

NATURALIZATION OF INVESTORS IN CYPRUS BY EXCEPTION

The 'Scheme for naturalization of Investors in Cyprus by exception' was introduced by the Council of Ministers in order to attract foreign investments Cyprus and it was updated by a decision of the Council on the 13th February 2019.

A foreigner, who fulfils the following economic criteria, may apply for the acquisition of Cypriot citizenship through naturalization by exception.

GENERAL CRITERIA

- Obligation to maintain the required investments for a period at least 5 years from the date of naturalization
- The applicant should have the right to replace the Investment within the 5-year period, provided that a prior approval by the Ministry of Finance is granted.
- The applicant must hold a valid Schengen visa in order to apply for naturalization.
- An applicant, who has been rejected for a citizenship by any other EU Member State, cannot apply under the current scheme.
- The applicant should have a residence permit in Cyprus for a period of at least 6 months, prior to the naturalization.



ECONOMIC CRITERIA

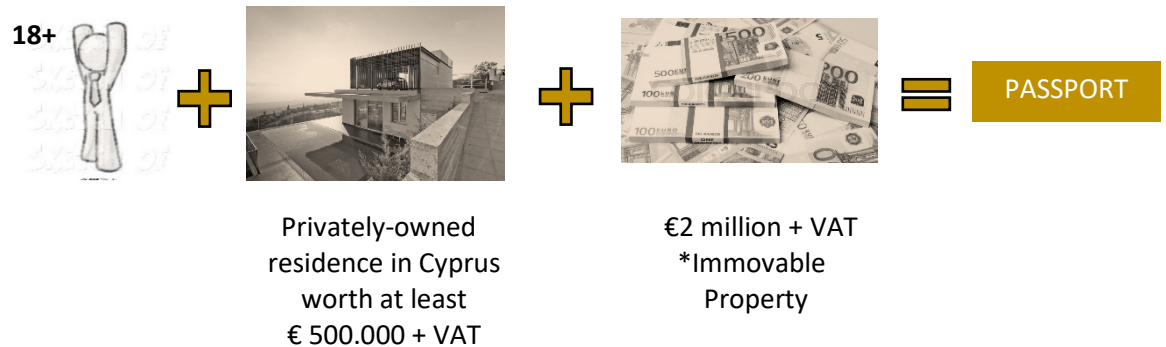
1. One out of the following investments options:

- Donation of €75,000 to the Foundation for Research and Innovation or
- A minimum €75,000 investment to a certified by the ministry of finance innovative company
- Purchase, Establishment or Participation in Cypriot Enterprise for an amount of at least 20% of the total required investment (€ 400,000) with activity in the primary or secondary sector of the economy or in the field of research and technology, education, health, and renewable energy sources.

2. Compulsory donation of €75,000 to the Cyprus Land Development Corporation

3. One out of the following 3 investments options:

I. Investment in Real Estate, Land Development and Infrastructure Projects



*It includes either any residential and/or commercial and/or development of property and/or other infrastructure project. If the investment is in housing unit(s), the purchase of another permanent residence in Cyprus will not be required, if at least one of these housing units worth's at least €500,000 + VAT, provided that the applicant retains the possession of the residence for life.

II. Investment in financial assets of Cypriot companies or Cypriot organizations

- Purchase or participation in companies or organizations established and operating in the Republic of Cyprus with investment costs of at least €2 million
- The invested funds shall be channeled towards the financing of the investment objectives of these companies exclusively in Cyprus, based on a specific investment plan.
- The companies must have physical presence in Cyprus, with significant activity and turnover, and must employ at least 5 Cypriot or European citizens, with continuously resided in Cyprus during the last 5 years proceeding the application date.

III. (III) Investment in Registered Alternative Investment Funds (RAIF) or Alternative Investment Funds (AIF) that are licensed by Cyprus Securities and Exchange Commission (CySec):

- Investment in RAIF / AIF established in Cyprus of at least € 2 Million
- AIF should be licensed / supervised in Cyprus by CYSEC.
- AIF should invest exclusively in Cyprus according to this scheme or in areas approved by the Minister of Finance.
- Investments shall be kept for at least 5 years & the Fund Manager shall inform annually the Ministries of Finance & Interior for this, referring to the initial investment value.
- Purchase by an AIF of units of other AIF is not eligible
- The RAIF / AIF may invest up to €200,000 in secondary market of Cyprus Stock Exchange

TERMS AND CONDITIONS

The application for flat 'exception Naturalization submitted to the Ministry of interior and paid fees. In the Ministry of Interior filed the original documents and a copy of all documents. Documents, which are necessary to be submitted are:

- Letter from the applicant or representative of the applicant in which succinctly explains the investment and economic basis of which criteria the requested
- M127 Form fully completed and signed before Cypriot court Registrar or consular officer
- Residence in the Republic of Cyprus
- Birth Certificate
- Copy of passport
- A clean criminal record certificate from the country of origin and the country of residence (if different) of the applicant
- Marriage certificate
- Copies of advertisement in a daily newspaper two consecutive posts
- Two passport size photographs
- Curriculum vitae
- Transfer receipt the amount of the deposit to a Cypriot commercial bank

Documents concerning the permanent private residence of the application in Cyprus:

- Contract purchase contract
- Title deeds or proof of submission contract at Department of Land and Survey
- Proof of payment of the agreed purchase price
- Transfer receipt to the Cyprus commercial bank in the name of the seller or the seller's company.

Any other documents requested either by the Ministry of interior or the Ministry of Finance

APPLICATION REVIEW PROCESS

When submitting an application the process of evaluation starts. First of all, the documents relating to business and investment activities of the applicant are sent to the Ministry of Finance to Investigate and send views on whether the applicant actually fulfils any of the criteria. Simultaneously investigated by the Home Office whether the applicant fulfils the other conditions of the decision. If the application was completed with all the necessary documentation and the investor fulfils the criteria and terms of the Cabinet decision, then the process would be at the final stage of approval. Based regulation 4 of the Aliens and Immigration Regulations and the Ministry of Interior, the applicant must first apply for an Immigration Permit before start the necessary steps for naturalization.

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With over a decade worth of experience and a prominent network of international clients, BKMS has established a reputation that speaks for itself. BKMS is covering a broad spectrum of industries, taking into account the required accounting treatment and tax implications as well as the challenging international regulatory framework. Client Trust and loyalty are the very fundament of every commitment undertaken by BKMS. Adherence to a strict policy of professionalism therefore results in continuously successful developments.

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