

The Cyprus Start-Up Visa Scheme - An Attractive Scheme for Technological Entrepreneurs from Non-EU Countries

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Background

Cyprus is already attracting global technology companies from all over the world, especially from EU countries, due to relatively low operational costs and its competitive EU-approved regimes for non-domiciled individuals. In addition, entrepreneurs from the EU do not require a resident visa to reside in Cyprus.

In February 2017, the Cypriot Government established a new scheme designed to attract Non-EU nationals specialised in the fields of innovation, and research and development (R&D) to Cyprus.

The Start-up Visa Scheme

The Cyprus Start-up Visa Scheme allows talented entrepreneurs from outside the EU and EEA to enter, reside and work in Cyprus in order to establish and operate a start-up company themselves or as part of a team, with a high growth potential. The aim of establishing such a scheme was to increase the creation of new jobs, promote innovation and research, and enhance the business ecosystem and economic development of the country.

The scheme consists of two options:

1. Individual Start-up VISA Plan
2. Team (or Group) Start-up VISA Plan

A start-up team can consist of up to five founders (or at least one founder and additional executive/managers who are entitled to stock options). Founders who are third country nationals must own more than 50% of the shares of the company.

Cyprus Start-up Visa Scheme: Criteria

Individual investors and groups of investors can apply for the scheme; however, in order to obtain the required permits, applicants must meet certain criteria:

- The investors, whether they are an individual or a group, must have a minimum start-up capital of €50,000. This can include venture capital funding, crowdfunding or other sources of funding.
- In the case of an individual start-up, the founder of the start-up is eligible to apply.
- In the case of group start-ups, a maximum number of five individuals are eligible to apply.
- The enterprise must be innovative. The enterprise will be considered innovative if its research and development costs represent at least 10% of its operating costs in at least one of the three years preceding the submission of the application. For a new enterprise the evaluation will be based on the Business Plan submitted by the applicant.
- The Business Plan must stipulate that the organisation's head office and tax residency will be registered in Cyprus.
- Exercise of the management and control of the company must be from Cyprus.
- The founder must hold a university degree or an equivalent professional qualification.
- The founder must have a very good knowledge of Greek and/or English.

Benefits of the Cyprus Start-up Visa Scheme

Approved applicants will benefit from the following:

- The right to reside and work in Cyprus for one year, with the opportunity to renew the permit for an additional year.
- The founder can be self-employed or employed by their own company in Cyprus.
- The opportunity to apply for a permanent residence permit in Cyprus if the business succeeds.
- The right to hire a specified maximum number of staff from non-EU countries, without prior approval by the Department of Labour in the event that the business is a success.
- Family members may join the founder in Cyprus if the business succeeds.

The success (or failure) of the business is determined by the Cyprus Ministry of Finance at the end of the second year. The number of employees, taxes paid in Cyprus, exports and the extent to which the company promotes research and development will all have an impact on how the business is evaluated.

How Can Dixcart Help?

- Dixcart has been providing professional expertise to organisations and individuals for over 45 years.
- Dixcart has staff located in Cyprus who have a detailed understanding of the Cyprus Start-up Visa Scheme and the benefits of establishing and managing a Cyprus company.
- Dixcart can assist with applications for relevant Cyprus Permanent Residence Programmes if the start-up business succeeds. We can draft

and submit the relevant documents and monitor the application.

- Dixcart can provide on-going assistance in terms of accounting and compliance support in organising a company established in Cyprus.

Additional Information

For more information on the Cyprus Start-up Visa Scheme or establishing a company in Cyprus, please contact the Cyprus office: advice.cyprus@dixcart.com or speak to your usual Dixcart contact.