

Amendments to the Cyprus Permanent Residence Programme

15th May 2023

In May 2023, Cyprus made a number of amendments to the Cyprus Permanent Residence Programme (PRP) with regards to; the secure annual income of the applicant, the criteria for eligible dependant family members, and requirements in relation to the property (permanent residence) of the applying family. In addition, ongoing obligations have been added in terms of maintaining the investment, following its approval.

As a reminder, we list here the various investment options that are available to acquire Permanent Residence in Cyprus.

Investment Options Available:

A. Purchase residential real estate worth at least €300,000 (+VAT) from a development company.

OR

B. Investment in real estate (excluding houses/apartments): Purchase of other types of real estate such as offices, shops, hotels or related estate developments or a combination of these with a total value of €300,000. The purchase of interest can be the result of a resale.

OR

C. Investment in the share capital of a Cyprus Company, with business activities and personnel in the Republic: Investment worth €300,000 in the share capital of a company registered in the Republic of Cyprus, based and operating in the Republic of Cyprus and having a proven physical presence in Cyprus, and employing at least five (5) people.

OR

D. Investment in units as recognised by the Cyprus Investment Organization of Collective Investments (types of AIF, AIFLNP, RAIF): Investment worth €300,000 in units of Cyprus Investment Organization Collective Investments.

Additional Requirements

- The funds of the investment must come from the Bank Account of the main applicant or his/her spouse, provided that the spouse is included as a dependant in the application.

- For the submission of the application the amount of at least €300,000 (+ VAT) must be paid to the Developer regardless of the completion date for the property. Relevant receipts must accompany the submission of the application.

- Provide evidence of a secure annual income of at least €50,000

(increased by €15,000 for the spouse and €10,000 for every minor child).

This income can come from; wages for work, pensions, stock dividends, interest on deposits, or rent. **Income verification, must be the individual's relevant tax return declaration, from the country in which he/she declares tax residence.**

In the situation where the applicant wishes to invest as per investment option A, the income of the spouse of the applicant may also be taken into consideration.

In calculating the applicant's total income where he or she chooses to invest as per the options B, C or D above, his/her total income or part of it may also arise from sources originating from activities within the Republic, provided that it is taxable in the Republic. In such cases, the income of the spouse/husband of the applicant may also be taken into consideration.

Other Terms and Conditions

- All family members must provide a Health Insurance Certificate for medical treatment covering inpatient and outpatient care in case they are not covered by GEsy (The Cypriot National Health Care System).

- The property to be used as the investment for the submission of the application and to be declared as the permanent residence of the family, must have sufficient bedrooms to satisfy the needs of the main applicant and his/her dependent family.

- A clean criminal record issued by the authorities of the country of residence and country of origin (if different), need to be provided upon submission of the application.

- The immigration permit does not allow the applicant and his/her spouse to undertake any form of employment in Cyprus and holders of the immigration permit must visit Cyprus once every two years. PRP holders are however permitted to own Cyprus companies and receive dividends.

- The applicant and his spouse/husband will certify that they do not intend to be employed in the Republic with the exception of their employment as Directors in a Company in which they have chosen to invest within the framework of this policy.

- In cases where the investment does not concern a Company's share capital, the applicant and/or his spouse may be shareholders in Companies registered in Cyprus and the income from dividends in such companies shall not be considered as an obstacle for the purposes of obtaining the Immigration Permit. They may also hold the position of Director in such companies without pay.

- In the cases where the applicant chooses to invest under any of options B, C, D, he/she must present information regarding the place of residence for himself and family members in the Republic (e.g. property title deed, sales document, rental document).

Family Members

- As dependent family members, the main applicant can include ONLY; his/her spouse, minor children and adult children up to the age of 25 who are university students and financially dependent on the main applicant. No parents and/or parents-in-law are accepted as dependent family members. The annual secured income increases by €10,000 per adult child studying at a university up to the age of 25. The studying adult

children must submit an application for a temporary residence permit as a student which can be converted to an Immigration Permit upon finalization of their studies.

o **HIGHER VALUE INVESTMENT TO INCLUDE ADULT CHILDREN**

An Immigration Permit may also be granted to adult children of an applicant who are not financially dependent, on the understanding that a higher value investment is made. The market value of the investment of €300,000 should be multiplied according to the number of adult children, claiming the same investment for the purposes of obtaining an Immigration Permit. For example, where the applicant has one adult child, the investment should be worth €600,000, if he has two adult children the investment value should be €900,000 gross.

Benefits

Actual residence in Cyprus may lead to eligibility for Cyprus citizenship by naturalisation.

Ongoing requirements after approval of the application

Once the application is approved by the Civil Registry and Migration Department, the applicant must submit evidence, on an annual basis, to prove that; he/she has maintained the investment, that he/she maintains the required income determined for him and his family, and that he and his family members are holders of a health insurance certificate, in case they are not beneficiaries of GHS/GESY (General Health System). In addition, the applicant and his adult family members are required to provide an annual certificate of a clean criminal record from their country of origin, as well as from their country of residence.

Additional Information

If you would like any additional information regarding the Cyprus Permanent Residence Programme and/or the recent changes to it, please speak to our office in Cyprus: advice.cyprus@dixcart.com