



Cyprus Investment Programme

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As Europe is established as one of the most attractive destinations for high net worth migration, the Cyprus Investment Programme [CPI] program is currently regarded as one of the most attractive programs in Europe as it is one that is not requiring any donation to be effected to the local government.

In terms of speed of the process, the application process takes only six [6] months, and further to this, there exist nil requirements for medical testing, and nil languages knowledge requirements, thus establishing the entire process as a very simple and straight forward one.

Recent Developments

In accordance with the Cyprus Investment Programme, Foreign Entrepreneurs and Investors has increased significantly, with Cyprus now providing a platform for High Net Worth Individuals and their families to hold a Cyprus passport and enjoy all the accompanying benefits of a Cypriot Citizen. Foreigners (EU or non - EU), can acquire the Cyprus Citizenship by Naturalisation (on the basis of subsection (2) of section 111A of the Civil Registry Laws of 2002-2017) , complying with the economic criteria and conditions set in the relevant Decisions

taken by the Council of Ministers dated 13 September 2016, 9 January 2018 and 21 May 2018 as well as the Code of Conduct of the Cyprus Investment Programme.

In virtue of this law, the Cyprus Cabinet of Ministers has also the right to grant citizenship by naturalization to the foreign investor's spouse as well as their children up to the age of 18, and also the financially dependent adult children of ages 18 to 28 In such a case neither the spouse nor the children need to fulfil any additional financial criteria.

Further, the amendments to the Law in September 2016 also allow for the inclusion of the parents of the main applicant within the same application, on the condition that an additional €500,000 investment in real estate residential property in Cyprus is effected.

Thereafter, any non-Cypriot citizens can apply for the acquisition of Cyprus Citizenship by Naturalization by exception, if they adhere to one of the below-presented economic criteria.

Note also that the prospective applicants can satisfy the following criteria in any of the following ways:

- either personally
- or through companies where they participate as shareholders
- or via investment made by themselves or by their spouses or they have made together,
- or as a senior executives of companies that meet one of these financial criteria.

Current Financial Criteria:

Eligibility to obtain Cypriot Citizenship by meeting one of the following:

- **Investment in real estate/land development projects or infrastructure:**

The non-Cyprus citizen may proceed to an investment of a minimum of €2 million, for a period of at least three [3] years, towards the purchase or construction of any immovable property in Cyprus, which can be of residential or commercial nature, including real estate related to the tourism market, or to any other infrastructure project. In such case of real estate purchase, the above-mentioned period of 3 years begins with the issue of a corresponding town planning permit.

And should the investment be chosen to made to land, this needs to be building land which already carries an investment plan towards its

development, since the purchase of zero growth land zones is excluded.

- **Cyprus Business and Cyprus Companies: Incorporation/Creation, or Participation, or Purchase**

This option is directly linked to companies or businesses which are based and operating in Cyprus, i.e. have a demonstrable and tangible/physical presence in the Republic of Cyprus, and which also employ at least five [5] members of personnel who are Cypriot or European citizens per applying investor, and with each member of personnel having already been residing in Cyprus for a period of at least five [5] years prior to the commencement of the application process.

Through this option then, the non-Cypriot applicant is required to purchase, create/incorporate or participate in such companies established and operating in the Republic of Cyprus through an investment of at least €2 million which needs to be in place again for a minimum time period of 3 years.

These invested funds of at least €2 million, must then be directed towards the financing of the investment objectives of these Companies according to their business plan and nature of business activities.



Further, a special clause concerning this category, allows for senior managers and directors of a Company that is already satisfying the profile within this investment option pre-requisites, to also apply for Cyprus citizenship, on the condition that such high-ranking officials are receiving a remuneration package which generates at least €100,000 in tax revenue for the Republic of Cyprus over a period of three [3] years and provided that this tax has already been paid or prepaid.

- **Investing in:**

- Cyprus alternative investment funds [AIF's], or
- Financial assets of Cyprus companies, or
- Cypriot organizations licensed by the Cyprus securities and exchange commission [CYSEC]

In this scenario option, the applicants are expected to purchase units amounting to least €2 million from AIF's which are established, licensed and supervised in Cyprus by the Cyprus Securities and Exchange Commission. This kind of investment needs to be made exclusively within Cyprus, must meet all criteria of this scheme, and it should also be approved by the Minister of Finance.

Furthermore, this category also includes the acquisition of financial assets in Cyprus businesses or organisation, again for the amount of at least €2 million. These financial assets can be in the form of corporate bonds, debentures, bills, securities and debt securities issued by Companies which have demonstrable physical tangible presence within the Republic of Cyprus as well as considerable economic activity within Cyprus. Additionally, such financial assets, once purchased, need to be maintained for a period of at least three [3] years within the ownership of the applicant.

- **Combination of the above investments**

An applicant also maintains the option to make a combination of the above-presented investment routes, provided that the total final investment is amounting to at least €2 million.

Under this combination-portfolio criterion, the applicant has also the choice to invest in a special kind of 0.75% per annum interest bearing government bonds of the Republic Cyprus for an amount up to €500,000, provided these are obtained directly from the Public Debt Management Office of the Ministry of Finance, and thus will be issued to the applicant for this purpose by the Public Debt Management Office of the Ministry of Finance and will need to be held by the investor for a period of at least three [3] years.

- **Additional important requirements to the New Financial Criteria:**

Irrespective of which Investment option is chosen by the prospective applicants, there is also a requirement for purchasing a life-time property possession within Cyprus which will be described and declared as the applicant's residence in the island of Cyprus.

The purchase of this particular property should be of at least €500,000 plus VAT.

Yet, a major benefit in relation to this is given rise when the applicant chooses the real estate investment option, and through which the investment is enacted in purely residential property, without any inclusion of commercial real estate, for in that case this additional requirement

for a permanent private residence of €500,000 worth can be included within the €2 million investment, and thus there will be no need to purchase the additional private residential property.

It is necessary of course that the applicant investor obtains a Cyprus residence permit before the application for the Cypriot Citizenship, yet this can also be processed in parallel to the citizenship application. Therefore, the investor can apply for the Permanent Residence Permit as per Regulation 6(2) simultaneously to the Citizenship one.

Eligibility

Investors need to have a clean criminal record from their country of origin, and also from their country of residence if it is a different one, and their names must not be included in any lists of persons who hold properties that were ordered to be frozen in any way by the EU.

Further, the investors must be over the age of 18.

Additionally, a visit to Cyprus is required in order for biometrics to be obtained, and for the Permanent Residency Permit to be received, as

prior to their naturalisation, the applicants need to possess a residency permit in the Republic of Cyprus for a period of six months.

Major Advantages and Benefits

Some of the major advantages and benefits obtained by being a Cyprus Citizen. Successful Cyprus CPI applicants, may thus enjoy:

- Holding dual citizenship since Cyprus allows successful applicants to maintain their previous nationality as well, and does not require of them to renounce their previous nationality.
- Full citizenship and passports are granted to the successful applicants and all the members that were included within the application.
- Citizenship can be also passed on to the applicant's future generations by descent.
- Equal rights with all Cyprus Citizens.
- The right to no visa travel to over 157 non-EU countries including Australia and Canada.





- Further, the successful applicants have the right to utilise the Cyprus' double taxation treaties network which is very extensive since Cyprus - being a very credible jurisdiction due to its alignment to the EU directives - maintains a wide range of double taxation treaties. Currently Cyprus has double taxation treaties with more than sixty [60] countries, whilst another forty [40] are currently in negotiation. This of course offers a very comprehensive and effective tool towards international tax planning and multi-jurisdictional tax structuring. Additionally, most of the tax treaties that Cyprus maintains follow the OECD Model Convention.
- Also, another major point is that the applicants can also access the favourable Cyprus personal income taxation rates through the newly-introduced 'tax - resident and non-domicile by spending 60 days in Cyprus' concept, with this regime offering the benefits of nil taxation on worldwide dividend and interest income for a time period of 17 years, together with the benefit of enjoying all components of the Cyprus personal income tax package which is repeatedly being voted as the most attractive in Europe by EU professionals.
- Additionally, it needs be noted that the successful applicants as Cypriot citizens will be also benefiting by Cyprus' healthy and transparent legal framework which is based on English Law.

How we can assist:

White November Corporate Services (Cyprus) through its team of highly experienced professionals assists and advises international clients in obtaining Cyprus Citizenship by Investment via the above-presented program.

Please contact us for more information or to arrange for an initial personal consultation.

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