

Amended Cyprus Permanent Residency Programme



Paul & Co Audit Limited

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The Cypriot Government has published amendments to the Cyprus Permanent Residence Programme, an investment route open to non-EU nationals wishing to obtain residency status in Cyprus. The main aim of the amendments to Regulation 6 (2) of the Aliens and Immigration Regulations are to further attract foreign investment and help economic recovery after Covid-19.

While the minimum investment required remains unchanged at €300,000, new investment options have been introduced and thus investment is no longer solely based on real estate purchase. Investors may now invest not only in new residential properties but also in new or resale commercial properties such as shops and offices. In addition, the applicant can now invest in the share capital of a company with physical presence in Cyprus which employs at least five (5) persons. Additionally, investors may also choose to invest in Cyprus Undertakings for Collective Investment in Transferable Securities (UCITS) such as AIF, AIFLNP and RAIF.

The pledging of a deposit in a Cypriot bank account is no longer required, nevertheless applicants should still confirm that they do not intend to undertake employment in Cyprus, apart from the position of a Director in a company that they might have chosen to invest in.

Investment Criteria

The applicant must invest at least € 300,000 in **one** of the following investment categories:

1. Purchase of a house or apartment from a land development company, which should involve a first sale (new) of at least €300,000 (plus VAT).
2. Purchase of other forms of real estate (new or resale) such as offices, shops, hotels, or similar developments or a combination of these with a total value of €300,000.
3. Investment of €300,000 in the share capital of a company registered in the Republic of Cyprus, which is based and operates in the Republic, has proven physical presence in Cyprus, and employs at least five (5) employees.
4. An Investment worth €300,000 in shares of Collective Investments in Cyprus such as AIF, AIFLNP, or RAIF.

Where an applicant chooses options 2, 3 or 4, he should still present evidence of a place of residence in Cyprus which can be either purchased or rented.



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Also, it should be noted that, if an investor sells his investment, he must immediately replace it with an equal or bigger value investment otherwise the Minister will have to cancel the Residency permit.

Self Sufficiency

In addition to the main investment the applicant must provide evidence of a secure annual income of at least €30,000, increased by €5,000 for every dependent person (spouse and children) and by €8.000 for every dependent parent or parent-in-law. This income should be generated from abroad in cases where the applicant invests in new residential units, while the income can be generated from within Cyprus in all other cases. In general, this income may derive from salaries for work, pensions, dividends, permanent deposits, rent, etc.

Qualifying Family Members

In the same application for Permanent Residence in Cyprus, the Main Applicant may include:

- Spouse
- Minor children up to the age of 18
- Unmarried adult children between the age of 18-25, provided that they are economically dependent and students in a institution of tertiary education
- Parents of the Main Applicant & the Spouse

An important amendment to the Regulations is that it is now possible for the main applicant to make an investment of a higher value for non-dependent adult children to obtain permanent residence status. The investment of €300,000 must be multiplied according to the number of adult children who will rely on the same investment of the main applicant. In addition, each adult child must provide secured annual income of at least €30,000.

Other criteria

The applicant and his/her spouse must submit a clean criminal record certificate from their country of residence or from the Republic, in case they reside in Cyprus. They must also state that they do not intend to work in the Republic with the exception of their employment as Managers in a Company in which they have chosen to invest.

In cases where the investment does not concern a Company's share capital, the applicant and/or his spouse may be shareholders in Companies registered in Cyprus and the dividend income in such companies may not be considered as an obstacle for the purposes of obtaining the Immigration License.

Timeline

Residency under these regulations is acquired within a period of approximately two and a half months through a fast-track process. The government authority responsible for the processing of applications is the Civil Registry and Migration Department who will then forward the application to the Interior Ministry for a decision.

It is important to note that the residence permit may be cancelled in the case that the applicant is absent from the Republic of Cyprus for a period of two (2) years.

Please note that all applicants for the immigration permit will have to apply for a permanent residence permit within a year from the date of approval of the submitted application.

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