



## THE CYPRUS INVESTMENT SCHEME

The new Cyprus Investment Scheme, adopted in September 2016, as amended in March 2019, streamlines and simplifies the criteria for Cyprus eligible investments, rendering the scheme more coveted and attractive than ever.

### WHO MAY APPLY

#### A. INVESTOR

Non-Cypriot citizen who acts on his/her own capacity or as a shareholder of a company or through investments done by his/her spouse or jointly.

#### B. HIGH-RANKING SENIOR MANAGER

Physical person who receives remuneration in which the tax revenue for the Republic of Cyprus amounts to at least a total of €100.000 for a period of 3 years and such tax has already been paid or prepaid.

#### C. INVESTOR'S PARENTS

The new scheme gives the opportunity to the investor's parents to also apply for citizenship without having to proceed to an additional investment, provided that they fulfil the prerequisites set out below.

#### Note:

The spouse, the underage children, as well as the financially dependent adult children<sup>1</sup> of the qualifying applicant also qualify automatically without any further requirements.

### PREREQUISITES

#### A. CLEAR CRIMINAL RECORD

The applicant must be of a clear criminal record in his/her country of origin, Cyprus and the country of residence as applicable. Any persons sanctioned by the EU are not qualified to apply.

#### B. POSSESSION OF RESIDENCE IN THE REPUBLIC OF CYPRUS

The applicant must own a private residential property/ies in the Republic of Cyprus, the total net price of which must be at least of €500.000. It is clarified that in case the applicant(s) is/are the investor's parent(s), the acquisition of one family residence of at least €1.000.000 is also acceptable.

<sup>1</sup> Financially dependent adult children: are the undergraduate and postgraduate university students up to 28 years of age that are undertaking their first undergraduate or postgraduate degree and are not studying to acquire professional title (e.g. ACA, ACCA, barrister) as well as any legally incapacitated dependants



**C. PERMANENT CYPRUS RESIDENCY PERMIT**

The applicant must possess or apply for a permanent residence permit in Cyprus prior or simultaneously with the application for naturalisation.<sup>2</sup>

**D. SCHENGEN VISA**

The applicant must hold a valid Schengen visa at the time of application

**E. NOT PREVIOUSLY REJECTED**

An applicant must not have been rejected for naturalisation in another EU member state.

**SOCIAL FINANCING CRITERIA**

The applicant must meet **cumulatively** the following donation prerequisites, that aim to highlight the social aspect of the scheme:

**A. DONATION TO THE RESEARCH AND INNOVATION FOUNDATION**

- The applicant must donate a minimum of €75.000 to the Research and Innovation Foundation.
- Alternatively, the applicant may choose instead, to invest at least €75.000 in a certified innovative enterprise or a certified social enterprise.
- Otherwise, if the applicant's investment is in the participation or establishment of Cyprus Companies in an amount of over €400.000 and such company operates in manufacturing, agriculture or in the sectors of research and development, education health and renewable energy, any further donation is not necessary.

**B. DONATION TO THE CYPRUS LAND DEVELOPMENT CORPORATION**

- The applicant must donate a minimum of €75.000 to the Cyprus Land Development Corporation.

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*2 No application will be reviewed before the passing of 6 months from the obtaining of the Permanent Residency permit*



## INVESTMENT FINANCIAL CRITERIA

The investor may choose one of the 5 investment modes below, in order to fulfil the investment requirement of the scheme:

### 1. INVESTMENT IN REAL ESTATE OR LAND DEVELOPMENT AND INFRASTRUCTURE PROJECTS

The applicant must invest at least €2 million in real estate, land development<sup>3</sup> (residential<sup>4</sup>, commercial, tourism industry) or other infrastructure projects.

### 2. INVESTMENT IN FINANCIAL ASSETS OF CYPRUS COMPANIES OR CYPRIOT ORGANIZATIONS

The applicant must invest a minimum of €2 million in acquiring, or participating in organizations or companies established and operating in Cyprus. Such organizations or companies must have:

- a physical presence in Cyprus;
- significant activity and turnover; and
- employ at least five (5) Cypriot nationals or European citizens.

Investment in Shipping Sector are now eligible based on measurable criteria to be determined by the Ministry of Finance and the Shipping Department.

### 3. INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS LICENSED BY CYSEC

The applicant must purchase units of at least €2 million from alternative investment funds (AIFs) and/or Registered Alternative Investment Funds (RAIFs) provided that such investment funds:

- these are established in Cyprus
- are licensed and supervised by CySec
- are investing in Cyprus
- the investments are in accordance with the naturalisation scheme or approved by the Minister of Finance.

AIFs or RAIFs may invest in secondary market stock-market values of the Cyprus Stock Exchange an amount not exceeding €200.000.

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<sup>3</sup> In the case of land under development, an investment plan must be submitted with the application. Acquisition of land located in Zero building zones does not constitute an investment under this scheme.

<sup>4</sup> In case this criterion is used, then an acquisition of an additional residence of €500.000 is not required, PROVIDED that, at least one of the units acquired, constitutes of a housing unit with acquisition value of at least €500.000, which the applicant must possess for life.



#### 4. INVESTMENT IN FINANCIAL ASSETS OF CYPRIOT COMPANIES OR ORGANIZATIONS LICENSED BY CYSEC

Under this criterion the applicant may purchase financial assets of at least €2 million value, such as bonds, bills and securities, issued with the approval of CySec, in order to be eligible, the Companies must have a physical presence and substantial economic activity in Cyprus.

#### 5. COMBINATION OF ANY OF THE ABOVE CRITERIA (1-5)

The applicant may also use a combination of the above 5 financial criteria amounting to at least €2 million.

- The applicant, prior the application for naturalization must have concluded the necessary investments during the 3 years preceding the submission date of the application.
- The investor may change the investment within the 3 years provided of the approval of Ministry of Interior.
- The granting of naturalisation is a prerogative of the Council of Ministers. The Council of Ministers has the right to refuse an application and such refusal is not subject to judicial review.
- The applicant is obliged to retain the investment for at least 5 years after the date of the acquisition of the Cypriot Citizenship.
- Citizenship may be revoked in event of (a) alienation of the residence (b) tainted criminal record

#### OUR SERVICES

- Advice on the application process, preparation of all required/supportive documentation, submission of the application and completeness of the process;
- Legal advice and support on employment law, commercial and corporate law matters;
- Drafting and/or reviewing of employment agreements and agreements relating to the purchase of immovable property in Cyprus;
- Liaising with the Cyprus authorities to ensure that the application is properly progressing and to avoid any undue delays;
- Incorporation of Cyprus or foreign companies;
- Legal due diligence on Cyprus Entities, properties and individuals;
- Opening of Bank Accounts at local banks;
- Assistance in finding appropriate properties;
- Evaluation and recruiting qualified candidates to meet the needs of the Client;
- Annual Review Report