



Recent changes to Cyprus Citizenship-by-Investment scheme

The Cyprus cabinet approved a series of changes to Cyprus Investment Programme that are designed to make it “more targeted and trustworthy”. The new changes will come into effect on 15 May 2019.

Under the new criteria, the programme will be limited to 700 applicants per year and the required investment amount will be raised from €2 million to €2.5 million, including the purchase of a residency, and the total. There will also be a mandatory donation of €75,000 to the Research and Innovation Foundation and a second €75,000 contribution to the Cyprus Land Development Corporation to be used for affordable housing.

In addition, an applicant must have held a Cyprus residence permit for at least six months before being naturalised as a Cypriot citizen and must maintain the required investments for a period of at least five years from the date of naturalisation, instead of three years.

Where the investment relates to the purchase of real estate or property, as well as in the case of a permanent homeowner, a planning permission, a completion certificate and a bank waiver will be required.

Stricter criteria have also been adopted to ensure that due diligence procedures are more stringent and effective. Scrutiny of each applicant is to be conducted by an international agency, investors must obtain a Schengen visa and applicants will be excluded if rejected by other EU member states with similar schemes.

Finance Minister Harris Georgiades said the scheme had been launched in the aftermath of 2013 banking crisis and 1,864 citizenships had been granted within the framework of the scheme, bringing in total investment of €6.6 billion.

The new measures were primarily a response to criticism contained in a European Commission report, released in January, which expressed concerns about the ‘investment migration’ policies of Cyprus, Malta and Bulgaria.

The report warned that the schemes could help organised crime groups gain access to the EU and posed risks of money laundering, corruption and tax evasion. It also noted weaknesses in the Cypriot and Maltese schemes, which did not adequately check the source of the wealth of applicants.

If you are interested in becoming a EU citizen, please contact us!

PLEASE FEEL FREE TO CONTACT US WITH ANY QUESTIONS OR QUERIES.

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