
HOW TO OBTAIN A RESIDENCE PERMIT IN
THE REPUBLIC OF CYPRUS AND RELATED MATTERS



Over the years the Cyprus Government has assisted foreigners (non – E.U. members) to get a residence permit and even a Cypriot (E.U.) nationality through numerous of regulations and laws.

Categories eligible to apply for a Residence Permit

Under Regulation 5 of the Aliens and Immigration Regulations of 1972, aliens may apply for a residence permit in Cyprus if they fall under either of the categories described below:

1. Persons with the intent to invest in agricultural, fishing, animal farming sectors, provided they have acquired the analogous land and they have available a capital of approximately €475,500.
2. Persons who intend to work as self-employed in the mining sector provided that they have available capital of €380.400 and provided that a permit for mining is secured.
3. Persons who intend to work as self-employed in a trade or profession in the Republic provided that they have in their possession a relative permit, and they have freely a capital of €286.000 and provided that they can secure such business permit from the authorities.
4. Persons who intend to work as self-employed in a profession or science in the Republic provided that they have the corresponding academic or professional qualifications and provided that there is demand for such professions in Cyprus.
5. Persons who have been offered permanent employment in the Republic, which will not create undue local competition.
6. Persons who possess and have fully and freely at their disposal a secured annual income, high enough to give them a decent living in Cyprus, without having to engage in any business, trade or profession. The annual income required should be at least €11,000 for a single applicant and moreover at least €5,500 for every dependent person.

International Business Companies entitled to hire foreigners

A company may hire foreigners only upon the condition that it has a strict ownership structure and transparent capital sources, it has fully operative administrative office and it has stable financial growth confirmed by annual accountancy sheets.

For new Companies established in Cyprus there is the need to prove that the owner can support himself and his dependent persons financially during one year of stay in Cyprus until the new company fully operates as well as receive a certificate from the Registrar that the total possessions of the Company are not less than €48,000.

For existing Companies established in Cyprus there is an administrative procedure which needs to be performed and documents to be submitted.

Residence Permits

The Cyprus Government issues two types of Residence Permits:

1. Temporary Residence Permit: For applying for this type of residence permit the applicant shall need to have an account in the Cyprus bank and purchase-sale contract of real estate in the Republic. You may obtain a Residency permit for a period from one up to four years.

2. Permanent Residence Permit: For applying for this type of residence permit the applicant shall need to have annual income of at least €10,000. A permanent residency permit will be given to eligible persons that can prove that they want to immigrate to Cyprus. For this reason the authorities will need to be “convinced” that the applicant/or his family lives in Cyprus for at least 6 months per year (approximately 185 days).

Applicants will not have the right to seek a Cypriot passport outright, but can seek a Cypriot passport/nationality after 7 years of stay through a corresponding application.

A New Procedure for obtaining a Residence Permit

A new and fast procedure for obtaining a Residence Permit has been recently adopted by the Cyprus Government for applicants who buy a residence in Cyprus of a value not less than €300.000. Further the applicant will have to demonstrate that he has at its disposal a secured annual income of at least €30.000 and that the applicant visits Cyprus at least once every two years.

A permanent resident under this new category may apply after 7 years for a Cypriot passport/ nationality. In this case he will be treated as a local with no restrictions.

Automatic Naturalisation of Foreign Investors/Entrepreneurs

The Cyprus Government has also approved numerous of criteria where a person may obtain a Cypriot passport/nationality doing away the 7 year requirement, in order to attract wealthy individuals and businesses as a measure to assist the Cyprus economy during this difficult period of recession. As such it is not necessarily adopted that this measure will be a permanent one.

A foreign investor in Cyprus must fulfil at least one of the 8 criteria:

1. Investment in Government Bonds issued by the Republic of Cyprus

The applicant must proceed with the purchase of Government Bonds issued by the Republic of Cyprus of value at least €5 million; or

2. Investment in financial assets of businesses established in the Republic of Cyprus

The applicant must proceed with the purchase of financial assets of value of at least €5 million (e.g. bonds / securities / debentures) registered and issued in the Republic of Cyprus.

3. Investment in Property in the Republic of Cyprus

The applicant must proceed with the purchase of immovable property of value of at least €5 million (houses, offices, shops, hotels or a development of a similar nature).

4. Investment or incorporation or participation in businesses that are established in the Republic of Cyprus

The applicant must proceed with the purchase of businesses or companies that are based and are active in the Republic of Cyprus, the purchase of shares of companies registered in the Republic of Cyprus of a value of at least 5 million and employ at least five Cypriot citizens.

5. Bank Deposits

The applicant must have personal deposits in Cypriot banks or through private companies or trusts (in which he is the ultimate beneficiary himself) in the Republic of at least €5 million in a fixed deposit.

6. Combination of Investments

The applicant may choose to proceed with a combination of any of the above mentioned categories for a total amount of at least €5 million and provided that the minimum period requirements as provided above are met.

7. Cyprus compensation scheme for lost investments

This category has recently been approved as compensation for depositors who lost at least €3 million due to the levy imposed on the bank deposits in Bank of Cyprus and Laiki Bank. In the situations where a haircut for an amount of less than €3 million was suffered then it is still possible to utilize this new special category explained herewith if it is combined with any of the investment options mentioned above for the remainder amount (up to €3 million).

8. Collective Investment Scheme

The applicants must proceed as follows:

1. Any investment referred in categories 1-4 referred above will be reduced to €2,5 million for non-Cypriot residents, who will participate in the collective investment scheme, with a total value of the assets of at least €12,5 million; i.e. if a group of 5 (five) investors apply collectively.

2. Any investment in the categories as referred above will be reduced to €2 million for applicants, who will participate in the collective investment scheme until the 1st June 2014, with a total value of investment of at least €12,5 million; i.e. if a group of 6 (six) investors apply collectively.

It is provided that for all categories explained above (except where the whole amount required is covered under category 7 (Cyprus compensation Scheme for lost investments) the investments must remain committed for a minimum period of 3 (three) years.

Additional conditions for eligibility to apply for a passport:

1. The applicant must have a clean criminal record and his name must not appear in any list of individuals whose property within the EU has been placed under any restrictions.
2. Regardless of which category under (1) to (8) above is chosen by the applicant it is additionally required to proceed with the purchase of a residence within the Republic of Cyprus of purchasing cost of at least €500.000, plus VAT.

Advantages of the Cyprus investors' passport scheme:

1. The Cyprus passport grants you with all the advantages of being a European national, including among others, the right to free movement and residing within the European Union.
2. The whole family, including one lawful wife and children up to 28 years of age which are financially depended on their parents are entitled to be added to the investor's application without having to increase the amounts invested.
3. The procedure is quick, the application is processed within 2 - 3 months.

Disclaimer

The above information is only a brief description of the provisions of the relevant Law up to the date of publication of this Memo and this shall not be regarded as exhaustive. Further professional advice should be sought on a case by case scenario. Our firm does not accept any responsibility for any loss or damage occurring by acting on the basis of this information.

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