

Cyprus Investment Program



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Welcome to Cyprus

Cyprus offers all the ingredients one would look for when choosing a country as a new home. It is strategically located and it offers high quality of life, full EU membership, excellent weather, security and safety for the whole family, excellent private schools, well educated workforce and business friendly environment.

Cyprus has an attractive, predictable and straight-forward tax environment for international businesses and global individuals, including a non domiciliary regime with excellent zero tax conditions for most types of passive income. Combined with a Cyprus residency, it becomes a very attractive package of benefits for persons considering relocating to Cyprus.



Key advantages

- *Recent studies conducted by global immigration experts, rank the CIP among the 10 (ten) best in the world.
- *Cyprus citizens are entitled to live and work in any country in the EU without applying for a visa.
- *Cyprus citizens can travel to over 140 countries without having to apply for a visa.
- *Cyprus citizens can obtain visas quickly to other countries.
- *Cyprus citizenship provides access to the best educational & health care institutions within the EU.
- *Right to own immovable property in any EU member state.
- *No language requirements.
- *Cyprus allows for individuals to have dual citizenship.
- *Approval of citizenship application within approximately 6 (six) – 8 (eight) months.
- *Simultaneous submission of residency and citizenship applications.
- *The investor's spouse, minor children (under the age of 18) and financially dependent children under the age of 28 (unmarried and in full-time education or disabled children unable to work) are also granted the right to citizenship without any additional investment.
- *The investor's parents and the parents of the investor's spouse/cohabitee are also granted the right to citizenship provided they hold a permanently privately-owned residence in Cyprus the purchase price of which is at least €500,000 (Five Hundred Thousand Euro) plus VAT, respectively.
- *Main applicant and all eligible family members may apply jointly.
- *All CIP licensed service providers have to follow a strict Code of Conduct.





Cyprus major benefits

- Ranked 5th best place to relocate globally
- High living standard
- Sophisticated infrastructure
- Strong educational system
- Strong legal system based on the UK legal system
- Safe place to live
- Advanced healthcare
- Tax-friendly regime
- EU member



INVESTMENT OPTIONS

1. Fulfill the following two contributions:

The applicant must proceed with:

- Donation of €100,000 (one hundred thousand Euro) to the Cyprus Land Development Corporation; and
- Donation of EUR 100,000 to one of the following:
 - a) the Research and Innovation Foundation; or
 - b) the Industry and Technology Service; or
 - c) the National Solidarity Fund; or
 - d) the Renewable Energy Sources and Energy Conservation Fund.



It is noted that the obligation to make a donation to the Research and Innovation Foundation is lifted in case the applicant make an investment in the context of the 02 (b) investment option below, via purchasing or incorporating or participating in Cyprus businesses or companies of a total amount equal at least with the 20% of the required amount of investment i.e.: EUR400,000 (Four Hundred Thousand Euro) based on the provided financial criterion which have activities in the primary or secondary sector of economy, with the exception of the construction sector of which have activities in the sectors of research and technology, education, health, and (or) renewable sources of energy.

It is further noted that if the applicant wishes to donate an amount higher than the minimum of €100,000 (One Hundred Thousand Euro), in any of the above, this additional amount can be used for purposes of supplementing the total amount of the investment made on the basis of the below investment options.



2. Choose one of the following investment options



Apart from the donations mentioned in point 1 the applicant has to choose one of the following investment options:

a. Invest in real estate, development and infrastructure projects.

The applicant should make an investment of €2,000,000 (Two Million Euro) as follows:

- I. to the primary sector of the economy or to the sectors of energy and technology, of education, health or renewable sources of energy; or
- II. to the creation of developments, as housing or commercial developments, developments in the tourist sector or other infrastructure projects; or
- III. for the purchase or building properties, including investment in building land, provided that a business plan will be included in the application.

It is noted that a foreign businessman or investor may not proceed to the incorporation of a development company with the purpose of channeling the investment.





b. Purchase or establishment or participation in Cypriot businesses and companies.

The applicant should make an investment of €2,000,000 (Two Million Euro) in the purchase of, establishment of, or participation in companies or organizations established and operating in the Republic of Cyprus. These companies or organizations should have physical presence in Cyprus, with significant activity and turnover and employ at least 9 (nine) Cypriot citizens or citizens of European Union member-states.

c. Investment in Alternative Investment Funds or Registered Alternative Investment Funds or financial assets of Cypriot enterprises or Cypriot organizations licensed by the Cyprus Securities and Exchange Commission. The applicant should purchase units for the amount of at least €2,000,000 (Two Million Euro) from Alternative Investment Funds (AIF) or Registered Alternative Investment Funds (RAIF). The purchase of financial assets of Cypriot companies or organizations of at least €2,000,000 (Two Million Euro), such as bonds, bills and securities, issued with the approval of the CySec, fall under this criterion.

d. Combination of the above investments. The applicant could invest in a combination of the above, provided that the total investment amounts to at least €2,000,000 (Two Million Euro).





3. Residence in the Republic of Cyprus

An additional requirement that applies, irrespective of the investment option chosen by the applicant, is the purchase of a residential property that will be declared as the applicant's permanent privately-owned residence in the Republic of Cyprus, the purchase price of which must be at least €500,000 (Five Hundred Thousand Euro) plus V.A.T.

In the case that the applicant has invested in housing unit/ units on the basis of the aforementioned real estate option (02 (a.)), the purchase of another permanent residence in Cyprus will not be required, if at least one of these housing units is worth at least €500,000 (Five Hundred Thousand Euro) plus VAT.

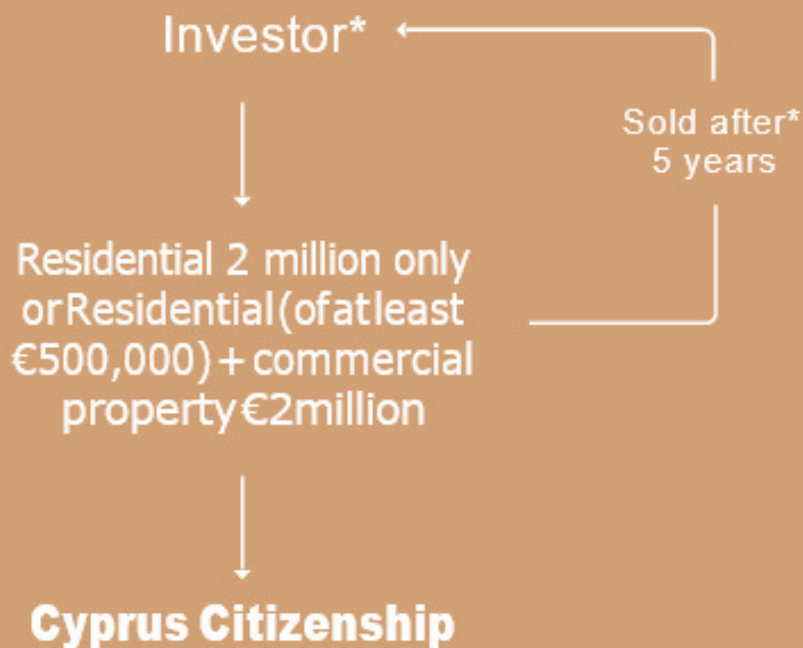
However, if the applicant has invested in housing units that are already being used for the purpose of acquiring the Cypriot citizenship via the programme, the above provision will be in force provided that the total amount of the investments including the privately-owned residence, is at least €2,500,000 (Two Million and Five Hundred Thousand Euro).

In case that the purchase value of the permanent privately owned residence in Cyprus exceeds the amount of €500,000 (Five Hundred Thousand Euro), this additional amount can be used for purposes of supplementing the total amount of the investment made on the basis of the criteria 2.(a)-(d) above.



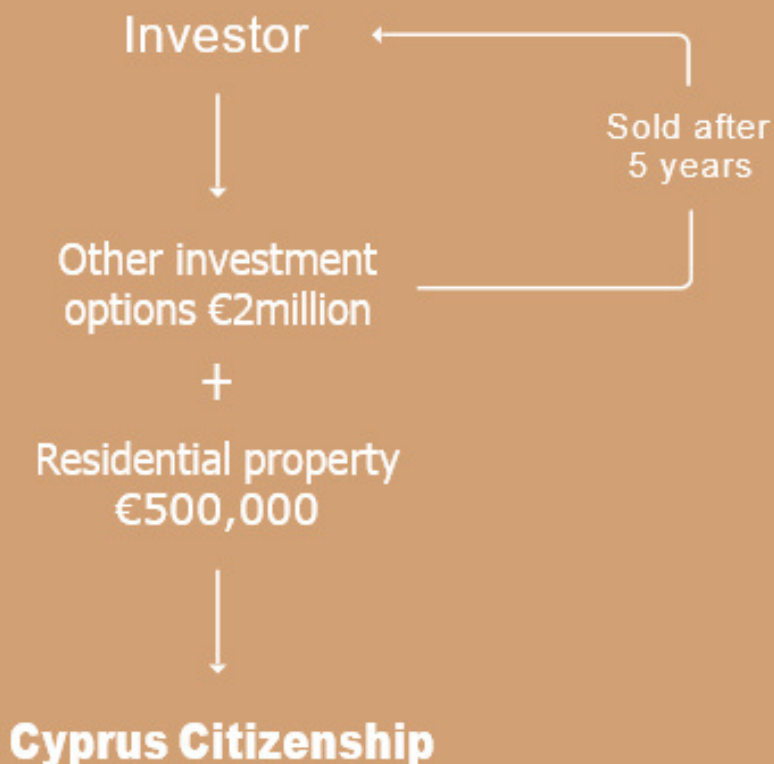
Investment options for obtaining Citizenship of Cyprus

Example 01



* If an investor sells the residential property of €2million (initial investment) after 5 years, he/she has to buy another residential property of at least €500,000.

Example 02



Process & timeline for obtaining Citizenship of Cyprus

1 month

- Step 01. Engagement of our firm
- Step 02. Investments of minimum €2 million
- Investment
 - Purchase of private residence
- Step 03. Preparation of applications
- Citizenship application
 - Permanent residency application
 - Supporting documents
 - Pre-clearance check by our lawyers

6 months

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- Step 04. Submission of application
- Citizenship application. Payment of government fee of €2,000 per adult applicant
 - Permanent residency application
 - Applicant/s must visit Cyprus in order to give biometric data for the issuance of the permanent residency card
 - Collect the permanent residency card in 5 days
- Step 05. Processing time
- Ministry of finance reviews documents on investments
 - Ministry of interior conducts due diligence on applicant/s
 - Council of ministers' approval within 3 months
 - Payment of government fee €5,000 per adult applicant
 - Certificate of Naturalization issued
- Step 06. Issuance of Cyprus passport & ID card
- Once applicant has held a Cyprus permanent residency card (issued under Step 4) for a period of 6 months the process can be completed.
 - Naturalization Certificate is signed by the applicant either in front of a Registrar of a Cypriot Court or a Consular at any Cypriot Consulate abroad.
 - Collection of passport and ID card

The above procedure and timeline diagram is indicative only Vardikos & Vardikos is not responsible for any changes to the estimations; exact time and cost estimates will be provided individually.





TERMS & CONDITIONS

- Clean Criminal Record from the country of origin and the country of residence (if different).
- Not to be included in the list of persons whose assets are ordered to be frozen within the EU.
- Must hold a valid Schengen Visa: Third-Country nationals that do not require an entry visa for the European Union member states are excluded.
- Has no rejection from any other member-state of the EU.
- Possess a residency permit in the Republic of Cyprus, for a period of at least 6 (six) months before being granted the Cypriot citizenship.
- Privately owned residence in the Republic of Cyprus of minimum value of €500,000 (Five Hundred Thousand Euro) plus VAT. The residence must be kept for life.
- Investments need to be kept for at least 5 (five) years from the date of naturalization.





TAXATION

An individual is tax resident of Cyprus if present in Cyprus for more than 183 days in a year in a tax year.

An individual not living in any other country more than 183 days and who is not a tax resident in any other country is considered a tax resident of Cyprus when the following criteria are cumulatively satisfied:

- Stays in Cyprus for at least 60 days in a tax year.
- Carries on any business in Cyprus and/or is employed in Cyprus and/or holds an office (director) in a company which is tax resident in Cyprus at any time in the tax year.
- Maintains a permanent house in Cyprus which is either owned or rented by the individual.

A tax resident of Cyprus is subject to tax on worldwide income under both the income tax law and the special defence contribution (SDC). Under SDC the individual is taxed on dividends (17%), passive interest (30%) and rental income (3%).

However with the introduction of the non-domicile regime, with effect from 16 July 2015 a Cyprus tax resident individual with non-domicile status will not be subject to SDC on dividend, passive interest and rental income wherever arising.





WHO CAN QUALIFY FOR THE NON- DOMICILE STATUS?

A person has, at any given time either:

- a. the domicile acquired by him/her at birth ('domicile of origin') usually country of birth or
- b. the domicile acquired by him/her by his/her own act ('domicile of choice') having shed the domicile of origin, usually a country other than the country of birth where he has chosen to reside permanently or for an indefinite period.

An individual who is not domicile of Cyprus under either a or b above has a non-domicile status.





OTHER TAX ADVANTAGES FOR ALL TAX RESIDENTS

- No tax on profit arising from the disposal of titles such as shares, debentures, bonds and other financial instruments as listed in a tax office circular.
- Nil or reduced withholding tax on dividends, interest, royalties and pensions received from abroad in accordance with the tax treaties signed with other countries.
- No tax on any lump sum received as a retirement gratuity.
- Flat rate of 5% on pension income received from abroad exceeding €3,420.
- No capital gains tax (CGT) on the sale of real estate situated outside Cyprus.
- No estate duty, wealth tax, gift tax or inheritance tax in Cyprus.
- No tax on employment income earned for offering salaried services to an overseas employer or to an overseas permanent establishment of a Cypriot employer for more than 90 days in a tax year.
- The taxable income of an individual tax resident of Cyprus up to €19,500 per annum is taxed at zero rates.





VARDIKOS & VARDIKOS greatly assist international clients to appraise the investment opportunity and choose Cyprus Citizenship by Investment Program and Residency Scheme.

Find out more about **VARDIKOS & VARDIKOS** legal practices by visiting our site at **www.vardikos.ae** or **www.vardikos.com** in order to be informed about your appropriate investment scheme. For any further clarifications or to arrange a private consultation please do not hesitate to contact us at: **info@vardikos.com**.





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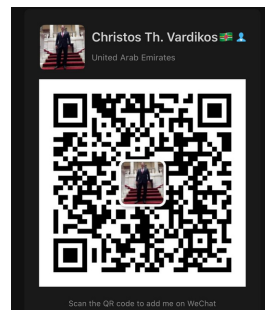
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