



## Acquiring the Cypriot Citizenship

### Cyprus Investment Programme

The existing Cyprus Citizenship Program, updated in September 2016, enables non-Cypriot citizens, entrepreneurs, investors and their immediate families, to obtain Cypriot Citizenship provided that they meet criteria set out by the Council of Ministers.

Recently, the Cyprus Government, as a part of its efforts for the further improvement of the Cyprus Investment Programme, has established the Committee for Supervision and Control as well as of the Registry of Service Providers for the Cyprus Investment Programme.

Accordingly, as of 1<sup>st</sup> of August 2018 and onwards, applications will only be able to be submitted by Service Providers that are included in the Registry on the basis of an improved procedure.

Harris Kyriakides LLC has proudly been enlisted in the Registry of the Republic of Cyprus as an official Service Provider (Registration Number 120).

## Why Cyprus?

Cyprus has been a full member of EU since 2004. The island is ideally located at the eastern end of Europe, at the crossroads of the busy shipping and air routes linking three continents, Europe, Africa and Asia.

Cyprus has established its reputation as a “centre of excellence” for international business activities. The highly specialised human capital along with the modern, free-market, service-based economy with the effective and transparent regulatory and legal framework offers to international investors and businesses the confidence to grow and prosper.

Safety, stability, excellent Mediterranean weather, beautiful Blue Flag beaches and mountain sceneries, high standard international schools and universities, centuries of art and culture, contribute in Cyprus being one of the most attractive destinations in the European Union for residing or doing business.

These characteristics along with year-round sunshine and centuries of art and culture, perhaps constitute the best possible description in one breath; This is Cyprus.



## Citizenship Investment requirements

The Cyprus Investment Programme requires applicants to make a significant economic investment. In exchange, and subject to vetting and thorough background checks, the applicants and their families are granted citizenship.

To qualify for citizenship, the primary applicant must be over 18 years of age and meet the application requirements under one of the following criteria:

### 1. Investment in Real Estate, Land Development and Infrastructure projects

The applicant must make an investment of at least €2 million for the purchase or construction of buildings or for the construction of other land development projects or other infrastructure projects. Investment in land under development is included in this criterion, provided that an investment plan for the development of the purchased land will be included in the application. It is understood that investment in land that is situated in a building zone of zero development, is excluded.

### 2. Purchase, Establishment or Participation in Cyprus Companies or Businesses

The applicant must make 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 of Cyprus. These businesses or companies should have a demonstrable and tangible presence in Cyprus and employ at least five Cypriot or EU Citizens. The minimum number of employees shall increase, if more than one applicant invest simultaneously or almost simultaneously in the same business or company.

### 3. Investment in Alternative Investment Funds or financial assets of Cyprus companies or organizations licensed by Securities and Exchange Commission

The applicant must purchase units of at least €2 million from alternative investment funds (AIF) established in the Republic of Cyprus.

In order to confirm that the investments that meet the criteria of the current Scheme will be kept for at least three years, the manager or the auditor of the Fund shall inform in writing and on an annual basis, the Ministries of Finance and Interior with reference to the value of the initial investment.

This criterion also covers the purchase of financial assets of Cypriot businesses or organisations for at least €2 million, in the form of bonds, securities and debt securities.

### 4. Combination of the aforementioned investments

The applicant may invest in a combination of the above, provided that the total investment amounts to at least €2 million. The applicant's investment combination may include the purchase of special government bonds of the Republic of Cyprus of up to €500,000.

## Terms and Conditions

In all cases, the following terms and conditions must apply:

### 1. Clean Criminal Record

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

### 2. Ownership of Residence in the Republic of Cyprus

In all cases the applicant must possess a permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500,000 plus VAT.

In case that the purchase value of the permanent privately owned residence in Cyprus exceeds the amount of €500,000, part of this additional amount can be used for purposes of supplementing the total amount of the investment made on the basis of the requirements mentioned in the previous section.

Additionally, it is noted that if the applicant has invested in housing unit/units on the basis of the aforementioned criterion, the purchase of another permanent residence in Cyprus will not be required, if at least one of these housing units is worth at least €500,000, plus VAT, provided that the applicant retains the possession of the residence for life.

It is understood that the members of the same family, who submit different applications as investors, can buy collectively a residence provided that the total amount of the residence/house covers the amount of €500,000 for each applicant.

### 3. Residence Permit in Cyprus

The applicant, prior to his/her naturalization as a Cypriot citizen must hold a residence permit in Cyprus. If the applicant does not already hold a residence permit, he/she may apply for an immigration permit on the basis of Regulation 6(2) of the Aliens and Immigration Law, simultaneously with the application for naturalization.

It is noted that all of the above also apply for the adult members of the family of the investor, who will apply for naturalization.

## Dependents

All options for citizenship allow dependents. “Dependent” refers to the spouse of the main applicant, children under the age of 18 and 28 who are full-time students and are financially dependent on the main applicant. The parents of the main applicant may also be included provided that they will purchase another residence in Cyprus of at least €500,000 plus VAT. The main applicant and any dependent over the age of 18 must have clean criminal records.

## Newly introduced amendments

1. As of the 1<sup>st</sup> of August 2018 and onwards, only registered Service Providers shall be eligible to submit applications for naturalization of foreign investors with the Ministry of Interior according to the provisions of the Cyprus Investment Programme.
2. The expected period for the examination of any application submitted has now been increased to 6 (six) months.
3. The Council of Ministers limited the investments in Cyprus by foreign investors to 700 per year. It is noted that in the event that the number of applications exceed the designated number for the said year, their examination shall be deferred for the following year.
4. The Service Provider is now requested to provide for each applicant, a Due Diligence Report by an internationally accepted database ensured through a subscription (e.g. World Check, LexisNexis Diligence), dated no later than 30 (thirty) days from the date of its submission.
5. The applicant is now requested to submit a duly completed and signed Self-Declaration, confirming his/her knowledge about the Cyprus Investment Programme and its provisions.
6. The Service Provider is also requested to submit a duly completed and signed Self-Declaration, confirming its knowledge, professionalism and compliance with the Cyprus Investment Programme and its provisions, as well as with any related laws and regulations.
7. The requirement that investors must retain their investment(s) for a minimum period of 3 (three) years as from the date of naturalization has not changed. However, if the investment involves the purchase of property/properties under construction for which the town-planning and building permits had not been ensured, the mandatory 3 (three) years period commences on the date that the town-planning permit is issued. This applies for the applications submitted on 15/06/2018 and onwards.

## How can we help you

- Prepare and submit all necessary applications and supporting documentation;
- Open Bank accounts in Cyprus;
- Review and draft contracts for acquisition and management of property in Cyprus;
- Introduce you to real estate agents in Cyprus and property valuers;
- Prepare Legal Due Diligence reports for properties, businesses and associates; and
- Setting up companies in Cyprus.

## Who we are

Established since 1976, Harris Kyriakides LLC has grown over the years into the largest law firm in Larnaca and one of the largest law firms in Cyprus. The development of the firm has always been founded on principles of integrity, professionalism and adopting standard of excellence, yet at the same time the firm is dynamic and consistently becomes adaptive and responsive to evolving clients' needs, by introducing technology and modern practices.

The firm provides advisory services and representation in transactional work (from simple to quite complex multinational transactions) and dispute resolution (including heavy weight disputes with international elements). It maintains extensive experience and deep expertise in dealing with the complexities of litigation and transactions nationally and internationally and across a wide variety of market sectors.

The firm covers the whole territory of Cyprus and serves international and local private clients, businesses, organisations, charities and institutions. Its clientele includes several governments, governmental organisations and national and multinational companies as well as high-net-worth individuals and family offices.

### Disclaimer

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