



## **CITIZENSHIP BY INVESTMENT**

The Government of Cyprus in an attempt to encourage foreign direct investment and taking into account the strong investor interest, has established and revised a "Scheme for Naturalization of non-Cypriot investors by exception", with specific terms and conditions and control procedures.

### **DONATIONS/INVESTMENT PLANS**

#### **1. DONATIONS:**

In addition to the existing investment requirement, the applicant must make:

- a. Donation of EUR 75,000 to the Research and Innovation Fund to promote the creation of an entrepreneur; and
- b. Donation of EUR 75,000 to the Cyprus Land Development Corporation, aiming at the contribution to the integrated housing policy, specifically for the purpose of implementing affordable housing projects and the implementation of other housing plans/measures.

Applicants are exempted from requirement (1.b) as mentioned above, if they:

- have invested 20% of their main investment (€400.000) in a Cyprus Company/ies with operations in the primary/secondary sectors of the economy (excluding constructions) or in the sectors of research and development, education, health and renewable energy; or
- have invested in a certified innovative or a social enterprise.

#### **2. INVESTMENT OPTIONS:**

##### **A.1 INVESTMENT IN REAL ESTATE, LAND DEVELOPMENT AND INFRASTRUCTURE PROJECTS:**

The applicant must have made an investment of at least €2,0 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. It is noted that investment in land under development is included in this criterion, provided that an investment plan for the development of the purchased land will be included in the application. It is understood that investment in land that is situated in a building zone of zero development, is excluded.

**A.2 PURCHASE OR ESTABLISHMENT OR PARTICIPATION IN CYPRIOT COMPANIES OR BUSINESSES:**

The applicant should have made a purchase or should have participated in companies or organizations established and operating in the Republic of Cyprus with investment costs of at least €2,0 million. The invested funds shall be channelled towards the financing of the investment objectives of these companies exclusively in Cyprus, based on a specific investment plan.

The applications shall be evaluated to verify that the companies or organizations have proven physical presence in Cyprus, with significant activity and turnover and employ at least five (5) Cypriot or citizens of European Union member-states.

**A.3 INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS OR REGISTERED ALTERNATIVE INVESTMENT FUNDS OR FINANCIAL ASSETS OF CYPRIOT COMPANIES OR CYPRIOT ORGANIZATIONS THAT ARE LICENSED BY CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC):**

The applicant should have bought units of at least €2,0 million from alternative investment funds (AIF) established in the Republic of Cyprus, licensed and supervised by the CySEC and whose investments are made exclusively in the Republic of Cyprus, in investments that meet the criteria of this Scheme or in areas approved by the Minister of Finance. The purchase of financial assets of Cypriot companies or organizations of at



least €2,0 million issued with the approval of the CySEC, by companies that have proven physical presence and substantial economic activity in the Republic of Cyprus, and have as a purpose the financing of the investment plans of these companies or organizations exclusively in Cyprus, based on an investment plan, fall under this criterion. It is noted that the purchase by an AIF of units of other AIFs is not considered eligible.

### 3. TERMS AND CONDITIONS:

**1. Clean Criminal Record:** the applicant must have a clean criminal record. Additionally, his name must not be included in the list of persons whose assets, within the boundaries of the European Union, have been frozen as the result of sanctions.

**2. Residence in the Republic of Cyprus:** In all cases listed in Part A, the applicant must possess a permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500.000. In case that the purchase value of the permanent privately owned residence in Cyprus exceeds the amount of €500,000, part of this additional amount can be used for purposes 4 of supplementing the total amount of the investment made on the basis of the criteria of Part A above.

**Note:** *if the applicant has invested in housing unit/s (as mentioned in option A.1) the purchase of another permanent residence in Cyprus will not be required, if at least one of these housing units is worth at least €500,000, plus VAT, provided that the applicant retains the possession of the residence for life.*



**3. Residence Permit in Cyprus:** The applicant, prior to his/her naturalization as a Cypriot citizen must hold a residence permit in Cyprus. If the applicant does not already hold a residence permit, he/she may apply for an immigration permit, simultaneously with the application for naturalization. In case the application for naturalization is rejected for any reason, the immigration permit, obtained in accordance with the provisions of this Decision, will be cancelled immediately.

**Time frame:** The final approval is issued within 6 months approximately. However, the procedure for the acquisition of the Cypriot citizenship will be completed, provided that the applicant holds a residence permit for a period of at least 6 (six) months. If the applicant does not hold a residence permit for the aforementioned time period, he will need to wait until the six month period is completed.

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*The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained.*

*For further information and professional assistance please contact us at [info@dfalegalservices.com](mailto:info@dfalegalservices.com).*