

Cyprus Permanent Residency by Investment

(Category 6(2) Fast Track)

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Reasons to Invest in Cyprus

Strategic Location

With its ideal geographical position at the crossroads of three continents - Europe, Africa and Asia - Cyprus plays a key stabilising role in the region of the Eastern Mediterranean. The island is an ideal investment gateway to the European Union, as well as a portal for investment outside the EU, particularly into the Middle East, India and China.

Attractive Tax System

Cyprus offers an attractive and transparent tax regime, fully compliant with EU directives, OECD requirements and international laws and regulations. Its main features are:

- » One of the lowest corporate income tax rates in the EU at 12.5%
- » Dividend participation exemption
- » Exemption on disposal of "securities" (e.g. shares, bonds, debentures)
- » No succession taxes
- » No withholding taxes
- » Attractive IP regime
- » Tonnage tax for shipping companies
- » Notional interest deduction
- » Personal tax exemptions for new residents and non-domiciles

Dynamic EU Member State and Member of the European Monetary Union.

As a member of the European Union and the European Monetary Union, Cyprus is committed to quality, efficiency and transparency. Its EU membership ensures safety and stability for investors, also offering market access to more than 500 million EU citizens.

Robust Legal and Regulatory Framework

Based on English Common Law principles, Cyprus' comprehensive and robust legal and regulatory framework is widely recognised as a business-friendly and effective system that ensures transparency and reliability in business practices.

Offering foreign businesses a familiar and reliable framework within which to operate, Cyprus' legal system is also fully compliant with the EU, the Financial Action Task Force on Money Laundering (FATF), OECD, FATCA, the Financial Stability Forum laws and regulations and EU AML directives.

Human Talent & Level of Services

Human talent probably constitutes Cyprus' most compelling advantage, complemented by a broad range of high quality professional services. As a dynamic business centre, Cyprus offers an abundance of highly educated and skilled individuals, multilingual in their majority, ready to serve the needs of any business. Cyprus ranks amongst the top countries in Europe for tertiary education per capita, recording an impressive 54.6% in higher education attainment, way above the EU average of 38.7%. Cyprus is widely recognised as a centre of excellence for

the provision of professional services that support all business needs at competitive rates. Indicatively, the Institute of Chartered Accountants in England and Wales (ICAEW) and the Chartered Institute of Management Accountants (CIMA) selected Cyprus as the first country in the world outside the UK to train ICAEW and CIMA accountants.

Advanced Infrastructure

Cyprus benefits from a modern and advanced infrastructure, as well as an extensive telecommunications network, ideally suited for business people with demanding schedules. Thanks to its sophisticated road system, bustling port facilities (in Limassol and Larnaca) and two international airports (in Larnaca and Paphos), travel and transport in and beyond Cyprus is always fast, efficient and cost effective.

High Quality of Life

Cyprus residents enjoy an enviable lifestyle in a safe, clean and healthy environment with high living standards. Low crime and stress levels, the 2nd best climate worldwide (InterNations, 2016), with year-round sunshine, centuries of art and culture, and appealing gastronomy all contribute to a high quality of life, ideal for businesspeople and their families seeking the perfect balance between work and pleasure. Safety is amongst the major advantages of Cyprus; the island was ranked 1st safest small country in ValuePenguin's Safest Countries in the World (2015) report and 5th safest country globally.

Country Review

Geography and Demographics

Location: Cyprus, with an area of 9,251 km² and coordinates at 35°N and 33°E, lies at the crossroads of Europe, Africa and Asia at the crux of the busy shipping and air routes linking the three continents.

Population: The population of Cyprus is about 847,000 (2016). The capital of Cyprus is Nicosia (Lefkosia), situated at the heart of the island with a population of approximately 336,000. The second largest city is Limassol (Lemesos) on the south coast with a population of approximately 241,000 and the island's major port. Larnaca and Paphos are the third and fourth largest cities, each with a new airport, situated on the south east and south west coasts respectively.

Climate: Cyprus has a pleasant Mediterranean climate, enjoying year-round sunshine, with mild winters (mean daily minimum 5°C and maximum 13°C) and sunny, dry summers (mean daily minimum and maximum temperatures are 21°C and 36°C respectively).

Advantages of Permanent Residency in Cyprus

Permanent Residency in Cyprus provides to you and your Family with unique Life-Long Advantages.

- » Immigration Permit, gives you a Non-EU national, the right to permanently reside in Cyprus.
- » The family members of the investor can also obtain the permit, (married spouse, children under 18 years old, financially dependent children up to 25 years old)
- » A permanent residence permit is granted indefinitely by means of a one-off application and does not require renewal.

- » Can provide both a secure investment and a second family home.
- » Cyprus is a popular Mediterranean island very much on the tourist map.
- » Good investment opportunities.
- » Cyprus has favorable geographical location, with easy access to the entire world.
- » Permanent residents do not pay tax on overseas income.
- » Permanent residents can establish businesses in the EU, thereby expanding their opportunities.
- » Multicultural society.
- » High standard of living.
- » Possibility to acquire the Cypriot Citizenship after 5 years of legal residency in the Republic of Cyprus as a Permanent Residency holder

Financial criteria

The funds which shall be used for the investment must originate from abroad, from a bank account of the same applicant/investor or/and his/her spouse if he/she will be included as a dependent in his application. The amount of the investment shall be paid from the bank account of the applicant to the bank account of the seller in a financial institution in Cyprus.

The funds which shall be used for the investment and must originate from abroad, can also be transferred from the bank account of a Company of which the applicant/investor or/and his/her spouse are the sole shareholders, provided that the shareholder(s) will be included in the application.

The applicant must make an investment of at least €300.000 in one of the following:

A. Investment in house or apartment: Purchase of a house or apartment from a development company, which should concern a first sale of at least €300,000 (plus VAT).

B. Investment in Real Estate (excluding houses/apartment): Purchase of other types of real estate such as offices, shops, hotels or related estate developments or a combination of these with a total value of €300,000. The purchase of interest can be the result of a resale.

C. Investment in Cyprus Company's share capital, with business activities and personnel in the Republic: Investment worth €300,000 in the share capital of a company registered in the Republic of Cyprus, based and operating in the Republic of Cyprus and having a proven physical presence in Cyprus and employing at least five (5) people.

D. Investment in units of Cyprus Investment Organization of Collective Investments (forms of AIF, AIFLNP, RAIF): Investment worth €300,000 in units of Cyprus Investment Organization Collective Investments.

E. Annual income confirmation of the applicant of at least €50.000. This income should derive from abroad, and may include salaries from employment, pensions, dividends from shares, fixed deposits, rents. The level of the annual income required is increased by €15.000 for the spouse and €10.000 for any dependent child (i.e. under the age of 25) of the applicant and his/her spouse. For the calculation of the total amount of the annual income, the spouse's income may be also taken into consideration on top of the €50.000. The applicant's income should solely derive from abroad and proof of income is necessary in the form of tax declarations from the country where the applicant is a tax resident, or through official certifications from an independent chartered accountant.

It is noted that any alienation of the holder of the Immigration Permit from the investment he/she has made without its immediate replacement with another of the same or greater value which must meet the conditions set out in the present procedure, will result to the cancellation of the Immigration Permit based on the provisions of Regulation 6 of the Aliens and Immigration Regulations.

In case where the applicant invests in options (B), (C) or (D) above, then the total income or part of it may originate from sources either abroad or within the Republic of Cyprus as well, provided he/she is being taxed in Cyprus.

In relation to the investment in a house/apartment or other properties it is noted that the purchase of a property shall be acceptable for the purposes of the said scheme, even if it is made from a legal entity where the applicant or/and his/her spouse are the sole shareholders or ultimate beneficial owners and such legal entity is situated legally in the Republic of Cyprus or in any other member state of the European Union or the European Economic Area.

Quality Criteria

- A. The applicant and his/her dependents (spouse and children over 16 years old) must provide a clear criminal record certificate from their country of residence and country of origin which can be up to 6 months old.
- B. The applicant and the dependent members of his family must present a Certificate of Health Insurance for medical care covering inpatient and outpatient care.
- C. The applicant and his spouse shall confirm that they do not intend to undertake any sort of employment in the Republic with the exception of their employment as Directors in a Company in which they have chosen to invest under the policy.
- D. In cases where the investment does not concern the company's share capital, the applicant and/or his spouse are allowed to be shareholders in companies registered in Cyprus and the income from the dividends derived from such companies may not be considered as an obstacle for the purposes of obtaining the Immigration Permit. In such companies, they may also hold the position of an unpaid Director.
- E. In case where the applicant decides to make an investment as prescribed in (B), (C) or (D) above, he/she must submit evidence in relation to his/her place of residence and of the members of his/her family within Cyprus (e.g., title deed, sale and purchase agreement, rental agreement).
- F. In case where the applicant decides to invest in a house/apartment, but the number of the bedrooms do not satisfy the needs of his dependent family members, the applicant should indicate another property or properties which shall constitute the place of residence the family and submit the relevant evidence. (e.g., title deed, sale and purchase agreement, rental agreement).

Investment of a Higher Value for Including Adult Children who are NOT financially dependent:

An Immigration Permit may also be granted to children of the applicant over the age of 18, who are not financially dependent on the applicant, on a higher value investment.

The market value of the € 300.000 investment should be multiplied by the number of adult children, who will invoke the same investment for the purpose of obtaining the Immigration Permit. For example, in case the applicant has an adult child he/she should make an investment worth € 600.000, if he/she has two adult children the value of the investment should amount to € 900,000 etc.

In case the investment will concern the purchase of real estate, i.e., where the applicant chooses to invest as Sections 2.1.(A) and 2.1.(B), a proof of payment of at least 66% of the market value of the real estate must be submitted upon application.

In such a case, each adult child will be able to prove that they have at their disposal a secured annual income of at least €50,000, which will increase by €15,000 and/or €10,000 for each dependent person, as provided in Section 2.2. In addition, it is noted that the investment can be made jointly in the name of the applicant and the adult child or exclusively in the name of the applicant.

Continued obligations following the granting of the permanent residency permit

Following the granting of the permit, the applicant is required to submit to the Civil Registry and Migration Department, on annual basis from the date of obtaining the permit, evidence that he/she maintains the investment.

The applicant and his/her family members are required to submit to the Civil Registry and Migration Department on annual basis health insurance certificates in case they do not continue to be beneficiaries of the GHS.

The applicant and his/her family members are required to provide every three years certificates of clean criminal records from their country of origin and country of residence.

In case the applicant fails to provide the above, then he/she and his/her dependents' residence permits will be cancelled according to the provisions of the Regulation 6(2) of the Alien and Immigration Regulations.

Examination Procedure:

- The applications, accompanied with the required documents, are submitted to the Civil Registry and Migration Department and the Minister of Interior will grant the final approval.
- The examination period of the application from the date of submission will be approximately two (2) months (fast-track)
- No personal interviews are required unless otherwise is requested.
- Once the application is approved the Civil Registry and Migration Department issues the Permanent Residence permit card