

An aerial photograph of a rugged coastline. The foreground shows a natural rock archway in the cliffside, with waves crashing through it. The water is a vibrant turquoise color. In the middle ground, a large, rounded rock formation sits in the sea. The background shows a rocky cliff with a cave-like opening and a road with a white car. The sky is clear and bright.

The Cyprus  
Investment  
Programme

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An increasing amount of non-Cypriot citizens are participating in the the Cyprus Investment Programme (the "**Programme**"), which allows them to obtain the Cypriot citizenship and therefore providing them a pathway to a vast array of benefits.

Provided an individual meets certain requirements, with our assistance, participation in the Programme and the eventual acquisition of the Cypriot citizenship is a straightforward procedure.

Due to the strong interest of foreign investors in the domain of business in Cyprus, the Government, as part of its efforts to attract more high net worth individuals to settle and invest in Cyprus, on the 13<sup>th</sup> of September 2016, revised the Programme by establishing new criteria and terms. Moreover, in an effort to further improve the Programme, on the 09<sup>th</sup> of January 2018 and on 21<sup>st</sup> of May 2018, the Government introduced a Committee responsible of the supervision and control of the Programme as well as of the Registry of service providers for the Programme.

An investor who meets one of the following economic criteria (or a combination where applicable), either personally or through company(ies) or investment fund(s) or investment foundation(s) owned by him/her, may participate in the Programme and thus obtain the Cypriot citizenship. Similarly, a high-ranking senior manager that meets one of the below economic criteria is also eligible for participation in the Programme and the acquisition of the Cypriot citizenship, provided that he/she receives such a remuneration that generates for Cyprus tax revenue of at least €100,000 for a three-year period and provided that this tax has already been paid or prepaid.

The applicant must have concluded the necessary investments during the three years preceding the submission date of the application and must retain the said investments for a period of at least three years from the date of the naturalization.

## **ECONOMIC CRITERIA**

The applicant must meet one of the following economic criteria (or a combination where applicable):

### **A.1 Investment in real estate, land development and infrastructure projects**

The applicant must have made an investment of at least €2 million, plus VAT and any other applicable taxes and charges (i.e. transfer duties), for the purchase or construction of buildings or for the construction of other land development projects (residential or commercial developments, developments in the tourism sector or other infrastructure projects).

Investment in land which is 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. Investment in land that is situated in a building zone of zero development is excluded.

## **A.2 Purchase or creation or participation in Cypriot businesses or companies**

The applicant must have made an investment of at least €2 million in the purchase, creation or participation in businesses or companies, that are based and operating in Cyprus. These businesses or companies should evidently have a tangible presence in Cyprus and employ at least 5 Cypriot citizens or EU citizens who have legally and continuously resided in Cyprus during the 5 years preceding the application submission date.

Mandatory conversion of deposits into shares is included in this criterion.

## **A.3 Investments in Alternative Investment Funds (AIFs) or financial assets of Cypriot companies or Cypriot organizations that are licensed by the Cyprus Securities and Exchange Commission (CySEC)**

The applicant may invest in AIFs or financial assets of Cypriot businesses or entities that are licensed by the CySEC.

In the case of AIFs, the applicant must have bought units of a value of at least €2 million in AIFs established in Cyprus which are licensed and supervised by the CySEC and whose investments are conducted exclusively in Cyprus. Such investments must meet the criteria of the Programme or in areas approved by the Minister of Finance.

In order to confirm that the investments meet the criteria of the Programme, the manager or auditor of the AIF that qualifies this specific citizenship granting plan must notify, in writing and on an annual basis for at least three years from the date of naturalization, the Ministries of Finance and Interior with reference to the value of the initial investment.

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 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 this criterion.

The purchase by an AIF of units of other AIFs is not considered an eligible criterion for the Scheme.

## **A.4 Combination of the aforementioned investments**

The applicant may proceed with a combination of the above investments, provided that the total investment will amount up to at least €2 million.

Within this criterion the applicant may purchase special government bonds of Cyprus up to €500,000 which will be issued by the Public Debt Management Office of the Ministry of Finance. The characteristics and the terms of these special bonds will be determined by the General and Special Issue Terms of the Government Bonds of Cyprus. Investments in government bonds through the secondary market are not considered eligible.

## **ADDITIONAL TERMS AND CONDITIONS**

In addition to satisfying any one of the above criteria, the applicant must also:

1. Have a **clean criminal record**;
2. **Frozen assets**: Confirm that his/her name is not included in the list of persons whose assets have been ordered to be frozen by the EU.
3. Have a **residential property in Cyprus**, the purchase price of which must be at least €500,000 plus VAT. In case the purchase value of the residence exceeds the amount of €500,000 the excess amount can be calculated and included in the whole investment.
4. Hold a **residence permit in Cyprus**: If the applicant does not already hold a residence permit, according to Regulation 6(2) of the Aliens and Immigration Law, he/she may apply for an immigration permit simultaneously with the application for naturalization.

## **MAIN BENEFITS OF THE PROGRAMME**

Being a Cypriot citizen is an advantage which entails a plethora of benefits, most of them deriving from the membership of Cyprus in the European Union. These include, but are not limited to, the following:

### **Efficient application processing**

Citizenship applications pending approval are examined by the relevant authorities within a timeframe of approximately 6 months from final submission which makes Cyprus one of the most efficient destinations to obtain local citizenship.

### **Freedom of Mobility**

- Visa-free travel within the EU and another 80+ countries around the globe.
- Easy access to Visas for specific Visa-needing countries.

## **Family Members**

Family members of the applicant who has been granted Cypriot citizenship may apply for Cypriot citizenship as well.

## **Establishment and Free Movement of Services**

Individual citizens and their companies can offer services within the EU Member States which guarantees mobility of businesses and professionals within the EU.

## **Dual Citizenship**

Cyprus allows its citizens to hold dual citizenship therefore there is no need to waive any previous nationality.

## **No Language Proficiency Test Required**

## **Attractive Tax System**

If tax residency was to be combined with the citizenship (non-dom regime), all dividend income will be tax free in Cyprus for a continued period of 17 years. Royalties and interest income will be exempt from defence tax (income tax may apply depending on the setup).

**Royal Pine & Associates Limited** is registered with the Registry of Service Providers of the Cyprus Investment Programme (**registration number 225**).

For more information please contact **info@royalpine.com**.

*\* This publication has been prepared as a general guide and for information purposes only. It does not purport to be comprehensive or to render legal advice.*