

SCHEME FOR NATURALISATION OF INVESTORS IN CYPRUS BY EXCEPTION

Council of Ministers decision dated 24.5.2013

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on the basis of subsection (2) of section 111A of the Civil Registry Laws of 2002-2013

A non-Cypriot citizen may by exception apply for the acquisition of Cypriot citizenship, if he/ she meets one of the following criteria:

A.1 Mixed investments and a donation to a state fund:

The applicant must have made the following investments and donation:

(a) an amount of at least €2,0 million for the purchase of shares and/or bonds of the investment company of the state under formation and

Provided that the applicant may deposit the said amount with the Treasury of the state until the shares and/or bonds of the said company are issued.

(b) an amount of at least €0,5 million as a donation to the Research and Technology Fund

or

A.2 Direct Investments:

The applicant must have direct investments in Cyprus of at least €5,0 million. Direct Investments may alternatively involve the following:

(a) the purchase of structures (houses, offices, shops, hotels etc or a development of a similar nature, excluding underdeveloped land),

(b) the purchase of businesses or companies that are based and are active in the Republic of Cyprus

(c) the purchase of companies registered in the Republic of Cyprus

(d) the purchase of financial assets (e.g. bonds / securities / debentures registered and issued in the Republic of Cyprus, including those to be issued by the Solidarity Fund on the basis of the Establishment of a National Solidarity Fund Law of 2013)

(e) participation in a company / consortium of companies that has undertaken to carry out a public project

Provided that with regard to conditions (a) – (d), the applicant shall retain the said assets in his possession for a period of at least three years. In the case of a share or bond portfolio, it is to be ensured that the amount of the value of the portfolio for the said period will not fall below the amount specified.

Provided further that the Minister of Interior shall have the right for the period ending on 30 June 2014, to reduce the above amount with regard to Direct Investments to €2,0 million for non-Cypriot citizens who are proven to participate in a special group scheme for the purchase of immovable property,

which includes in its entirety the purchase of immovable property within the territory of the Republic of Cyprus, valued at no less than €10,0 million.

or

A.3 Deposits in banks:

The applicant must have personal fixed term deposits for three years in Cypriot banks or deposits of privately owned companies or trusts (in which he is the ultimate beneficiary) in the Republic of Cyprus of at least €5,0 million

or

A.4 A Combination of Mixed Investments and a Donation to a State Fund (A.1), Direct Investments (A.2) and Deposits in Cypriot Banks (A.3):

The applicant is required to have a combination of the above amounting to at least €5,0 million

or

A.5 Business Activities:

The applicant must be a shareholder or beneficiary owner of a company (or companies) the management of which is in the Republic of Cyprus and that over the last 3 years prior to submitting the application has paid to State Funds (corporate tax, V.A.T. or other fees and charges etc) and remuneration for the purchase of business services (legal, accounting, auditing) as amount of at least €500.000 per annum.

Alternatively in the case where the applicant is a shareholder or beneficiary owner of a company (or companies) that is active in Cyprus, has established its central offices in Cyprus and employs at least five (5) Cypriot citizens, then the minimum amount that must be paid for the above (direct revenue – corporate tax, V.A.T. or other fees and charges etc and remuneration for the purchase of business services – legal, accounting, auditing) is reduced to at least €350.000 for the last three years preceding the submission of the application.

In the case where the applicant is a shareholder or beneficiary owner of a company (or companies) that is active in Cyprus, has established its central offices in Cyprus and employs at least ten (10) Cypriot citizens, then the minimum amount that must be paid for the above (direct revenue – corporate tax, V.A.T. or other fees and charges etc and remuneration for the purchase of business services – legal, accounting, auditing) is reduced to at least €200.000 for the last three years preceding the submission of the application.

For every such company (or companies) applications for naturalisation may be submitted by a maximum of two (2) shareholders, who preferably hold the majority of the share capital.

In the case where the applicant has paid the Cyprus economy direct revenue or fees (as described hereinabove) an amount less than the abovementioned amounts, a combination may be made with criteria A.1 (Mixed Investments and Donations to State Funds) or A.2 (Direct Investments) or A.3 (Deposits in Banks). The total of payments to State Funds and remuneration for services in the last three years shall be deducted from the required investment to satisfy criteria A.1 or A.2 or A.3.

or

A.6 Persons whose deposits with the Bank of Cyprus or Popular Bank have been impaired due to the measures implemented in both Banks after the 15th March 2013

The applicant has incurred an impairment in deposits on one or both of the abovementioned Banks amounting to a total of at least €3,0 million.

In the case where the applicant has incurred an impairment in his deposits in one or both of the abovementioned Banks under €3,0 million he may apply having made an Additional Direct Investment (A.2) or Mixed Investments or a Donation to a State Fund (A.1) for the balance of the required amount of the said criterion.

B. TERMS AND CONDITIONS

1. Clean Criminal Record: the applicant must have a clean criminal record. Furthermore, his name must not be included on the list of persons whose property is ordered to be frozen within the boundaries of the European Union.
2. Residence in the Republic of Cyprus: In all cases listed in Part A, the applicant must hold a permanent privately-owned residence in the Republic of Cyprus, the market value of which must be at least €500.000, plus V.A.T.
3. In the case where following a periodic inspection it has been ascertained that any condition is being circumvented, the naturalisation may be revoked.

C. SUBMISSION OF DOCUMENTS

In order to examine any applications (M127) various documents are required to be submitted, including the contract of sale and a confirmation of settlement of the dwelling referred to in B. 2 above and the following, depending on the case:

1. Mixed investments and a Donation to a state fund
 - (a) Receipts for the donations to the Research and Technology Fund
 - (b) Receipts from the Treasury of the Republic of Cyprus for the purchase of shares and/or bonds from the investment company of the State under formation.
2. Direct Investments
 - (a) For the purchase of immovable property: Contract of Sale, Title Deeds / Receipt for lodging the contract with the Lands and Surveys Department, Receipts for paying the agreed purchase price
 - (b) For the purchase of a business, company: Contract of Sale, Receipts for paying the agreed purchase price, Confirmation from the Registrar of Companies as to Shareholders.
 - (c) For the purchase of Shares: Share Certificates
 - (d) For the purchase of financial assets: Title/titles and other documents regarding the financial assets.

3. Deposits in 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 ultimate beneficiary

(b) In the case of deposits of companies in which the applicant is the beneficiary owner, the Certificate of Registration of the Company by the Registrar of Companies and/or any other relevant evidence is to be attached.

4. Business Activities

(a) Certificate of Registration of the Company (or companies) by the Registrar of Companies.

(b) Certificate of shareholders by the Registrar of Companies or certificates evidencing that he is the beneficiary owner of the company (or companies)

(c) Confirmation as to the amounts paid with regard to the purchase of business services. The confirmation is to be issued by the business service providers

(d) Audited Accounts of the company (or companies) for the last three years preceding the year of the application

(e) Confirmation from the Social Insurance Department as to the insurable income of the employees in the company (or companies) of the applicant.

5. Impairment of deposits in the Bank of Cyprus and in the Popular Bank

(a) Confirmation as to the level and the time of the impairment of the deposits.

(b) In the case of deposits of companies in which the applicant is the beneficiary owner, the Certificate of Registration of the Company by the Registrar of Companies and/or any other evidence is to be attached.

None of the above affect the absolute discretion of the Council of Ministers in taking a Decision.

24 May, 2013