



## Cyprus Investment Program

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Application for Cypriot Citizenship

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## **Obtaining Cyprus Citizenship**

An individual from a non-EU country can obtain a Cyprus citizenship through an individual from a non-EU country can obtain a Cyprus passport through a procedure called naturalization, based on his/her financial affairs and investments in Cyprus. Such procedure is made in accordance with Council of Ministers Decision dated 10.10.2011.

The Council of Ministers updated the conditions for naturalization of investors in Cyprus by exception, on the basis of subsection (2) of section 111A of the Civil Registry of 2002-2019 on 13/02/2019

A non-Cypriot citizen who meets one of the Criteria below, either personally or through a company/companies in which he/she participates as shareholder – proportional to his shareholding percentage, or as a high level Executive Member of a company/companies, which meets one of the financial Criteria below, will be eligible to obtain a Cypriot citizenship through Naturalization by Exception.

In case of a high level Executive Member of companies, he/she is eligible to apply, provided that the said member receives such remuneration in the said company/companies, that he/she generates tax revenues for the Republic of at least €100.000 for a period of at least three years and provided that this tax has already been paid or prepaid.

The applicant should have made the required investments during the three years, preceding the date of the application, and maintain the said investment for a period of at least 5 (five) years after the date of Naturalization. Also, the applicant must fulfill the terms and conditions that are included in part B.

Below are the financial criteria for the Naturalization of Investors in Cyprus:

### **A. Economic Criteria**

#### **1. Donation to the Research and Innovation Foundation and 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 €75.000, this additional amount can be used for purposes of supplementing the total amount of the investment.

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 3 below, namely "Purchase or Establishment or Participation in Cypriot Companies or Businesses", of a total amount equal



to 20% of the required investment amount (i.e. €400.000) 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 materialisation of other housing schemes/measures. It is noted that if the applicant wishes to donate an amount higher than the minimum €75.000, this additional amount can be used for purposes of supplementing the total amount of the investment.

## **2. Investment in real estate, developments and infrastructure projects**

The applicant must have invested at least €2.000.000 in the purchase or the construction of buildings or for the construction of other land development projects (residential or commercial developments, developments in tourism sector) or other infrastructure.

This criterion also includes the investment in land that could be developed, given that there is an investment plan for development. This criterion excludes the purchase of land which is integrated into zero growth zones.

## **3. Acquiring or participating in Cypriot businesses and companies**

The applicant must have acquired or participated in businesses or companies established and operating in the Republic of Cyprus, amounting of at least €2.000.000. These investment funds must be used to finance the investment objectives/scopes of the aforementioned businesses and companies exclusively in the Republic of 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.



Such businesses or companies must have proven physical presence in Cyprus, with a meaningful activity and significant turnover, and must employ at least five (5) Cypriot nationals or European Union nationals. The minimum number of employees will be increasing, if more than one applicant invests, at the same time or almost at the same time, in the same company or business. In addition, the aforementioned employees, at the previous period of five years time preceding the date of application, must have had legal and continuous residence in Cyprus.

#### **4. Investment in Alternative Investment Funds or Registered Alternative Investment Funds or financial assets of Cypriot companies or Cypriot organizations that are licensed by the Cyprus Security and Exchange Commission**

The applicant must have purchased units of at least €2.000.000 in Alternative Investment Funds (AIF) or Registered Alternative Investment Funds (RAIF) which are registered in the Republic of Cyprus, licensed and regulated by the Cyprus Security and Exchange Commission and invest exclusively in Cyprus, in investments that satisfy the criteria of this Program or in sectors that are 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.

Moreover, the administrator or the auditor of the fund must annually inform in writing (the Ministry of Interior and Ministry of Finance), that they fulfil the aforementioned criterion, with reference to the initial investment.

The purchase of financial assets of Cypriot businesses or organizations of at least €2.000.000, i.e. bonds, bills and securities which have been issued, with the approval of the Securities and Exchange Commission, by companies with proven physical presence and substantial economic activity in the Republic of Cyprus. These investments must be used to finance the investment objectives/scopes of the aforementioned businesses or organizations restrictively in Cyprus, according to an investment plan which falls within this criterion.

It is noted that the purchase by an AIF or RAIF units of other AIFs or RAIFs is not considered eligible.

#### **5. Combination of the above criteria**

The applicant must have made total investments amounting to at least €2.000.000 by combination of any of the above criteria.



## Terms and Conditions:

### **Clean Criminal Record**

The applicant must have a clean criminal record. Furthermore, his/her name must not be included on the list of persons whose assets are frozen within the boundaries of the European Union.

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 Cyprus Investment Program.

### **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.

### **Permanent Privately-owned residence in Cyprus**

The applicant is required to have a permanent privately-owned residence in the Republic of Cyprus, the value of which must exceed the amount of €500,000 at current prices (plus VAT).

In cases where family members apply separately as individual investors, can jointly buy a residence, given that the total value of the residence covers the amount of €500.000 for each applicant.

In case where the market value of the permanent owned residence exceeds the amount of €500.000, part of the exceeding amount can be used for the completion of the investment amount.

Additionally, if the applicant has investments in residential units, as per criterion 2, she/he will not be demanded to proceed with a purchase of another permanent privately- owned residence in Cyprus, if at least one of this residential units cover the amount of €500.000 plus VAT, and she/he will own the permanent 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 Program, the above provision will be in force provided that the total amount of investments, including the privately-owned residence, is at least €2.500.000.

### **Residence Permit in Cyprus**

The applicant prior to his/her naturalisation as a Cypriot citizen must hold a residence permit in the Republic of Cyprus for at least 6 (six) months.

If the applicant does not hold a residence permit, she/he can apply for an immigration permit, based on the regulation 6(2) of the Aliens and



Immigration Law, simultaneously with his/her application for naturalization.

In regards with the application for an immigration permit, solely for the purposes of acquiring a Cypriot citizenship, in accordance with the provisions of this present plan, there are no other criteria than those provided in Part A and in Part B.

The aforementioned criteria, also apply to adult members of the investor's family which apply for naturalization.

If the application for naturalization is rejected for any reason, the immigration permit which was obtained in accordance with the provisions of this decision, it will be cancelled immediately.



### **Requested Documentation for an application for citizenship**

In order to examine any application, the following documents and the form M127 are required to be submitted:

- Certificate of Clean Criminal Record
  - (a) Certificate of Clean Criminal Record from the country of origin and the country of residence (if different).
  - (b) Due Diligence Report issued through an internationally accepted database.
  
- Schengen Visa
  - Copy of a valid Schengen Visa
  
- Residence in the Republic of Cyprus
  - a. Contract of sale
  - b. Title of ownership or proof of the submission of contract of sale in the Department of Lands and Surveys
  - c. Proof of payment of the agreed purchase price
  - d. Transfer from abroad in a Cyprus commercial bank in the name of the seller or in the company's name of the seller
  - e. Valuation Certificate from an Independent Qualified Valuer, if requested by the Ministry of Interior and Ministry of Finance
  - f. Town-planning permit, provided that it is required by the Town and Country Planning Law
  - g. Bank waiver (if applicable)
  
- Financial Criteria (when applicable)
  - a. Certificate of incorporation of the company/companies from the Registrar of Companies
  - b. Certificate of shareholders from the Registrar of Companies or certificates which prove that the investor is the ultimate beneficial owner of the company/companies
  - c. Audited financial statement of the company/companies for the last three years preceding the year of the submission of the application
  - d. In case where the applicant is a high level executive member, additionally it is required to provide his/her employment contract and the Proceeds Certification from the Inland Revenue Department.
  - e. In case where the investment takes place by the husband/wife/spouse of the applicant or jointly, the marriage certificate is required

Moreover the following documents are required depending on the criteria:

#### **1. Donation to the Research and Innovation Foundation and the Cyprus Land Development**

- a. Copy of the wire transfer of the donation to the Research and Innovation Foundation to an account in a Cypriot commercial banking institution in the name of the Foundation.

- b. Copy of the wire transfer of the donation to the Cyprus Land Development Corporation to an account in a Cypriot commercial banking institution in the name of the Corporation.
- c. Innovative enterprise certificate.
- d. Investment Agreement in Cypriot company/companies.
- e. Proof of payment of the agreed amount.
- f. Certificate of shareholders by the Registrar of Companies.
- g. Copy of the wire transfer to a Cypriot commercial banking institution in the name of the company or the organization.
- h. Specific investment plan.
- i. Copies of the employment contracts of the Cypriot or European Union citizens employed by the company in which the applicant has invested.
- j. Confirmation from the Social Insurance Department as to the insurable income of the Cypriot or European Union citizens employed in the company.
- k. Registration certificate (MEU1) or Permanent Registration Certificate of Union Citizen (MEU3) for employees that are European Union citizens.

## **2. Investment in real estate, developments and infrastructure projects**

- a. Contract of sale
- b. Title deed or proof of the submission of the contract to the Department of Lands and Surveys
- c. Proof of payment of the agreed purchase price
- d. Transfer from abroad in a Cyprus commercial bank in the name of the seller or in the of the company of the seller
- e. Valuation Certificate from an Independent Qualified Valuer, if requested by the Ministry of Interior and Ministry of Finance
- f. An investment plan for the development of the land, in cases where the investment is in a developed land
- g. Town Planning permit, provided that it is required by the Town and Country Planning Law
- h. Bank Waiver





### **3. Acquiring or participating in Cypriot businesses and companies**

- a. Investment Agreement in Cypriot company/companies
- a. Proof of payment of the agreed amount
- b. Certificate of shareholders by the Registrar of Companies
- c. Transfer from abroad in a Cyprus commercial bank in the name of the seller or the company
- d. Specific investment plan
- e. Copies of the employment contracts of Cypriot nationals and nationals of the European Union, who are employed in the company that the applicant invests
- f. Confirmation from the Department of Social Insurance for the insurable earnings of company's employees;
- g. Confirmation of the European citizen registration (MEU1) or certificate of permanent residence for European citizens (MEU3), for European Union employees

### **4. Investment in Alternative Investment Funds or Registered Alternative Investment Funds or financial assets of Cypriot companies or Cypriot organizations that are licensed by the Cyprus Security and Exchange Commission**

- a. Title/titles and other documents of the financial assets/units purchased
- b. Transfer from abroad in a Cyprus commercial bank in the name of the business or the organization
- c. Specific investment plan
- d. Confirmation from the Cyprus Security and Exchange Commission

Moreover the applicants in all cases must submit the following documents:

1. Application forms duly completed and signed (three Cypriot referees must sign as well)
2. Affidavit at the District Court that the applicant's declarations in the application forms are true.
3. Birth Certificate
4. Copies of passport (must be an apostile document if the applicant's country of origin has ratified Hague Convention of 1961)

- Two passport size photos
- Original and copy of birth certificate of the applicant (formally translated by P.I.O. in Cyprus in English or in Greek)
- Copy of marriage certificate of the applicant, if applied (formally translated by P.I.O. in Cyprus in English or in Greek)
- Adequate proof of the applicant's intention to apply for Cypriot citizenship, published in a daily newspaper. The publication in the press must be for two consecutive days
- Letter introducing the applicant, i.e. CV, small history of the applicant (residence history), family status (married, age of children if any), business activities of the applicant or his/her family in general, small description of assets worldwide, etc.

#### Notes

\* All documents which are not in Greek language must be formally translated and certified by a licensed translator.

\* All documents must be certified from an authorized person or a relevant authority. If the above documents need to be translated, translations should be made by P.I.O in Cyprus or the Embassy or Consulate or the related Government authority of the applicant's country of origin.



### Services provided by LLPO Law Firm

LLPO Law Firm have extensive experience in immigration related services and can provide the following services:

- Assistance and guidance during the application preparation and submission
- Liaising with the relevant authorities during the examination process
- Planning and cash flow management to limit the amount of actual investment required for passports (e.g. back to back loans arrangements)
- Drafting of employment, rental, purchase and other related contracts

### Time

It is estimated that a period of 6 months is needed for the determination and acquisition of Cypriot citizenship.

For further information please contact Mr. Michael O. Ioannides at [moi@llpolawfirm.com](mailto:moi@llpolawfirm.com) or Mr. Andreas N. Leonidou at [aleo@llpolawfirm.com](mailto:aleo@llpolawfirm.com).