



CYPRUS INVEST

INVEST & RESIDENCY



Introduction

One of the main objectives of the economic policy of the Republic of Cyprus is to further encourage foreign direct investment and to attract high net worth individuals to conduct business in Cyprus. Key factors that make Cyprus an attractive destination for investment, is the highly specialized human capital, the reliable legislative and regulatory framework, the stable tax system and the safety and stability conditions prevailing in the country.



Within this framework and taking into account the strong investor interest, the Government of Cyprus has established and revised the "Cyprus Investment Programme" (Programme) on the basis of subsection (2) of section 111A of the Civil Registry Laws of 2002-2019, with specific incentives, terms and conditions and control procedures in order to prevent abuse. On the basis of the Programme, a non-Cypriot citizen may apply for the acquisition of the Cypriot citizenship through naturalization by exception, if he/she fulfils the financial criterion A.1 and one of the financial criteria A.2-A.5, either personally or through a company/ companies in which he/she participates as a shareholder – in proportion to his/her holding percentage, or through investments done by his/her spouse or jointly with the spouse that fulfils the financial criteria listed on the following page.

Part 1

Citizenship

A. FINANCIAL CRITERIA



A.1 *Donation to the Research & Innovation Foundation & the Cyprus Land Development Corporation*

(a) The applicant must have donated at least €75.000 to the Research and Innovation Foundation. It is noted that if the applicant wishes to donate an amount higher than the minimum of €75.000, this additional amount can be used for purposes of supplementing the total amount of the investment made on the basis of the criteria A.2-A.5. Furthermore, the aforementioned obligation is lifted, if the applicant has invested at least €75.000 in a certified innovative enterprise (i.e. an enterprise that had acquired the relevant certificate by the Ministry of Finance) or a certified social enterprise. In addition, the obligation is lifted, if the applicant has made an investment under the criterion A.3 (Purchase or Establishment or Participation in Cypriot Companies or Businesses) of a total amount equal to the 20% of the required investment amount (i.e. €400.000) of the above mentioned criterion A.3 in a company whose operations fall within the primary sector of the economy, or the secondary sector of the economy (excluding constructions), or in the sectors of research and development, education, health and renewable energy sources.

(b) The applicant must have donated at least €75.000 to the Cyprus Land Development Corporation for the financing of housing schemes for affordable housing, but also for the materialization of other housing schemes/measures. It is noted that if the applicant wishes to donate an amount higher than the minimum of €75.000, this additional amount can be used for purposes of supplementing the total amount of the investment made on the basis of the criteria A.2-A.5.

A.2 Investment in real estate, land development & infrastructure projects

The applicant must have made an investment of at least €2,0 million for the purchase or construction of buildings or for the construction of other land development projects (residential or commercial developments, in the tourism sector) or other infrastructure projects. It is noted that investment in land under development is included in this criterion, provided that an investment plan for the development of the purchased land will be included in the 3 application. It is understood that investment in land that is situated in a building zone of zero development, is excluded



The applicant must have invested at least €2,0 million for the purchase or participation in companies or organizations established and operating in the Republic of Cyprus with investment costs of. The invested funds shall be channelled towards the financing of the investment objectives of these companies exclusively in Cyprus, based on a specific investment plan. Moreover, investments in the shipping sector are eligible on the basis of measurable criteria that will be determined jointly by the Ministry of Finance and the Shipping Deputy Ministry. The applications shall be evaluated to verify that the companies or organizations have proven physical presence in Cyprus, with significant activity and turnover and employ at least 5 (five) Cypriot citizens or citizens of European Union member-states. The minimum number of employees shall increase, if more than one applicant invests simultaneously or almost simultaneously in the same business or company.

A.3 Purchase or Establishment or Participation in Cypriot Companies or Businesses



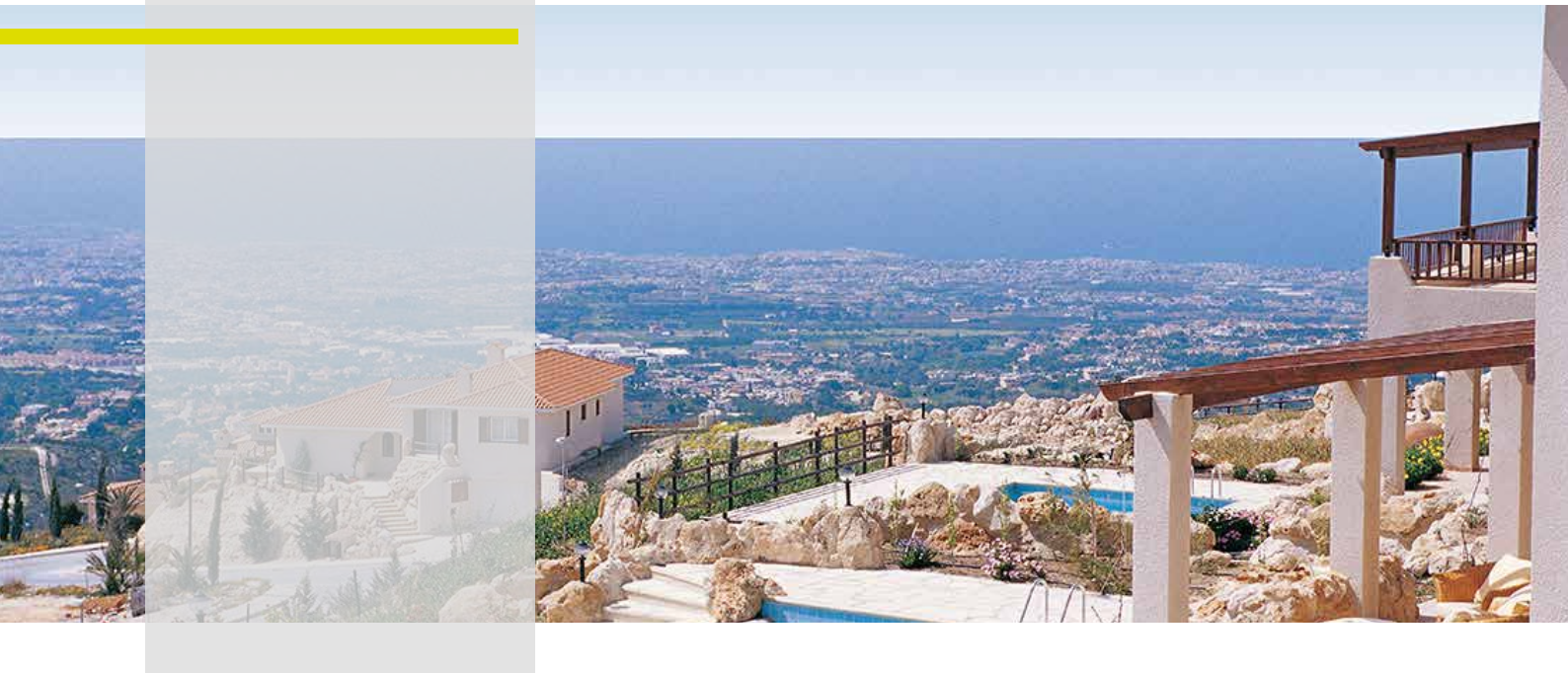
The applicant should have bought units of at least €2,0 million from alternative investment funds (AIF) or Registered Alternative Investment Funds (RAIF) established in the Republic of Cyprus, licensed/registered and supervised by Cysec and whose investments are made exclusively in the Republic of Cyprus, in investments that meet the criteria of this Programme or in areas approved by the Minister of Finance. It is permitted for these AIFs or RAIFs to invest in secondary market stock-market values of the Cyprus Stock Exchange an amount that does not exceed the €200.000. In order to confirm that the investments that meet the criteria of the current Programme will be retained for at least 5 (five) years, the manager or the auditor of the Fund shall inform in writing and on an annual basis, the Ministry of Finance with reference to the value of the initial investment. The purchase of financial assets of Cypriot companies or organizations of at least €2,0 million, such as bonds, bills and securities, issued with the approval of the CySec, by companies that have proven physical presence and substantial economic activity in the Republic of Cyprus, and have as a purpose the financing of the investment plans of these companies or organizations exclusively in Cyprus, based on an investment plan, fall under this criterion. It is noted that the purchase by an AIF or RAIF of units of other AIFs or RAIFs is not considered eligible.

A.4 Investment in Alternative Investment Funds or Registered Alternative Investment Funds or financial assets of Cypriot companies or Cypriot organizations that are licensed by Cyprus Securities & Exchange Commission CySec)

A.5 Combination of the aforementioned investments

The applicant may proceed with a combination of the above investments, provided that the total investment will amount up to at least **€2,0 Million.**

B. TERMS & CONDITIONS



■ Clean Criminal Record:

The applicant must have a clean criminal record. Furthermore, his/her name must not be included in the list of persons whose assets, within the boundaries of the European Union, have been frozen as the result of sanctions. Moreover, an applicant whose application for citizenship in any other member-state of the European Union had been rejected, is not eligible to apply for the acquisition of the Cypriot citizenship through the Cyprus Investment Programme.

■ Schengen Visa:

The applicant must hold a valid Schengen visa. Third-Country nationals that do not require an entry visa for travelling in European Union member-states, as well as citizens of European Union Member States are excluded from this obligation. It is noted that all the aforementioned in paragraphs 1 and 2 also apply for the family members of the investor that are eligible to apply for the acquisition of Cypriot citizenship.

■ Ownership of Residence in the Republic of Cyprus:

In all cases listed in Part A, the applicant must possess a permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500.000, plus V.A.T. It is noted that members of the same family, who apply separately as investors, can collectively acquire a residence, provided that the total value of this home-property covers the amount of €500.000 per each applicant. In case that the purchase value of the permanent privately owned residence in Cyprus exceeds the amount of €500,000, this additional amount can be used for purposes of supplementing the total amount of the investment made on the basis of the criteria of Part A above.

Additionally, it is noted that if the applicant has invested in housing unit/units on the basis of the aforementioned criterion A.2, the purchase of another permanent residence in Cyprus will not be required, if at least one of these housing units is worth at least €500,000, plus VAT, provided that the applicant retains the possession of the residence for life. However, if the applicant has invested in housing units that have already being used for the purpose of acquiring the Cypriot citizenship via the Programme, the above provision will be in force provided that the total amount of the investments, including the privately-owned residence, is at least €2,5 million.

■ Residence Permit in Cyprus:

The applicant, prior to his/her naturalization as a Cypriot citizen must hold a residence permit in Cyprus for a period of at least 6 (six) months. If the applicant does not already hold a residence permit, he/she may apply for an immigration permit on the basis of Regulation 6(2) of the Aliens and Immigration Law, simultaneously with the application for naturalization. The applicant, prior to his/her naturalization as a Cypriot citizen must hold a residence permit in Cyprus for a period of at least 6 (six) months. If the application for acquiring an immigration permit is made solely for purposes of acquiring the Cypriot citizenship, in accordance with the provisions of this Programme, there are no other conditions than those stated in both Part A and Part B of this Programme. It is noted that all of the above also apply for the adult members of the family of the investor, who will apply for naturalization.

C. INVESTORS FAMILY CRITERIA

The decision of the Council of Ministers dated 13.2.2019 provides for the grant of the Cypriot citizenship to the spouse or partner of the investor, to the parents of the investor and to the financially dependent adult children of the investor as well. The minor children of the investor have the right to acquire the citizenship according to the provisions of section 110 (3) of the Civil Registry Law. According to above mentioned decision and the relevant legislation, the parents, the financially dependent adult children (18 years old and above) and the minor children (under 18 years old) may apply for citizenship after the acquisition of the Cypriot citizenship by the investor. However, concerning the investor's spouse or partner the Council of Ministers decided to allow the submission of his/her (spouse's or partner's) application along with the application of the investor, so that both spouses/ partners will be able to acquire the Cypriot citizenship simultaneously.



C.1 Spouse/ Partner

The investor's spouse or partner may acquire the Cypriot citizenship after filing the relevant application. In order to facilitate the procedure of the acquisition of the Cypriot citizenship by the investor's partner or spouse, the Council of Ministers decided to allow the submission of the spouse's or partner's application along with the application of the investor, so that both spouses/ partners will be able to acquire the Cypriot citizenship simultaneously.

C.2 Minor Children

The application for the grant of the Cypriot citizenship to the children of the investor that are under the age of eighteen is submitted after the investor had acquired the Cypriot citizenship and provided that the other parent consents to the grant of the citizenship. The application is filed at the Civil Registry and Migration Department Adult Children. The right to apply for citizenship is also granted to the financially dependent adult children of the Investor. The decision of the Council of Ministers has determined that it will regard as financially dependent adult children individuals who are) students up to the age of 28 that are attending an institution of higher education aiming to obtain a diploma or an undergraduate or a master's degree. This excludes individuals who are studying for the acquisition of a professional qualification (e.g. chartered accountants or barrister).

EXECUTIVE SUMMARY

Investment Decision and Criteria

This is the next most important decision to be taken following the decision to proceed with passport applications. There are five options: (summarising the conditions set out below);

Option 1

} Total investment of € 2.0 million in residential property per applicant investor

If applicant decides to purchase **new** residential property/ies, he/she must have invested at least **€2 million** in one or more properties, provided that the value of one of the properties is at least **€500,000** (excluding VAT), which must be kept as the permanent residence of the investor in Cyprus.

Option 2

} Total investment of €2.5 million – investment in commercial, residential properties and land (provided there is a development planned)

Applicant decides to invest in Cyprus eligible real estate including Commercial, resale Residential, Infrastructure and land amounting to €2.0 million. In addition, he/she must also invest a minimum of **€500,000** (excluding VAT) which will comprise the permanent residence of the investor

Option 3

} Total investment of €2.5 million – investment in Alternative Investment Funds

Applicant Invests minimum of **€ 2.0 million** in Alternative Investment Funds or Registered Alternative Investment Funds or financial assets of Cypriot companies or Cypriot organisations that are licensed by CySec. In addition, he/she must also invest a minimum of **€500,000** (excluding VAT) which will comprise the permanent residence of the investor

Option 4

} Purchase of existing Cypriot entities

Applicant can invest a minimum amount of € 2.0 million in, or purchase or establish or participate in Cypriot companies or businesses. In addition, he/she must also invest a minimum of **€500,000** (excluding VAT) which will comprise the permanent residence of the investor

Option 5

} Combination of the above

AThe applicant may proceed with a combination of the above investments, provided that the total investment will amount up to at least **€2 million**. In addition, he/she must also invest a minimum of **€500,000** (excluding VAT) as the permanent residence of the investor

Please note the following:

- 1. The investments under the above options may be exited after five years. It is thus important that any investment programme selected should have an exit plan/opportunity after this period of five years lapses so that you are not trapped in such investment.**
- 2. The permanent residence of €500,000 must be kept at all times thereafter.**
- 3. Please note that there is no requirement for the applicant to live in Cyprus or spend a minimum duration here after he/she has received the passport.**



Part 2

Residency



Non-EU citizens who purchase property in Cyprus can benefit from a new and accelerated procedure for obtaining a Permanent Residence Permit.

The parents (his and/or her spouse's) of Permanent Residency holders or future applicants can also apply for a permit.

Requirements and Conditions

The applicant/s must:

- Submit the application accompanied with a title deed or contract of sale (submitted to the Department of Lands and Surveys) for a new property purchased in Cyprus of a minimum value of €300.000 and proof of payment for at least €200.000. Please note that only new property qualifies under this programme. Resale or used property is not acceptable
- Prove that they have at their disposal a minimum annual income of €30.000 transferred from overseas per couple.
- The amount the annual income requirement increases by:
 - €5.000 for each dependent child.
 - €8.000 for each dependent parent (applicant's or spouse's).
- Submit a letter from a Cypriot Bank confirming they have deposited an amount of minimum €30.000, to be deposited in the account for 3 consecutive years. The amount should be sourced from overseas. The amount must be transferred to Cyprus from abroad.
- Submit a clean criminal record certificate issued by the Authorities of their country of origin.
- Submit a statement confirming they will not be working or be engaged in any form of business in Cyprus.
- Visit Cyprus at least once every two years.

Provided that the criteria described above are fulfilled, the application will be examined by the Minister of the Interior and the permit should be granted within one to two months in most instances.

CONTACT US



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