



Cyprus Investment Programme

**An outline of the
criteria and benefits of
acquiring the Cyprus
citizenship**

Tax Services

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Introduction

Cyprus: A home away from home

An island laying in the heart of the Mediterranean sea, with a size that is big enough to be called cosmopolitan, at the same time, small enough to be regarded as the ideal place to raise a family. An island which enjoys more than 300 days of sunshine yearly, with mild winters and the largest number of blue flag beaches per coastal line in the world!

A sovereign European country with a cultural heritage so rich that is lost in the centuries, yet an island that patiently awaits to be explored and re-discovered, offering an unparalleled level of quality of life which is second to none.

The recent political and social upheaval in the Eastern Mediterranean basin, which has spilled over the wider area of the Middle East, in combination with the political and economic uncertainty in the greater region, not only upgrade the strategic position and geopolitical role of Cyprus in this part of the world, but also they render Cyprus as a symbol of security and stability, in its capacity as the Easternmost border of Europe.

As a result, the adoption of a very successful “Cyprus Investment Programme” and the fast track “Permanent Residency” programme enacted by the Cyprus Government in the last few years, rightfully render Cyprus as the “jurisdiction of choice” for many high-net worth individuals and their families who decide to live, invest and set up their businesses in Cyprus.

Individuals and businesses alike, can benefit from a plethora of tax incentives offered, spanning from half rates on personal income, to zero taxation for worldwide dividends and interest received. For businesses, tax incentives include but are not limited, to a notional interest deduction and one of the lowest corporate rates in the EU.

We at KPMG in Cyprus, hope that in the context of this brochure the reader can discover the endless opportunities and the many benefits that lie ahead by acquiring the Cyprus passport. A passport to success!

George Markides
Board Member, Head of Tax, KPMG in Cyprus

Advantages of Cyprus

Cyprus is a popular tourist, business, education and retirement destination. With a land mass of approximately 9.251 thousand square kilometres (km²), it is the third largest island in the Mediterranean, after Sardinia and Sicily of Italy. The island lies between Europe, Africa and Asia, which makes it a natural hub for business and trade.

Here are some of Cyprus' attributes:

Basic Facts	
Official Name	Republic of Cyprus
Capital City	Nicosia
Other major cities	Limassol, Paphos, Larnaca, Kyrenia, Famagusta
Government System	Presidential Democratic Republic
Language	Official language: Greek and Turkish (English is widely spoken)
Currency	Euro (EUR)
Population	847.000
Time Difference	GMT+2 (Cyprus is two hours ahead of London and 1 hour behind Moscow)



Comfortable Life

- Cyprus has a multicultural population and enjoys a high-standard of living.
- It is a great place to live with security and safety for the whole family, evidenced by a very low crime rate.
- There are exclusive golf resorts and tourist facilities of high-quality.
- The Knight Frank Global Lifestyle Review ranked Cyprus as the fifth best place to relocate.

Climate and Environment

- Cyprus has a pleasant climate with dry summers and mild winters. The island enjoys around 300 days of sunshine in a calendar year.
- Cyprus has the cleanest beaches in Europe and the largest number of blue flag beaches per coastal line in the World.

Education

- In addition to state schools there is a large number of private English-speaking schools offering high-level education in the towns of Nicosia, Limassol, Larnaca and Paphos.
- There is a number of reputable state institutions and private universities of higher education that operate in Cyprus. Some of these private institutions have secured endorsement of their diplomas by U.K. and US educational establishments or cater for external degree programmes and professional examinations.

Other competitive advantages of Cyprus

- Strategic geographic location (Europe- Asia- Africa)
- EU/Eurozone Member
- Business language is English.

Cyprus Investment Programme

Financial Criteria:

Investment in real estate and land developing

The applicant should have a direct investment in Cyprus of at least €2,0 million (excl. VAT) for the acquisition or development of real estate projects (residential*, commercial, tourism sector or other infrastructure). It shall be noted that the acquisition of land that is located in a building zone of zero development is not considered to be a qualifying investment under this criterion.

OR

Purchase or participation in Cypriot businesses or companies

The applicant must have made an investment of at least €2,0 million in the purchase or participation in businesses or companies, that are based and operating in Cyprus.

These businesses or companies should have a tangible presence and substantial activity in Cyprus, as well as employ at least five (5) Cypriot or EU citizens.

OR

Investment in AIFs, RAIFs or financial assets of Cypriot businesses or organisations

The applicant should purchase units in Alternative Investments Funds (AIFs) or Registered Investment Funds (RAIFs) of at least €2,0 million (excl. VAT), established in the Republic of Cyprus, licensed/registered and supervised by the Cyprus Securities and Exchange Commission (CySec).

Under this criterion, the applicant can also acquire financial assets (bonds, bills and securities, etc.) of Cypriot companies or organisations with substantial economic activity in Cyprus, of at least €2,0 million, issued with the approval of the CySec.

It is noted that it is permitted for these AIFs or RAIFs to invest in secondary market stock-market values of the Cyprus Stock Exchange an amount that does not exceed €200.000.

OR

Combination of investments

The applicant may choose to proceed with a combination of any of the above investments, with a total investment amount of at least €2,0 million (excl. VAT).

Terms and conditions:

In addition to satisfying the above financial criteria, the applicant must satisfy all the below terms and conditions:

- Have a clean criminal record;
- Own a permanent residence in Cyprus of a market value of at least €500.000 (excl. VAT).
*If the investment is only in residential property(ies), there is no requirement to acquire a permanent residence in Cyprus of at least €500.000 (excl. VAT). However, if the applicant has invested in residential property(ies) that has/have already been used for the Cyprus Investment Programme, the required investment, including the permanent residence of at least €500.000, should be at least €2,5 million;
- Submit a Permanent Residence Permit (PRP) application simultaneously with the Cyprus citizenship application;
- Have a valid Schengen visa;
- Submit a declaration that the applicant has not submitted a Citizenship application in any other Member State which was rejected.

Donations (Applicable from 15th May 2019 onwards)

- Research and Innovation Foundation of €75.000
The applicant should make a donation to the Research and Innovation Foundation of at least €75.000.

AND

- Cyprus Land Development Corporation of €75.000
The applicant should make a donation to the Cyprus Land Development Corporation of at least €75.000.

Other useful notes:

- The investor is obliged to retain the investment for at least 5 years following the acquisition of the Cyprus citizenship but must retain possession of a permanent residence of at least €500.000 (excl. VAT) for life.
- The investor's parents are entitled to apply for the Cyprus citizenship provided they are owners of a permanent residence of at least €500.000 (excl. VAT). For this purpose, the investor and his/her parents may consider acquiring a single co-owned residential property of a total value of at least €1,0 million (excl. VAT).
- The investor's minor children, as well as the adult financially dependent children up to the age of 28, who are full-time students, are entitled to apply for the Cyprus Citizenship.

Main Benefits

Benefits of receiving the Cyprus citizenship

- A transparent and efficient procedure;
- Wide choice of investment options;
- Combination of investments is available;
- The investment can be as low as €2,0 million (applicable for new residential properties only);
- Low governmental fees for the filing of the application;
- The investor must retain the investment for a period of 5 years;
- Citizenship is granted to the parents, spouse and dependent children of the investor;
- All nationalities are eligible for the programme.
- VISA-free travel to over 150 countries worldwide;
- Dual-citizenship permitted;
- No language proficiency tests;
- The Cyprus passports ranks high on the global scale.



Cyprus investment programme: Competitive advantages



Permanent residence (fast track procedure)

As an alternative way to secure permanent residence in Cyprus for investors and their dependants, an immigration permit application under the provisions of Regulation 6(2) of the Aliens and Immigration Regulations may be submitted, with the investment amount being substantially lower than the Cyprus Citizenship, provided that they fulfil certain criteria.

Financial criteria:

- a) The applicant must prove that s/he has at his/her disposal a secured minimum annual income amounting to €30.000 (note that employment in Cyprus is strictly prohibited). The minimum annual income is increased by €5.000 for each dependent person and by €8.000 for each dependent parent. The annual income must be derived from sources abroad and can include overseas employment income, pensions, dividends etc.
- b) The application form must be accompanied by a title deed or a contract of sale that has already been submitted to the Department of Lands and Surveys, for the acquisition of a house, apartment or any other building situated in Cyprus, of a minimum market value of €300.000 (excl. VAT). Further, the applicant must submit proof of payment for at least €200.000 (excl. VAT) in respect of the above mentioned property. It should be noted that the Civil Registry and Migration Department will only accept applications for granting immigration permits under the fast track route provided that the above-mentioned property is being sold for the first time.

- c) The applicant must submit a confirmation letter from a Cyprus Banking Institution that s/he has deposited a minimum amount of €30.000 which will be pledged for a minimum period of three years.

The amounts mentioned in paragraphs (b) and (c) should be proven to have been transferred to Cyprus legally from abroad.

Other conditions:

- Clean criminal record;
- Statement confirming that s/he has no intention to work or be engaged in any form of active business in Cyprus;
- The applicant is required to visit Cyprus at least once every two years.

Useful Notes:

- Provided that the financial criteria and conditions described above are fulfilled, the application shall be examined by the Minister of Interior in a positive spirit and the Immigration Permit should be granted within a two month period.
- An immigration permit can be granted to the dependents of the applicant, i.e. his/her spouse, children under the age of 18, unmarried financially dependent children aged 18 to 25, as well as his/her parents and parents-in-law.



Services of KPMG

KPMG in Cyprus has a dedicated immigration team that can provide specialised assistance in respect of the following:

Assistance for obtaining the Cyprus Citizenship

- Provide our clients with the relevant analysis of the investment criteria from which the foreign investor may elect, depending on his/her personal circumstances;
- Advise on the application process and all required documents that must accompany each investment option;
- Examine the chosen investment option and advise accordingly in order for the individual to meet the terms and conditions, as well as the financial criteria, in the most effective and efficient way;
- Carefully review the application package for accuracy and completeness in order to avoid undue and unnecessary delays upon the stage of examination by the relevant Authorities;
- Proceed with the submission of the application form on behalf of the client, together with the supportive documentation and the payment of the relevant submission fee;
- Following the submission of the application, our immigration team continuously monitors the status of the application in order to ensure that it is properly progressing and provides additional documentation/clarifications, as required by the relevant Authorities;
- Once approval is granted by the Council of Ministers, we proceed with the relevant steps, in order for the naturalisation certificate and a Cyprus passport to be issued;
- Once the investor's Cyprus passport has been issued, our team can assist the investor's family members with their applications, in order to acquire the Cyprus Citizenship.

Assistance for obtaining a Permanent Residence permit

- Provide specialised advice on the relevant legislation and procedures;
- Assist with the completion of the application form;
- Review documents, provide guidance and collect all relevant information, so that the application is complete;
- Act as a representative of the individual and submit the form to the Cyprus Authorities;
- Post submission of the application - our immigration team continuously monitors the status.

Other Immigration Services

KPMG in Cyprus may also assist companies with their registration at the Civil Registry and Migration Department, offer assistance in obtaining the relevant work and temporary residence permits for third country nationals and their dependents, as well as assist EU citizens with their registration at the relevant Authorities.

About KPMG



KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We have 207,000 outstanding professionals working together to deliver value in 153 countries and territories worldwide. KPMG in Cyprus traces its origins back in 1948 and today is one of the largest audit and advisory firms in the Cyprus market.

At KPMG, our guiding philosophy is to provide our clients with the highest-quality service. Through our peoples' high academic and professional qualifications and experience, KPMG can deliver value-adding solutions for demanding and complex projects. Quality service is a total and continuing commitment.

KPMG in Cyprus has a fully dedicated Immigration team that can provide specialised assistance for obtaining the Cyprus citizenship and Permanent Residence Permit offered to foreign investors. Our experienced team has a 100% success record on all submitted Cyprus Citizenship applications.



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