

## NEWS ALERT: New amendments to the Cyprus Investment Programme (the *Programme*)



The Ministry of Interior has officially published the new guidelines approved by the Council of Ministers as a part of new changes of the Citizenship by Investment Scheme and in an effort to constitute the Programme even more efficient and trustworthy.

According to the relevant decision of the Council of Ministers the revised Programme is put into effect from the date of its publication in the Government Gazette, i.e. the 26th of February 2019, with the exception of certain clauses which the decision specifies that will be put into effect as of the 15th of May 2019 onwards.

The main changes are as follows:

1. A limitation of 700 applications per annum under the Programme in the Republic of Cyprus;
2. A donation of €75,000 to the Research and Innovation Foundation shall be mandatory (in addition to the existing criteria of the Programme). This requirement is waived if applicant has invested in innovative/social enterprise or purchase of Cypriot companies 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;
3. A donation of €75,000 to the land development organisation to fund affordable housing schemes shall be mandatory (in addition to the existing criteria of the Programme). This condition may not be waived in anyway;

4. If the investment is in real estate, a planning permit must be in place in order for such investment to qualify;
5. Shipping will be included in the investment sectors, while investing in government bonds shall no longer be available for the purposes of the Programme;
6. The purchase of financial assets of Cypriot companies or organizations of at least €2 million, such as bonds, bills and securities, issued with the approval of the CySec, by companies that have proven physical presence and substantial economic activity in the Republic of Cyprus, and have as a purpose the financing of the investment plans of these companies or organizations exclusively in Cyprus, based on an investment plan, fall under the eligible criteria. It is noted that the purchase by an AIF or RAIF of units of other AIFs or RAIFs is not considered eligible;
7. The investment will need to be maintained for 5 (five) years following the date of naturalization, instead of 3 (three) years;
8. During this 5 (five) year period, the investor will be entitled to change his investment into other forms of permitted investments, provided he / she obtains consent from the Ministry of Finance, prior to making any changes;
9. Applicants will now need to be in possession of a Schengen visa when submitting an application . This also applies for the family members of the investor that are eligible to apply for the acquisition of Cypriot citizenship. Third country nationals that do not require an entry visa for traveling in European Union member states as well as citizens of European Union member states are excluded from this obligation;
10. Applicants will need to additionally provide a Declaration concerning any citizenship applications he/she may have submitted in any other member state or member states of the European Union.
11. Applicants must present Certificate of Clean Criminal Record from the country of origin and the country of residence (if different).

### Notes

*It is important to note for both options under 1 and 2, that any additional amount donated will be used to supplement the total amount of the investment made on the basis of the criteria of the €2 million investment in property, business, funds.*

*Schengen Visa: is a short-stay visa that allows a person to travel to any members of the Schengen Area, per stays up to 90 days for tourism or business purposes. It enables its holder to enter, freely travel within, and leave the Schengen zone from any of the Schengen member countries. The 26 Schengen countries are: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and Switzerland.*

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