



**CYPRUS PERMANENT RESIDENCY
PERMITS**

2016

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A. INTRODUCTION

This publication analyses the conditions and sets out the documentation needed in order for an interested person to apply for a permanent residence permit in Cyprus without naturalization, under the two relevant regulations.

The main reasons why individuals consider the acquisition of a permanent residence permit include the following:

- Having a safe and stable permanent EU residence as an alternative to their current country.
- Having a holiday home in a Mediterranean destination.
- As a first step to acquiring Cyprus (EU) citizenship.
- In order to enjoy the tax benefits of Cyprus residents with regards to receiving income from sources outside Cyprus (e.g. pensions, dividends etc.) and making use of the extensive network of Cyprus double tax treaties.
- As a stepping stone to operations in mainland Europe.
- In order to take advantage of certain incentives or legislation applicable to persons having double residency according to the regulations of their country of origin.
- Holders may easily obtain EU Schengen visa allowing visa free travel within the EU.

There are two ways in which a person may be eligible to apply for a permanent residence permit:

- First, by virtue of acquisition of immovable property with a minimum value of Euro 300.000 (excluding VAT) plus a three year fixed deposit of Euro 30.000, as described in detail in Section B below and;
- Second, by virtue of possessing a secure annual income, as described in Section C below.

The permits under Regulation 6 (2) and under Category "F" are both Permanent Residency Permits in Cyprus granted by the Ministry of Interior of Cyprus to applicants that fulfill the relevant criteria for the relevant permit and as such should not be confused with citizenship or naturalization.

The holders of a permanent residence permit under regulation 6 (2) or under Category 'F':

- Are allowed to reside in Cyprus permanently and indefinitely;
- Must visit Cyprus once every 2 years;
- Are not allowed to work in Cyprus;

- Must possess an annual income of a minimum of €30.000 emanating from sources other than employment, business or trading in Cyprus.

The application can be submitted by a representative of the applicant and there is no need for the applicant to personally come to Cyprus before or during the submission of the application. The presence though of the applicant at the Migration department at the moment of filing of the application for giving of his/her biometric measures will speed up the issuance of the permit card upon approval of the application.

There are 2 ways of obtaining the permanent residence permit; either by acquiring immovable property in Cyprus under Regulation 6 (2) or by virtue of possessing a secure annual income under Category 'F'.

B. CYPRUS RESIDENCE PERMIT UNDER REG. 6 (2)

The permanent residency permit under regulation 6 (2) is granted within a maximum of a 2 month period from the date of full and complete submission of the documentation mentioned in Appendix I below. The 2 month period is strict and there cannot be any further delays or requirements from the part of the Ministry of Interior. The criteria and conditions needed to be fulfilled by an applicant in order to be eligible to apply are the following:

I. Criteria and conditions

1. Eligible Applicants under Regulation 6 (2)

An individual that may apply for a permanent residency permit under regulation 6 (2) must:

a. Purchase residential and/or other property (house/s or apartment/s or shop/s or office/s or any other building/s) in Cyprus, with funds transferred from abroad, with minimum market value of €300.000 (excluding VAT). As the regulation stands now the applicant may acquire:

- 1 or 2 residences (apartments or houses), or
- 1 residence (apartment or house) and 1 shop of maximum total area 100m², or
- 1 residence (apartment or house) and 1 office of maximum total area 250m².

Conditions:

- The total value of the property must be minimum €300.000 (excluding VAT).

- The property may include independent buildings but acquired from the same Developer.
- The property must be purchased for a first time directly from the developer (As from 7.5.2013 resale agreements are not accepted).

Important Notes:

- i. Each couple (applicant and spouse) is not allowed to acquire more than 2 properties as described above.
 - ii. The Agreement for the acquisition of the property or the Title Deed must be in the name of the applicant and/or in the name of the spouse.
 - iii. The acquisition of the property may be made by a Company (registered in Cyprus or any EU country), instead of by a physical person provided that such Company has as registered sole shareholder(s) or beneficial owner/s:
 - The applicant or
 - The applicant and the spouse
 - iv. The Acquisition of Immovable Property Agreement must be duly stamped by the Commissioner of Stamp Duty.
 - v. The Acquisition of Immovable Property Agreement must be duly deposited with the Land Registry Office.
 - vi. Deposit/Pay to the Seller at least €200.000 (excluding VAT) transferred from abroad as initial part payment of the property acquired to a bank account of the Seller in Cyprus.
 - vii. The applicant and his/her spouse, if applicable, must have a Clear Criminal Record and in general not be in any way a threat to public security or public order in Cyprus.
 - viii. Declare that he/she does not intend to have employment or self-employment in Cyprus.
- The fact that the applicant and/ or spouse may be shareholders of a Company registered in Cyprus receiving dividends as income does not affect the application for permanent residence.
- ix. The applicant and his/her spouse, if applicable, should declare the sources, origin and amount of their annual income in accordance with the above conditions.
 - x. The applicant and his/her spouse/dependents, if applicable, must be insured by a Health Insurance Policy.

b. Deposit to a Cyprus Bank Account the amount of €30.000 as a fixed deposit for a three year term.

c. Possess together with the spouse an annual income of minimum €30.000 as well as €5.000 for each dependent child under 18 years of age OR for any dependent child 18-25 years of age and unmarried provided that he/she is a university / college student. Further for possess a further annual income of €8.000 for each parent of the applicant or the parent of the spouse of the applicant.

The applicant's income may not emanate from employment, business or trading in Cyprus but may emanate from:

- receipt of dividends received from Cyprus or abroad, or
- salaries from employment outside Cyprus, or
- interest on fixed deposits transferred from abroad, or
- pensions transferred from abroad, or
- rents transferred from abroad.

2. Further Eligible Applicants under Regulation 6 (2)

The following individuals may also apply for a residence permit under regulation 6 (2) if they fall under the following categories:

a. Families

The applicant along with his/her dependent spouse and children under 18 years old may apply. If the applicant and his/her spouse wish, it is possible to issue two separate permits. The children under 18 years old may be included as depended on both permits.

b. Unmarried Dependents between the ages of 18-25

Unmarried dependents of the applicant aged between 18-25, provided that they are financially dependent on the applicant and are university/ college students abroad may apply individually by submitting a separate application to obtain a permit. In the event, that the permanent permit is obtained, at the time of submission of the application the dependent must still have remaining tuition of at least 6 months at university/college.

The permit continues to apply even after the dependent has reached the age of 25 and is no longer unmarried/financially dependent on the applicant/a student.

c. Non-dependent person of over 18 years of age

The child of the applicant who is over 18 years of age and does not depend on him/her may apply individually by submitting a separate application to obtain a permanent residence permit under the conditions prescribed in point I(1) above

and by submitting the documents prescribed in Appendix I below.

With regards to the condition of acquiring the immovable property, the applicant is not obliged to acquire an independent immovable property if the property acquired by his/her parent is of a minimum value of €600.000 (excluding VAT). If there is a second independent child who wishes to apply for a permit then the minimum value of the property acquired by the parent should be €900.000 excluding the VAT. In such cases the receipts to be submitted, should cover at least the 66% of the value of the immovable property acquired by the parent.

d. Parents of the applicant or parents of the spouse of the applicant

The only additional condition which the applicant and his/her spouse need to prove is to provide evidence of an additional annual income of €8.000 per dependent parent or parent of spouse.

II. Important Notes

1. All documents must be presented in Greek or English language. All other languages must be officially translated by the PIO (Press and Information Office) of Cyprus.
2. Documents must be Apostilled in accordance with the Hague Convention. If the Country of origin of the document is not a member of the Hague Convention for the Apostille of Documents the documents to be submitted must be certified by the Ministry of Foreign Affairs of the Country of origin AND then verified either by the Embassy/Consulate of Cyprus in the Country of origin OR the Embassy/Consulate of the Country of origin in Cyprus.
3. The governmental charges must be paid to the Migration Department at the time of submission of the application.

III. Duration of the permit

The duration of the permit is indefinite and will not be cancelled provided that the holder visits Cyprus once every 2 years.

IV. Time needed for the examination of the application

The examination of application does not exceed 2 months.

C. CYPRUS RESIDENCY PERMIT UNDER CATEGORY 'F'

The second way to obtain a permanent residence permit in Cyprus is by satisfying the authorities that the applicant has a secure annual income. An applicant who fulfills all the criteria and conditions mentioned below and submits the relevant documentation may be granted a Category "F" permit within a period of 1 year from the submission of the application, under the discretion of the Minister of Interior.

The applications are examined in connection with the overall profile and financial status of the applicant.

For example, the application by a person who intends to buy a property in Cyprus and who pays the 80% of the value of that property, or who intends to rent a villa for €2.000 per month, or who can afford to keep a housekeeper, or will take his/her children to private schools, will surely give such an applicant increased chances of a positive outcome of his/her application.

I. Criteria and Conditions

An applicant who:

1. Owns or rents a residential property in Cyprus of any value and preferably has fixed deposits in Cyprus Banks.
2. Holds an annual income of minimum €30.000 (+ €5.000 for any dependent).

The applicants' income may not emanate from employment, business or trading in Cyprus but may emanate from:-

- receipt of dividends transferred from abroad, or
- salaries from employment outside Cyprus, or
- interest on fixed deposits transferred from abroad, or
- pensions transferred from abroad, or
- rents transferred from abroad.

3. Is of a Clear Criminal Record and in general is not in any way a threat to public security or public order in Cyprus.

4. Has the intention to take up permanent residency in Cyprus. may apply for a Category "F" permit under this Section.

II. Duration of the permit

The duration of the permit is indefinite and will not be cancelled provided that the holder visits Cyprus once every 2 years.

III. Time needed for the examination of the application

The examination of application takes up to 1 year

D. HOW KINANIS LLC CAN ASSIST YOU

OUR FIRM CAN ASSIST YOU WITH THE FOLLOWING:

- Preparation, completion and submission of the application and relevant supporting documentation.
- Opening of bank accounts in Cyprus.
- Review and drafting of contract of sales and purchase or renting agreements regarding
- Immovable property in Cyprus.
- Introduction to health insurance companies in Cyprus.
- Introduction to real estate agents in Cyprus.
- Evaluation of Properties before Acquisition.
- Schengen Visa liaising.
- Naturalization once the criteria are met.

E. DISCLAIMER

This publication has been prepared as a general guide and for information purposes only. It is not a substitution for professional advice. One must not rely on it without receiving independent advice based on the particular facts of his/her own case. No responsibility can be accepted by the authors or the publishers for any loss occasioned by acting or refraining from acting on the basis of this publication.

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APPENDIX I - Cyprus Residence Permits under Reg. 6 (2)

A. Documents required for the application of permanent residence permit under Reg. 6 (2) for each relevant person. The following documents are required:

- a. Application Form containing the applicant's particulars, if any.
- b. Copy of applicant's valid passport.
- c. Copy of the temporary residence permit if applicable.
- d. Original Curriculum Vitae (including academic qualifications) + copies of Degrees/ Diplomas/ certificates.
- e. Original bank account statements of current account and/or deposit accounts (Either in Cyprus or abroad).
- f. Original Fixed Deposit verification from a Cypriot bank for the amount of €30.000 on an annual basis fixed for 3 years, confirming that the amount of the fixed deposit has been transferred from abroad.
- h. Original or True Copy of the Title Deed for the Immovable Property, if available together with the Agreement for Acquisition of the Immovable Property duly stamped by the Commissioner of Stamp Duty OR if the Title Deed is not available, Original or True Copy of the Acquisition of the Immovable Property Agreement duly stamped by the Commissioner of Stamp Duty, in the name of the applicant and/or the spouse or the Company.
- i. Copy of the receipt of the deposition of the Acquisition of Immovable Property Agreement with the Lands Registry Office.
- j. Original or true copy of shareholder certificates and/ or other documents evidencing that the applicant and/or the spouse are the sole shareholders of the Company which acquired the Immovable Property (if the Acquisition of Immovable Property Agreement is in the name of a Company).
- k. Original receipt of payment, of at least €200.000 as part payment of the purchase price of the property acquired. Bank swift evidencing that the amount of the part payment has been transferred from abroad.
- l. Original declaration by the applicant that he/she does not intend to work or be engaged in any form of employment, business or trading in Cyprus.
- m. Original declaration by the applicant stating the sources, origin and amount of annual income other than employment/ trading/ business in Cyprus (at least €30.000 – plus €5.000 for each dependent plus Euro 8.000 for each parent).
- n. Original documents evidencing the source of such income as described above (at least

€30.000 – plus €5.000 for each dependent).

o. Original Certificate of Health Insurance Policy for the applicant, the spouse and the applicant's dependents.

p. Original duly certified Certificate of clear criminal record for the applicant, the spouse and the applicant's dependents.

q. Original duly certified Marriage Certificate if applicable.

r. Original duly certified Birth Certificates of the applicants' dependents.

B. Documents required for the application unmarried applicants dependents between the age of the 18 – 25. The following documents are required:

a. Application Form containing the applicant's particulars.

c. Copy of applicant's valid passport.

d. Copy of the temporary residence permit if applicable.

e. Original Curriculum Vitae (including academic qualifications).

f. Copy of the permanent permit obtained or receipt of the deposition of the application by the parent/s under regulation 6 (2).

g. Original parent's declaration stating the sources, origin and amount of annual income other than employment/ trading/ business in Cyprus (at least €30.000 – plus €5.000 for each dependent).

h. Original documents evidencing the source of the parent's income as described above (at least €30.000 – plus €5.000 for each dependent).

i. Original declaration by the applicant that he/she does not intend to work or be engaged in any form of employment, business or trading in Cyprus.

j. Original Certificate of Health Insurance Policy for the applicant.

k. Original duly certified Certificate of clear criminal record for the applicant.

l. Original duly certified Birth Certificate of the applicant.

m. Original verification of studying in a university or college proving a remaining tuition period of 6 months from filing of the application.

C. Documents required for the application of parents of applicant or parents of spouse of applicant. The following documents are required:

- a. Application Form containing the applicant's particulars.
- b. Copy of applicant's valid passport.
- c. Copy of the permit of the child or his/her spouse under Reg. 6(2) or proof of submission of the relevant application for immigration permit under Reg. 6(2)
- d. Original Curriculum Vitae (including academic qualifications).
- e. Original child's declaration or of his/her spouse stating the sources, origin and amount of annual income other than employment/ trading/ business in Cyprus (at least €30.000 – plus €8.000 for each parent).
- f. Original declaration by the applicant that he/she does not intend to work or be engaged in any form of employment, business or trading in Cyprus.
- g. Original Certificate of Health Insurance Policy for the applicant.
- h. Original duly certified Certificate of clear criminal record for the applicant.
- i. Original duly certified Birth Certificate of the child or the spouse of the child proving the connection with the applicant.

APPENDIX II – CYPRUS RESIDENCE PERMIT UNDER CATEGORY 'F' for each relevant person

A. Documents required for the application of Category 'F' The following documents are required:

- a. Application Form containing the applicant's particulars, if any.
- b. Copy of applicants' and his/her dependents valid passports.
- c. Copy of the temporary residence permit if applicable.
- d. Original Curriculum Vitae (including academic qualifications).
- e. Original bank statements of Cyprus current account (last 2 months).
- f. Original Fixed Deposit Verification from a Cypriot bank for any amount deposited in a fixed deposit account (if applicable).
- g. Original or true copy of the Title Deed and Contract of Sale or Contract of Sale duly stamped or Rent Agreement regarding the residential premises.
- h. Original declaration by the applicant that he/she does not intend to work or be engaged in any form of employment, business or trading in Cyprus.
- i. Original declaration by the applicant stating the sources, origin and amount of income (at least €30.000).
- j. Original documents proving the sources of income mentioned above.
- k. Original Certificate of Health Insurance Policy for the applicant and his/her dependents.
- l. Original duly certified Certificate of clear criminal record for the applicant and his/her dependents.
- m. Original duly certified Marriage Certificate.
- n. Original Birth Certificates of any dependent children.
- o. Any other supporting documents proving the financial status of the applicant

Our Firm

Kinanis LLC, a law and consulting firm, is one of the leading and largest business law firms in Cyprus and advises for over 33 years the international investor and private clients on all aspects of law, tax and accounting.

Kinanis LLC absorbed the business of its shareholders which are in the legal and consulting profession since 1983, with local and international dimensions.

Experience and practice over the years brought forward the need for transformation from a traditional law firm to a more innovative multidisciplinary firm providing a full range of services combining law and accounting with the extensive expertise in corporate and tax advice to ensure that our clients will obtain the best possible spherical advice adopting the principle as to the services offered "All in one place", so that the client will find a quick, correct and efficient solution to its daily legal, accounting and tax issues in a trustworthy environment.

This combination of legal, accounting and tax services through our well qualified personnel and our involvement and participation in international transactions over the years, have established our firm as one of the key players in the field. Our involvement in international financial transactions has also provided us with the extensive expertise in representing groups, corporations, funds as well as the private client.

The firm is staffed with around 80 young, energetic and ambitious professionals, including lawyers, accountants and administrators who provide prompt, efficient and high quality services and who are capable of meeting the current demanding challenges of the local and international business environment.

We always look to give solutions in a simple and as possible quick way focusing on the needs of each client trying to anticipate the issues before becoming a problem.

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