

Cyprus Citizenship by investment – EU Citizenship

Non European citizens are eligible to apply for a Cypriot Passport and access in Europe / Citizenship granting them the following:

- ✓ Freedom to live, travel, invest, work, study and buy property anywhere in the EU.
- ✓ Benefit from the legal rights and privileges of natural born EU citizens, such as health, education, vote in European elections.
- ✓ Once the citizenship is obtained, eligibility is then passed onto the applicants children and their descendants.
- ✓

TLS Partners, is committed to assist clients throughout the whole procedure and has prepared property proposals, aimed at making the clients property search and purchasing decision more efficient.

On the 19th of March 2014 Cyprus Government through the Ministry of Interior, has announced changes to the criteria for granting the Cypriot citizenship by exception to foreign investors, in an effort to further promote foreign investment in Cyprus.

Council of Ministers Decision dated 19.3.2014

Scheme for Naturalization of Investors In Cyprus By Exception on the basis of subsection (2) of section 111A of the Civil Registry Laws of 2002-2013

A non-Cypriot citizen, who meets one of the following economic criteria (A), either personally or through a company/ companies in which he/ she participates as a shareholder - proportionally based on the percentage of participation, or even as a high-ranking senior manager of a company/companies that meets one of economic criteria (A), 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 such a remuneration that generates for the Republic tax revenue of at least €100,000 for a three year period and provided that this tax has already been paid or prepaid.

The applicant should have concluded the necessary investments during the three years preceding the date of the application and must retain the said

investments for a period of at least three years since the date of the Naturalization.

In addition, the applicant must fulfill the Terms and Conditions set out in Part B.

In the case where, following a periodic inspection, it has been ascertained that any condition is being circumvented, the Naturalization may be revoked.

A. CRITERIA

A.1 Investment in government bonds:

The applicant must have purchased state bonds of the Republic of Cyprus of at least €5,0 million.

or

A.2 Investment in financial assets of Cypriot companies or Cypriot organizations:

The applicant must have purchased financial assets of Cypriot companies or Cypriot organizations (bonds/ securities/ debentures registered and issued in the Republic of Cyprus) of at least €5,0 million.

It is noted that these financial assets can be purchased either at issuance, or subsequently by the market.

Or

A.3 Investment in real estate, land development and infrastructure projects:

The applicant must have made an investment of at least € 5,0 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).

or

A.4 Purchase or creation or participation in Cypriot businesses or companies:

The applicant must have made an investment of at least € 5,0 million in the purchase, creation or participation in businesses or companies, that are based and operating in the Republic. These businesses or companies should evidently have a tangible presence in Cyprus and employ at least five (5) Cypriot citizens.

It is noted that the mandatory conversion of deposits into shares is included in this criterion.

or

A.5 Deposits in Cypriot banks:

The applicant must have personal fixed term deposits for three years in Cypriot banks or deposits of privately owned companies or trusts (in which he/she is the beneficiary owner) in the Republic of Cyprus of at least €5,0 million

or

A.6 Combination of the aforementioned criteria A.1 (Investment in government bonds), A.2 (Investment in financial assets of Cypriot companies or organizations), A.3 (Investment in real estate, land development and infrastructure projects), A.4 (Purchase or creation or participation in Cypriot businesses or companies) καὶ A.5 (Deposits in Cypriot banks):

The applicant is required to have a combination of the above amounting to at least €5,0 million.

or

A.7 Persons whose deposits with the Popular Bank Public Company Ltd have been impaired due to the measures implemented after the 15th March 2013:

The applicant has incurred an impairment in deposits amounting to a total of at least €3,0 million. April, 2014 5

In the case where the applicant has incurred an impairment in his/her deposits under €3,0 million he/she may apply, having made an additional investment through the criteria A.1 (Investment in Government bonds), A.2 (Investment in financial assets of Cypriot companies or Cypriot organizations), A3 (Investment in real estate, land development or infrastructure projects), A.4 (Purchase or creation or participation in Cypriot businesses and companies) and A.5 (Deposits in Cypriot Banks) for the balance of the required amount of the aforementioned criteria.

or

A.8 Major Collective Investments:

The Council of Ministers shall have the right on special occasions, to reduce the above criteria (A.1 (Investment in Government Bonds), A.2 (Investment in financial assets of Cypriot companies or Cypriot organizations), A.3 (Investment in real estate, land development or infrastructure projects) and A.4 (Purchase or creation or participation in Cypriot businesses and companies):

- To €2,5 millions for investors, who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is at least €12,5 millions.
- To €2,0 millions for investors who demonstrably participate in a special collective investment scheme, provided that the total value of the investment is more than €12.5 millions. It is noted that this present provision (I), will be in force until the 1st of June 2014.

In addition, it is noted that for the above mentioned provisions (I) and (II), the investment for the Criteria A1 until A4 may be realized through a different salesman/ provider (physical or legal entity).

B. TERMS AND CONDITIONS

1. Clean Criminal Record: the applicant must have a clean criminal record. Furthermore, his name must not be included on the list of persons whose property is ordered to be frozen within the boundaries of the European Union.
2. Residence in the Republic of Cyprus: In all cases listed in Part A, the applicant must hold a permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500.000, plus V.A.T.

It is noted that members of the same family, which apply separately as investors, can collectively acquire a residence, provided that the total value of this home-property covers the amount of € 500.000 per each applicant. April, 2014

C. SUBMISSION OF DOCUMENTS

In order to examine any applications the submission of the form (M127) and of the following is required:

1. Clean Criminal Record:

Certificate of Clean Criminal Record from the country of origin and the country of residence (if it differs).

2. Residence in the Republic of Cyprus:

- a) Contract of Sale.
- b) Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department
- c) Receipts for paying the agreed purchase price
- d) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the seller or the seller's company
- e) As for the investment Criteria the following are required, depending on the case:
 - (a) Certificate of Registration of the company/ companies by the Registrar of Companies
 - (b) Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficiary owner of the company/ companies
 - (c) Audited Accounts of the company (or companies) for the last three years preceding the year of the application
 - (d) If the applicant is a high-ranking senior manager the submission of the employment contract and the receipt from the Department of Inland Revenue is additionally required.

Any other document that might be requested either by the Ministry of Interior, or by the Ministry of Finance.

Furthermore, depending on the case, the following are required:

1. Investment in Government bonds

- (a) Receipts from the Treasury of the Republic of Cyprus for the purchase of the Government bonds.

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

- (a) Title/titles and other documents regarding the financial assets.
- (b) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the company or the organization

3. Investment in real estate, land development or infrastructure projects

- (a) Contract of sale.
- (b) Title Deeds/ Receipt for lodging the contract with the Lands and Surveys Department
- (c) Receipts for paying the agreed purchase price
- (d) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the seller or the seller's company

4. Purchase or creation or participation in Cypriot businesses and companies

- (a) Contract of sale.
- (b) Receipts for paying the agreed purchase price
- (c) Certificate of shareholders by the Registrar of Companies or certificates evidencing that the applicant is the beneficiary owner of the company/companies
- (d) Copy of the wire transfer in the Cypriot commercial banking institution in the name of the company or the organization
- (e) Confirmation from the Social Insurance Department as to the insurable income of the Cypriot employees in the company
- (f) Confirmation from the Inland Revenues Department as to the taxable income of the Cypriot employees in the companies or businesses that the applicant invested in.

5. Deposits in Cypriot banks

- (a) Confirmation from Cypriot banks as to the fixed term deposits for three years of the applicant or the companies in which he is the beneficiary owner or of the trust in which he is the beneficiary owner
- (b) Copy of the wire transfer in the Cypriot commercial banking institution

6. Impairment of deposits in the Popular Bank

- (a) Confirmation as to the level and the time of the impairment of the deposits

(b) In the case of deposits of companies of which the applicant is the beneficiary owner, the Certificate of Registration of the Company by the Registrar of Companies and/or any other evidence, along with a declaration from the trustee of the funds confirming the beneficial owner is to be attached. None of the above affects the absolute discretion of the Council of Ministers in taking a Decision.

Fees for each application

- Concerning **the investor** the amount of €2.000 is paid at the submission of the application and, if the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.
- Concerning **the investor's spouse** the amount of €2.000 is also paid at the submission of the application and, if the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.
- Concerning **the investor's adult child** the amount of €2.000 is also paid at the submission of the application and, if the application is approved, the amount of €5.000 is paid as a fee for the issuance of the Naturalization Certificate.
- Concerning **the investor's minor child** the amount of €80 is paid at the submission of the application.

In summary the fees are as follow:

APPLICANT	APPLICATION SUBMISSION FEE	CERTIFICATE ISSUANCE FEE	TOTAL
INVESTOR	€2.000	€5.000	€7.000
INVESTOR'S SPOUSE	€2.000	€5.000	€7.000
INVESTOR'S ADULT CHILD	€2.000	€5.000	€7.000
INVESTOR'S MINOR CHILD	€80	-	€80

Time frame:

The time frame for the examination of an application is approximately 3 months.



TLS Partners
CHRYSANTHI VARNAVA & CO LLC
Advocates & Legal
Consultants

Citizenship Publication: 10/2014

Our professional team may undertake the full preparation, submission and presentation of the application for citizenship acquisition to the competent authorities, including legal review and/or drafting of property acquisition agreements, arranging for property valuations, and overall ensuring our clients are presented with investment opportunities that are good value for money.

***For the international client seeking high responsiveness
and exceptional quality of service...***

Please contact us:

TLS Partners – Chrysanthi Varnava & Co LLC. We are an established legal firm in the Republic of Cyprus. Our firm offers a wide range of quality professional services to the businesses community in Cyprus and abroad.

Our mission is to offer our clients a real alternative to the large traditional legal firms, providing them a partner-led, value form money service.

Our services:

- ✓ Taxation Law
- ✓ Formation and Establishment of Companies
- ✓ Company Secretarial Services
- ✓ Company Administrative Services
- ✓ Nominee and Trustee Services
- ✓ Formation of Trusts
- ✓ Opening of Bank Accounts
- ✓ National and International Trademarks
- ✓ Property and Real Estate Law
- ✓ Residence Permits
- ✓ Citizenships and Residence Planning
- ✓ EU Citizenship/Cypriot Passport
- ✓ Litigation and more.

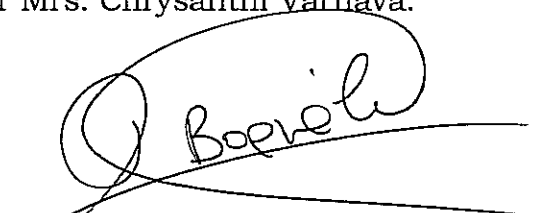
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