



*cutting through complexity*

TAX SERVICES

# Cyprus Citizenship by Investment

An outline of the criteria and benefits of the Cypriot citizenship programme

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# Introduction

## **Cyprus: A home away from home**

An island laying in the heart of the Mediterranean sea, with a size that is big enough to be called cosmopolitan, at the same time, small enough to be regarded as the ideal place to raise a family in a secure, safe and serene environment. An island which enjoys more than 300 days of sunshine yearly, with mild winters and the largest number of blue flag beaches per coastal line in the world!

A sovereign European country with a cultural heritage so rich that is lost in the centuries, yet an island that patiently awaits to be explored and re-discovered, offering an unparalleled level of quality of life which is second to none.

The recent political and social upheaval in the Eastern Mediterranean basin, which has spilled over the wider area of the Middle East, in combination with the political and economic uncertainty in the greater region, not only upgrade the strategic position and geopolitical role of Cyprus in this part of the world, they render Cyprus a symbol of security and stability, in its capacity as the Easternmost border of Europe.

As a result, the timely adoption of a very successful "Citizenship by investment" programme and the fast track "Permanent Residency" programme enacted by the Cyprus Government in the last few years, rightfully render Cyprus as the "jurisdiction of choice" for many high net worth individuals and their families who decide to live, invest and set up their businesses in Cyprus.

We at KPMG, hope that in the context of this brochure the reader can discover the endless opportunities and the many benefits that lie ahead by acquiring the Cyprus passport. A passport to success!

Angelos M. Gregoriades  
Chairman  
Head of Tax Services

# Advantages of Cyprus

Cyprus is a popular tourist, business, education and retirement destination. With a land mass of approximately 9,3 thousand square kilometres (km<sup>2</sup>), it is the third largest island in the Mediterranean, after Sardinia and Sicily of Italy. The island lies between Europe, Africa, and Asia which makes it a natural hub for business and trade.

Here are some of Cyprus' attributes:

Basic Facts	
Official Name	Republic of Cyprus
Capital City	Nicosia
Other major cities	Limassol, Paphos, Larnaca, Kyrenia, Famagusta
Government System	Presidential Democratic Republic
Language	Official language: Greek and Turkish (English is widely spoken)
Currency	Euro (EUR)
Population	840.000
Time Difference	GMT+2 (Cyprus is two hours ahead of London and 1 hour behind Moscow)

## Comfortable Life

- Cyprus has a multicultural population and enjoys a high standard of living.
- It is a great place to live with security and safety for the whole family, evidenced by a very low crime rate.
- There are exclusive golf resorts and high quality tourist facilities.
- The Knight Frank Global Lifestyle Review ranked Cyprus as the fifth best place to relocate.

## Climate and Environment

- Cyprus has a pleasant climate with dry summers and mild winters. The island enjoys around 300 days of sunshine in a calendar year.
- Cyprus has the cleanest beaches in Europe and the largest number of blue flag beaches per coastal line in the World.

## Education

- In addition to state schools there are private English speaking schools offering a high level of education in the towns of Nicosia, Limassol, Larnaca and Paphos.
- There is a number of reputable state institutions and private universities of higher education that operate in Cyprus. Some of these private institutions have secured endorsement of their diplomas by U.K. and US educational establishments or cater for external degree programmes and professional examinations.

## Other competitive advantages of Cyprus

- Strategic geographic location (Europe- Asia- Africa)
- EU / Eurozone Member
- Business language is English.



# Criteria for granting the Cypriot citizenship by investment

## Individual scheme

### Required investment amount €5 mln

1. The applicant can elect to invest at least €5 million in Cyprus government bonds (it shall be noted that the bonds must be bought only from the primary market); OR
2. The applicant can elect to invest at least €5 million in financial instruments of companies and shares of public companies registered in Cyprus; OR
3. The applicant can elect to invest at least €5 million in real estate and land developing (e.g. Residential, commercial, and other infrastructure); OR
4. The applicant can elect to invest at least €5 million through the purchase, establishment or participation in businesses/companies that are based and have activities in Cyprus (the above mentioned businesses/companies must be able to verify their physical presence in Cyprus and should employ at least five (5) Cypriot citizens); OR
5. The applicant can elect to deposit in Cyprus banks an amount of €5 million, for a period of 3 years. The deposits can be either personal or deposits of a private entity or of a trust whereby the applicant is the beneficiary; OR
6. The applicant can elect to combine any of the above amounting to €5 million; OR
7. Any applicant who was the holder of deposits in Laiki Bank and suffered an impairment in the value of his/her deposits of at least €3 million as on March 15th 2013, as a result of the measures imposed on the bank.

#### Notes:

In the instance that the applicant has suffered an impairment in the above mentioned bank which is lower than €3 million, s/he may still apply for Cypriot citizenship provided that s/he invests the remaining amount (i.e. the sum up to €5 million) under any of the mentioned criteria.

The conversion of deposits held in the Bank of Cyprus that have been compulsorily converted into shares, is included under criterion 4 above.

## Collective Investment scheme

### Required investment amount €2,5 mln

The applicant can elect to invest a reduced amount of €2,5 million in any of the mentioned categories, on the basis of participation in a collective investment scheme with a total value of at least €12,5 million:

- [Criterion 1](#): Cyprus government bonds
- [Criterion 2](#): Financial instruments
- [Criterion 3](#): Real estate and land developing
- [Criterion 4](#): Cyprus businesses and companies.

#### Terms and conditions

It is noted that in addition to satisfying any one of the above criteria, either under the individual scheme or the major collective investment scheme, the applicant must:

- a) Have a clean criminal record; and
- b) Own a permanent residence in Cyprus of a market value of at least €500.000 excluding VAT (This condition does not apply if the investment under Criterion 3 is exclusively in a single piece of real estate residential property).

#### Other useful notes:

- The investor is obliged to retain the investment for at least three years following the acquisition of Cypriot citizenship, with the exception of the residential property of at least €500.000 that should not be disposed at any point in time or if disposed the investor should substitute with another property of an equal or higher purchase price.

# Main Benefits

## Benefits of receiving the Cyprus Citizenship

- An express procedure - 3 months to be approved;
- The investment is as low as €2,5 million;
- The investor must retain the investment for just 3 years after which s/he is free to realize it;
- Citizenship granted to the spouse of the investor and minor children as well as to the financially dependent adult children up to the age of 28, who are full time students;
- No requirement to reside in Cyprus;
- Access to all the rights of an EU citizen protected by EU legislation and regulations: freedom to work, study, reside in any EU-member state, as well as Switzerland, Norway, Iceland, Liechtenstein;
- No language proficiency tests;
- Dual-citizenship permitted and the acquisition of citizenship in Cyprus is not reported to other countries;
- Low government fees for the filing of the application;
- Wide choice of investment options;
- VISA-free travel to over 150 countries worldwide.



# Cypriot Citizenship programme: Competitive advantages



# Permanent Residence programme

## Fast track procedure

As an alternative way to secure permanent residence in Cyprus for investors and their dependants, an immigration permit application under the provisions of Regulation 6(2) of the Aliens and Immigration Regulations may be submitted with the investment amount being substantially lower than the Cypriot Citizenship, from €300.000 (excluding VAT), provided that they fulfill certain criteria.

### Financial criteria:

- a) The applicant must prove that s/he has at his/her disposal a secured minimum annual income amounting to €30.000 (employment in Cyprus is strictly prohibited). The minimum annual income is increased by €5.000 for each dependent person. The annual income must be derived from sources abroad and can include overseas employment income, pensions, dividends etc.
- b) The application form must be accompanied by a title deed or a contract of sale that has already been submitted to the Department of Lands and Surveys, for the acquisition of a house, apartment or any other building situated in Cyprus, of a minimum market value of €300.000 (excluding VAT). Further, the applicant must submit proof of payment for at least €200.000 (excluding VAT) in respect of the above mentioned property. It should be noted that the Civil Registry and Migration Department will only accept applications for granting immigration permits under the fast track route provided that the above mentioned property is being sold for the first time.

- c) The applicant must submit a confirmation letter from a Cyprus Banking Institution that s/he has deposited a minimum amount of €30.000 which will be pledged for a minimum period of three years.

Please note that the amounts mentioned in paragraphs (b) and (c) should be proven to have been transferred to Cyprus legally from abroad.

### Other conditions:

- Clean criminal record;
- Statement confirming that s/he has no intention to work or be engaged in any form of active business in Cyprus;
- The applicant is required to visit Cyprus at least once every two years.

Provided that the financial criteria and conditions described above are fulfilled, the application shall be examined by the Minister of Interior in a positive spirit and the immigration permit should be granted within a 2 month period.



# KPMG's services

KPMG in Cyprus has a dedicated immigration team that can provide specialised assistance in respect of the following:

## Assistance for obtaining the Cyprus Citizenship

- Provide our clients with the relevant analysis of the investment criteria that the foreign investor may elect, depending on his/her personal circumstances;
- Advise on the application process and all required documents that must accompany each investment option;
- Examine the chosen investment option and advise accordingly in order for the individual to meet the terms and conditions, as well as the financial criteria, in the most effective and efficient way;
- In the instance where the client decides to invest in Cyprus government retail bonds we can assist with the process of acquiring the bonds from start to finish;
- Carefully review the application package for accuracy and completeness in order to avoid undue and unnecessary delays upon the stage of examination;
- Proceed with the submission of the application form on behalf of the client, together with the supportive documentation and the payment of the relevant submission fee;
- Following the submission of the application our immigration team continuously monitors the status of the application in order to ensure that it is properly progressing and provide additional documentation/clarifications if required by the Cyprus Authorities.

## Assistance for obtaining a Permanent Residence permit

- Provide specialised advice on the relevant legislation and procedures;
- Assist with the completion of the application form;
- Review documents, provide guidance and collect all relevant information so that the application is complete.
- Act as a representative of the individual and submit the form to the Cyprus Authorities;
- Post submission of the application our immigration team continuously monitors the status.

## Other Immigration Services

KPMG in Cyprus can also assist companies with a registration at the Civil Registry and Migration Department, offer assistance in obtaining the relevant work and temporary residence permits for European Union and third country nationals and their dependents.





# About KPMG

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We have 162.000 outstanding professionals working together to deliver value in 155 countries worldwide. KPMG in Cyprus traces its origins back in 1948 and today is one of the largest audit and advisory firms in the Cyprus market.

At KPMG, our guiding philosophy is to provide our clients with the highest-quality service. Through our peoples' high academic and professional qualifications and experience, KPMG can deliver value-adding solutions for demanding and complex projects. Quality service is a total and continuing commitment.

KPMG Cyprus has a fully dedicated Immigration team that can provide specialized assistance for obtaining the Cyprus citizenship and Permanent Residence Permit offered to foreign investors. Our experienced team has a 100% success record on all submitted Cyprus Citizenship applications.

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