



INFORMATION SHEET 1

Title:	Cyprus Citizenship by Naturalization for non-Cypriot Investors		
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Company:	Chelco VAT Ltd		
Reference:	Council of Ministers		

General

The Cyprus Council of Ministers has announced changes to the criteria by which Cypriot citizenship is granted to foreign investors and their families.

The main amendments concern the discretion of the Cabinet to lower certain criteria regarding investment in government bonds, assets in Cypriot enterprises or organisations, in real estate, development and infrastructure projects and regarding the purchase and the establishment or participation in Cypriot businesses and companies.

Specifically, the amount necessary for foreign investors to secure a Cypriot passport is, at the discretion of the Council of Ministers, be reduced to €2.5 million for someone demonstrably participating in a collective investment scheme worth at least €12.5 million.

It is thought that the new criteria will be welcomed by investors from the Far East and especially Chinese.

Key Information

Non-Cypriot investors and their families can acquire the Cyprus Citizenship by Naturalization, on the basis of the Decision by the Council of Ministers of the Republic of Cyprus dated 19 March 2014.

As per the Decision, a non-Cypriot citizen, who meets one of the following economic criteria (or a combination where applicable), 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, 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 Naturalisation.

If the applicant sells prior to the lapse of 3 years he/she must re-invest in similar property (or even make another investment approved by the criteria) of at least equal value and ask for approval of such change/substitution.

In addition, the applicant must fulfill certain Terms and Conditions.

Criteria

A.1 Investment in government bonds:

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



Or

A.6 Combination of the aforementioned criteria A.1, A.2, A.3, A.4 και A.5:

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

In the case where the applicant has incurred an impairment in his/her deposits under €3 million he/she may apply, having made an additional investment through the criteria A.1, A.2, A.3, A.4 και A.5 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, A.2, A.3 and A.4

- I. To €2 million for investors, who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is at least €12.5 million.

It is noted that for the above mentioned provision (I), the investment for the Criteria A1 until A4 may be realized through a different salesman/ provider (physical or legal entity).

Terms & Conditions

In addition to the criteria mentioned above, the Investor must fulfil the following Terms and Conditions:

- I. Clean Criminal Record issued at the country of origin or the country of residence if it differs (to be obtained by the applicant).
- II. Confirmation that the applicant's name is not included in the list of persons whose property is ordered to be frozen within the boundaries of the European Union (the responsibility to obtain this is with the Ministry of Interior).
- III. Own a private residence in the Republic of Cyprus, the purchase cost of which must exceed the amount of €500.000 plus VAT and must be fully paid.



Family Members

The Decision of the Council of Ministers dated 19.3.2014 provides for the grant of the Cypriot citizenship to the spouse as well as to the financially dependent adult children (eighteen years old or above) of the investor. Neither the spouse nor the children are obliged to meet any financial criteria.

The Decision regulates that adult children of an investor are considered as financially dependent, if they are students up to the age of 28 and are attending an institution of higher education aiming to obtain a diploma or an undergraduate or a master's degree. The Decision excludes individuals who are studying for the acquisition of a professional qualification (e.g. chartered accountants or barrister) or individuals who are studying for the acquisition of a second, third etc. diploma or degree (either undergraduate or master's).

Additionally, an investors' child with severe physical or mental disability that makes him/her unable to work is also considered as financially dependent.

Finally, the minor children (under the age of eighteen) of an investor have the right to acquire the citizenship

Submission Fees

Fees for submitting an application are set at €2.000.

If the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.

A fee of €2.000 is also paid for each family member of an investor, followed by an additional €5.000 if the application is approved for the issuance of the Naturalization Certificate.

The fee for an investor's minor child is was set at €80 which covers both the application and certificate issuance fee.

NOTE

The information in this document is intended as a guide only and every reasonable effort was made to ensure the accuracy and timeliness of the information. In no circumstances shall we be legally bound by any information contained in this document, and shall accept no liability in respect of loss caused by reliance on such information.

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