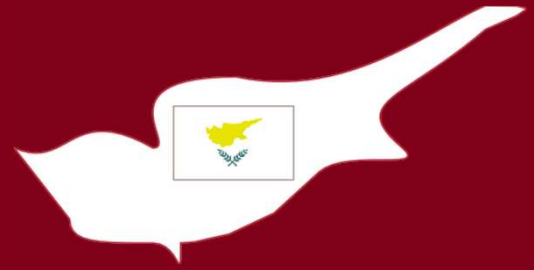


Cyprus



Citizenship by investment programme



Investment

Applicants must invest a minimum of EUR 2 million in 1 of the following:

- Investment in real estate, land development and infrastructure projects:
 - Residential properties
 - Commercial properties/Land development/Developments in the tourism sector/Combination; and/or
- Investment in financial assets of Cypriot companies/ organizations; and/or
- Investment in Alternative Investment Funds or financial assets of Cypriot companies/organisations that are licensed by the Cyprus Securities and Exchange Commission (CySec); and/or
- A combination of the aforementioned investments – including investments in special Government Bonds of the Republic of Cyprus up to a maximum value of EUR 500.000.

The investment must be maintained for a minimum period of 3 years from the date that citizenship is granted.

Real Estate Investment:

Applicants must purchase a permanent residence worth a minimum of EUR 500,000 which is to be retained for the life of the main applicant. This is not required if the applicant has already invested EUR 2 million in residential real estate.



Key Information

Citizenship

Applicants will first be issued with a permanent residence permit. Citizenship is typically granted within 6 months of submission of the application.



Family members

The investors' spouse, children under the age of 18 and adult children between the ages of 18-27 who are in full time study, can apply without additional investment. Parents of investors can apply for citizenship as well, provided they also purchase a permanent residence to the value of EUR 500.000 (excl. VAT).



Conditions of stay

The investment must be maintained for a minimum of 3 years following the grant of citizenship. A privately owned residence of EUR 500.000 must be retained for life by the investor.



Language requirement

No Language requirement



Dual citizenship

Permitted



Tax considerations for individuals who want to become resident in Cyprus

Pros



- Stable legal, tax and regulatory environment.
- Significant exemptions from taxation:
 - Profit on disposal of shares (and other qualifying 'titles', e.g. bonds, debentures).
 - Dividends and interest for Non Doms (17 years).
 - 50% exemption for a period of 10 years if salary from employment in Cyprus exceeds €100.000 (20% exemption in certain other cases).
 - 100% exemption of salaries for employment outside Cyprus subject to conditions.
 - No capital gains tax, except for properties in Cyprus (or shares of companies holding properties in Cyprus).
- Low personal tax rates 20% – 35% with a tax free band of approximately €20k.
- Option to tax at a flat rate of 5% on any amount in excess of €3.420 for foreign sourced pensions.
- Trust regime offers flexibility for asset protection and generational wealth transfers.
- No Inheritance tax, wealth tax or estate tax applies.
- Self-assessment regime.
- Corporation tax rate 12,5%. Effective tax rate may be lower through a number of exemptions as well as deductions.
 - Dividend exemptions; Profit on Disposal of shares and other titles exemption; PE exemption; Notional Interest Deduction on new equity; IP Box; FX tax neutral, etc.
- No WHT on dividends, interest and most royalties.
- No exit taxes.
- Unilateral relief of foreign taxes through credit.
- Access to broad Double Tax Treaty (DTT) network and EU Directives.

Cons



- Non-residents are subject to Capital Gains Tax for the disposal of Cyprus immovable property or shares of a company owning directly or indirectly immovable property subject to conditions. This applies unless DTT protection is available.