



**Christmas webinar:**  
**Cyprus Investment Program**

Deloitte Limited | December 2018

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# A few words about Cyprus

## Facts and figures



✓ **Combination of business environment, climate and culture**

✓ **Advanced economy with all necessary infrastructure and a high human development index, with regards to living and quality of life**

✓ **Widespread use of English and Russian languages**

✓ **High quality standards of education system, including Russian-speaking private schools**

✓ **Accessible and of high standard healthcare system**

✓ **Principal economic activities include tourism, services, shipping, real estate and energy**

✓ **Attractive real estate opportunities arising from the geographical advantage of the island and the high profile construction companies**

✓ **Population of approximately 865,000 people**

✓ **Popular tourist destination, that holds on average 2.5 million tourists per year**

✓ **Large expatriate community; it has the third highest percentage of foreign citizen residents in the EU**

✓ **Favorable tax regime, in comparison to other EU member states**

✓ **Principal cities are Nicosia (the capital), Limassol, Larnaca and Paphos**

# Cyprus Investment Program

## A brief history of Civil Registry Laws of 2002

➤ Section 111A of the Civil Registry Laws was introduced in 2003, via law 36(I)/2013

Further amendments:

When	Investment	Other Conditions
July 2007	CYP£15.000.000	-
October 2011	€15.000.000 - €10.000.000	Residential property of €500.000
April 2013 May 2013	€5.000.000 - €3.000.000	Residential property of €500.000
March 2014	€5.000.000 - €2.500.000/ €2.000.000 (collective investment option)	Residential property of €500.000
September 2016	€2.000.000	Residential property of €500.000 Permanent Residency Permit

# Cyprus Investment Program

## Criteria

### **Option 1**

Investment in real estate, land development and infrastructure projects

### **Option 2**

Investment in financial assets of Cypriot Companies

### **Option 3**

Investment in Alternative Investment Funds (AIFs) or financial assets of Cypriot Companies or Cypriot Companies licensed by CySec

### **Option 4**

Investment in a combination of options 1 – 3 and government bonds of up to €500.000

# Criteria 1 & 2

## Analysis

### **Option 1 - Investment in real estate, land development and infrastructure projects**

The applicant must have made an investment of at least €2.000.000 for the purchase or construction of buildings or for the construction of other land development projects or other infrastructure related projects.

### **Option 2 - Investment in financial assets of Cypriot Companies**

The applicant must have made an investment of at least €2.000.000 for the purchase, creation or participation in companies that are based and operating in the Republic of Cyprus. Such companies must have proven physical presence and significant activity in Cyprus, with substantial turnover and employ at least five Cypriot or European Union Citizens, who have been legally and continuously living in Cyprus for a minimum of 5 years preceding the submission of the respective application.

# Criteria 3 & 4

## Analysis

### **Option 3 - Investment in Alternative Investment Funds (AIF) or financial assets of Cypriot Companies or Companies licensed by CySec**

The applicant must have purchased units from AIFs which are established, licensed and supervised in Cyprus by the Cyprus Securities and Exchange Commission, amounting to €2.000.000. The investments of the AIF must be exclusively made in the Republic of Cyprus and fulfil the criteria of the Cyprus Investment Program and be approved by the Minister of Finance.

### **Option 4 – Investment in a combination of options 1 – 3**

The applicant must have made an investment of at least €2.000.000 in a combination of the aforementioned investment criteria. Under this option, the applicant must have also purchase government bonds of the Republic of Cyprus of up to €500.000, issued by the Public Debt Management Office of the Ministry of Finance, provided that the investor will retain these bonds for a three year period.

# Investment requirements

The investment should be made during the three years preceding the date of the application, either:

- Personally; or
- Through a company or companies in which the investor participates as a shareholder (in proportion to the shareholding percentage); or
- By the investor's spouse or jointly with spouse; or
- As a high-ranking senior manager of company meeting one of the investment options
  - Salary should generate tax revenues of at least €100.000 over a three-year period;
  - Tax should have been either paid or prepaid.



# Terms and Conditions

- Clean Criminal Record
  - From the country of origin and the country of residence (if different);
  - Due Diligence Report
- Residence in the Republic of Cyprus
  - Residential property of at least €500.000 plus V.A.T.
  - Residential property should be retained for life
  - Where investment is made solely in housing unit/ units, the purchase of an additional residential unit is not required, provided that one of such units has been purchased for at least €500.000 plus V.A.T.
  - Where purchase price exceeds €500.000 plus V.A.T., the additional amount paid can be considered as part of the total amount of the main investment.
- Residence Permit in Cyprus
  - To be held for a period of six months prior to the obtainment of the citizenship
  - Can be applied for simultaneously with the application for the obtainment of the Citizenship



# Dependents

## Eligible family members

### Spouse/ Partner

- Application submitted simultaneously with the application of the main applicant
- Residence Permit required (obtained within approximately 10 days from submission)
- Citizenship (obtained approximately after 6 months from submission)

### Adult children

- Financially dependent, university students, up to the age of 28 or severely physically disabled
- Application submitted after the obtainment of the Cypriot Citizenship by the investor
- Residence Permit required (obtained within approximately 10 days from submission)
- Citizenship (obtained approximately after 6 months from submission)

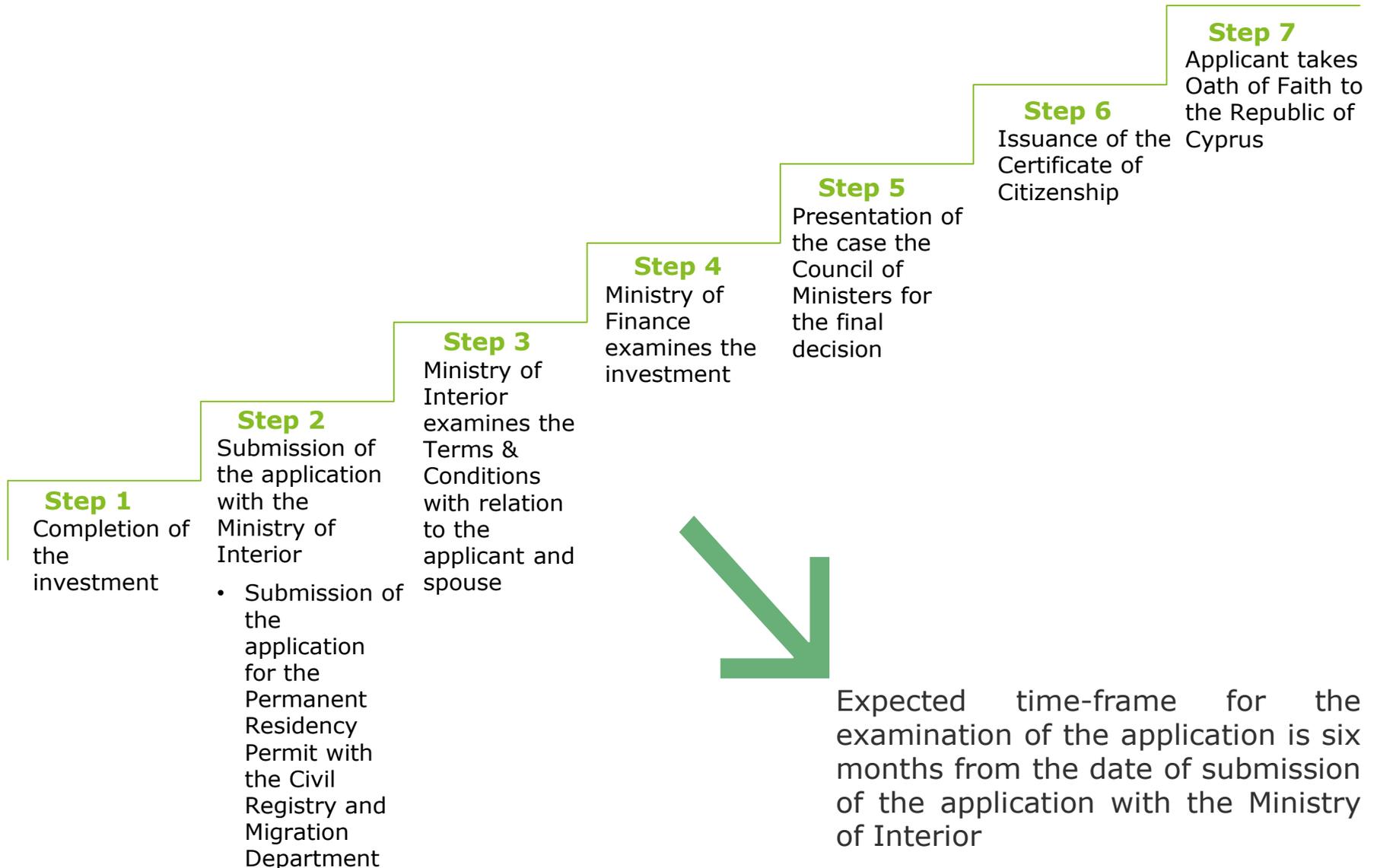
### Underage children

- Application submitted after the obtainment of the Cypriot Citizenship by the investor
- No Residence Permit required (optional)
- Consent of both birth parents are required
- Citizenship (obtained approximately after 1-2 months from submission)

### Parents

- Applies to parents of investor only
- Application submitted after the obtainment of the Cypriot Citizenship by the investor
- Residence Permit required (obtained within approximately 10 days from submission)
- The purchase of a separate residential property of a minimum €500.000 (plus V.A.T.) is required
- Citizenship (obtained approximately after 6 months from submission)

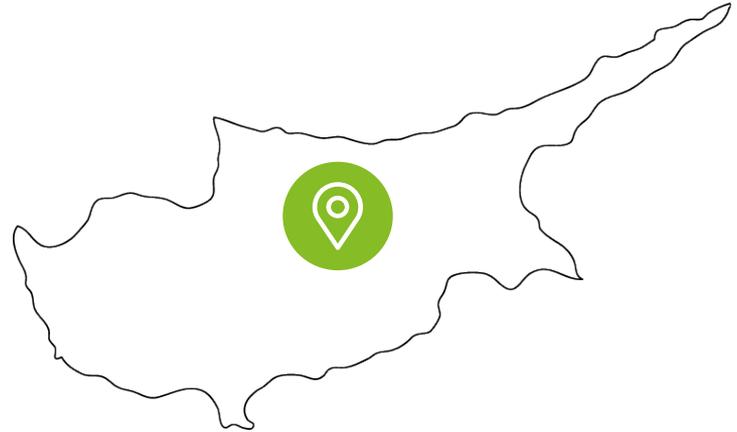
# Processing of the application



# Obtainment of the Passport and Identity Card

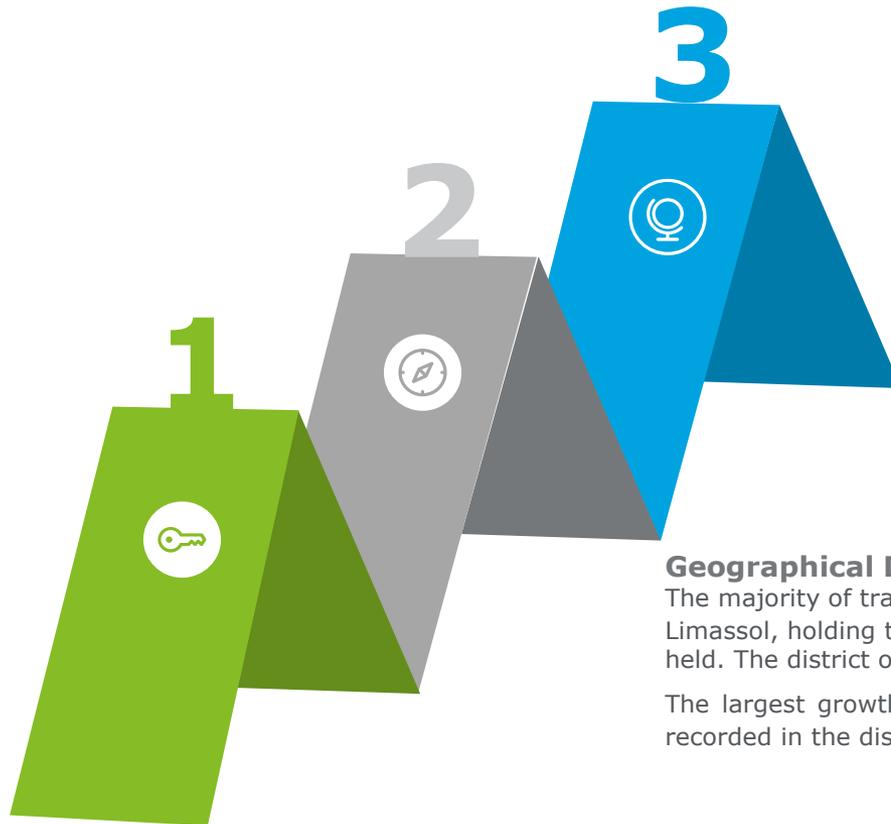
 Can be followed only after the applicant has taken the oath of faith to the Republic of Cyprus

- Submission of the application with the Civil Registry and Migration Department or the Consular Department of selected Embassies of the Republic of Cyprus
- Collection of biometric information
- Passport is issued within 24 hours from submission
- Identity Card is submitted within 10 working days from submission



# Real Estate Market in Cyprus

## Facts and Figures



### Contracts of Sale submitted to the DLS

As of 1/11/2018, a total of 6.706 Contracts of Sale were submitted to the Land Registry Department, for the acquisition of immovable property. An increase of **21%** is observed in the total Contracts of Sales submitted until Q3 of 2018, compared to the previous year.

### Transactions to non-nationals

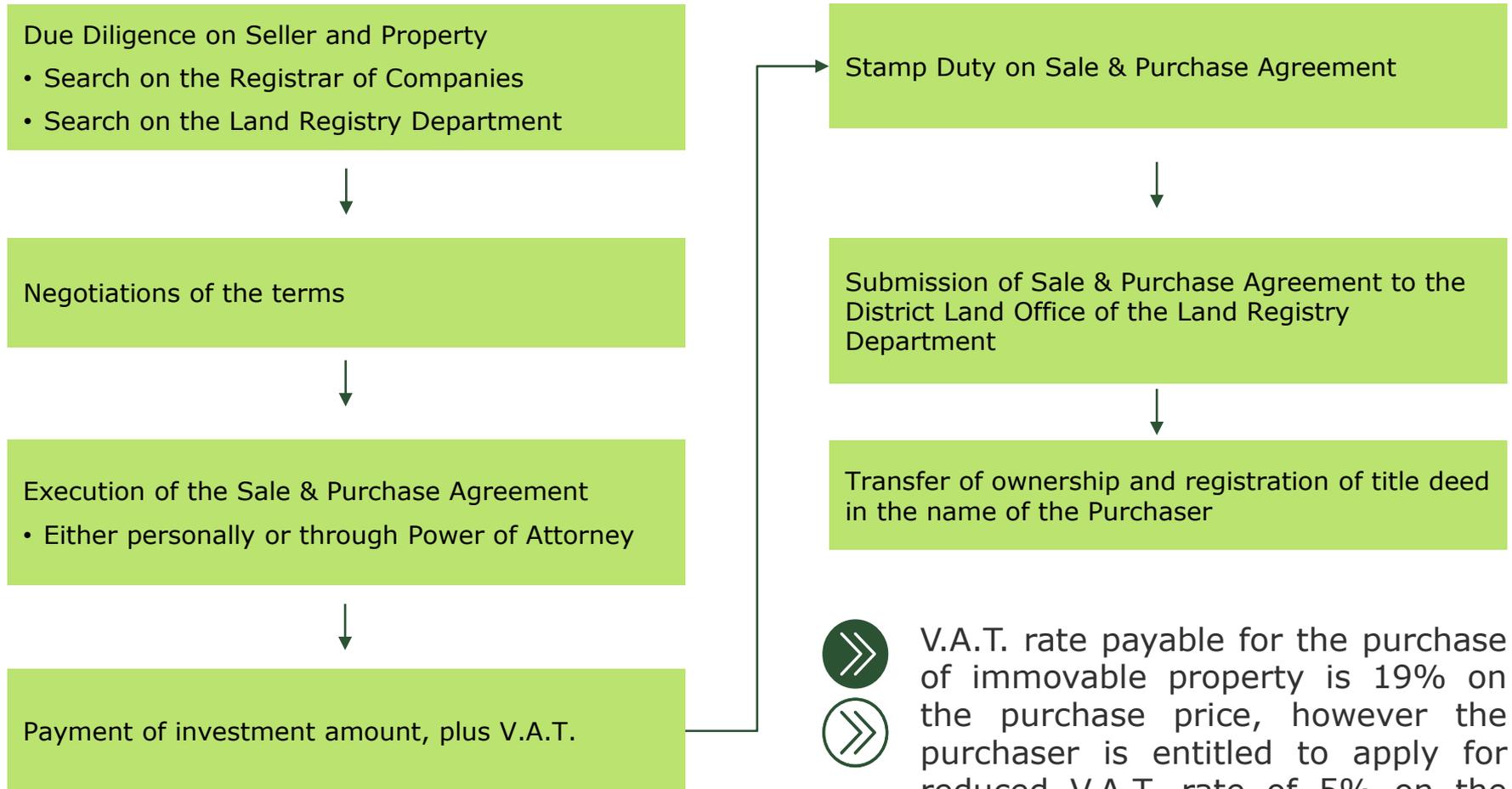
As of 1/11/2018, a total of 3.186 Contracts of Sale were submitted to the Land Registry Department. A growth of **103%** was recorded in comparison to the same period of the previous year.

### Geographical Distribution

The majority of transactions took place in the district of Limassol, holding the **37%** of the total transactions held. The district of Paphos follows with 24%.

The largest growth in the number of transactions was recorded in the district of Famagusta, by **37%**.

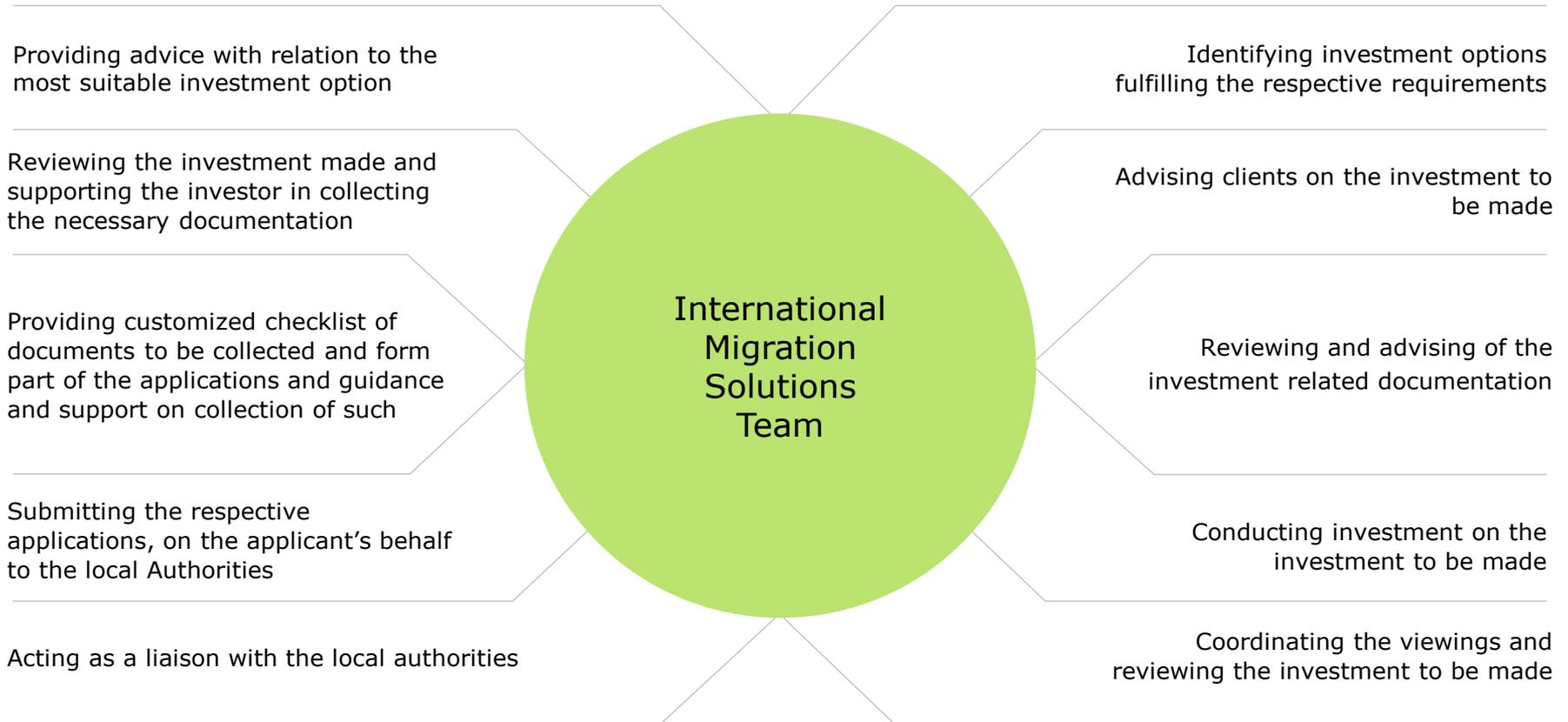
# Purchase of Real Estate Procedure



V.A.T. rate payable for the purchase of immovable property is 19% on the purchase price, however the purchaser is entitled to apply for reduced V.A.T. rate of 5% on the purchase price of one immovable property, being the permanent residence of the applicant; applies only to the first 200m<sup>2</sup> of the property.

# Deloitte Limited – International Migration Solutions Team

We can assist you in the process of obtaining the citizenship of the Republic of Cyprus, by offering a custom made package of services, which includes, inter alia, the following:



# Deloitte.

## Private

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