



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 amended. 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) Purchase of government bonds:

Invested at least €5.000.000 to purchase government bonds.

(2) Purchase of financial assets of Cyprus businesses or organisations:

Invested at least €5.000.000 to purchase financial assets of Cyprus businesses or organisations (e.g. bonds, securities registered and issued in Cyprus).

(3) Real estate, development projects and infrastructure projects:

Invested €5.000.000 to purchase real estate or invested the same amount in property construction or other development projects (residential or commercial development projects, tourism development projects or other infrastructure projects).

(4) Purchase of, incorporation or participation in Cyprus businesses and companies:

Invested at least €5.000.000 to purchase or incorporate businesses or companies that are active in Cyprus and have established their central offices in Cyprus or participated in such companies. The said businesses or companies should demonstrably have a physical presence in Cyprus and employ at least five (5) Cypriot citizens.

This includes any funds in the Bank of Cyprus converted into shares in 2013.

(5) 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/her companies or trusts of which he/she is the beneficial owner).

(6) Combination of the above

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

(7) Deposits impaired due to the measures imposed on Laiki Bank

Have impaired at least €3.000.000 due to the measures implemented on Laiki Bank in March 2013. If the amount is less than €3.000.000 the applicant may apply for (1), (2), (3), (4) or(5) above for the balance of the required amount.

(8) Collective investments

The Council of Ministers has the right to reduce the amount required for (1), (2), (3) or (4) above:

- (i) to €2.500.000 for applicants who demonstrably participate in a collective investment scheme of a total value of €12.5 million; and
- (ii) to €2.000.000 for applicants who demonstrably participate in a collective investment scheme of a total value of over €12.5 million.

It should be noted that the provision of paragraph 8(ii) above will only be valid for the period ending on 01 June 2014.

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