

COUNCIL OF MINISTERS DECISION dated 13.09.2016

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## **REVISED SCHEME FOR GRANTING CYPRUS CITIZENSHIP TO INVESTORS IN CYPRUS BY EXCEPTION on the basis of subsection (2) of section 111A of the Civil Registry Laws of 141(I)/2002**

### **AND GRANTING CYPRUS CITIZENSHIP BY EXCEPTION TO INVESTOR'S FAMILY MEMBERS on the basis of the Decision**

A non-Cypriot citizen, who meets one of the following financial criteria (A), either personally or through a company/ companies, in which he/ she participates as a shareholder - proportionally based on the percentage of participation or his or her spouse or jointly with his or her spouse, or as a high-ranking senior manager of a company/ companies that meets one of financial criteria (A), may apply for the acquisition of Cypriot citizenship through naturalization by exception.

A high-ranking senior manager may apply, provided that he/she receives such a remuneration that generates for the Republic tax revenue of at least €100,000 for a three-year period and provided that this tax has already been paid or prepaid.

The applicant should have concluded the necessary investments during the three years preceding the date of the application and must retain the said investments for a period of at least three years from the date of Naturalization.

In addition, the applicant must fulfill the Terms and Conditions set out in Part B.

In the case where, following periodic inspections, it is ascertained that any condition is circumvented, the Naturalization may be revoked.

## **A. FINANCIAL CRITERIA**

### **A.1 Investment in real estate, land development and infrastructure projects:**

The applicant must have made an investment of at least **€2 million** for the purchase or construction of buildings or for the construction of other land development projects (residential or commercial developments, developments in the tourism sector or other infrastructure projects).

The said criterion includes the investment in plots of land capable of development, provided that with the application an investment plan is included concerning the development of that land. From this criterion, the purchase of land which is in a zero development zone is excluded.

## **A.2 Purchase or creation or participation in Cypriot businesses or companies:**

The applicant must have made an investment of at least **€2 million** in the purchase, creation or participation in businesses or companies, that are based and operating in the Republic. The investment capital must be used for investment purposes of the business or company exclusively within the Republic of Cyprus on the basis of an investment plan.

The applications will be evaluated so that it is ascertained that the businesses or companies, in which the investor has invested, have a proven physical presence in Cyprus, with substantial activities and a significant turnover and that they employ at least 5 Cypriot or European Union nationals. The minimum number of required employees shall increase accordingly if more than one applicant for citizenship invests simultaneously or nearly simultaneously in the same business or company. In addition the aforementioned employees must have had for the previous 5 years before the submission of the application for citizenship legal and continuous residence in Cyprus.

## **A.3 Investments in Alternative Investment Funds (AIFs) or financial assets of Cypriot businesses or organizations which are licensed by CYSEC (CYPRUS SECURITIES AND EXCHANGE COMMISSION)**

The applicant must have purchased units of at least **€2 million** from AIFs established in Cyprus and licensed and supervised by CYSEC. The investments must be made exclusively in Cyprus and should meet the criteria of this Scheme or be in sectors approved by the Minister of Finance.

For the purposes of ensuring that the investments, which meet the criteria of this Scheme, are maintained for at least 3 years, the administrator or auditor of the Fund shall on an annual basis, inform in writing the Ministries of Interior and Finance, with reference to the value of the initial investment.

The purchase of financial assets of Cypriot businesses or organizations, of at least **€2 million**, such as debentures, stocks and securities, following the approval of CYSEC, of companies, which have a proven physical presence and substantial financial activity in Cyprus, and which relate to the financing of the investment objectives of the said businesses and organizations exclusively within Cyprus, on the basis of an investment plan, fall within this criterion.

The purchase of units of other AIFs is not considered to meet the criterion A.3.

## **A.4 Combination of the above investments**

The applicant may invest in a combination of the above investments (A1.-A.3) provided that the total investment is at least **€2 million**.

Under this criterion the applicant may purchase special government bonds of Cyprus up to the amount of **€500,000**, issued by the Public Debt Management Office of the Ministry of Finance, on condition that the applicant shall retain the bonds for a period of at least 3 years. The characteristics and terms of the bonds are set in the General and Special Terms Issue of Special Government bonds of the Republic of Cyprus.

## B. TERMS AND CONDITIONS

**1. Clean Criminal Record:** the applicant must have a clean criminal record. Furthermore, his name must not be included on the list of persons whose property is ordered to be frozen within the boundaries of the European Union.

**2. Permanent privately-owned residence in the Republic of Cyprus:** In all cases listed in Part A, the applicant must hold a permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500,000.00 plus V.A.T.

It is noted that members of the same family, which apply separately as investors, can collectively acquire one residence, provided that the total value of this residence covers the amount of **€500,000** per applicant.

In the event that the purchase price of the privately-owned permanent residence in Cyprus exceeds **€500,000**, the difference can be used for completing the amount of the investment, under the criteria in Part A above.

In addition, in the event that the applicant invests in residential units under Criterion A.1 the applicant will not be required to purchase another permanent privately-owned residence in Cyprus if at least one of the residential units was purchased for at least €500,000.00 plus VAT and provided that he retains in his possession the said permanent privately-owned residence for life.

**3. Residence in Cyprus:** The applicant, prior to his naturalization as a Cypriot citizen, must be a holder of a residence permit of Cyprus.

In the event that the applicant is not a holder of a Cyprus residence permit he/she may apply for an immigration permit under Regulation 6(2) of the Aliens and Immigration Law, at the same time when he applies for citizenship. In relation to the application for an immigration permit exclusively and solely for the purposes of acquiring Cypriot citizenship in accordance to the provisions of this Scheme, no further conditions other than those set out in Part A and Part B of this Scheme are required to be fulfilled.

The above applies to the adult family members of the investor, who shall apply for citizenship.

In the event that the application for citizenship, for any reason, is rejected, the immigration permit obtained under the provisions of the present Decision, shall be revoked at the same time.

## C. SUBMISSION OF DOCUMENTS

In order to examine the application the submission of form (M127) and of the following are required:

### 1. Clean Criminal Record:

Certificate of Clean Criminal Record from the country of origin and the country of residence (if it differs).

## **2. Permanent Privately-Owned Residence in the Republic of Cyprus:**

- a. Contract of Sale.
- b. Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department.
- c. Receipts for payment of the agreed purchase price.
- d. Swifts/ wire transfer from abroad to a Cypriot commercial banking institution account in the name of the seller or the seller's company.
- e. Evaluation Certificate of an Independent Approved Surveyor upon demand of the Ministry of Interior or Ministry of Finance.

### **AS for the investment criteria the following are required (as applicable):**

- a. Certificate of Registration of the company/ companies by the Registrar of Companies
- b. Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficial owner of the company/ companies.
- c. Audited Accounts of the company (or companies) for the last three years preceding the year of the application.
- d. If the applicant is a high-ranking senior manager the submission of the employment contract and the Income Confirmation from the Tax Department.
- e. If the investment is made by the spouse of the applicant or jointly, the marriage certificate.

Furthermore, depending on the case, the following are required:

### **1. Investment in real estate, land development or infrastructure projects**

- a. Contract of sale.
- b. Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department.
- c. Receipts for payment of the agreed purchase price.
- d. Swifts/ wire transfer from abroad to a Cypriot commercial banking institution account in the name of the seller or the seller's company
- e. Evaluation Certificate of an Independent Approved Surveyor upon demand of the Ministry of Interior or Ministry of Finance.
- f. Investment plan (business plan) regarding land development in the case of investments in land which can be developed.

## **2. Purchase or creation or participation in Cypriot businesses and companies**

- a. Contract of sale.
- b. Receipts for payment of the agreed purchase price.
- c. Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficial owner of the company/ companies
- d. Swifts/ wire transfer from abroad to a Cypriot commercial banking institution account in the name of the seller or company.
- e. Detailed investment plan.
- f. Copies of the employment contracts of the Cypriot and EU national employees of the company in which the applicant invested in.
- g. Confirmation from the Social Insurance Department as to the insurable income of the Cypriot and EU national employees of the company in which the applicant invested in.
- h. Copy of the Insurance Account of the Social Insurance Services for each Cypriot and EU national employee.
- i. Registration Certificate of the EU national (MEU1) or Certificate of Permanent Residence of an EU national (MEU3) for employees of nationals of EU member-states.

## **3. Investment in Alternative Investment Funds (AIFs) or financial assets of Cypriot companies or Cypriot organizations licensed by CYSEC**

- a. Title/titles and other documents regarding the financial assets. (b) Swift/ wire transfer from abroad to a Cypriot commercial banking institution account in the name of the company or the organization.
- b. Detailed investment plan.
- c. Certificate of CYSEC.

## **4. Combination of Investments – Investment in Government Bonds**

- a. Receipt of the Public Debt Management Office for the purchase of the special government bonds.
- b. Swift /wire transfer from abroad to the account of the General Accountant of the Republic of Cyprus.

## D. FAMILY MEMBERS

The spouse/civil partner/parents and the financially dependent children (over the age of 18) of the investor who has been granted citizenship of the Republic of Cyprus are entitled to receive citizenship.

- i. The term 'civil partner' is interpreted in accordance to the definition in law 184(I)/2015.
- ii. The spouse or civil partner of the investor has the right to submit his or her application for citizenship simultaneously with the filing of the application of the investor. Approval is also simultaneous.
- iii. The parents of the investor and the financially dependent adult children (over 18 years old) of the investor may submit their application only after the completion of the naturalization procedure of the investor.

### Clarifications for family members:

1. The **parents of the investor** must be in possession of a permanent residence in Cyprus purchased for at least €500,000.00 plus VAT. The parents of the investor and the investor can purchase jointly one residence (dwelling) provided that the purchase price is at least €1,000,000.00 plus VAT.
2. **Financially dependent adult children** are the following categories,
  - a. Students up to the age of 28 years, who are students at a tertiary institution and who have as their main activity the attendance of a full time course with the objective of obtaining a tertiary title, namely certificate, diploma, higher diploma, degree (Bachelor) and postgraduate (Master), which may include a preparatory course or lesson for the said studies, the duration of which must not exceed two academic semesters (2 halfyears). Study courses which lead to obtaining a professional title (such as Certified/Chartered Accountant, Barrister etc) are not included the definition.
  - b. Persons with serious physical or mental incapacity, who are incapable to work.