

Improved Scheme for Granting Cypriot Citizenship to Investors

November 2014

On 19 March 2014 the Government of Cyprus announced a number of improvements to its scheme offering Cyprus citizenship to international investors making direct investments into Cyprus.

Non-Cypriot citizens are entitled to apply for Cyprus citizenship if they fulfil one of the following eight sets of conditions, either personally or through a company/companies in which they participate as a shareholder.

Applicants must conclude the necessary investments during the three years preceding the date of the application and must retain them for a period of at least three years after citizenship is granted.

Applicants are eligible to apply for Cypriot citizenship if they satisfy one of the following criteria:

1. Investment in government bonds

The applicant must have purchased state bonds of the Republic of Cyprus with a value of at least €5 million.

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) with a value of at least €5 million.

These financial assets can be purchased either at or after issuance.

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

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

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

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

This criterion also includes mandatory conversion of deposits into shares in the companies.

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 million.

6. Combination of criteria 1 to 5

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

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This memorandum is intended to provide general information and guidance for the clients of Trident Trust Company (Cyprus) Limited. It does not purport to be comprehensive or to render legal advice.

7. Persons whose deposits in Bank of Cyprus and/or Laiki Bank have been reduced as a result of the restructuring measures imposed on them

Any non-Cyprus citizens whose deposits in Bank of Cyprus and/or Laiki Bank have decreased by at least €3 million, as a result of the restructuring measures imposed on the two institutions, is eligible for Cyprus citizenship.

Applicants who have incurred a reduction in deposits less than €3 million may apply if they have made an additional investment equal to the balance required to make €3 million and satisfying criteria 1 to 5.

8. Major collective investments

The Cyprus Council of Ministers has discretion to reduce the amount required in criteria 1 to 4 to €2.5 million for investors who participate in a special collective investment scheme, provided that the total value of the collective investment is at least €12.5 million.

In addition to the financial conditions set out above, an applicant for Cyprus citizenship must also satisfy the following criteria, both at the time of application and at any point after citizenship is granted.

- They must have no criminal record.
- His/her name must not be included in any list of persons whose assets are frozen within the European Union.
- They must have a permanent, privately-owned residence in Cyprus with a value of at least €500,000 (exclusive of VAT). It is noted that members of the same family (defined as including relatives to the second degree), which apply separately as investors, can collectively acquire a residence, provided that the total value of this property covers the amount of €500,000 per applicant.

Citizenship may be revoked for breach of any of these conditions.

How Trident Trust Can Help

- Assisting with the preparation and submission of the relevant application forms, and communication with the local authorities.
- Provision of corporate administration and fiduciary services in relation to investments and trading companies.
- Arrangement of legal, accounting and banking services.

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