

CYPRUS

Residence and Citizenship Investor Programme | 2014



Foreword

In a time where immigration to traditional popular destinations such as Canada, Australia, UK and the USA is getting harder and all the more demanding, Cyprus, a member of the European Union and of the Eurozone, may provide an interesting alternative. Applications to these jurisdictions are nowadays limited to a small number per year and many applicants are forced to wait for a very long time only to be declined. The procedure under Cyprus' immigrant investor programme is simple, fast and straightforward. The main rationale behind both permanent residency and citizenship schemes is to attract new investment in Cyprus. Therefore once certain pre-defined conditions are satisfied the relevant permit will in most cases be granted within 2(two) or 3(three) months depending on the programme. Cyprus offers complete access to the European Union, a pleasant climate and an enviable quality of life.

Furthermore Cyprus' position as one of the most attractive tax planning jurisdictions worldwide comes as a bonus. The government's emphasis during the past twenty years in establishing the island as an international business center has aided to the development of its excellent infrastructure. The high quality of professional services combined with its well educated labour force and good industrial relations but mainly generous tax incentives create an ideal business environment.

We have prepared this publication for the use of clients, partners and staff of Typographos & Co Lawyers. It is intended to provide some general information to non-EU individuals about Cyprus' immigrant investor programmes and is not intended to be a comprehensive document.

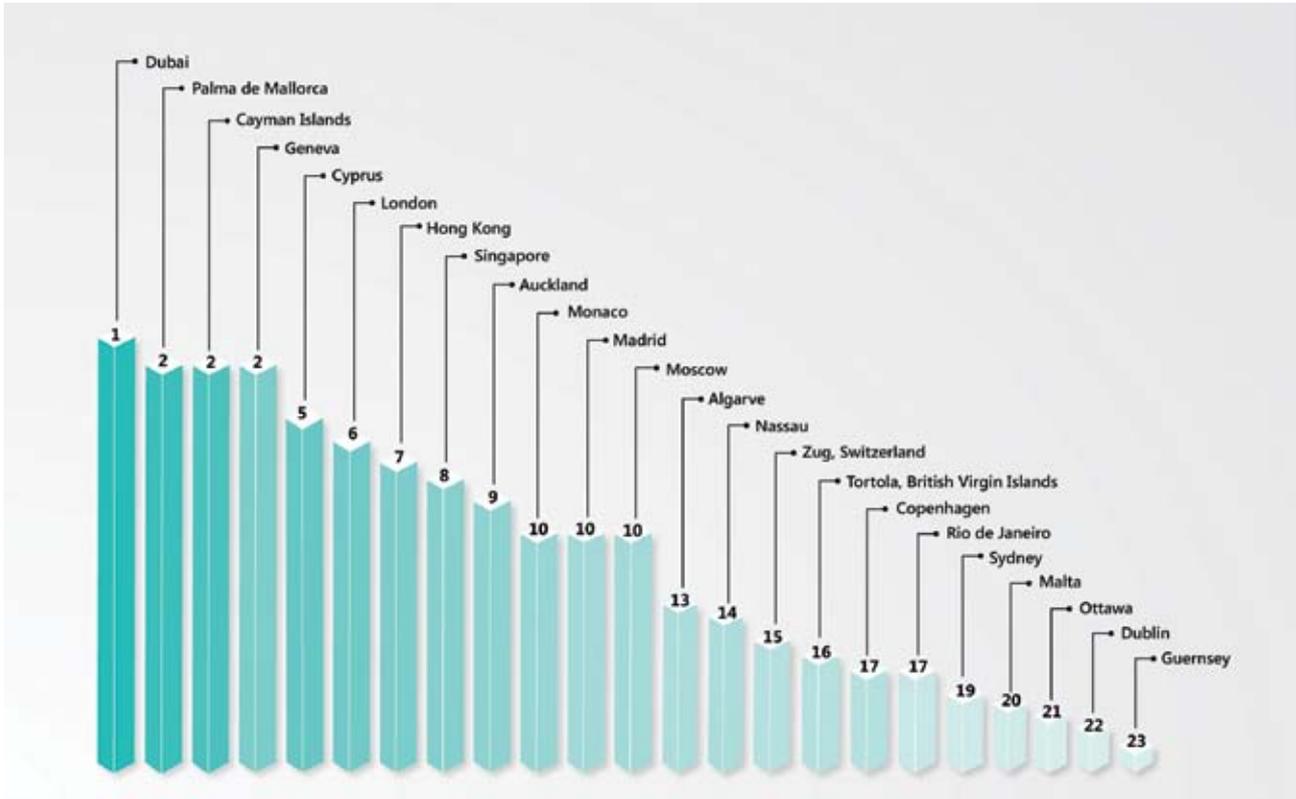
We will first provide general information about the island of Cyprus followed by detailed analysis of the procedures for obtaining either a residence permit or citizenship of Cyprus. Further, because the acquisition of immovable property is a prerequisite for both schemes, the current regime with regard to property purchase in Cyprus will also be analysed.

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Cyprus in general

In its current *Global Lifestyle Review*, Knight Frank, the leading independent global real estate consultancy, ranks Cyprus 5th, above London, Hong Kong, Singapore, Madrid and many other known jurisdictions in its Lifestyle Rankings. A number of key lifestyle factors were taken into account such as: education, climate, leisure pursuits cost of living and the availability of quality restaurants.



Knight Frank Global lifestyle Review - LIFESTYLE RANKINGS*



population of 862,000



member of the European Union since 2004



euro €



GMT+2



total area of 9,25km²



Greek, Turkish and English languages



7 universities, 30 colleges



320 days of sunshine per year



extensive number of leisure pursuits

*used under permission by Knight Frank LLP

Cyprus in general

LOCATION AND POPULATION

Cyprus is situated in the eastern Mediterranean Sea at the hub of three continents, Europe, Asia and Africa. It spans an area of 9,251km² and it is the third largest island in the Mediterranean after Sicily and Sardinia. Topographically, the island features forested mountains and sandy beaches.

The population of Cyprus is currently at about 862,000. The capital of Cyprus is Lefkosia situated in the heart of the island with a population of approximately 336,000 which is also the business and administrative centre of the island. The second largest city is Lemesos on the south coast with a population of approximately 241,000 and the island's major port, industrial and commercial centre and an important tourist resort. Larnaca and Pafos are the third and fourth largest cities, each with a new airport, situated on the south west and south east coasts respectively which are also important tourist resorts.

TIME ZONE

Cyprus' time zone is GMT +2 exactly seven hours ahead of New York and seven hours behind Tokyo. Hence, it is possible to work both with the west and the east when operating from Cyprus during normal working hours.

CLIMATE, LANGUAGES AND CURRENCY

Cyprus' pleasing Mediterranean climate consists of hot dry summers and mild winters. There are about three hundred and twenty days of sunshine a year. The peak summer months are July and August. The months from November to April produce the largest amount of rainfall and skiing is possible from January to March. In January the minimum and maximum mean temperatures range from 4°C (39°F) to 13°C (55°F), while in August they range from 21°C (70°F) to 36°C (97°F).

The official languages are Greek and Turkish but almost everyone speaks English as a second language. English is also widely used in commerce and government.

The unit of currency is the EURO (€).

INFRASTRUCTURE

The local infrastructure is ideally suited for business people that need to get things done. Thanks to its modern road network, extensive port facilities and two new international airports, travel and transport in and beyond Cyprus is fast, efficient and economical.

The coastal resorts of Larnaca and Pafos each operate international airports serving flights to and from both Europe and the Middle East. Larnaca is the largest of the two airports.

Lemesos and Larnaca are both bustling ports and work around the clock to serve the island's considerable import and export

markets. Lemesos is the largest port, although considerable infrastructure is in place to provide for easy and efficient operations at each coastal facility.

Moreover, a number of golf resorts and marina developments comprising of elegant residences, exclusive restaurants and shops, are currently under construction in Cyprus (such as the Lemesos and Ayia Napa marinas).

Considerable investment has been made into transforming the island into a major telecommunications hub in the region. By building upon its technologically advanced infrastructure, Cyprus has established an extensive telecommunications network, both in terms of cable and satellite, which ranks amongst the best in the world.

EUROPEAN UNION

Cyprus became a full member of the EU on May 1, 2004. Accession to the EU was a natural choice for Cyprus, driven by its culture, civilization and history, as well as its unwavering commitment to the values of democracy, freedom and justice.

EU accession has launched a new era of opportunities and responsibilities for Cyprus. With the dawn of 2008, Cyprus also joined the European Monetary Union.

Accession to the EU has also launched a new era of commitment to growth in Cyprus. Cyprus encourages Foreign Direct Investment opportunities in the priority economic growth sectors.

These priority economic growth sectors include: Banking & Financial Services, Education, Information Communication Technologies, Medical & Wellness Tourism, Professional Services (incl. legal and accounting), Research & Development, Shipping, Renewable Energy and Environmental Technologies. Overlaying in all sectors, Cyprus is keen to promote Knowledge Process Outsourcing (KPO) and Business Process Outsourcing (BPO) while enhancing business process innovation.

Today, Cyprus actively participates in EU programmes, focusing on strengthening growth in various economic sectors, as well as entrepreneurship and innovation across sectors and processes. In 2012 between July to December, Cyprus assumed, for the first time, the EU Presidency.

EDUCATION

Cyprus has a young, well-educated talent pool. The country is committed to education and is focusing on reforms to achieve sustainable growth. Since 2004 Cyprus has consistently allocated over 6% of GDP of public expenditure on Education.

Cyprus in general

There are 339 public and 29 private primary schools and 127 public and 39 private secondary schools (2010/11).

In 1996, Cyprus established the Cyprus Council for the Recognition of Higher Education Qualifications (www.kysats.ac.cy) which oversees the implementation of standards in higher education in the three public and four private Universities. Cyprus has more than 30 colleges and 200 accredited study programs.

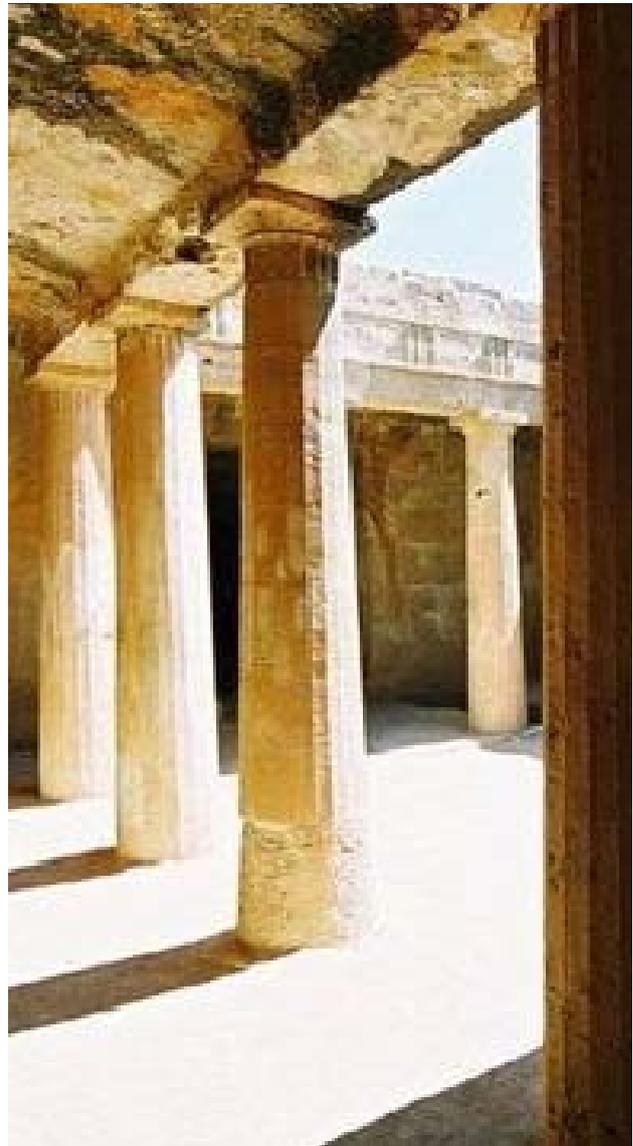
Following accession to the EU in 2004 and in an effort to ensure that highest standards of quality in education were met, the Ministry of Education and Culture harmonized the educational system of Cyprus with the European standards & guidelines. Cypriot educational institutes actively participate in EU programmes, like the Eurydice Network and the ERASMUS programme. Of all secondary students 88% speak English, 38% speak French.

AN INTERNATIONAL BUSINESS CENTER

In recent years Cyprus has developed into a center for international business. The Cyprus government has long placed considerable importance in providing a safe and secure location for commercial and business activities. Cyprus offers ease of doing business in a professional environment in the surroundings of a sophisticated culture and advanced quality of life, both for multinationals as well as small and medium enterprises. The island's excellent infrastructure, English based legal system, and high quality of professional services combined with its well educated labour force, good industrial relations but mainly generous tax incentives create an ideal business environment.

Being a member of the European Union since 2004 and a member of the European Monetary Union since 2008 Cyprus provides to investors access to a market of over 500 million citizens. Following its accession to the EU Cyprus lifted its banking secrecy rules and adopted the EU's 'Code of Conduct' on 'harmful tax practices'. Consequently Cyprus has been included in the list of countries which meet international standards, the so-called 'white list' set out by the Organisation for Economic Cooperation and Development (OECD), a fact that contributes greatly to the island's reputational advantage compared to many other international finance centres.

Cyprus offers to public or privately owned corporations a unique basket of advantages for the conduct of their affairs worldwide. The low tax rate together with the extensive double taxation treaty network (close to 50) provides companies resident in Cyprus with a strong basis for cross-border investments. Cyprus holding companies enjoy the additional tax advantage of dividend income and profit from the sale of shares being exempt from taxation (subject to certain easily met criteria). Cyprus royalty companies benefit from an 80% exemption on profits from the exploitation of intellectual property rights. Its



recently amended International Trusts Law provides maximum protection and flexibility to trust structures.

All these and much more have made Cyprus to be considered one of the most attractive tax planning jurisdictions worldwide. This is why, today, Cyprus is highly ranked on the list of preferential tax jurisdictions for international tax planners and is widely used by a number of global companies to reduce their overall tax burden and increase their effectiveness by structuring their investment through Cyprus.

International business entities registered in Cyprus conduct a diverse range of business abroad and can either operate from their own management headquarters or from the offices of lawyers or accountants in Cyprus. Furthermore a significant number of these business entities maintain fully-fledged administrative offices in Cyprus for the purpose of conducting their regional or world-wide affairs.

Permanent Residency



granted
within two months



invest in property
of at least €300,000



travel freely
within the EU



covers the
whole family



visit Cyprus once
every 2 years



clear criminal
record

Cyprus provides an ideal destination for non-EU individuals wishing to acquire permanent residency in a EU country. The whole process is simple and fast. It primarily requires an investment of a minimum of €300,000 on immovable property in Cyprus.

All applications are examined in a positive light and the immigration permit shall be granted within 2(two) months, provided all necessary criteria are met.

Once obtained the permit will also cover the applicant's spouse and dependants up to the age of 25 and shall not be cancelled, provided that all criteria are maintained.

CRITERIA

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

Residence

The applicant must own a residence or other immovable property in Cyprus worth at least €300.000:

- The property can be a house or apartment;
- Proof of payment of at least €200.000 is required;
- Proof that the funds for the purchase of the property have been transferred from abroad is also required;
- The contract of sale should have already been submitted to the Department of Lands and Surveys;
- The remaining amount will have to be paid in a Cypriot Bank account.

Notes:

- The buyer of the property may be a company of which the applicant and/or his spouse can prove to be the beneficial owners.
- The applicant may purchase up to two properties provided the total amount of both properties satisfies the requirement of €300.000:
 - two apartments or two houses or a combination;
 - one apartment/house and one shop of no more than 100m²;
 - one apartment/house and one office of no more than 250m².
- As of 07/05/2013 the property/ies bought can only be brand new properties.

Deposits

The applicant must have deposits of no less than €30.000 to a Cypriot Bank which will be pledged/blocked for at least a three year period. This amount must emanate from sources outside Cyprus.

Secured annual income

The applicant and his spouse (if applicable) must prove that they have at their disposal a secured annual income of €30.000:

- This must emanate from sources other than employment in Cyprus;
- It could be derived from wages earned outside Cyprus, pensions, dividends, deposits, rent income etc;
- The annual income threshold is increased by EUR €5,000 for each dependant person.

Criminal record

The applicant and his/her spouse (if applicable) must have a clean Criminal Record.

Further the applicant and his/her spouse must be judged not to pose a threat to public security or public order.

No work in Cyprus

The applicant and his spouse should submit a statement that he/she does not intend to work or be engaged in any form of business in Cyprus.

However applicants may be shareholders in a Cyprus company and receive dividends from such company.

Visit Cyprus

The applicant, his/her spouse and any dependant that was included in the permit must visit Cyprus at least once every 2 years. Failure to do so may result in the invalidation of the permit.

Permanent Residency

PROCEDURE

The application together with all relevant supporting documents may be submitted to the Migration Department personally or through a representative of the applicant, in advance of the applicant's arrival to Cyprus.

Any application will be decided upon within 2(two) months from the date of submission. Provided all necessary documentation is submitted and all necessary criteria are met then the application will be examined in a positive light and the immigration permit shall be granted.

Simple process

- 1 Purchase a property/ies with a €300,000 (net of vat) value in Cyprus – actual presence in Cyprus not essential. A representative can be appointed to sign all contracts (preferably a lawyer)
- 2 Pay for the property. An initial payment of €200,000 need only be made.
- 3 Prepare the required residency documents and submit them to the Civil Registry and Migration Department or to the District offices. Actual presence of the applicant is not essential. A representative can be appointed (preferably a lawyer) to submit the application on behalf of the applicant.
- 4 Receive your residency permit within 2 months!
- 5 Once the approval has been granted, the applicant must visit Cyprus within one year to obtain the actual permit and passport stamps. For convenience, passports can be forwarded to the applicant's legal representative in Cyprus to be stamped.
- 6 The Immigration Permit shall not be cancelled, provided that the applicant and dependents visit Cyprus at least once every two years.

BENEFITS OF ACQUIRING CYPRUS RESIDENCY

Further to the general advantages associated with residing in Cyprus, as described above, an individual who obtains a permanent residence permit to Cyprus acquires the following benefits:

- Fast track procedure allowing for the issuance of Residence Permit within 2(two months);
- Permit covers the whole family;
- No physical residence requirements during or after the application procedure (the applicant, his/her spouse and any dependants need only visit Cyprus once every 2 (two) years);
- No language requirements;
- Travel freely within the EU;
- Children of non-EU Cypriot Permanent Residence Permit Holders have the right to much lower tuition fees in European Union countries because they are considered permanent residents of a European Union country;
- Strategic geographical location, situated in the eastern corner of the Mediterranean Sea, lying at the crossroads of Europe, Africa and Asia and close to the busy shipping and air routes linking Europe with the Arab world and the Far East;
- Wonderful holiday destination;
- Low crime rate;
- Well known and established financial and tax planning jurisdiction;
- The property acquired will be freehold;
- There is no inheritance tax;
- One of the lowest property taxes in the world.

Citizenship



granted within three months



covers the whole family



investment of as low as €2m



financing available



property of at least €500,000



clear criminal record

In addition to acquiring residency, high-net individuals that are willing to invest in Cyprus can obtain Cyprus citizenship by exemption provided they satisfy certain criteria.

The Council of Ministers of Cyprus have recently revised its already attractive citizenship program by setting new and more attractive criteria and conditions.

The underlying reasoning is to attract foreign investments in Cyprus so as with Permanent Residency all applications are examined in a positive light and the prospective applicant will in most cases obtain Cyprus citizenship within 3(three) months once all necessary criteria are met.

Once the applicant is successful Cypriot citizenship will be granted to his spouse as well as to his dependents up to the age of 28(twenty eight) dependent adult children (eighteen years old or above) are also included). Neither the spouse nor the children are obliged to meet any further financial criteria. The spouse of the non-Cypriot investor has the right to apply for the citizenship simultaneously with the investor. Applications by the financially dependent adult children of the applicant may only be made after the investor has acquired the Cypriot citizenship.

CRITERIA

Under the new criteria in order to qualify for Cyprus citizenship by exemption, a prospective applicant needs to satisfy **any one** of the following:

i. Investments in Government Bonds

The applicant must have purchased state bonds of the Republic of Cyprus of at least €5 million.

ii. Direct Investments

The applicant should have direct investments in the republic of Cyprus amounting to a minimum of €5 million.

Direct investments may include among other things the following:

- Purchase of real estate (houses, offices, shops, hotels etc);
- Acquisition of businesses or companies that are based and have activities in Cyprus;
- Purchase of shares of Cyprus registered companies;

- Purchase of financial instruments (bonds, debentures registered and issued in the Republic of Cyprus);
- Participation in a company/consortium that has undertaken the execution of a public project.

iii. Bank Deposits

The applicant should have personal deposits or deposits of privately owned companies or of a trust (of which he is the beneficiary) in a Cypriot bank amounting to a minimum of €5 million and on a three year fixed term deposit. Failure to observe the 3 year maturity period on the deposits/trust may result in the revocation of citizenship;

Note: Financing is available under this criterion.

iv. Combination of Investments and Donation to Governmental Funds, Direct Investments and Bank Deposits

The applicant should have a combination of the above-mentioned assets amounting to €5 million;

v. Impairment of Deposits

The applicant should have had deposits in Bank of Cyprus or Laiki Bank or both that have suffered impairment in the total value of at least €3 million as a result of the measures imposed on the two banks following Eurogroup's Financial Programme for Cyprus.

Where the impairment suffered was less than €3 million then the applicant may still apply for Cypriot citizenship if he invests the remaining amount under criteria i or ii above.

vi. Major Collective Investments

€2m investment in a single luxury property for applications submitted before the 01.06.2014. After that the investment will be increased to €2.5m.

Note 1: Under this criterion the applicant need not satisfy the further condition of acquiring a residential property in Cyprus, of at least €0.5m, applied to the other criteria above. However if the applicant does not wish to purchase a single property for the collective investment of either 2m or 2.5m the applicant will need to satisfy the further condition of acquiring a single residential property of €0.5m.

Citizenship

Note 2: Applicants need to be part of a collective real estate purchase scheme. A minimum of 7 applicants is required for the 2mil threshold and 5 applicants for the 2.5mil threshold. However you are not required to find all applicants by yourself. We have the capacity to facilitate this for our clients. We can easily and quickly source additional investors to form the collective schemes, while the extensive property portfolio of our co operators offers properties that suit all client needs.

CONDITIONS

Further to the above the applicant must:

- have a clean criminal record; and
- own a permanent residence in Cyprus in excess of €500,000.

PROCEDURE

The application along with all relevant documentation need to be submitted to the relevant authority.

The final decision will rest on the Council of Ministers who have absolute discretion in deciding in favour of the applicant or not.

However provided that any of the criteria described above is satisfied and all the conditions are met then the citizenship certificate will be issued no later than 3(three) months from the application date.

Simple process

1. *Decide on the investment to be pursued in Cyprus.*
 - *Depending on the choice of investment actual presence in Cyprus may not be essential.*
2. *If required, purchase a property/ies with a €500,000 (net of vat) value in Cyprus – actual presence in Cyprus not essential. A representative can be appointed to sign all contracts (preferably a lawyer).*
3. *Prepare the required citizenship documents and submit them to the Ministry of Interior. Actual presence of the applicant is not essential. A representative can be appointed (preferably a lawyer) to submit the application on behalf of the applicant.*
4. *Receive your naturalisation certificates and passport within 3 months!*
5. *Apply for family members if required.*

BENEFITS OF ACQUIRING CYPRUS CITIZENSHIP

In addition to the general advantages associated with residing in Cyprus, as described above, an individual who obtains Cyprus citizenship acquires the following benefits:

- **Fast track procedure allowing for the issuance of Citizenship certificate and passport within 3(three months);**
- **Citizenship granted to spouse and dependants up to the age of 28;**
- **EU citizenship;**
- **EU passport;**
- **Visa-free travel to more than 140 countries;**
- **Quickly and cost effectively obtain visas for other countries, such as the USA;**
- **Dual citizenship offers an effective tool for international tax planning and provides financial privacy;**
- **Insurance policy against political instability;**
- **Access to the best education and healthcare institutes;**
- **No language requirements;**
- **Low tax rates and free trade within the EU;**
- **Dual citizenship allowed;**
- **Children have the right to much lower tuition fees in European Union countries because they are nationals of a European Union country;**
- **EU passport holders are entitled to enter, reside, study and work in the European Economic Area (European Union, Iceland, Liechtenstein, and Norway) and Switzerland without a visa.**
- **Strategic geographical location, situated in the eastern corner of the Mediterranean Sea, lying at the crossroads of Europe, Africa and Asia and close to the busy shipping and air routes linking Europe with the Arab world and the Far East;**
- **Wonderful holiday destination;**
- **Low crime rate;**
- **Well known and established financial and tax planning jurisdiction;**
- **The property acquired will be freehold;**
- **There is no inheritance tax;**
- **One of the lowest property taxes in the world.**

Acquiring immovable property in Cyprus

The acquisition of immovable property in Cyprus should be a quite straight forward and easy process and should provide no future problems to any prospective investor provided he acts prudently and takes advantage of the safe and protective legal system of Cyprus governing the acquisition of immovable property.

A prospective property buyer should seek professional advice to safeguard against future risks and avoid unnecessary pitfalls.

LEGISLATION

The protection of ownership is safeguarded by the provisions of the Constitution, the ultimate Law of Cyprus, which establishes the equality of all persons and the respect for human rights, including the right to ownership, without discrimination. According to Cyprus Law, Cypriots, as well as foreigners can enjoy all rights relating to ownership of their property without any interference either from the State or individuals.

Further to that a series of legislation governs the field of immovable property in Cyprus namely:

- **The Acquisition of Immovable Property (Aliens) Law**
- **The Sale of Immovable Property (Specific Performance) Law**
- **The Compulsory Acquisition of property Law**
- **The Rent Control Law**
- **The Energy Performance of Buildings Law**
- **The Stamp Law**
- **The VAT Law**
- **The Capital Gains Tax Law**
- **The Immovable Property Tax Law**

Under Cyprus Law, Cypriots or persons of Cypriot origin as well as EU citizens who have their permanent residence in Cyprus are allowed to acquire any property without any restrictions. The residential status is ascertained by the District Offices and is obtained when a person resides in Cyprus for a total period of 185 days per year or more.

No foreigner may acquire immovable property in Cyprus, other than by reason of death without the prior permission of the Council of Ministers. The authority of the Council of Ministers to grant permits under this law was vested to the District Officers to whom the relevant applications are submitted.

Consequently non-EU nationals, wishing to purchase immovable property in Cyprus are obliged to adhere to special formalities and are restricted by certain regulations. Below, the procedure by which a non-EU individual can acquire immovable property in Cyprus is outlined.

PROCEDURE

What property can a non-EU national purchase in Cyprus?

A non-EU national is entitled to purchase freehold for his/her personal use either a house or an apartment or a building plot or land of up to 4,014m².

In the case of persons who are living or working in Cyprus for a long period of time a permit to buy a second house may be granted. Also under the permanent residency scheme a prospective applicant may acquire up to two (2) properties.

Further to that Cyprus companies whose shareholders are non-EU nationals are given permission to acquire business offices plus residence for their foreign employees provided that they maintain a fully fledged office in Cyprus.

Acquisition under the Law not only covers outright purchase of property but also covers the following transactions by foreigners:

1. Leases of immovable property which extend for a term of more than ten years or which contain a provision lengthening such period through the exercise of a unilateral option of extension or renewal;
2. Acquisition of shares in a Cyprus registered company which owns immovable property in Cyprus, if such acquisition itself or in conjunction with other shares already held by aliens in that company, would turn such company into an "alien controlled" company in the sense described above;
3. The creation of a trust in favour of an alien beneficiary which relates, wholly or partly, to immovable property in Cyprus, leases as above or shares in an alien controlled company or in a company becoming alien controlled by the creation of a trust.

Finding the right property

Upon finding the right property all necessary checks need to be made with regard to the property and the developer/seller:

- **A search at the Land Registry must be conducted in order to ensure that the seller has the legal right to sell and the property being purchased is free from encumbrances or charges;**
- **A search at the Registrar of Companies must be conducted in order to ensure that the seller company does actually exist and is allowed to perform this kind of business;**
- **A property valuer needs to be appointed to establish the market price of the property;**
- **A lawyer will be required to negotiate on your behalf the contract of sale and the terms of sale. Quite naturally, many of the contracts that land developers use, are drafted by their own legal advisors and may be heavily one sided in their favour. Having an independent legal advisor acting on your behalf, makes certain that the contract will be evenly balanced and that the seller has obligations as well as rewards.**

Acquiring immovable property in Cyprus

Once all these are done then the purchaser is in a position to proceed with the signature of the contract of sale and acquire possession of the property.

Approval by the District Officer

Approval is generally granted to all bona fide purchasers in the case of intended personal or company use and not for the purpose of letting to others, commercial exploitation, profiteering or speculation.

Applicants may take possession of the property as soon as the contract of sale is signed and while they are waiting for the decision of the District Officer.

Note: Once the permission has been granted it is difficult to check or control the actual use, because although the policy is as described above, no conditions are imposed on the permit itself.

Transfer of ownership/title of the property

Even though a person might acquire property in Cyprus he/she may not be able to transfer the acquired property to his/her name in the case where no title deeds have been issued either because the purchaser still awaits for a permit or where the property is not yet finished. So how is the purchaser protected in these situations?

According to the provisions of the Specific Performance Law, the purchaser of immovable property may secure the transfer of the acquired property on to his/her name by depositing a duly signed and stamped copy of the contract at the Land Registry within six (6) months from the signing of the contract. By depositing the contract to the Land Registry, the purchaser prevents the owner from transferring the property elsewhere or charging it for as long as the contract is valid and legally effective.

Note that no burdens, charges or encumbrances can affect the right of specific performance after the contract has been deposited with the Land Registry. Depositing a copy of the contract to the Land Registry gives the purchaser the right to seek "specific performance" of the terms and conditions of the contract and thus to register the property on to his/her name, even though the owner may not be willing to accommodate such procedures.

Once the title deed is issued the transfer of ownership may be concluded at the District Land Registry Office on submission of the following documents:

- **Application Form N207;**
- **The registration deed of the property;**
- **Copy of the District Office approval;**
- **Evidence that all property taxes have duly been paid.**



Acquiring immovable property in Cyprus

FEES AND CHARGES

Usually the relative fees and charges for the acquisition of Immovable Property in Cyprus are paid by the Purchaser. These include legal fees as well as transfer fees, stamps and other fees imposed by the Cypriot authorities.

PROPERTY VALUE in euro (€)	FEES RATE
<85,430	3%
85,431-170,860	5%
>170,860	8%

Transfer fees

When registering the property under his/her name, the purchaser will be liable to pay the following transfer fees, calculated according to the property's market value.

Note: In its continuous attempt to establish the most favourable economic framework for potential property buyers the Cyprus government has recently passed legislation according to which all properties bought subject to contracts of sale concluded before the 31st December 2016 (irrespective of the actual transfer date which may be later) and are subject to VAT, whatever the rate, will bear no Transfer Fees. For properties that don't carry VAT (all properties constructed with a planning permission given before 1st May 2004 do not carry VAT) then there will be a reduction of 50% on the transfer fees.

PROPERTY VALUE in euro (€)	FEES RATE
<170,860.14	0.15%
>170,860.14	0.20%

Stamp Duty

Contracts the subject matter of which is real estate assets in Cyprus will be subject to stamp duty. The contract should be stamped within a period of thirty (30) days from signing. Although the absence of stamp duty on a contract does not render it void, the stamp needs to be paid in order to be able to deposit the contract with the Land Registry for specific performance purposes (see above). Also the stamp duty needs to be paid when the contract is presented to the Land Registry for the transfer of ownership or when the contract is presented to any governmental authority or the court.

PROPERTY VALUE in euro (€)	FEES RATE
1-12,500	nil
12,501 - 40,000	0.6%
40,001-120,000	0.8%
120,001-170,000	0.9%
170,001-300,000	1.1%
300,001-500,000	1.3%
500,001-800,000	1.5%
800,001-3,000,000	1.7%
>3,000,001	1.9%

Immovable property tax

Immovable Property Tax is imposed annually at the following rates on the market value as at 1 January 1980 of immovable property situated in Cyprus and owned as at 1st January each year.

Capital gains Tax

Should the purchaser decide to sell the property, capital gains tax will be payable at the rate of 20% on the gain. The first €17,086 is exempt and there is also an indexation allowance. In the case where the property has been used by the vendor as a residence for at least 5 years prior to the sale then up to €85,430.00 is also tax exempt.

Summary

Admittedly the Residency and Citizenship programmes of Cyprus offer to prospective applicants certainty and brevity. As stated above once certain pre-defined criteria and conditions are met then the candidate will be successful.

All the advantages associated with residing in the island of Cyprus will then be offered to him along the way.

In particular,

- **its excellent climate (more than 300 days of sunshine per year),**
- **the enviable quality of life,**
- **its easy access to 3 continents,**
- **its well-educated and skilled workforce,**
- **its excellent infrastructure system,**
- **the free movement within the EU,**
- **its reputation as an international business centre,**

and the rest of the advantages mentioned above make Cyprus an attractive and alluring option.

Our Services

We are a full service business minded law firm based in Nicosia the capital of Cyprus, from where we have been providing legal and consulting services both in Cyprus and at an international level to clients ranging from public companies to owner-managed companies, successful individuals and families for over 40 years. During these years we have held fast to the values and characteristics – such as quality, commitment, integrity, loyalty, approachability, innovation – that have distinguished our firm. These attributes remain solidly embedded in our culture and our ways of working.

The formalities described above merely outline the basic steps that may have to be taken in any given situation but they are by no means exhaustive. Each application must be handled according to its surrounding circumstances. We have the means and ability to assist applicants in obtaining both Cypriot Permanent Residency and Citizenship. We have particular expertise in this field and through our Immigration department can offer comprehensive services comprising of legal as well as administrative. We will guide, assist and advise applicants during and after the whole process. Our local presence and strategic co operations mean that we can assist applicants in all the ways they desire. Our focus will be on you and your family's security and quality of life. Generally we will make every effort to offer our clients exceptional quality coupled with outstanding value for money.

Contact us

Should you require any help or further information on the above we will be more than happy to assist you. Feel free to contact Martinos Typographos:

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