



May 2014

REVISED CRITERIA FOR GRANTING CYPRIOT CITIZENSHIP

This *Newsletter* is an update on the government of Cyprus revised criteria for the Naturalization of foreigners investing in Cyprus as approved by the Council of Ministers on 19 March 2014. The Cyprus Government through the Ministry of Interior has relaxed further the already revised set of criteria.

A non-Cypriot citizen, who meets one of the following economic criteria, either personally or through a company in which he or she participates as a shareholder that meets one of the economic criteria set out, may apply for the acquisition of the Cypriot citizenship through Naturalization by exception.

The Decision of the Council of Ministers provides for the grant of the Cypriot citizenship to the spouse as well as to the financially dependent adult children (eighteen years old or above) of the investor. Neither the spouse nor the children are obliged to meet any financial criteria.

The Decision regulates that adult children of an investor are considered as financially dependent, if they are students up to the age of 28 and are attending an institution of higher education aiming to obtain a diploma or an undergraduate or a master's degree. Minor children (under the age of eighteen) of an investor have the right to acquire the citizenship according to the provisions of the Civil Registry Law.

The applicant must retain the investments for a period of at least 3 years since the date of Naturalization.

CRITERIA

There are a six investment ways which enable an investor to apply for naturalization. A foreign investor may apply for naturalization if he or she meets **ANY ONE** of the below criteria 1 to 6 **AND** the **CONDITIONS** that follow:

1. Investment in government bonds

The applicant must have purchased state bonds of the Republic of Cyprus of at least €5mn

2. Investment in financial assets of Cypriot companies or Cypriot organizations

The applicant must have purchased financial assets of Cypriot companies or Cypriot organizations (bonds/securities/debentures registered and issued in the Republic of Cyprus) of at least €5mn

3. Investment in real estate, land development and infrastructure projects

The applicant must have made an investment of at least €5mn 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)

4. Purchase or creation or participation in Cypriot businesses or companies

The applicant must have made an investment of at least €5mn in the purchase, creation or participation in businesses or companies, that are based and operating in the Republic. These businesses or companies should evidently have a presence in Cyprus and employ at least five (5) Cypriot citizens

5. Deposits in Cypriot banks

The applicant must have personal fixed term deposits for 3 years in Cypriot banks or deposits of privately owned companies or trusts (in which he/she is the beneficial owner) in the Republic of Cyprus of at least €5mn

6. Combined criteria

On the basis of a combination of the aforementioned Criteria 1-5, to the investor owns property in Cyprus worth at least €5mn

7. Individuals whose deposits at Popular Bank (Laiki Bank) have been impaired due to the measures implemented after 15 of March 2013

The applicant either as an individual or through a Cyprus company has suffered impairment on deposits of the total amount of at least €3mn, automatically qualifies for naturalization.

In case the applicant that has suffered impairment on deposits of the total amount of less than €3mn can apply provided he has invested additionally for the remaining amount up to the €3mn, under options 1-5 above.

8. Major Collective Investments

The Council of Ministers shall have the right on special occasions, to reduce the above criteria 1 to 4 to:

- A. to €2.5mn for investors, who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is at least €12.5mn
- B. to €2.0mn for investors who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is more than €12.5mn. It is noted that this present provision (A), will be in force until 1 June 2014

In addition, it is noted that for the above mentioned provisions (A) and (B), the investment for the Criteria 1 to 4 may be realized through a different salesman or provider (physical or legal entity).

High ranking managers

Additionally, a high-ranking senior manager may apply, provided that he or she receives such a remuneration that generates for the Republic of Cyprus tax revenue of at least €100.000 for a 3 year period and provided that this tax has already been paid or prepaid.

The first condition that needs to be fulfilled is that the company that employs the manager must have concluded in Cyprus such an investment that meets one of the economic criteria stipulated in the Decision of the Council of Ministers. If and when the investment is completed, the executive may apply for Naturalization provided that he or she has paid or prepaid an income tax amounting to €100.000 for a 3 year period and has acquired a permanent residence of purchase value at least €500.000

GOVERNMENT FEES			
APPLICANT	APPLICATION SUBMISSION FEE	CERTIFICATE ISSUANCE FEE	TOTAL
INVESTOR	€2.000	€5.000	€7.000
INVESTOR'S SPOUSE	€2.000	€5.000	€7.000
INVESTOR'S ADULT CHILD	€2.000	€5.000	€7.000
INVESTOR'S MINOR CHILD	€80	-	€80

CONDITIONS

In addition to any one of the above, the investor must:

- a. be at least 30 years of age
- b. have clean criminal record
- c. hold a confirmation that he or she is not included in the list of persons whose assets in the EU are subject to sequestration, and
- d. own a house worth at least €500.000 plus VAT, which is used as permanent residence

If these conditions are met the Council of Minister shall inform the House of Parliament before taking the final decision on the applicant's naturalization. On the basis of current trends it is our understanding that these applications are positively considered by the Council of Ministers and the House of Representatives.

SUBMISSION OF APPLICATION

The application is submitted at the Ministry of Interior, where the amount of €2.000 is paid as fees. At the Ministry of Interior, the original documents should be submitted, along with a photocopy of all the documents. The list of the necessary documents is as follows:

- Letter by the applicant or by the representative of the applicant, in which the investment and criterion, under which the application is submitted, are briefly explained
- Application Form M127 fully completed and signed before a Registrar of a Cypriot court or a consular officer
- Birth Certificate
- Copy of passport
- Certificate of criminal record from the country of origin, as well as the country of residence (if it differs) of the applicant
- Marriage Certificate
- Copies of advertisements in a daily newspaper two consecutive posts
- Two passport size photographs
- Curriculum Vitae
- Documents concerning the permanent privately-owned residence of the applicant in Cyprus:
 - Contract of Sale
 - Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department
 - Receipts for paying the agreed purchase price
 - Copy of the wire transfer in the Cypriot commercial banking institution in the name of the seller or the seller's company



- If the applicant is a high ranking manager the following documents should, also, be submitted:
 - Copy of the employment contract
 - Copy of the receipt by the Inland Revenue Department
- Documents evidencing the investments of the applicant in the Republic. These documents may include:
 - Certificate of Registration of the company/ companies by the Registrar of Companies
 - Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficiary owner of the company/ companies
 - Audited Accounts of the company (or companies) for the last three years preceding the year of the application

Investment in Government bonds

Receipts from the Treasury of the Republic of Cyprus for the purchase of the Government bonds

Investment in financial assets of Cypriot companies or Cypriot organizations

- a. Title/titles and other documents regarding the financial assets
- b. Copy of the wire transfer in the Cypriot commercial banking institution in the name of the company or the organization

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 paying the agreed purchase price
- d. Copy of the wire transfer in the Cypriot commercial banking institution in the name of the seller or the seller's company

Purchase or creation or participation in Cypriot businesses and companies

- a. Contract of sale
- b. Receipts for paying the agreed purchase price
- c. Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficiary owner of the company/ companies
- d. Copy of the wire transfer in the Cypriot commercial banking institution in the name of the company or the organization
- e. Confirmation from the Social Insurance Department as to the insurable income of the Cypriot employees in the company
- f. Confirmation from the Inland Revenues Department as to the taxable income of the Cypriot employees in the companies or businesses that the applicant invested in

Deposits in Cypriot banks

- a. Confirmation from Cypriot banks as to the fixed term deposits for three years of the applicant or the companies in which he is the beneficiary owner or of the trust in which he is the beneficiary owner
- b. Copy of the wire transfer in the Cypriot commercial banking institution

Impairment of deposits in the Popular Bank (Laiki Bank)

- a. Confirmation as to the level and the time of the impairment of the deposits
- b. In the case of deposits of companies of which the applicant is the beneficial owner, the Certificate of Registration of the Company by the Registrar of Companies and/or any other evidence, along with a declaration from the trustee of the funds confirming the beneficial owner is to be attached



75 Prodromou Avenue
Oneworld House
PO Box 25207 Nicosia 1307 Cyprus

T: +357 22496000
F: +357 22493000
info@oneworldweb.net