

Obtaining Cypriot Citizenship or Residence Permit on Economic Grounds

Obtaining Cypriot Citizenship on Economic Grounds

Following a recent decision of the Council of Ministers, the criteria for obtaining Cypriot citizenship on economic grounds have been significantly relaxed. Below is a brief summary of the current criteria:

An applicant (a) must have **a clean criminal record**, (b) must have acquired **a permanent privately-owned residence** in Cyprus of a market value of **at least €500.000, plus VAT** and (c) must have done one of the following things:

(1) Mixed investments:

Invested at least €2.000.000 to purchase shares and/or bonds of a (to be formed) investment company of the state and have donated at least €500.000 to a state fund.

(2) Direct investments:

Invested at least €5.000.000 to purchase real estate (excluding undeveloped land), businesses, companies or financial assets (e.g. bonds, securities registered and issued in Cyprus), or participated in a company or a consortium of companies that has undertaken to carry out a public project.

It should be noted that the Minister of Interior has the right, for the period ending on 30 June 2014, to reduce the amount required for Direct Investment to €2.000.000 for applicants who demonstrably participate in a special collective real estate purchase scheme, which will comprise the purchase of property on the territory of the Republic of Cyprus, controlled by the Government of the Republic, of a total value of €10 billion.

(3) Deposits in banks:

Deposited at least €5.000.000 in Cypriot banks for a three-year period (either held in the applicant's name or in the name of any of his/hers companies or trusts).

(4) Combination of the above:

Invested at least €5.000.000 in a combination of the above three.

(5) Business activities:

Be a shareholder or beneficial owner of a company whose has its management in Cyprus and over the last three years prior to submitting the application has paid to state funds (e.g. VAT, corporate tax) and for business services (e.g. legal, accounting, auditing) an annual amount of at least €500.000. It should be noted that if the applicant is a shareholder or a beneficial owner of a company that is active in Cyprus and has established its central offices in Cyprus the annual amount is reduced to (a) €350.000 if the company employs at least five Cypriot citizens and to (b) €200.000 if the company employs at least ten Cypriot citizens.

(6) Deposits impaired due to the measures imposed on the Bank of Cyprus and/or Laiki Bank

Have impaired at least €3.000.000 due to the measures implemented on the Bank of Cyprus or Laiki Bank in March 2013. If the amount is less than €3.000.000 the applicant may apply for (1) or (2) above for the balance of the required amount.

Residence Permit on Economic Grounds

There is a new accelerated procedure for granting residence permits to third country nationals who intent to invest in Cyprus. An applicant needs to meet the following criteria:

(1) Must have **a secured minimum annual income of €30.000** from sources other than employment in Cyprus. The amount is increased by €5.000 for each of the applicant's dependents.

(2) Must have acquired one or two properties in Cyprus of a total minimum market value of **€300.000 plus VAT**. If the property/properties is/are not yet finished, then the applicant must show proof of payment of at least €200.000 plus VAT. In all cases funds for the acquisition(s) must have been transferred to Cyprus from abroad.

(3) Must have **deposits of at least €30.000** in a Cypriot Bank account pledged for at least three years. The applicant again needs to prove that the said amount has been transferred to Cyprus from abroad.

(4) Must have **a clean criminal record** and declare that he/she **does not intent to work** or be engaged in any business in Cyprus.

It should be noted that, in order not to lose the residence permit, a successful applicant should visit Cyprus at least once every two years.

If you have any related questions/queries please do not hesitate to contact us.