

THE SCHEME – 4TH REVISION OF THE CRITERIA AS OF 2ND MAY 2023

The Residence Permit (Fast Track) under the Regulation 6 (2) of the *Aliens and Immigration Regulations* combines an extremely straightforward process with simple criteria. It is important to underline that there is no language competency requirement or any nationality restriction.

The program is unique in that once the Permits are obtained, they are valid forever, with no requirements for renewal.

The Permanent Residence Permit applies to:

- The applicant;
- The spouse;
- Minor children up to the age of 18; and
- Unmarried and financially dependent children up to the age of 25 who are studying for a bachelor or master's degree.

The holders of the residence permit are not required to reside in Cyprus; one visit every two years is sufficient.

With the permanent residency status the holders can live freely in Cyprus or continue to live in their home countries and use the permit whenever they need to travel to Cyprus. The residence permit can act as a safe plan for the future. It also gives the opportunity to apply for Cyprus (EU) citizenship after an aggregate total of 5 years of continuous residence in Cyprus within an 8-year period, provided that prior to the date of submission of the Citizenship application they have been staying in Cyprus for twelve (12) consecutive months.

Moreover, once the Cyprus Permanent Residence permit is obtained, it is easier to obtain visas to travel within the European Union and outside the European Union. The Residence Permit provides access to schooling (free for public schools), as well as access to the national General Healthcare system (GESY).

The following Financial, Investment and Qualitative Criteria should be met to enable the applicant and his/her family members to apply for the Cyprus Permanent Residence Permit:

A' FINANCIAL CRITERIA

- A.** Proof of a secure annual income (including salaries from employment, pensions, dividends, fixed deposits, rents) of at least €50.000, increased by €15.000 for the spouse and by €10.000 for every dependent child. This income should derive from abroad. For the calculation of the total amount of the annual income, the spouse's income may be also taken into consideration. Where the Applicant chooses to invest under criteria B.2, B.3, or B.4 as explained below, the total income or part of the income may also come from sources derived from activities within the Republic of Cyprus.

AND

B' INVESTMENT CATEGORIES

The applicant must invest at least €300.000 in one of the following investment categories:

- B.1 Investment in a new house/apartment:** The applicant may purchase up to two (2) housing units (apartments or houses), provided that the total market value amounts to €300.000 (plus VAT). The said purchase must relate to dwellings sold by land development company(ies) for the first time (not resales), unless the purchase of the dwellings took place before 07/05/2013. The minimum amount of €300.000 (excluding V.A.T.) should be paid in advance to enable the submission of the application. This amount must be transferred to Cyprus from the applicant's (or the spouse's) personal or corporate bank account abroad and should not be a product of internal borrowing. The funds need to be deposited in a financial institution in Cyprus in the vendor's bank account. It should be noted that the purchase of real estate can be made by an entity in which the applicant and/or his spouse are the sole shareholders, and which entity is legally established in the Republic of Cyprus or in another Member State of the European Union or the European Economic Area.

OR

B.2 Investment in commercial real estate new or resale (excluding houses/apartments): Purchase of other types of real estate, such as offices, shops, hotels or similar developments, or a combination thereof with a minimum total value of €300.000.

OR

B.3 Investment in the share capital of a Cyprus Company with activities and staff in Cyprus: An investment of minimum €300.000 in the share capital of a company registered in the Republic of Cyprus, which is based and operating in the Republic of Cyprus, having a proven physical presence in Cyprus and employing at least five (5) people.

OR

B.4 Investment in units of a Cyprus Collective Investment Organization (type AIF, AIFLNP, RAIF): An investment of minimum €300.000 in units of a Cyprus Collective Investment Organization.

Note: It is understood that any alienation of the holder of the Residence Permit from the investment made without its immediate replacement with another of the same or greater value, which must meet the conditions set out in the present procedure, will entail the activation of the procedure for the cancellation of the Residence Permit based on the provisions of Regulation 6 of the Aliens and Immigration Regulations.

QUALITATIVE CRITERIA

- A.** Confirmation of a clean criminal record from the country of origin and of residence in case it differs. The applicants should not be considered as a threat in any way to the public order or public security in Cyprus.
- B.** Confirmation that the applicants do not intend to undertake any sort of employment in Cyprus, with the exception of being Directors in a Cyprus company to which they choose to invest (Investment Category B.3).
- C.** In the cases where the investment does not relate to the share capital of a Company, the applicant and/or the Applicant's spouse may be a shareholder in companies registered in Cyprus and the income from dividends in such companies shall not be considered as an impediment for the purpose of obtaining Permanent Residency. The applicant and/or the applicant's spouse may also hold the position of Director in such companies, without receiving a salary.
- D.** Where the applicant chooses to invest under criteria B.2, B.3, or B.4 above, the applicant should present information in relation to his place of residence in the Republic (i.e., Title Deed, Sales Agreement or Rental Agreement).
- E.** The applicants should provide a confirmation of a health insurance.

STEP-PLAN

STEP 1: Initial trip to Cyprus by the Applicant

It is noted that it is not a pre-requisite for the applicant to visit Cyprus before he/she submits the Residence Permit application.

- (a) Meeting with the lawyers (physical or virtual): the first step is to meet with the lawyers who will represent the applicant. The lawyers shall thoroughly explain to the applicant the procedure, the requirements and the time-frame of the Residence Permit application. The lawyers shall collect the documents required in order to conduct a preliminary due diligence on the applicants.
- (b) Decision on the investment category: The applicant shall have meetings (physical or virtual) in order to identify the assets which shall be acquired for his/her residence and investment.

STEP 2.1: Acquisition of the Immovable Property

- (c) Due Diligence: once the applicant chooses the preferred immovable property for residence and/or investment (the "Property"), the lawyers shall undertake all the relevant steps for the due diligence procedure and advise the applicant regarding the status of the Property.

- (d) **Contract of Sale:** based on the findings of the Due Diligence and the applicant's instructions, the lawyers shall draft, or review and amend the relevant Contract of Sale in accordance with the laws of Cyprus. The applicant (or the authorized person by the applicant) and the vendor shall execute the Contract of Sale.
- (e) **Power of Attorney:** once the Contract of Sale is executed the applicant will authorize the lawyers as his/her attorneys to act on his/her behalf in order to settle the Stamp Duties (within one month from the date of execution) and submit the Contract of Sale at the District Land Registry (within six months from the date of execution) as per the provisions of the *Specific Performance Law*. In addition, the applicant will authorize the lawyers to submit the application to the Council of Ministers for the granting of the approval to acquire Property in Cyprus, and to submit to the Tax Authorities the reduced V.A.T. application (if applicable). The Power of Attorney shall be notarized by a notary public in case the applicant signs the same while he/she is in Cyprus. In case the applicant is abroad, the Power of Attorney shall be signed before and certified by the Cyprus Embassy or Consulate of the applicant's country of residence.
- (f) **Settlement of the purchase price:** the applicant must proceed with the settlement of the amount of €300.000 prior to the submission of the Residence Permit application. The vendor shall issue the relevant receipts and confirmation for the emanation of the funds from abroad.

STEP 2.2: Investment in the share capital of a Cyprus Company with activities and staff in Cyprus

- (g) **Share Purchase Agreement:** the lawyers shall draft the Share Purchase Agreement in accordance with the laws of Cyprus. The company should have its own premises and activities in Cyprus, having a minimum of five employees. Following the acquisition of the company's shares, the relevant certificates shall be collected by the Companies Registrar.
- (h) **Collection of documents:** the business plan of the company providing the company's business aims in detail, should be provided along with the necessary documents evidencing the employment of the employees from the Social Insurance Services.
- (i) **Settlement of the investment funds:** the amount of €300.000 should be transferred to the share capital of the Cyprus Company prior to the submission of the Residence Permit application. A payment confirmation (e.g. bank transfer) shall be submitted at the Civil Registry and Migration Department ("CRMD").

STEP 2.3: Investment in units of a Cyprus Collective Investment Organization (type AIF, AIFLNP, RAIF):

- (j) **Securities or other confirmation for the units purchased:** the applicant may proceed with the investment in Units of Undertaking of Collective Investment ("UCIs") in the form of an AIF, AIFLNP and RAIF of minimum €300.000.
- (k) The lawyers shall conduct the due diligence of the interested UCI, review and draft the Prospectus, Subscription Agreement, and assist with the on-board procedure and acquisition of the UCI Units.
- (l) **Settlement of the investment funds:** the applicant must proceed with the settlement of the amount of €300.000 of the investment in the Cyprus Collective Investment Organization (type AIF, AIFLNP, RAIF) prior to the submission of the Residence Permit application. A payment confirmation (e.g. bank transfer) shall be submitted at the CRMD.

STEP 3: Preparation of documents

- (m) **Documentation:** The required documents as set out in the list below must be presented during the submission of the Residence Permit application and the relevant forms should be signed. Once collected and prepared, these documents must be sent to the attention of the applicant's lawyers in Cyprus by email first for confirmation, and then via international courier or in-hand-delivery during the applicant's visit to Cyprus.

STEP 4: Submission and examination of the Residence Permit application

- (n) **Submission:** The Residence Permit application can be submitted by the lawyers of the applicant, without requiring the applicant's presence in Cyprus. The application accompanied with the required documents will be submitted directly to the CRMD. The amount of €500 shall be paid as a Governmental Application Fee, plus the amount of €70 per person as a Governmental Issuance Fee, as per the Disbursement Table below.
- (o) **Examination:** The application will be processed by the CRMD and be submitted to the Minister of Interior, through the Permanent Secretary of the Ministry of Interior. An interview with the applicant may take place only if deemed necessary by the Permanent Secretary of the Ministry of Interior.

STEP 5: Issuance of the Residence Permit and the Residence Permit Card

- (p) **Approval:** Provided that the criteria of this policy are satisfied and there are no reasons with regard to either the criminal record of the applicant or to public order and public security issues, the application shall be examined by the Minister of Interior in a positive manner and the Residence Permit shall be issued.
- (q) **Notice of approval:** The Ministry of Interior shall notify the applicant's lawyers and the CRMD as to the decision of the Minister of Interior.
- (r) **Visit to Cyprus:** The holder of the Residence Permit must visit Cyprus within one year from the date of approval of the application. At the same time, the holder must not be absent from Cyprus for more than two years, otherwise, the Residence Permit will be automatically cancelled.
- (s) **Biometric Data:** For the issuance of the Residence Permit Card the collection of the applicant's biometric data (fingerprints and photograph) and signature is mandatory. As such the applicant must be present at this stage at the Cyprus Migration Department for the collection of the biometric data. The biometrics can be given during the applicant's visit to Cyprus within one year from the date of approval of the application or in advance, during the submission of the Residence Permit application.
- (t) **Residence Permit Card:** Following the collection of the biometric data, the Residence Permit Card will be issued. The Card can be collected by the lawyers and dispatched to the holder.

TIME-FRAMES

The application will be processed by the CRMD and shall be forwarded for the examination and final decision by the Minister of Interior, provided that all criteria are met. The procedure described for the examination of the application shall take around five-seven months from the date of the submission of a complete application, depending on the workload of the CRMD.

LIST OF REQUIRED DOCUMENTS

FOR THE MAIN APPLICANT:

- Copy of passport;
- Certificate of Criminal Record from the country of origin and of residence (duly **certified and translated into English with Apostille/Double Certification**);
- Marriage Certificate (duly **certified and translated into English with Apostille/Double Certification**);
- Tax return from the country of tax residency/official certificate by a chartered accountant showing a secured annual income from abroad of at least €50,000 increased by €15,000 for the spouse and €10,000 for each child; and
- Curriculum Vitae (CV).

FOR THE MAIN APPLICANT'S SPOUSE:

- Copy of passport;
- Certificate of Criminal Record from the country of origin and of residence (duly **certified and translated into English with Apostille/Double Certification**); and
- Curriculum Vitae (CV).

FOR THE MAIN APPLICANT'S ADULT CHILDREN (18-25 YEARS OLD):

- Copy of passport;
- Birth Certificate (duly **certified and translated into English with Apostille/Double Certification**);
- Certificate of Criminal Record from the country of origin and of residence (duly **certified and translated into English with Apostille/Double Certification**);
- Curriculum Vitae (CV); and
- Certificate of Attendance by an academic institution for a Bachelor's or a Master's Degree (**original and translated into English**).

FOR THE MAIN APPLICANT'S MINOR CHILDREN (UNDER THE AGE OF 18):

- Copy of passport;
- Birth Certificate (duly **certified and translated into English with Apostille/Double Certification**).

***Double Certification** refers to the Certification of the document by the Ministry of Foreign Affairs of the country of issuance and by the Cyprus Embassy/Consulate at that country (in cases that Apostille is not available in that country).

LIST OF SUPPORTING INFORMATION/DOCUMENTATION FOR EACH CATEGORY OF SOURCE OF FUNDS

1. Savings from Salary:

- Original or certified true copy of a payslip; OR
- Letter from employer confirming the stated salary on a Company Letter head; AND
- Bank Statement issued in the last 3 months showing receipt of salary

2. Profits/Dividends:

- Copy of latest audited financial statements of the indicated company; AND
- Certificate of good standing and/or Certificate of Incumbency of the company; AND
- Bank Statement indicating receipt of funds

3. Sale of Property

- Certified True Copy of Deed of Sale; AND
- Sales Agreement; AND
- Bank Statement indicating receipt of funds

4. Sale of a company or body corporate

- Certified True Copy of deed of sale; AND
- Certified True Copy of bank statement of bank account in which consideration was received

In all the above cases, the following documents must be provided:

- 1. Bank Account Statements:** A recent statement from the bank account out of which the funds shall be wired should be provided showing that the account has sufficient balance for the investment.
- 2. Bank Reference Letter:** reference from a bank having a relationship of over two (2) years. This letter must include a reference to the good character of the client and that the accounts are held in good standing order. If such wording cannot be obtained from a bank, the reference should be obtained from a certified accountant or lawyer.
- 3. Utility Bill** e.g. electricity or water bill, not older than 3 months, or family registration book.

DISBURSEMENT TABLE

I. IMMIGRATION/GOVERNMENTAL EXPENSES

Applicants	Governmental Application Fee for the Residence Permit	Governmental Issuance Fee for the Residence Permit Card	Total
Main Applicant	EUR 500	EUR 70	EUR 570
Spouse of main applicant	-	EUR 70	EUR 70
Adult child of main applicant	EUR 500	EUR 70	EUR 570
Minor child of main applicant	-	EUR 70	EUR 70

II. EXPENSES RELATED WITH THE ACQUISITION OF REAL ESTATE PROPERTY

∂ **Lodging fee**

- Lodging the Power of Attorney with the Land Registry (if required) EUR 50
- Lodging the Contract of Sale with the Land Registry EUR 50

∂ **Stamp Duty**

Once the Contract of Sale is executed between the vendor and the purchaser, the Contract must be stamped within thirty (30) days. The stamp duty varies in accordance with the purchase price of the immovable property, and is calculated as follows:

Amount	Rate of stamp duty
€0 to €5,000	0%
€5,001 to €170,000	0,15%
Over €170,001	0,2%

∂ Value Added Tax

As of 13/01/2014, Value Added Tax (VAT) at the rate of 19% is added to the purchase price. The acquisition or construction of property to be used as the primary and permanent residence may be subject to the reduced rate of 5%.

Conditions applicable for the reduced VAT rate are as follows:

- (a) Obtain the commissioner's approval by submitting the relevant application;
- (b) Property will be used as the primary and permanent place of residence; and
- (c) Applicant does not possess any other property which is used as the primary residence in the Republic of Cyprus.

The reduced VAT rate of 5% applies on the first 200 square meters of the property as per the architectural plans (building coefficient), whereas for the remaining square meters the standard VAT rate of 19% is imposed. In cases of large families, the reduced VAT rate of 5% is applicable for the first 200 square meters increased by 15 square meters per each additional child over three children.

∂ Transfer of immovable property

Fees on transfer of immovable property are imposed by the Department of Land and Survey in order to transfer the ownership of the property from the vendor to the purchaser. The transfer fees are payable once the Title Deed of the property is issued by the Department of Land and Survey. The purchaser is responsible to settle the transfer fees, unless otherwise agreed between the vendor and the purchaser.

No transfer fees are imposed for the transfer of property that is subject to Value Added Tax (V.A.T.). No transfer fees are imposed in case the ownership of the immovable property is transferred due to a succession or a will, or in case the property is transferred from the parent to the child.

50% reduction: Where transfer fees are imposed, there is a 50% reduction on the below rates:

Market Value	Rate
€0 to €85,000	3%
€85,001 to €170,000	5%
Over €170,001	8%

Note: Additional charges shall be applied depending on the investment category (e.g. investment in Cyprus Company or UCIs).