

Council of Ministers Decision dated 19.3.2014

SCHEME FOR NATURALISATION OF INVESTORS IN CYPRUS BY EXCEPTION
on the basis of subsection (2) of section 111A
of the Civil Registry Laws of 2002-2013

A non-Cypriot citizen, who meets one of the following economic criteria (A), either personally or through a company/ companies in which he/ she participates as a shareholder - proportionally based on the percentage of participation, or even as a high-ranking senior manager of a company/ companies that meets one of economic criteria (A), may apply for the acquisition of the Cypriot citizenship through Naturalization by exception.

A high-ranking senior manager may apply, provided that he/she receives such a remuneration that generates for the Republic tax revenue of at least €100,000 for a three year period and provided that this tax has already been paid or prepaid.

The applicant should have concluded the necessary investments during the three years preceding the date of the application and must retain the said investments for a period of at least three years since the date of the Naturalization.

In addition, the applicant must fulfill the Terms and Conditions set out in Part B.

In the case where, following a periodic inspection, it has been ascertained that any condition is being circumvented, the Naturalization may be revoked.

A. CRITERIA

A.1 Investment in government bonds:

The applicant must have purchased state bonds of the Republic of Cyprus of at least €5,0 million.

or

A.2 Investment in financial assets of Cypriot companies or Cypriot organizations:

The applicant must have purchased financial assets of Cypriot companies or Cypriot organizations (bonds/ securities/ debentures registered and issued in the Republic of Cyprus) of at least €5,0 million.

It is noted that these financial assets can be purchased either at issuance, or subsequently by the market.

or

A.3 Investment in real estate, land development and infrastructure projects:

The applicant must have made an investment of at least € 5,0 million for the purchase or construction of buildings or for the construction of other land development projects (residential or commercial developments, developments in the tourism sector or other infrastructure projects).

or

A.4 Purchase or creation or participation in Cypriot businesses or companies:

The applicant must have made an investment of at least € 5,0 million in the purchase, creation or participation in businesses or companies, that are based and operating in the

Republic. These businesses or companies should evidently have a tangible presence in Cyprus and employ at least five (5) Cypriot citizens.

It is noted that the mandatory conversion of deposits into shares is included in this criterion.

or

A.5 Deposits in Cypriot banks:

The applicant must have personal fixed term deposits for three years in Cypriot banks or deposits of privately owned companies or trusts (in which he/she is the beneficiary owner) in the Republic of Cyprus of at least €5,0 million

or

A.6 Combination of the aforementioned criteria A.1 (Investment in government bonds), A.2 (Investment in financial assets of Cypriot companies or organizations), A.3 (Investment in real estate, land development and infrastructure projects), A.4 (Purchase or creation or participation in Cypriot businesses or companies) και A.5 (Deposits in Cypriot banks):

The applicant is required to have a combination of the above amounting to at least €5,0 million.

or

A.7 Persons whose deposits with the Popular Bank Public Company Ltd have been impaired due to the measures implemented after the 15th March 2013:

The applicant has incurred an impairment in deposits amounting to a total of at least €3,0 million.

In the case where the applicant has incurred an impairment in his/her deposits under €3,0 million he/she may apply, having made an additional investment through the criteria A.1 (Investment in Government bonds), A.2 (Investment in financial assets of Cypriot companies or Cypriot organizations), A.3 (Investment in real estate, land development or infrastructure projects), A.4 (Purchase or creation or participation in Cypriot businesses and companies) and A.5 (Deposits in Cypriot Banks) for the balance of the required amount of the aforementioned criteria.

or

A.8 Major Collective Investments:

The Council of Ministers shall have the right on special occasions, to reduce the above criteria (A.1 (Investment in Government Bonds), A.2 (Investment in financial assets of Cypriot companies or Cypriot organizations), A.3 (Investment in real estate, land development or infrastructure projects) and A.4 (Purchase or creation or participation in Cypriot businesses and companies):

- I. To €2,5 millions for investors, who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is at least €12,5 millions.
- II. To €2,0 millions for investors who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is more than €12.5 millions. It is noted that this present provision (I), will be in force until the 1st of June 2014.

In addition, it is noted that for the above mentioned provisions (I) and (II), the investment for the Criteria A1 until A4 may be realized through a different salesman/ provider (physical or legal entity).

B. TERMS AND CONDITIONS

1. Clean Criminal Record: the applicant must have a clean criminal record. Furthermore, his name must not be included on the list of persons whose property is ordered to be frozen within the boundaries of the European Union.

2. Residence in the Republic of Cyprus: In all cases listed in Part A, the applicant must hold a permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500.000, plus V.A.T.

It is noted that members of the same family, which apply separately as investors, can collectively acquire a residence, provided that the total value of this home-property covers the amount of € 500.000 per each applicant.

C. SUBMISSION OF DOCUMENTS

In order to examine any applications the submission of the form (M127) and of the following is required:

1. Clean Criminal Record:

Certificate of Clean Criminal Record from the country of origin and the country of residence (if it differs).

2. Residence in the Republic of Cyprus:

- (a) Contract of Sale.
- (b) Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department
- (c) Receipts for paying the agreed purchase price
- (d) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the seller or the seller's company

As for the investment Criteria the following are required, depending on the case:

- (a) Certificate of Registration of the company/ companies by the Registrar of Companies
- (b) Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficiary owner of the company/ companies
- (c) Audited Accounts of the company (or companies) for the last three years preceding the year of the application
- (d) If the applicant is a high-ranking senior manager the submission of the employment contract and the receipt from the Department of Inland Revenue is additionally required.

Any other document that might be requested either by the Ministry of Interior, or by the Ministry of Finance.

Furthermore, depending on the case, the following are required:

1. Investment in Government bonds

- (a) Receipts from the Treasury of the Republic of Cyprus for the purchase of the Government bonds.

2. Investment in financial assets of Cypriot companies or Cypriot organizations

- (a) Title/titles and other documents regarding the financial assets.
- (b) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the company or the organization

3. Investment in real estate, land development or infrastructure projects

- (a) Contract of sale.
- (b) Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department
- (c) Receipts for paying the agreed purchase price
- (d) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the seller or the seller's company

4. Purchase or creation or participation in Cypriot businesses and companies

- (a) Contract of sale.
- (b) Receipts for paying the agreed purchase price
- (c) Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficiary owner of the company/ companies
- (d) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the company or the organization
- (e) Confirmation from the Social Insurance Department as to the insurable income of the Cypriot employees in the company
- (f) Confirmation from the Inland Revenues Department as to the taxable income of the Cypriot employees in the companies or businesses that the applicant invested in.

5. Deposits in Cypriot banks

- (a) Confirmation from Cypriot banks as to the fixed term deposits for three years of the applicant or the companies in which he is the beneficiary owner or of the trust in which he is the beneficiary owner
- (b) Copy of the wire transfer in the Cypriot commercial banking institution

6. Impairment of deposits in the Popular Bank

(a) Confirmation as to the level and the time of the impairment of the deposits

(b) In the case of deposits of companies of which the applicant is the beneficiary owner, the Certificate of Registration of the Company by the Registrar of Companies and/or any other evidence, along with a declaration from the trustee of the funds confirming the beneficial owner is to be attached

None of the above affect the absolute discretion of the Council of Ministers in taking a Decision.

19 March 2014