

INFORMATION SHEET 3

Title:	Permanent Residence Permit (PRP)		
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General

The Cyprus government introduced in 2012 a new, fast-track procedure for granting Immigration Permits to applicants who are third country nationals and intend to invest in Cyprus.

In order to expedite, modernise and further simplify the process, the Ministry of Interior revised the procedure via the 1st revision on 5 May of 2013 and the 2nd revision on 22nd of February, 2016.

The new procedure established a new and simple legal framework by which an immigration permit, such as a Permanent Residence Permit (PRP), is granted.

The new immigration permit aims at attracting new investment into the Republic of Cyprus. In parallel, besides ensuring free movement within Cyprus, it provides third country nationals with a gateway to the European Union and allows them to expand their business activities in the European market through the utilisation of the Cyprus highly favourable tax regime.

The immigration permit procedure is considered one of the easiest and fastest in the EU and PRPs are granted for life provided that the purchased dwelling/property is not alienated and if so must be immediately replaced with another dwelling/property of the same or higher value otherwise will result to the cancellation of the Immigration Permit pursuant to the provisions of Regulation 6(2) of the Aliens and Immigration Regulations.

Criteria

Pursuant to the provisions of Regulation 6(2) of the Aliens and Immigration Regulations, PRPs may be granted to third country nationals who fulfil the following criteria:

Secure Minimum Annual Income

The applicant must prove that he has at his disposal a secured minimum annual income of €30.000, from sources outside Cyprus. The necessary minimum annual income is increased by €5.000 for each dependent person of his/her family and by €8.000 for every depended parent or parent-in-law. The income should derive from legal sources as salary abroad, rent, pension, interest, shares, dividends, etc. For the calculation of the total amount of the annual income, the spouse's income may be also taken into consideration.

Cyprus Bank Deposit

The applicant must submit a confirmation letter from a Cypriot Bank stating that that he has deposited from sources abroad a minimum capital of €30.000 into an account, which will be pledged for a period of at least three years.

Purchase of Property

The applicant must submit, with the application, title deeds or a contract of sale in his name and/or his spouse, which has been officially filed with the Department of Lands and Surveys, for a dwelling or other building, of a total market value of at least €300.000, not including VAT, and official receipts for the payment of at least €200.000 not including VAT, irrespective of the date for the delivery of the dwelling. Full payment of the value for the dwelling shall be settled in an account in a financial institution in Cyprus. The said amounts must be proven to have been transferred to the Republic of Cyprus from abroad.

The property could be purchased in the name of the Company under the following conditions:

- a) The Company is registered in Cyprus
- b) The applicant or his/her spouse (or both) must be either the registered shareholders and his/their name(s) names should appear in the certificate of the shareholders of the Company or be the ultimate beneficial owners of the Company.
- c) The applicant(s) must be the only shareholder(s) in the Company or the ultimate beneficial shareholders of the Company.

The 5 May 2013 revision of the legal framework now allows for the purchase of two properties for a total purchase of at least €300,000 as follows:

- a) House or apartment + house or apartment
- b) House or apartment + shop or showroom of up to 100 sq.m.
- c) House or apartment + office of up to 250 sq.m.

In case of a couple, the above requirements apply for both of them as couple and not separately for each person.

The said purchases must be in relation to a dwelling (and the combinations described above) sold for the first time by a land development company. In the case of acquiring two dwellings, both must be sold by the same company.

The alienation of the purchased dwelling/property without an immediate replacement with another dwelling/property of the same or higher price and in accordance with abovementioned conditions, pursuant to the provisions of Regulation 6(2) of the Aliens and Immigration Regulations, will result to the cancellation of the Immigration Permit.

Dependents

The Immigration Permit issued to an applicant covers his spouse and children under the age of 18. Unmarried children aged between 18 and 25, who may prove that they are students or undergraduates and are financially dependent on the applicant, may submit a separate application to obtain an Immigration Permit. In such a case, the father or mother and/or both parents together must present an additional annual income of €5.000 for every such dependent child.

An immigration permit may also be granted to children of the applicant over the age of 18, who are not financially dependent on the applicant, provided that the market value of the acquired property attributed to each such child is at least €300.000, excluding VAT.

So, for example, if the applicant has a child that is 30 years old and wishes to obtain an immigration permit, the applicant must purchase a dwelling(s) valued at €600.000, if the applicant has 2 adult children, financially independent, he must purchase a dwelling(s) valued at €900.000 etc. In such an event, a confirmation of payment for the 66% of the market value of the dwelling must be submitted with the application, e.g. €400.000 for a dwelling of a market value of €600.000.

It is noted that the purchase of such dwelling/property could be made in the name of the applicant and/or his /her spouse or solely on the child or on both the parents and the child.

In such case such child shall submit the necessary documentation with his application, such as a secured annual income of €30.000 and a deposit in a financial institution in Cyprus amounting to €30.000, which is bound for 3 years.

Clean Criminal Record

The applicant must submit a Criminal Record Certificate (if the applicant resides abroad), which must be issued by the Authorities in his country of origin, and he should not constitute in general any threat against public order or security in Cyprus, such Criminal Record may be issued by the relevant authority of the Republic of Cyprus in case the applicant resides in Cyprus.

No Cyprus Sourced Income

The applicant should submit an Affidavit that he or his spouse does not intend to work or be engaged in any form of business in Cyprus.

The applicant and his/her spouse may be shareholder/s in a Cyprus Company and in such an event income from dividends shall not be considered as a violation of the requirement of not engaging in any professional activity in Cyprus.

Frequency of Visits to Cyprus

The applicant and his family included in the Immigration Permit must visit Cyprus at least once every two years

Additional Submissions

- a) Copy of valid passport
- b) Copy of valid temporary residence permit (if the applicant resides in Cyprus).
- c) Curriculum Vitae (including academic qualifications)
- d) Proof of Health Insurance
- e) Marriage Certificate, if applicable (official and certified translation)
- f) Children's Birth Certificates, if applicable (official and certified translation)
- g) Other relevant documents as appropriate

Processing Time

The relevant authorities aim at granting the permit in a period not exceeding two months from the date of submission.

Conclusion

The Cyprus PRP is a simple and fast-track way of ensuring holders and their families free movement within Cyprus and the European Union. It allows investors to expand their business activities in the European market through the utilisation of the Cyprus highly favourable tax regime and unlike most other EU member states, the Cyprus PRP is granted for an indefinite duration.

At the same time, it offers third country nationals a lucrative investment opportunity since recent property price reductions make Cyprus an attractive place to buy low cost luxury property.

NOTE

The information in this document is intended as a guide only and every reasonable effort was made to ensure the accuracy and timeliness of the information. In no circumstances shall we be legally bound by any information contained in this document, and shall accept no liability in respect of loss caused by reliance on such information.

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