

FREQUENTLY ASKED QUESTIONS

GENERAL MATTERS

1. What is the time frame for the examination of an application?

Approximately three months.

2. What is the amount of the fees payable for each application?

Concerning the investor the amount of €2.000 is paid at the submission of the application and, if the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.

Concerning the investor's spouse the amount of €2.000 is also paid at the submission of the application and, if the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.

Concerning the investor's adult child the amount of €2.000 is also paid at the submission of the application and, if the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.

Concerning the investor's minor child the amount of €80 is paid at the submission of the application.

In summary the fees are as follows:

APPLICANT	APPLICATION SUBMISSION FEE	CERTIFICATE ISSUANCE FEE	TOTAL
INVESTOR	€2.000	€5.000	€7.000
INVESTOR'S SPOUSE	€2.000	€5.000	€7.000
INVESTOR'S ADULT CHILD	€2.000	€5.000	€7.000
INVESTOR'S MINOR CHILD	€80	-	€80

- 3. Investments must necessarily be made by the investor personally or can they be made through company/companies of the investor or an investment fund or an investment foundation?**

An investment through a company or fund or foundation is eligible, **provided** that there is a proven correlation between the investor and the company or fund or foundation.

- 4. What conditions must be met, so that a high – ranking senior manager of a company/ companies may apply for Naturalization on the basis of this Scheme?**

The first condition that needs to be fulfilled is that the company/ companies that employs the manager must have concluded in Cyprus such an investment that meets one of the economic criteria stipulated in the Decision of the Council of Ministers. If and when the investment is completed the executive may apply for Naturalization provided that he/she has paid or prepaid an income tax amounting to €100.000 for a three-year period and has acquired a permanent residence of purchase value at least €500.000.

- 5. What does it mean: “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?”**

It means that for the purpose of filing a Naturalization application in accordance with the provisions of this Scheme, the investor must have concluded the investment during the three years preceding the submission date of the said application. That is to say, if the applicant will submit an application in 2014, the investment must have been concluded during the period 2011 – 2014.

Furthermore, the investor is obliged to retain the investment for at least three years following the acquisition of the Cypriot citizenship. The three-year period begins on the date of the approval of the application by the Council of Ministers.

CRITERION A.1 (Investment in Government bonds)

- 1. Existing government bonds which can be purchased from the secondary market from existing owners are included or only bonds**

purchased from the primary market, i.e. directly from the Cypriot Government are eligible?

For purposes of the citizenship application are eligible bonds purchased both from the primary market as well as from the secondary market until the 31st of July 2014. **However, as from the 1st of August 2014 only the bonds purchased from the primary market (i.e. directly from the primary market) solely will be eligible.**

CRITERION A.3 (INVESTMENT IN REAL ESTATE, LAND DEVELOPMENT AND INFRASTRUCTURE PROJECTS)

1. The purchase of land is included in the criterion?

This criterion includes investments for the purchase or construction of buildings, or the creation of other land developments (residential or commercial developments, in the tourism sector or other infrastructure projects). Therefore, the term cannot be interpreted broadly and the restriction concerning the purchase of land has not been lifted.

2. Is the VAT included in the amount of the €5,0 million investment or in the amount of the €500.000 purchase value of the privately-owned residence?

The VAT is neither included in the amount of €5,0 million for the "Direct Investments", nor in the amount of €500.000 required as a minimum purchase value of the privately-owned residence.

3. In the case of purchase of real estate are transfer duties included in the amount of the €5,0 million investment?

The transfer duties are not included in the amount of the investment, as no other charges or taxes are.

4. If there is a difference between the market value and the purchase value of a real estate, which amount is taken into consideration?

The purchase value.

5. Can real estate sold for a second time be considered as an investment for the purposes of applying for citizenship?

According to the contents of the Council of Ministers' Decision, the eligible investment is not limited to properties purchased for the first time.

CRITERION A.4 (PURCHASE OR CREATION OR PARTICIPATION IN CYPRIOT BUSINESSES OR COMPANIES)

1. What do we mean by the clause that the companies or businesses need to have a tangible presence in Cyprus?

We mean that the companies or businesses in which the applicant shall invest must maintain offices in Cyprus.

2. How is the creation or participation in the companies/ businesses proven?

The creation or participation is proven by the purchase of the company's or business' shares, either existing shares, or through capital increase.

CRITERION A.6 (DEPOSITS IN CYPRIOT BANKS)

1. What do we mean by «Cypriot banks»?

We mean Local Banks and the Subsidiaries of Foreign Banks. The list is being prepared by the Central Bank of Cyprus and is posted on its website. You may see the List following the link below:

http://www.centralbank.gov.cy/nqcontent.cfm?a_id=8154&lang=en

2. The total amount of the deposit has to be deposited in a single bank or can it be deposited partially in various banks?

The total amount can be deposited in various banks, **provided** that all the banking institutions lie within the two categories referred in the previous Question.

3. Must the deposit necessarily be in euro or can it be made in another currency?

Is not necessary to make the deposit/ deposits in euro. They can be made in a different currency.

CRITERION A.7 (PERSONS WHOSE DEPOSITS WITH THE POPULAR BANK HAVE BEEN IMPAIRED DUE TO THE MEASURES IMPLEMENTED IN BOTH BANKS AFTER THE 15TH MARCH 2013)

- 1. Is the investor eligible to apply if deposits are not personal, but rather deposits of a company (or companies) of whom he/ she is the major shareholder or the ultimate beneficiary owner?**

The investor is eligible to apply, provided that there is a proven correlation between the investor and the company (or companies).

- 2. This Criterion does not include investors, who suffered an impairment in their deposits with the Bank of Cyprus?**

According to the Decision of the Council of Ministers investors, who suffered a deposits impairment with the Bank of Cyprus, are not included in this criterion, but rather in the Criterion A.5 (Purchase or creation or participation in Cypriot companies and businesses), since their deposits were mandatory converted into shares.

- 3. If the amount of the impairment is the lower than €3,0 million, the investor can make a further investment to accumulate the amount of €3,0 million or the amount of €5,0 million, which is the minimum required investment amount of the other criteria?**

According to the content of the Decision, if the impairment amount is less than € 3,0 million, the investor can make an additional investment through the criteria A.1 - A.5, to supplement the amount of €5,0 million.

CRITERION A.8 (MAJOR COLLECTIVE INVESTMENTS)

- 1. In paragraph II it is stated that the provision will be valid until the 1.6.2014. Does this mean that the investment should be concluded by the 1.6.2014 or that the application must be submitted until the 1.6.2014?**

It means that the application must be submitted until the 1.6.2014.

TERMS AND CONDITIONS

Residence in Cyprus

- 1. The purchase values of the privately – owned residence is includes in the investment or is it additional?**

The purchase value of the privately-owned residence of the applicant investor in Cyprus is not included in the minimum investment which is required provides for the submission of the application, but rather it is additional.

However, if an applicant decides to invest in the purchase of a privately – owned residence solely, of a purchase price either €5,0 million (criterion A.3), or of €2,5 million (criterion A8(I)), or of €2,0 million (criterion A8 (II)), he/ she is not oblige to bur a further privately – owned residence of purchase value €500.000.

- 2. Can the investor rent to someone else his/ her privately-owned residence?**

Yes, he/ she may.

- 3. Can the investor sell his/ her privately-owned residence and purchase a different one of the same or higher purchase value?**

Yes, he/ she may, provided that he/she will buy a different residence of equal or higher purchase value.

- 4. To what degree of relation can applicants – relatives, who are members of the same family, purchase the same privately-owned residence?**

To the second degree.

