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Cyprus Citizenship by Investment: New Criteria and Procedure

On the 13/9/2016, the Council of Ministers announced the implementation of an updated procedure and a series of financial criteria for investors wishing to obtain the Cyprus Citizenship. The new criteria are even more favorable than before with the minimum necessary amount of investment having been reduced from **€2.500.000** to **€2.000.000**.

Under the new procedure, the investors are given several options as to how they can invest in the Republic of Cyprus, providing greater flexibility.

Even though the new criteria have immediate effect, already submitted applications will be based on the provisions as were applicable at the time of submission. However, investors who already submitted their applications, have the possibility of withdrawing and applying anew based on the new criteria as of 13/9/2016.

Potential applicants will have a choice as to which of the two schemes they would like to apply for under until the 31/10/2016. From the 1/11/2016, only the new criteria will be applicable for the Cyprus Citizenship by investment scheme.

NEW FINANCIAL CRITERIA:

• INVESTING IN REAL ESTATE DEVELOPMENTS AND INFRASTRUCTURE PROJECTS.

The applicant should make an investment of at least **€ 2.000.000** for the purchase or construction of immovable property whether residential or commercial, and whether related to the tourism sector or otherwise, including investment in land.

• PURCHASE OR INCORPORATION OR PARTICIPATION IN CYPRIOT BUSINESSES AND COMPANIES.

The applicant should purchase, incorporate or participate in companies established and operating in the Republic of Cyprus with investment costs of at least **€2.000.000**. These invested funds will be channeled to finance the investment objectives of the Companies, according to their business plan.

Additionally, the companies must have physical presence in Cyprus, with significant activity and turnover, and must employ at least five Cypriot or European citizens.



• INVESTING IN CYPRUS ALTERNATIVE INVESTMENT FUNDS (AIF'S) OR FINANCIAL ASSETS OR CYPRIOT ORGANIZATIONS LICENSED BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION, "CYSEC".

The applicant should invest in units of at least **€ 2.000.000** of AIF's established, licensed and supervised in Cyprus by "**CYSEC**". Such investments should be made exclusively in Cyprus and should meet the criteria of this scheme and be approved by the Minister of Finance.

Acquisition of financial assets in Cypriot businesses or organizations of at least **€ 2.000.000**, such as bonds, bills and securities issued by companies that have demonstrated physical presence and substantial economic activity in Cyprus, should be maintained for a period of 3 years.

• COMBINATION OF THE ABOVE INVESTMENTS

The applicant may make a combination of the above investments, provided that the total investment will amount to at least **€ 2.000.000**.

Under this criterion, the investor may also invest in government bonds of Cyprus for the amount up to **€ 500.000**, which will be issued for this purpose by the Public Debt Management Office of the Ministry of Finance, for a period of at least 3 years.

TERMS AND CONDITIONS:

CLEAN CRIMINAL RECORD: The applicant should have clean criminal record.

RESIDENTIAL PROPERTY: The applicant should own a residential property of at least **€500.000 + VAT**.

RESIDENCY IN CYPRUS: The applicant, before the naturalization as Cypriot Citizen, must hold a residency permit in Cyprus for a period of at least 6 months.

**A detailed analysis of the Cyprus Citizenship by Investment will be provided in a forthcoming newsletter.*

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