

### **Fast-track Cypriot citizenship**

Under the Civil Registry Law, 141(I) of 2002, as amended, there are three ways to acquire Cypriot citizenship, namely by birth or descent, by registration of persons of Cypriot origin born in certain overseas countries, and by naturalisation. For most people the first two are not available, and the only way to acquire Cypriot citizenship is by naturalisation.

Article 111 of Law 141(I) of 2002 provides that the Minister of the Interior may grant a certificate of naturalisation to any non-Cypriot of full age and capacity who applies in the prescribed manner and satisfies the minister that he or she qualifies for naturalisation under the provisions of the law.

In the normal course of events naturalisation requires a long period of residence in Cyprus prior to application, but in 2013 the government introduced a “fast-track” economic citizenship scheme under these requirements are waived for individuals of good character investing substantial amounts in Cyprus. Furthermore, applications are processed within three months. In September 2016 the Council of Ministers approved changes to the scheme, and the main features are set out below.

#### **Beneficiaries of the scheme**

The scheme allows the applicant and his or her spouse to obtain citizenship, and also extends to their close family.

Children under the age of 18 automatically obtain Cyprus citizenship once their parents are granted citizenship, together with children up to the age of 28 who are undergoing further education (training as a lawyer or accountant does not qualify).

The applicant’s parents may also be granted citizenship at the same time as the applicant, provided that they have a permanent residence of their own in Cyprus which was purchased for at least EUR 500,000 excluding VAT.

#### **Investment in Cyprus**

A fundamental requirement is investment in Cyprus of at least EUR 2 million in any of the following investment categories, or a combination of them. The investments may be held by corporate structures rather than directly by the applicant, provided that the applicant can demonstrate that he or she is the 100% beneficial owner.

##### *Development of real estate*

The applicant must have directly invested at least EUR 2 million in Cyprus in projects for the development of real estate, such as residential, commercial, tourism or other infrastructure. The acquisition of bare land does not qualify, unless a masterplan for the development of the land is submitted with the application. It follows that the purchase of land without permission for development will not be eligible.

#### *Purchase, establishment or participation in businesses or companies in Cyprus*

The applicant must have made an investment of at least EUR 2 million in businesses or companies based in Cyprus and operating there. Applicants must show that the capital investment will be used solely for the purpose of funding the activities of the business in Cyprus in accordance with a business plan and that the businesses or companies have a physical presence in Cyprus and employ at least 5 Cypriot or EU citizens, who must have been continuously and legally residing in Cyprus for the 5 years prior to the submission of the application. If investment in a company or business is being used to support more than one application, there must be at least five such employees per application.

Applications will be checked in order to verify that the businesses or companies have a physical presence and meet the criteria specified above.

#### *Investment in alternative investment funds (AIFs), financial assets of businesses based in Cyprus or entities licensed by the Cyprus Securities and Exchange Commission*

The applicant must have invested at least EUR 2 million in financial assets, such as units in AIFs, bonds, debentures, or other securities registered and issued in the Republic of Cyprus, either in companies or organisations with substantial economic activity in Cyprus or entities which are regulated by the Cyprus Securities and Exchange Commission. The investments will have to be held for at least three years and fund manager is required to submit annual confirmations to this effect.

#### *Combination of investments*

The applicant may choose to have a combination of any of the above investments as long as it amounts to at least EUR 2 million. Cyprus government bonds may be included, up to a maximum of EUR 500,000 if the applicant undertakes to retain them for at least three years. Bonds purchased in the secondary market are not eligible.

#### **Other conditions**

In addition to satisfying the investment criteria the applicant must be of good character and must have a permanent residence in Cyprus.

#### *Good character*

The applicant must have a clean criminal record and his or her name should not be included in the list of persons who have a freezing order on their property within the EU.

#### *Permanent residence*

In addition, the applicant must own a permanent residence in Cyprus with a value of at least EUR 500,000 excluding VAT. If the value of the residential property is more than EUR 500,000, the surplus will count towards the required investment of EUR 2 million. If members of the same family submit separate applications as individual investors they may purchase one residence, but the value must be at least EUR 500,000 per applicant.

If the applicant's qualifying investment is in development of residential real estate the permanent residence condition may be satisfied by setting aside one unit with a value of at least EUR 500,000 for the applicant, as long as the applicant undertakes to retain it permanently.

As with investments, the residence may be held by corporate structures rather than directly by the applicant, provided that the applicant can demonstrate that he or she is the 100% beneficial owner.

Before naturalisation the applicant and any adult family members who are applying for citizenship as his or her dependants must hold a permanent residence permit. If they do not hold such a permit already, an application for a fast track residence permit under Regulation 6(2) of the Aliens and Migration Laws can be submitted at the same time as the application for citizenship. A permanent residence permit will be granted automatically as long as the criteria for the citizenship program are satisfied. The residence permit will be cancelled if the citizenship application is withdrawn or refused.

### **Submission of applications**

The application must be accompanied by the following personal documents, which must be officially translated and apostilled in accordance with the Hague Convention or, if the issuing country is not a signatory state to the Hague Convention, attested through the issuing country's Ministry of Foreign Affairs and the relevant Cyprus embassy or consulate.

- Copy of all pages of passport;
- Birth certificate;
- Marriage certificate (if applicable);
- Divorce certificate (if applicable);
- Certificate of clean criminal record from the country of origin and from the place of permanent residence if they are different;
- Four recent passport size photographs;
- Brief CV; and
- Two consecutive advertisements in a nationwide newspaper announcing the applicant's intention to apply for citizenship.

As evidence of permanent residential accommodation in Cyprus the applicant should submit the sale and purchase agreement, title deed or receipt for the deposit of the sale and purchase agreement with the Department of Lands and Surveys, proof of payment of the purchase price, including an inward transfer receipt from a Cyprus bank in the name of the vendor or the company, and a valuation certificate from an independent certified valuer.

In addition, documentation evidencing the investment in Cyprus must be provided, as described in the appendix.

## **Appendix – Documentation to support qualifying investment**

### **General**

For any corporate vehicle involved in the investment the following documents are required, where applicable:

- Certificate of incorporation;
- Shareholder certificate or equivalent evidence that the investor is the ultimate beneficial owner of the company;
- Audited accounts of the for the three years preceding the year of submission of the application;
- A copy of the employment contract and a Collections Certificate issued by the tax authorities, if the applicant is a member of the company's senior management;
- Marriage certificate, if the applicant's spouse is the holder or partial holder of the investment.

In addition, the relevant government departments (the Ministry of Interior and the Ministry of Finance) may request further documentation.

### **Investment in immovable property development and infrastructure projects**

- Sale and purchase agreement
- Title deed or receipt for the deposit of the sale and purchase agreement with the Department of Lands and Surveys
- Proof of payment of the purchase price
- Inward transfer receipt from a Cypriot bank in the name of the vendor or the company
- Valuation certificate from an independent certified valuer if requested
- Investment master plan for the development of the land if the investment relates to buildable land

### **Purchase or establishment or participation in Cypriot businesses and companies**

- Sale and purchase agreement
- Certificate of shareholders;
- Proof of payment of the purchase price;
- Inward transfer receipt from a Cypriot bank in the name of the vendor or the company;
- Business plan;
- Copies of the employment contracts of the Cypriot and EU employees;
- Certificate from the Department of Social Insurance to certify the contributions of the employees of the company;
- Certificate from the Department of Social Insurance to certify the account of each of the Cypriot and EU employees;

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- Certificate from the tax authorities confirming the taxable income of Cypriot and EU employees;
- Registration certificates (MEU1) or certificate of permanent residence of an EU citizen (MEU3) for EU employees.

**Investment in Alternative Investment Funds or financial assets of Cypriot businesses or entities licensed by the Cyprus Securities and Exchange Commission (CySEC)**

- Title documents;
- Inward transfer receipt from a Cypriot bank in the name of the investment manager;
- Investment plan;
- Confirmation from CySEC.

**Combination of Investments**

- Receipt from the Public Debt Management Office if the investment includes government bonds
- Inward SWIFT confirmation.