as the fairness of the share exchange ratio.

4

Publication of information

The company must ensure the publication of the draft terms of the cross-border operation and notify its shareholders, employees, and creditors accordingly. Such information must be disclosed and filed with the relevant registry authority at least one month before the corporate resolution approving the draft terms of redomiciliation is adopted.This disclosure requirement may be waived if the company provides free and unrestricted access to the relevant information on its official website.

5

Corporate resolution on redomiciliation.

If, following the general shareholders' meeting, the draft preliminary terms are approved, the company must apply to the registering authority of the jurisdiction where it is incorporated, which is obliged to review the legality of the cross-border operation and issue a pre-approval certificate for the "relocation" (pre-conversion/merger/division certificate).

6

Registration in the new jurisdiction

The competent authority of the destination country enters the company's details into its official registers, and the company is considered finally redomiciled.

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Redomiciliation to Cyprus

Cyprus is one of the most attractive jurisdictions for doing business and investing. The ease of company formation, the well-developed professional services sector, and favorable conditions for maintaining a local presence encourage businesses to establish offices and build teams in Cyprus.

Features / Key characteristics

Corporate tax

A relatively moderate corporate income tax rate of 15% (increased from 12.5% as of 1 January 2026, in line with the OECD Pillar Two global minimum tax framework).

Dividend tax exemption

Exemption from corporate tax on dividends received by a Cyprus company from its subsidiaries in other jurisdictions.

IP Box regime

The availability of tax incentives under the IP Box regime for companies developing IT products may reduce the effective corporate tax rate to approximately 3%.

Double Tax Treaties (DTTs)

The existence of Double Taxation Agreements (DTAs) concluded with a wide range of countries, including Belarus.

Abolition of stamp duty

As of 1 January 2026, stamp duty in Cyprus has been abolished for most transactions, simplifying document execution and reducing transactional costs.

Cyprus: Residence permits (VLS/PR) and redomiciliation procedure

A temporary residence permit allowing a stay in Cyprus for up to 365 days per year.

A temporary residence permit issued in case of employment with a company of foreign status, granted for up to 3 years with the possibility of extension.

A permanent residence permit that can be obtained by making a qualifying investment of a specified amount in real estate in Cyprus.

Preliminary terms of relocation (redomiciliation)

- The legislation of the departure jurisdiction must allow redomiciliation.
- The company’s constitutional documents must include provisions permitting a transfer to another jurisdiction.
- If the company is engaged in regulated activities, it must comply with the relevant licensing requirements in Cyprus.
- The company’s shares must be properly registered (bearer shares must be converted/registered in the name of the holders).
- A special shareholders’ resolution must be adopted, along with a Certificate of Good Standing from the country of origin.
- Declarations confirming the company’s solvency and compliance with its obligations must be provided.
- The articles of association and memorandum must be amended to comply with Cypriot corporate law.

After fulfilling the conditions, the Cyprus Registrar issues a temporary Certificate of Continuation. The company must provide evidence of deregistration from the departure jurisdiction within 6 months, after which a permanent Certificate of Continuation is issued.

Redomiciliation in the UAE

Exclusively within free economic zones (FEZs)

The United Arab Emirates is a federal state composed of seven emirates with a legal system combining elements of Islamic law, Romano-Germanic civil law, and English common law. Redomiciliation to the UAE is permitted only within designated free economic zones (free economic zones), such as DIFC, ADGM, and others.

Features

Corporate tax

The standard corporate tax rate is 9%, generally applied to taxable income exceeding AED 375,000 (approximately USD 103,000).

0% tax in Free Zones (QFZP)

In Free Zones, the 0% corporate tax regime continues to apply for entities recognised as Qualifying Free Zone Persons (QFZPs). For such entities, the 0% rate applies to “qualifying income” (for example, dividends received from foreign subsidiaries), while non-qualifying income is taxed at the standard 9% rate.

Residence visas and residency

When relocating beneficiaries and management, residence visas must be obtained. In some Free Zones (e.g., ADGM), the number of visas granted depends on the size of the leased office space. To obtain visas, applicants are generally required to secure residential accommodation in the UAE. To maintain visa validity, individuals must typically enter the UAE at least once every six months.

Redomiciliation procedure in the UAE

Required documents

- Corporate resolution on redomiciliation
- Constitutional documents of a company
- Reports on the company’s financial and economic activity
- Documents confirming company registration in the country of origin
- Evidence of creditor notification regarding redomiciliation
- Documents confirming the company’s solvency and compliance with tax obligations

Redomiciliation procedure

It should be noted that, as of today, the UAE is not a party to the Hague Convention abolishing the requirement for legalization of foreign public documents. Therefore, documents must undergo consular legalization instead of the simplified apostille procedure. Once all preliminary documents are prepared, the company may submit an application for redomiciliation to the administration of the relevant free economic zone. The authority then reviews the submitted documents to verify that the company is eligible for redomiciliation. In particular, an assessment of the company’s overall financial condition, tax compliance, and other relevant factors is carried out. If the review is completed successfully, the registrar issues a positive decision, enters the company into the UAE company register, and issues a Certificate of Continuation, confirming the company’s new legal domicile in the UAE.

Redomiciliation in Bahrain

ACCESS TO THE GULF MARKETS

Bahrain is one of the leading countries attractive for business and investment, providing access to the markets of the Gulf region, the Middle East, and North Africa, and allowing 100% foreign ownership of local companies. The country has special support programs for foreign entrepreneurs and operates five free economic zones with developed infrastructure (BIIP, BLZ, BIA, KBSP, BIW), although companies registered in these zones are required to limit their activities to within their boundaries.

Features

Absence of taxation

The country has no taxes on income, sales, or capital gains. The only exception is the oil and gas sector, where a 46% tax on net profits is levied.

VAT (Value Added Tax)

VAT in Bahrain is payable only if the company’s annual turnover exceeds BHD 37,500 (approximately USD 99,600). In this case, VAT is charged at a rate of 10%.

Residence permits and work permits

Foreign entrepreneurs relocating to Bahrain have the opportunity not only to obtain residence permits for themselves and their family members, but also to secure work permits for their employees. This enables a redomiciled company to ensure comfortable living conditions and efficient operations in the country. However, this first requires passing a due diligence check by the Nationality, Passports and Residence Affairs (NPRA) Directorate General of the Ministry of Interior of the Kingdom of Bahrain.

Redomiciliation procedure in Bahrain

Redomiciliation procedure

Companies intending to redomicile to Bahrain must ensure compliance with a number of conditions:

Company name and business activity

Determine the company name to be used in Bahrain after redomiciliation, as well as define the scope of its activities, taking into account that Bahrain imposes a number of restrictions (e.g., casino operations, alcohol production, etc. are prohibited).

Corporate resolution

Adopt a corporate resolution on redomiciliation.

Constitutional documents

Prepare the company's constitutional documents, as well as documents confirming its active status in the current jurisdiction (e.g., a Certificate of Good Standing).

Financial statements

Prepare reports on the company's financial and economic activities.

Creditors and taxes

Ensure notification of creditors about the upcoming redomiciliation, ensure the company's solvency, and confirm the absence of outstanding tax liabilities and duties.

Once all preliminary requirements have been fulfilled, the company submits an application for redomiciliation to the competent authority in Bahrain to initiate the transfer process. The application is reviewed by the Ministry of Industry and Commerce of Bahrain (MOIC). During the review, the Ministry may request additional documents if necessary. Once all documentation has been verified, the MOIC issues a Certificate of Registration.

IMPORTANT: Unlike the UAE and Qatar, Bahrain is a party to the Hague Apostille Convention (having acceded in 2013). Therefore, foreign documents may be legalized for use in Bahrain through the simplified apostille procedure, and consular legalization is not required.

Redomiciliation to Qatar

ONLY IN THE QATAR FINANCIAL CENTRE (QFC)

Qatar is a small peninsula located next to Saudi Arabia and the UAE. It is one of the world's wealthiest countries, largely due to its substantial oil and natural gas reserves. It should be noted that company redomiciliation in Qatar is only possible to the Qatar Financial Centre (QFC). The QFC is an offshore financial centre located in Doha, the capital of Qatar. It is an attractive destination for international investors due to its strong financial institutions, as well as its stable and innovative economy.

Key features

Corporate tax

Corporate tax in Qatar is levied at a rate of 10%, but only on income generated within the territory of Qatar.

Worldwide income

Income from worldwide sources (earned outside Qatar), including dividends received by the company from foreign jurisdictions, is not subject to taxation.

Double Taxation Treaty network

Qatar has entered into double taxation avoidance agreements (DTAs) with more than 80 countries.

Residence permit

Directors, shareholders, and ultimate beneficial owners may obtain residence permits following the company's redomiciliation to Qatar. However, obtaining and maintaining the permit does not require continuous residence in Qatar. Nevertheless, for work permits and employment visas, directors are expected to maintain regular presence in Qatar. In case of a travel-based working arrangement, visits to Qatar are typically required at least once every few months (current practice is approximately every six months) for several days per visit (preferably 5–7 days).

Redomiciliation procedure

Companies intending to redomicile to Bahrain must go through several stages:

Preliminary discussions with QFC

Conduct preliminary discussions with QFC, during which the list of required documents for redomiciliation is defined, as well as the requirements that must be met to successfully complete the company's redomiciliation to Qatar.

Enhanced Due Diligence

Pass QFC comprehensive due diligence (Enhanced Due Diligence) regarding the company and its ultimate beneficial owners, including verification of the absence of sanctions risks. This assessment is carried out by lawyers engaged by QFC to support the decision on the company's redomiciliation into the QFC.

Submission of the application and issuance of the Certificate of Continuation

After review, the application for company registration in the QFC is submitted, all required documents are provided, and the registration fee and application fee are paid. If the QFC has no further questions, it issues a Certificate of Continuation confirming the company's continuation.

Redomiciliation to Georgia

BETWEEN EUROPE AND ASIA

Georgia is a country located between Europe and Asia, offering high investment attractiveness due to its strategic location, simplified business regulations, and favorable tax regime. Its competitive advantages include numerous free trade agreements (with the EU, Turkey, China, and CIS countries) and incentives for IT companies.

Key features

Corporate tax

Corporate income tax is paid only when dividends are distributed (15%). If profits are reinvested, no tax is levied. A dividend withholding tax of 5% is also applied.

VAT

VAT is payable if the annual turnover exceeds 100,000 GEL (~37,000 USD).

Residence permit for employees (work residence permit).

Employees can obtain a residence permit based on employment with a Georgian company.

Residence permit for shareholders (investor/shareholder residence permit).

Shareholders can obtain a residence permit if they invest at least 300,000 USD in a company (the amount of investment must be verified by a local appraiser).

Georgia: redomiciliation procedure

Registration is possible only in the organizational and legal form provided for by the legislation of Georgia (LLC, JSC, and others).

Step 1: Submission of application

After fulfilling the “exit” conditions, the company submits an application to the National Agency of Public Registry of Georgia along with the required documents: proof of registration in a foreign state, founding documents, and other documents.

Step 2: Decision to initiate the procedure

The National Agency makes a decision to initiate the redomiciliation procedure. If necessary, additional documents or data are requested.

Step 3: Confirmation of removal from the registry

Within 6 months from the start of the procedure, the company provides the Registry with a certified document from the authorized body of the foreign state confirming the completion of redomiciliation and the removal from the registry of the country of initial registration.

Redomiciliation to Armenia

A country with close ties within the EAEU framework

Armenia, located at the crossroads of Europe and Asia, is rich in natural resources and has close economic ties with Belarus and Russia within the EAEU framework. Armenian legislation provides for the possibility of redomiciliation both from foreign jurisdictions into Armenia and from Armenia to other countries.

Key Features

Corporate tax and VAT

Corporate tax is 18%; VAT is 20%.

Simplified taxation system

If revenue is up to 115 million AMD (~296,000 USD), a simplified taxation regime is available: no VAT and no corporate income tax. Turnover tax rates are: trade — 10%, manufacturing — 7%, catering — 12%. From 2025, for IT companies the rate may be reduced to 1%.

Residence permit for the owner (shareholder/investor)

After the company begins actual operations in Armenia, the owner may obtain a residence permit (RVP). There is no requirement for permanent physical presence in Armenia. Subsequently, family members of shareholders may also obtain residence permits.

Armenia: redomiciliation procedure

The redomiciliation process to Armenia is a complex, multi-stage procedure:

Stage 1: Interaction with the Agency

Close cooperation with the State Registry Agency of Legal Entities of Armenia: name approval, determination of the main business activity, collection, preparation, and submission of documents.

Stage 2: Preliminary registration

If all required documents are available and there are no grounds for refusal, the Agency carries out preliminary registration of the company, issues an extract from the registry, and provides a preliminary document confirming continuation of activity.

Stage 3: Final registration

The company ensures removal from the registers of the country of initial registration and provides evidence of this. Based on the evidence, the Agency carries out final registration and issues a Certificate of Continuation.

Redomiciliation to Kazakhstan (AIFC)

INTERNATIONAL FINANCIAL CENTRE “ASTANA”

Kazakhstan is a large country in Central Asia with a dynamic economy and membership in the EAEU. Redomiciliation is only possible to the Astana International Financial Centre (AIFC) — the general legislation of the country does not allow this procedure outside the AIFC framework.

Features and preferential regime of the AIFC

Preferential regime valid until 2066

Until January 1, 2066, for companies in the AIFC: corporate income tax — 0%, VAT — 0%, and dividend and capital gains tax for shareholders — 0%.

Foreign workforce

Companies are entitled to hire foreign workers without a special permit from the local migration authority. Work visas for employees and their family members are issued for up to 5 years.

Comfortable environment

Kazakh and Russian languages, freedom of foreign currency settlements, access to EAEU and Central Asian markets, as well as access to the stock market through the AIFC.

Kazakhstan (AIFC): redomiciliation procedure.

Step 1: Preliminary approval

Interaction with the AIFC and submission of documents for preliminary approval, including a business plan outlining the company's intended post-redomiciliation development strategy. The AIFC reviews the documents and provides comments if necessary.

Step 2: Enhanced Due Diligence

Comprehensive screening for sanctions affecting shareholders, beneficial owners, and business activities. A legal opinion (Legal certification) is commissioned from lawyers ranked in Legal 500 and submitted to the AIFC.

Step 3: Final document package

After receiving the sanctions clearance certificate and preliminary approval, the final document package is submitted. The AIFC issues approval and a Certificate of Continuation. The company is then deregistered in the original jurisdiction (country of departure).

How REVERA can help:

We provide a full range of legal and tax services in the areas of corporate law, international taxation, and redomiciliation.

Jurisdiction selection

Analysis and selection of the optimal jurisdiction for redomiciliation, taking into account the specific nature of the business.

Legal support

Full support of the redomiciliation procedure: from preparing corporate resolutions to registration in the new jurisdiction.

Tax analysis

Assessment of the tax implications of redomiciliation, including exit tax, CFC (Controlled Foreign Company) rules, double tax treaties (DTTs), and taxation in the host jurisdiction.

Engagement with creditors and shareholders.

Preparation of notifications, coordination of creditor settlements, and drafting of corporate resolutions for shareholders.

Visa support

Consulting on obtaining residence permits (RPs), permanent residence (PR), residency visas, and work permits for shareholders, directors, and employees.

Compliance and documentation.

Preparation of all necessary documentation: from incorporation documents to solvency certificates and certificates required for submission to registration authorities.

We Can Help You

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