

## WHAT IS THE BENEFIT OF OBTAINING PERMANENT RESIDENCY IN CYPRUS?

Permanent residency status means that your family has the right to live freely in Cyprus or continue to live in your home country and just use the permit whenever you need it. It can act as an insurance policy for the future.

Permit holders also have the right to own a business in Cyprus or setup a Cyprus company as an intermediary for export trading throughout the world, thus benefit from Cyprus' excellent business and tax advantages. Cyprus is a superb base for traveling throughout Europe with its excellent flight connections and visas are very easy and quick to obtain. A permit holder can obtain a Schengen visa within just one week. Travel will become even easier when Cyprus becomes a Schengen State in the very near future. The island offers excellent education opportunities which enable your children access to the best universities worldwide.

It also gives you the right to apply for EU citizenship after 7 years!

The Cyprus program is unique in that once the permits are obtained they are valid forever, even after the children are no longer dependent. "Permanent residency offers your family the freedom to live freely in the EU and to travel with ease, it provides access to excellent education and healthcare, or simply offers an insurance policy for an uncertain future!"

## Who qualifies?

The residency permit applies to the investor, their spouse, minor children, unmarried dependent adult children up to age 25 that are studying outside of Cyprus, studying in Cyprus.

## The investment

*Permanent residency may be obtained through a secure property investment. €300,000 plus VAT in new residential real estate (in a single property or two properties). Purchasing a property in Cyprus is a secure investment and a desirable asset that could provide an income should you decide to rent the property.*

*Cyprus is a modern country that enjoys a strategic geographical position. It lies at the crossroads of three continents, Europe, Africa and Asia, thus provides unrivalled access and travel opportunities. It has a rich heritage, beautiful beaches with the cleanest bathing waters in Europe, fresh air, a wonderful Mediterranean climate and cosmopolitan cities with an abundance of amenities. The island offers a low cost but high standard of living and is a very popular year-round destination for Europeans seeking a coastal or golf holiday.*



**Business & Taxation**

Permit holders may own a business in Cyprus and benefit from a low corporation tax of 12.5% on net profits by setting up a Cyprus company. Additionally, they can use their Cyprus company as an intermediary for export trading activities from their home country to enjoy tax benefits.

Cyprus is firmly established as a reputable international commerce centre, the ideal bridge between East and West. It offers a tax efficient gateway for channeling foreign investments anywhere in the world. The Cyprus tax system is in full compliance with EU and OECD requirements. It provides a unique combination of favourable participation exemption provisions on income emanating from international activities, applies a wide network of double tax treaties, and zero withholding taxes on any type of payments made anywhere in the world.

By invoicing all exports through a Cyprus company and accumulating most profits in Cyprus, permit holders may take advantage of the 12.5% corporation tax and benefit from the 0% tax on dividends offered to non tax residents.

Anyone spending less than 183 days in Cyprus is considered non tax resident and will not pay tax on their worldwide income, only on income derived from Cyprus, excluding dividends.

Our company's tax experts partners will give you detailed information on business and taxation in Cyprus.



**Long-term residency**

Upgrading your permit to long-term residency status will enable you to enjoy similar rights to EU citizens, including the ability to work and operate a company. A holder of the Cyprus residency by investment can apply for citizenship after 5 years of continuous stay in Cyprus, within a 7-year period. The equivalent number of days of stay which needs to be completed is 1825 (5×365). The last year before applying, the applicant needs to be continuously in Cyprus (small absences are accepted).

According to article 18H of the Aliens and Immigration Law, Cap.105 implementing Directive 2003/109/AC, non- EU nationals who live in a EU Member State for a period of more than 5 years are entitled to apply for long-term residency. This European Directive aims to provide permit holders with a set of uniform rights which are as near as possible to the rights which European citizens enjoy. These rights include the ability to work or operate a company, to benefit from the prevailing tax laws and to access the same educational and professional opportunities offered to Cypriot and EU citizens, including scholarships.

Longterm residency status is permanent and available to all non-EU nationals that have resided in Cyprus for over 5 years.

The requirement is that the holder of such a permit, as well as his dependent persons are obliged not to be absent from the Republic for more than two (2) years.

**Citizenship**

Permanent residents become eligible to apply for citizenship after 7 years, in accordance with legal provisions, subject to fulfilling certain criteria. An EU citizen is free to live, work, travel, receive healthcare or pursue education anywhere within the EU, including the UK. In fact, travel benefits extend way beyond Europe with Cypriot passport holders being able to travel visa free to an extensive list of countries. Those that do require visas, such as the US, have very limited requirements and visas are issued within just a few days.



## **Legal Requirements to Obtain the 6(2) Category Residency Permit**

### **1. Property purchase**

The applicant must submit with his application, a title deed or deed of sale in his name and/or his wife's name filed with the Department of Land and Surveying for a residence or other building with a market value of at least €300,000 (plus VAT, if applicable) and provide official receipts of payment, regardless of the date of delivery of the property.

### **2. The investment property**

The property can also be put on a company name provided that the company is registered in the name of the applicant and/or the applicant and spouse, and that he/they are the sole shareholders.

The applicant may purchase up to 2 residential properties (apartments/houses), or one residential unit and one shop (with a maximum area of 100sqm), or one housing unit and one office (with a maximum area of 250sqm), provided that the combined value exceeds €300,000 plus VAT. This allowance is per married couple. From 7th May 2013, the Government has stipulated that only new properties purchased directly from a developer qualify for this scheme. Additionally, the units should be purchased from one developer.

The property that will be used as the investment, for the submission of the application and will 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

### **3. Annual Income**

The funds to be used for the investment must be proven to have come from abroad from the main applicant's account or his spouse, provided that he/she is included as a dependent person in his application.

The funds used for the investment should also come from abroad from a bank account of a company that the applicant and/or his/her spouse are the sole shareholders provided the shareholder is included in the application. Same rule applies to the funds to be received in a banking institution here in Cyprus on the part of the Seller.

## **4. Required Documentation**

For the submission of the application, all family members must provide Health Insurance Certificate for medical treatment covering inpatient and outpatient care. In addition, the applicant must submit a criminal record certificate (issued from the country of origin), marriage certificate and children's birth certificates. A Curriculum Vitae (CV) and copy of a passport (valid for at least 2 years) are also required. Following the latest amendments on 3rd May 2023, the applicant will now be required to provide on an annual basis evidence that he maintains the investment, and that he and his family members hold a health insurance certificate in case they do not continue to be beneficiaries of the GESY/ NHS. The applicant and the adult members of his family are also required to provide on a three-year basis a certificate of clear criminal record from their country of origin and country of residence.

## **5. Dependants**

As dependent family members, the main applicant can include only his/her spouse, minor children 1 and adult children up to the age of 25 who are university students financially dependent to the main applicant. No parents nor parents-in-law are accepted as dependent family members.

\* For Sale Agreements lodged at the LRD between the period 01/01/2023 – 28/04/2023 the previous PR criteria will be applicable.

The applicant must be able to prove that he has at his disposal an insured annual income of at least €50.000-. The annual income increases by €15.000- for the spouse and €10.000- for each minor child.

Income should come from salaries for work, pensions, shareholder dividends, permanent deposits, rents, etc., coming from abroad, which will be proven. The annual income of the applicant can be proven either through his tax return from the country in which he declares himself tax resident or through official certificates from an independent chartered accountant. The income of the applicant's spouse may also be taken into account in calculating the total income.