

Elias Neocleous &amp; Co LLC

## Digital transformation and international networking are key pillars now

Michael Ioannou, CIO, TechLaw Department Consultant of Elias Neocleous & Co LLC, emphasizes that while digitization lays the groundwork for progress, international networking acts as the bridge that connects local innovation with global opportunities, which is crucial for staying relevant in an increasingly interconnected legal market, where cross-border expertise is more valued by the day.

**D**igital switchover and international networking are key pillars of growth. At the same time, companies contribute to attracting foreign investment and improving the image of Cyprus internationally by providing a wide range of services that enhance local and international entrepreneurship. How do you see this development?

In an era where digital innovation drives economic progress, the importance of digital transformation and international networking cannot be overstated for law firms that wish to stay on top of their game. These elements have become key pillars for the sustainable growth of economies worldwide, and Cyprus is no exception. The island's commitment to embracing a digital switchover and fostering global connectivity is reshaping its business landscape and positioning it as a competitive player on the international stage.

From our perspective, at its core lies the government's push for digitization, seen incentives for tech-driven projects. Additionally, the business regime may assist in attracting foreign investments – a great example of which is the Cyprus Intellectual Property (IP) Box regime, which allows for a significant tax deduction on qualifying profits derived from qualifying IP, a project which has acted as a strong signal to both local and international stakeholders. By demonstrating its commitment to a digital future, Cyprus has attracted and aims to increase the number of foreign investors who seek stable and forward-thinking markets such as digital infrastructure, cybersecurity, and cloud-based solutions, which further cements Cyprus as an attractive destination for tech-oriented ventures.

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as the bridge that connects local innovation with global opportunities, which is crucial for staying relevant in an increasingly interconnected legal market, where cross-border expertise is more valued by the day. This allowed companies in Cyprus to form strategic alliances, share expertise, and tap into new markets and create collaborations that enrich the local business ecosystem.

With ever growing opportunities of participation in international trade events, tech conferences, and cross-border partnerships, the visibility of Cypriot companies is amplified in the market and the growing reputation of Cyprus, aptly branded as the "New Tech Island," is rapidly emerging as a key hub for tech-oriented businesses seeking a strategic base in the EU.

A strong focus on digital advancement and international networking has had an undeniable impact on foreign investment – more than €350 million was invested in Cypriot based startups and scaleups for the better

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part of the last 5 years. Investors are more likely to be drawn to markets that demonstrate robust infrastructure, a skilled workforce, and seamless connectivity, and Cyprus has consistently proved that it ticks all these boxes. Therefore, law firms that leverage these investments and expand their digital capabilities and international alliances are making room for new ventures in high-demand areas like FinTech, RegTech and digital compliance.

As digital transformation accelerates, businesses must not only integrate innovative technology but also align with an evolving regulatory environment. Regulatory frameworks like the General Data Protection Regulation (GDPR), the AI Act, and the Digital Operational Resilience Act (DORA) govern the compliance landscape for tech-driven organizations in the EU, setting rigorous standards for privacy, cybersecurity, and operational resilience. For technology companies, adhering to these frameworks is not just about regulatory compliance—it's a gateway to operational stability, market credibility, and long-term growth. 

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