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Citizenship by Investment in Cyprus

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Naturalisation by investment

Cyprus is a member of the European Union and the Eurozone.

The Scheme for Naturalisation of Investors by Exception (the **Scheme**) is a key element in the strategy of the Cypriot Government to attract foreign direct investment and high net-worth individuals.

The Scheme enables investors, their families and executives working for these investors to obtain citizenship in Cyprus.

Investment options, starting at €2 million, vary between real estate, shares in companies and financial instruments, or combinations of these.

Key features

Key features of the Naturalisation Scheme include:

- ▶ Level of investment required is €2 million to €2.5 million;
- ▶ The investor and his/her partner or spouse and their children may obtain Cypriot citizenship;
- ▶ Cypriot passports are issued to those acquiring citizenship;
- ▶ The investor's parents can obtain Cyprus citizenship by investing an additional €500,000 in purchasing a permanent residence (which the investor and his/her parents can jointly purchase if valued at €1 million or more); and

- ▶ There is a process for high-ranking executives employed by Cypriot companies investing in Cyprus to apply for Naturalisation

Criteria

Under the Scheme, an investor who meets the conditions set out below may apply for the acquisition of Cypriot citizenship through naturalization by exception. The conditions are:

- ▶ the investment condition;
- ▶ the residential property condition;
- ▶ a clean criminal record; and
- ▶ a residence permit (which can be applied for simultaneously with citizenship).

High-ranking executives can satisfy the investment condition through their employer company meeting the investment condition.

Residential property

In addition to the investment condition, the investor must also purchase a property for residence purposes, the purchase price of which must be at least €500,000 (excl. VAT).

Where the investment condition is met through real estate acquisition and the investor has invested in housing units, the purchase of another permanent residence in Cyprus will not be required, if at least one of these housing units is worth at least €500,000. This is subject to the investor retaining possession of the property for life.

Family members applying separately under the scheme (ie

through an investment of €2 million can collectively acquire the qualifying residential property.

Investment condition

The investment condition is fulfilled through one of the following investment routes:

- ▶ €2 million investment in real estate, land development or infrastructure projects;
- ▶ €2 million investment linked to the purchase, establishment or participation in Cypriot companies or businesses;
- ▶ €2 million Investment in Alternative Investment Funds or financial assets of Cypriot investment firms licensed by CySec (includes bonds, bills and securities); or
- ▶ a combination of the above, so long as the total investment is €2 million.

Clarifications

The €2 million investment condition must be made either by the investor personally or through a company in which the investor is a shareholder.

Where the investment condition is met by a combination of investments, the investor may purchase up to €500,000 of government bonds of the Republic of Cyprus towards the total investment amount (bonds through the secondary market are not considered eligible).

The above investments must be made no more than three years preceding the date of the application and the investor must retain the said investments for a

period of at least three years from the date of naturalization.

A high-ranking employee of a company which meets the investment condition above may also apply, provided that the applicant employee receives a remuneration that generates tax revenue of at least €100,000 for the Republic of Cyprus over a three-year period.

Clean criminal record

The investor must have a clean criminal record. His/her name must not be included in the list of persons whose assets, within the boundaries of the European Union, have been frozen as the result of sanctions.

Residence permit

Prior to naturalization as a Cypriot citizen, the investor must hold a residence permit in Cyprus. If the investor does not already hold a residence permit, he/she may apply for one simultaneously with the application for naturalization.

Family members

Family members of an investor entitled to apply for Citizenship on the back of the investor's application are:

- ▶ the investor's partner/spouse;
- ▶ the investor's minor children
- ▶ the investor's financially dependent adult children

(considered to be either severely disabled children that are unable to work or students up to the age of 28 in higher education studying for a diploma, undergraduate or master's degree); and

- ▶ the investor's parents (subject to their acquisition of a permanent residence property for a price of at least €500,000).

The residence permit requirement also applies for all adult members of the family of the investor applying for naturalization.

Contact us to discuss your requirements.



Antoniou McCollum & Co. LLC

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Contact us to find out more on our legal services at:

Antoniou McCollum & Co. LLC
36L Griva Digeni | 3rd floor | Lapithion
1066 Nicosia | Cyprus
T: +357 22 053333 | F: +357 22 053330
info@amc.law

Visit amc.law for more information on our firm and services.

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