

Availability Of Temporary Cyprus Residence Permits For Third Country National Employees Of Foreign Interest Companies

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This article outlines the options available to third country nationals employed by foreign interest companies and the criteria that need to be met.

Key Feature of a Cyprus Foreign Investment Company

A Cyprus Foreign Investment Company (FIC), is an international company which can employ non-EU nationals in Cyprus. Such a company can obtain work permits for relevant employees and residence permits for their family members.

Main Advantages

- FICs can employ third country nationals, who can apply for appropriate residence and work permits, each of which will be valid for up to 2 years and are renewable.
- Employees can exercise the right for their families to join them in Cyprus.

Naturalisation Pathways

Under the amended Civil Registry Law, highly skilled TCNs employed by FICs may pursue fast-track naturalisation. An adult foreigner who, on the day of application submission and on the day of examination of the application is employed in a company

that meets the relevant conditions, and whose employment was high-skilled according to the required criteria, may apply for Cypriot citizenship by naturalisation if certain conditions are cumulatively met. The applicant must have legal and continuous residence for 12 months immediately before the date of application submission. Periods of absence not exceeding a total of 90 days do not interrupt this period. During the immediately preceding 10 years from the 12-month period, the applicant must have legal residence for cumulative periods of not less than 4 years, or 3 years depending on their level of Greek language proficiency (A2 or B1, respectively). Periods of absence not exceeding a total of 90 days annually are not considered absences.

Additionally, the applicant must demonstrate good character, sufficient knowledge of the Greek language at level A2 or B1 (as applicable), sufficient knowledge of basic elements of the contemporary political and social reality of Cyprus, suitable accommodation and stable and regular financial resources sufficient for the maintenance of themselves and their family members. The applicant must also show an intention to reside in the Republic.

Criteria to be Met

The requirements to be met are as follows:

- The majority of the company's shareholders should be foreign shareholders, and, in the situation where the ultimate owners are foreign companies, they must be approved by the Civil Registry and Migration Department.

The following cases are exempt:

- Public companies registered in any recognised stock exchange.
- Former offshore companies that were operating in Cyprus by approval of the Cyprus Central Bank, before the change of their offshore status.
- Cypriot shipping companies.
- Cypriot companies of high technology/innovation, as certified by the Deputy Ministry of Research, Innovation and Digital Policy.

- Cypriot pharmaceutical companies or companies operating in the fields of biogenetics and biotechnology.

- Persons who have acquired Cypriot citizenship by naturalization based on economic criteria, and able to prove that they continue to meet all of the criteria.

- Companies which employ staff from third countries for the first time must invest at least €200,000 in Cyprus, for the purposes of operating the company.

- If the percentage of foreign participation in the share capital of the company is equal to or below 50% of the total share capital, this percentage must represent an amount equal to or greater than €200,000.

- The company must operate independent offices in Cyprus, in suitable premises, separate from any private housing or other office, except in the case of business 'co-habitation'.

Employee Classification

Eligible companies which fulfil the above conditions can employ third country nationals in the following positions:

- **Directors**
 - this term includes directors or partners, general managers of branches and of parent companies of subsidiary companies, departmental managers, project managers.
 - the minimum acceptable gross monthly salary for directors is €4,000, an amount that may be adjusted from time to time, depending on fluctuations in the wage index.

 - there are no restrictions on the residence period of these employees.

- **Middle-management staff, executive staff and any other key personnel**

In this category the following third country nationals are included:

- Upper/middle management personnel,
- Other administrative, secretarial or technical staff

The minimum acceptable gross monthly salary for this category is €2,500. Amounts may be adjusted from time to time, depending on wage index fluctuations.

- **Specialists**

The minimum acceptable gross monthly earnings for Specialists is €2,500, an amount that can be adjusted from time to time, depending on fluctuations in the wage index.

- **Support Staff**

This includes all third country nationals not included in the above categories. Companies are expected to fill positions in this category, with Cypriot or European citizens. Where there are no qualified Cypriots or European citizens available, a company may employ third country nationals up to a maximum 30% of the total staff.

For this category, the General Employment Procedure is followed, after receipt of a positive recommendation (sealed employment contract) from the Department of Labour, which confirms that the approved maximum percentage above, has not been exceeded. Please contact the Dixcart office in Cyprus: advice.cyprus@dixcart.com for details of the certificates/supporting documents that need to be submitted.

The market test is not necessary for third country nationals with free access to the labour market.

Length of Validity of the Temporary Residence and Employment Permit

Where the criteria are met, the third country national is granted a temporary residence and employment permit. The validity of the permit depends on the duration of the employment contract and can be up to two years, with a right of renewal. Directors, middle management executives and other key personnel, as well as specialists (staff categories 1-3), may reside in the Republic without a time limit, provided they hold a valid temporary residence and employment permit.

For support staff, the restrictions applicable to the general employment of third country nationals in the Republic apply.

Family Members

Third country nationals with residence and employment permits, under staff categories 1-3 of the policy, have direct access to family reunification with their family members (spouse and minor children), provided that the relevant conditions of the Aliens and Immigration Law, Cap.105 as amended, are met.

In such cases, third country nationals who are family members (spouse and minor children) can enter and reside in Cyprus after the sponsor has followed the procedure for family reunification.

Additional Information

If you require any additional information, please speak to your usual Dixcart contact or to the Dixcart office in Cyprus: advice.cyprus@dixcart.com.