

Key Changes to the Cyprus Citizenship by Investment Program



PKE Consultants Limited

Publication Sheet – July 2019 #2



In February 2019 the Cyprus Council of Ministers approved revisions to the Cyprus Citizenship by Investment Programme. These changes include the addition of contributions to research and development within Cyprus and to fund affordable housing on the Island.

Changes with Immediate Effect

Three changes to the programme came into effect immediately:

- i) The minimum amount of time for which the investment must be maintained in Cyprus has changed from 3 years to 5 years, from the date of naturalisation as a Cyprus citizen (this excludes the primary residence in Cyprus with a minimum value of €500,000, which must still be held for life).
- ii) Non-EU nationals must hold a valid Schengen visa if they wish to travel to, and within, EU member states.
- iii) Any applicant, who has previously been rejected by another EU member state, will not be eligible to apply to the Cyprus Citizenship by Investment Programme.

Additional Revisions

The following revisions below were implemented on 15 May 2019:

- In addition to the qualifying investment criteria (please see below), there are two new mandatory donation requirements:
 - Donation of at least €75.000 to the Cyprus Research and Innovation Foundation, **AND**
 - Donation of at least €75.000 to the Cyprus Land Development Corporation.
- A planning permit is mandatory for all properties that are under construction.
- Investment in Government Bonds is abolished.
- Investment in the Shipping sector is included.
- Investment in Registered Alternative Investment Funds is included, as well as the option for these organisations to invest up to €200,000 in the Cyprus Stock Exchange secondary market.



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An Overview of the Approved Investment Criteria

In addition to the changes and revisions taken place in February and May 2019 as indicated above, the applicant must own a permanent privately-owned residence in Cyprus, the purchase price of which must be at least €500,000 (plus VAT), which has to be maintained for life. However, this property can be rented out.

In addition, applicants must invest in ONE of the following:

1) Investment in Alternative Investment Funds or Registered Alternative Investment Funds or in the Financial Assets of Cypriot Companies or Cypriot Organisations licensed by CySEC

The applicant must purchase financial assets in a Cypriot company or organisation with a minimum value of €2 million.

The company or companies must have a physical presence and substantial economic activity in the Republic of Cyprus.

OR

2) Purchase, Establish or Participate in a Cypriot Business or Company

The applicant must invest at least €2 million purchasing, establishing or participating in a business or company which is based and operating in Cyprus. Such businesses or companies must have a tangible presence in Cyprus and employ at least five Cypriot or EU citizens.

OR

3) Combination of Criteria

The applicant must meet a combination of the above criteria, with the total investment amounting to at least €2 million.

OR

4) Investment in Real Estate, Land Development or Infrastructure Projects

The applicant must invest a minimum €2 million purchasing or constructing buildings or in other land development projects.

If the investment is ONLY made in a number of residential properties and one property is worth at least €500,000, and is a permanent, privately owned residence in Cyprus that will be retained for life, the purchase of another permanent residence in Cyprus will NOT be required. This therefore reduces the total contribution required to meet this financial criteria to €2 million (rather than the €2.5 million for each of the other criteria).



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Additional Criteria

- The applicant must hold a residence permit for a period of at least 6 months in Cyprus prior to his/her naturalisation as a Cypriot citizen.
- The applicant and family members must have a clean criminal record from their country of origin and their country of residence (if different) and/or from the Cyprus police.
- The applicant's name must not be included on the EU list of individuals whose property has been frozen (sanctions list).
- The applicant must visit Cyprus at least once for administrative reasons and for the collection of biometric data.

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