



EMPLOYEES IN INTERNATIONAL COMPANIES

Introduction

Companies of foreign interest, including former offshore companies and Cyprus shipping companies are entitled to employ third party nationals under specific circumstances. Such foreign nationals are also allowed family reunification which means that their eligible family members will be allowed to reside in Cyprus. Interested employers and employees should obtain relevant licence from the Civil Registry and Migration Department (CRMD).

Eligible Companies

The Company must be a private company, owned by a majority of third party nationals having invested in the share capital of the Company an amount of at least Euro171.000.

In the event that the percentage of foreign participation is less or equal of 50% of the share capital of the company, a company may still be eligible, provided that the foreign shareholder(s) has invested into the Company's share capital, an amount of at least Euro171.000.

The above-mentioned amounts should be transferred in Cyprus from abroad and relevant documentation is submitted to the CRMD, so a bank account in Cyprus in the name of the prospective employer/ applicant Company, is a requirement.

Further to the above requirement, the CRMD requires full disclosure with regards to the beneficial owners of the applicant company. It is likely, that a Due Diligence Report with regards to the beneficial owners may also be required by the CRMD and that such a report would be issued by a relevant authorised provider¹.

Finally, the Applicant must operate in independent offices in Cyprus, separate from any private housing or other office².

¹ I. Christodoulou & Partners LLC is an authorised provider with the CRMD with Registration number 124

² Whilst Serviced offices, or business co-habitation are not excluded, such arrangements are not generally advisable



Who is eligible to be employed?

Eligible Companies may employ third country nationals in the following categories, numbers and under the following conditions: -

A. Directors

i. These include:-

- Company Directors (or Partners in the case of partnership)
- Branch General Managers
- Departmental Managers

ii. Minimum Salary

- At least Euro3872 gross monthly, as amended from time to time³ based on a minimum of 12 monthly salaries per year.

iii. Maximum Number

- Up to 5 persons within this category may be approved for employment, unless a greater number can be justified in the particular circumstances.

B. Middle Management

i. These include:-

- Upper/ Middle Management personnel
- Other administrative, secretarial or technical staff

ii. Minimum Salary

- At least Euro1936 gross monthly, as amended from time to time⁴ based on a minimum of 12 monthly salaries per year.

iii. Maximum Number

- Up to 10 persons within this category may be approved for employment, unless a greater number can be justified in the particular circumstances.

C. Support Staff

- Third country nationals not included in the above categories are considered as support staff. Companies are expected to hire for these positions Cyprus or European citizens. In this respect, it must be proven to the Ministry of Labour that there are no such qualified persons available for hire in order for a relevant authorisation for employment to be granted.

3 Please refer to our brochure Cyprus Non Dom Regime for additional information regarding personal income taxation and tax residency in Cyprus and how higher salaries may be more beneficial

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Application

- The application for employment is commenced and submitted by the Company in the event that the prospective employee is not in Cyprus or does not currently have a residence permit in Cyprus and in all other cases, by the employee themselves.
- In practice, in the event that the Company is not registered with the CRMD and will need the relevant license as well, then application for work permit and the application for CRMD company registration will be lodged simultaneously.

Ongoing Requirements

- All international companies registered with the CRMD as third country employer must annually submit their audited accounts, tax clearance certificate, VAT clearance certificate where applicable, as well as the proof of payment of the Company's Annual Levy.

Our services

Our team consists of well-trained professionals with the primary goal of making all the benefits of the above scheme accessible to our clients. We can assist you with the following:

- Preparation and submission of a well-structured business plan.
- Drafting of various employment contracts and providing general legal advice to various employment, corporate and commercial matters, including to stock option schemes.
- Drafting of shareholders' (founders') agreements.
- Advice in relation to the incorporation of the company, if the company is not an existing company.
- Assistance with the procedure of the application for Visa, preparation of all the required and supportive documentation, submission of the application and completeness of the process.
- Assistance with the procedure of the application for work and residence permit preparation of all the required and supportive documentation, submission of the application and completeness of the process.
- Opening of Bank Accounts
- Practical assistance with regards to finding premises, lodgings etc.
- Liaising with the Cyprus Authorities to ensure that the application is properly progressing and to avoid any undue delays.
- Due Diligence Reports
- Introduction of Insurance Companies
- Registration with Tax Authorities and Social Security
- Tax consulting and Structuring
- Corporate Support/ Management



Indicative List of Documents for obtaining a permit to employ third nationals (Foreign Companies)

A. For the Company

- Corporate Certificates of the Company issued by the Registrar of Companies;
- Memorandum & Articles of Association of the Company;
- Profile describing the nature of the Company's business and details of its operations;
- List with the initial shareholders of the Company;
- List of Company's personnel (applicants and employees);
- Bank Account with the amount of EUR 41.000;
- Declaration of Beneficial Ownership
- Domicile Deed title of lease agreement or contract of sale and purchase of the offices in Cyprus;
- Share Capital transfer of EUR 171.000 which can be evidenced by banking and other documents;

B. For the Employee⁵

- M61 application form; (Temporary Residence Permit application where applicable)
- M64 application form; (Work Permit application)
- Passport copy (with stamp of arrival) having at least a two-year validity post application;
- Bank guarantee in the amount of EUR 855,00 which should be valid for at least 12 months beyond the expected employment period of the contract;
- Original permit of Entry/ Approval Procedure for Entry;
- Contract of Employment, stamped by Commissioner for Stamp Duty;
- Medical Examination Certificate from doctors in Cyprus, certified by the Government.
- Copy of the sale agreement or rental agreement or title deed for living premises;
- 4 photos for first issue (1 photo for renewal);
- Medical insurance which is automatically renewable.
- Due Diligence Report
- Clean Criminal Record
- Curriculum Vitae

DISCLAIMER

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⁵ All documents must be in English or Greek duly certified or apostilled