

BKMS GROUP

Permanent
Residence
Permit &
Naturalisation
of Investors
in Cyprus



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PERMANENT RESIDENCE PERMIT

- The scheme for the Permanent Residence Permit in Cyprus has been in existence for a number of years.
- New simple procedures and requirements have been introduced recently by the Government.
- Applicants of third-country nationals (Non EU Citizens) who intend to invest in Cyprus.
- The authorities aim to grant the permit within two months from the date of submission.
- It is granted to applicant and his spouse till the rest of their lives and to their minor children till the age of 18 (or 25 if dependent e.g. Students) years old.



PERMANENT RESIDENCE PERMIT

According to the provisions of Regulation 6(2) of the Aliens and Immigration Regulations, the permit may be granted to third-country nationals who fulfil the following criteria:

1. Own a property in Cyprus, valued over €300.000 (plus VAT), and provide proof of payment of at least €200.000 (plus VAT) from an external source prior to application.
2. *Have a minimum annual income of €30.000 from an external source (and an additional €5.000 per dependent person)*
3. Hold a fixed three-year deposit of €30.000 with any bank in Cyprus.



PERMANENT RESIDENCE PERMIT

4. Provide a clean criminal record certificate issued by the authorities of the country of origin.
5. Provide a statement of no intention to work in Cyprus.
6. Visit Cyprus at least once every two years.

There are many foreign families who decide to move permanently to the island to take advantage of the nice weather, high standard of living, EU residency, preferred jurisdiction to conduct international business (Holders of the permit may own Cyprus Companies and receive dividends from profit)



BENEFITS OF NATURALISATION

Along with the Cypriot citizenship, the applicant gets the Cypriot passport together with all the benefits such as:

- **Free Movement of Capital:** EU citizens and companies have no restrictions on the transfer of money or investment activities within the EU.
- **Free Movement of Persons:** European Citizens can reside and travel freely within the EU, as well as purchase property in any EU Member State.
- **Free Movement of goods:** All goods produced within the Union can be transferred freely from one Member State to another.
- **Free Movement of Services:** As EU companies enjoy freedom of establishment, they can set-up branches without restrictions in all countries of the European Community

Tax Advantages

Aside from the benefits stemming from being a member of the EU, Cyprus has one of the lowest Corporate Income Tax Rate within the EU with a rate of 12.5%.



NATURALISATION OF INVESTORS

Civil Registry Laws of 2002-2015 Section 111A(2)

- A non-Cypriot citizen may by exception apply for the acquisition of Cypriot citizenship, if he/ she meets one of the following three Criteria.
- The three criteria required and are described in a Council of Minister's Decision.
- Neither the spouse nor the children are obliged to meet any financial criteria.



GENERAL CRITERIA

- ✓ A non-Cypriot citizen who meets one of the Alternative Financial Criteria
 - either personally or
 - through a company(ies), in which he/she participates
 - as a shareholder or
 - through investments done by his/her spouse or jointly or
 - as a high-ranking senior manager of a company(ies)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 a remuneration that generates tax revenues of at least €100,000 over a 3 year period and provided that this tax has already been paid or prepaid.
- ✓ The applicant should have made the necessary investments during the 3 years preceding the date of the application and must retain the said investments for a period of at least 3 years as from the date of the naturalization.



ALTERNATIVE FINANCIAL CRITERIA

- 1. Investing in real estate developments and infrastructure projects:**
 - ✓ Investment of at least €2 million for the purchase or construction of buildings or for the construction of other land development projects or other infrastructure projects.
 - ✓ Residential or commercial developments as well as developments in the tourism sector
 - ✓ Investment in land under development based upon an investment plan
 - ✓ Investment in land that is situated in a building zone of zero development is not allowed



ALTERNATIVE FINANCIAL CRITERIA

2. 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 preceding the application date.



ALTERNATIVE FINANCIAL CRITERIA

3. Investment in Alternative Investment Funds (AIF) or Financial Assets of Cypriot companies /organizations that are licensed by Cyprus Securities and Exchange Commission (CySec):

- ✓ *Investment in AIF units of at least € 2 Million established in Cyprus*
 - 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 3 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
- ✓ *Purchase of financial assets of Cypriot companies of at least €2 Million such as Bonds, Bills & securities approved by CySec*
 - ✓ Issuing Companies shall have physical presence & economic activity in Cyprus
 - ✓ The Financial Assets shall serve the purpose of financing their investment plans exclusively in Cyprus.



ALTERNATIVE FINANCIAL CRITERIA

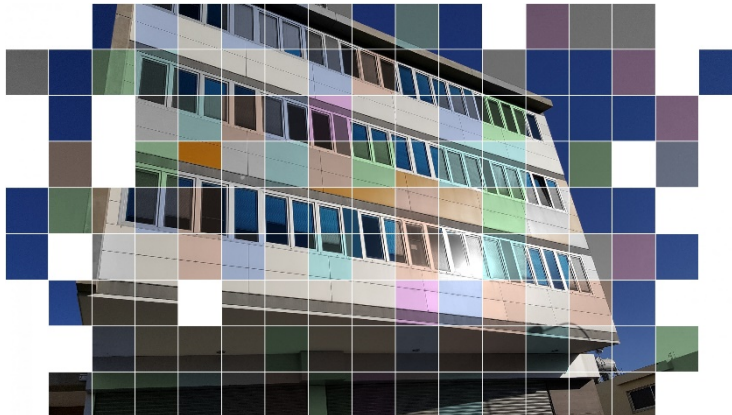
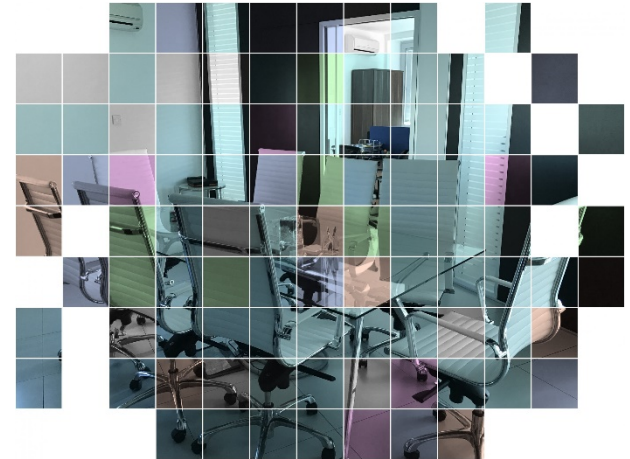
4. Any combination of criteria 1-3

- ✓ Combination of the above investments, provided that the total investment will amount up to at least €2 million.
- ✓ Within the combination of these investments, the applicant may purchase special government bonds of the Republic of Cyprus, up to €500.000, which will be issued by the Public Debt Management Office of the Ministry of Finance
- ✓ The Bonds must be retained for at least 3 Years
- ✓ The characteristics and the terms of these special bonds shall be determined by the General and Special Terms of Issue of the Government Bonds of the Republic of Cyprus.
- ✓ Investments in government bonds through the secondary market shall not be eligible.



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