

FAQS ON CYPRUS IMMIGRATION

Other Visas

How long does the immigration department allow me to stay in Cyprus with a visitor visa?

- The maximum permitted stay is 90 days.

How long can I get a temporary residence for?

- While a temporary residence may be issued for up to 2 years, typically the government issues temporary residences in Cyprus (so called "Pink-Slip") for 1 year.

Can I renew my visitor visa or obtain another visa to stay in Cyprus after the expiry of the initial period granted by the Cyprus Immigration department?

- You should renew your visa before its expiry.

How can I work in Cyprus?

- You will need to obtain a work permit. This is a simple typical registration for EU citizens. Non-EU citizens must apply for work permits in Cyprus you can read our guide.

Cyprus Investment Program

How can I get Cyprus citizenship?

There are 4 ways to obtain a Cyprus passport:

- a) You can get it by descent (heritage),
- b) By marrying a Cypriot Citizen,
- c) By legally residing in Cyprus for 7 years and
- d) Real estate investment

Is it possible to obtain Cyprus citizenship by investment?

- No. The Cyprus Investment Program (CBI) was closed in 2020. As such, the Cyprus Citizenship by Investment is no longer available as a direct part to a Cypriot passport.

What is the Cyprus Investment Program?

- The Cyprus Investment Program is a regulation that amongst other that allowed people to obtain citizenship in Cyprus provided they have invested a minimum amount of funds in qualifying investments and comply with certain anti-money laundering requirements. ***Please note that this program was closed in 2020 and no longer valid.**

Can a real estate developer in Cyprus lodge my passport application?

- Under the new citizenship regulations voted in August 2020, Cypriot Developers are excluded from being regulated citizenship service providers.

How much is the minimum investment for the Cyprus citizenship under the Cyprus investment program?

- The minimum investment is €300,000 in residential and commercial property or purchase of shares of local companies or investment funds.

How strict are the due diligence and anti-money laundering checks in Cyprus?

- For large amounts such as those required for citizenship applications, the banks conduct enhanced due diligence through international companies. They requires evidence of the source and size of wealth and the funds to be used. In addition, some

background checks are being made with global databases, local databases and international authorities (such as Interpol) to make sure that the applicant did not obtain his wealth from illegal sources. The government also uses international specialised companies to verify the above.

Most of the checks are being done in the background so they don't come at a hustle to the applicant. The applicant will however need to prepare the economic information and evidence required as well as his clean criminal record certificate and other certificates required.

How fast does my Cyprus passport get issued?

- The Cyprus citizenship approval comes approximately in 6 months after the application is made at which stage, the applicant must provide bio-metrics and take the necessary steps for the issuance of the passport. The passport is issued 9 months after the application.

Do I need to buy real estate for obtaining a Cyprus passport?

- You can invest in other areas of the economy except real estate but in any case, there is a minimum requirement of buying a house of €500.000. If investing in commercial real estate, businesses in Cyprus or Alternative Investment Funds, then you would need to invest a minimum total of €2.500.000; €2.000.000 in the investment and €500.000 for the house which will be your permanent residence.

How long do I have to keep my investments?

- The applicant's permanent residence should be maintained for ever or be replaced with another residence of €500.000 or more. The remaining investments should be maintained for at least 5 years but they can be replaced with the permission of Ministry of Finance.

Is Cyprus a member of the European Union (EU)?

- Yes.

If I have a Cyprus Passport, can I travel freely in Europe?

- Yes, Cyprus is a European Union member and Cypriots enjoy freedom of travel in every European country as well as visa-free travel in more than 150 countries globally.

If my children have a Cyprus passport can they study anywhere in Europe?

- Yes, all European Union citizens, can travel, live, work and study in every country in the European Union.

Can my parents and parents-in-law get Cyprus citizenship as well?

- Yes, they can provided that they buy an extra property of €500.000 or the investor and the parents/ parents-in-law buy a property of €1.000.000. In any case, the minimum investment rises by €500.000.

Permanent Residency

What are the requirements for permanent residency?

- The applicant must purchase a new property worth at least €300.000 plus VAT, have a fixed deposit of €30.000 for 3 years in a bank in Cyprus. For more detailed requirements and the process, you can see our guide.

Are there any residency requirements?

- No there are no residency requirements.

Do I have to visit Cyprus certain times per year to retain my permanent residency?

- Once your PR application is approved you need to come to Cyprus within 12 months and give biometrics for the PR card to be issued. After that you only need to come to Cyprus once every two years.

If I have a permanent residency can my children go to private or public school in Cyprus

- Yes they can. Public schools are free. Private schools have tuition.?

If I have a permanent residency in Cyprus am I eligible for the public healthcare system?

- Yes, you are.

Can I work in work in Cyprus if I have a Permanent Residency?

- A Permanent Residency holder in Cyprus is not allowed to work.

Can I be director or a shareholder of a company in Cyprus if I have a Permanent Residency?

- A holder of a permanent residence is not allowed to work in Cyprus. Being a company director in Cyprus will be considered to be work but exceptions may be made if the director is not getting remuneration.

Shareholders are not considered as working in Cyprus.

What is the difference between PR 6.2 and Category F?

- Permanent Residency under rule 6.2 is granted in 3-6 months. Permanent residency under Category F takes approximately 18 – 24 months. In addition, Category F applications may be rejected under the discretion of the authorities. While PR 6.2, requires a new property of €300.000 plus VAT (typically reduced at 5%) plus a fixed deposit of €30.000 for 3 years, Category F applications don't have fixed rules. However, the closer to the PR 6.2. minimum requirements one is, the more likely it is for his application to be accepted.

How can I obtain fast track permanent residency under rule 6.2?

- What documents need to be certified and or apostilled?

Clear Criminal Record Requirement

- It can be issued from the country of origin or residency, depending on the country of issue, it might require apostillation or a triple certificate.

Document recognition from the Cypriot authorities

- All accompanying documents submitted as part of applications must be duly certified/authenticated. The documents are accepted in English or Greek. Depending on the country of issuance, some documents might require apostillation or a triple certificate.

FAQS ON CORPORATE AND COMMERCIAL LAW IN CYPRUS

How can I invest in Cyprus?

- As an individual
- Through a company
- Through a trust
- Through a limited or unlimited partnership
- A combination of all the above

How can I establish a Joint Venture in Cyprus? What are the most common forms of such a joint venture?

There is no generally accepted definition of a joint venture in the law. A joint venture is a term describing a relationship between two or more parties who invest together in a business endeavor. The joint venture can take various forms, the most common of which are the following:

-A contractual joint venture.

Under a contractual joint venture, the parties are bound together by contract without creating or a formal limited or unlimited partnership. The advantage of this form is independence, cheapness and simplicity. The disadvantages of a contractual joint venture are taxation, unlimited liability and possible uncertainty (due to the absence of a legal code to regulate certain aspects of the venture).

- A partnership joint venture.

This has the advantage that there is certainty on provisions of partnership law, and in limited liability partnership joint ventures, the partners can have an unlimited liability partner while the others have limited liability. The disadvantages of this are tax, difficulty in organising an exit strategy and difficulties in raising finance.

- A corporate joint venture.

In a corporate joint venture, the parties form a new company to conduct the business. They enter in a shareholders' agreement and may modify or use modified articles of association (the company's constitutional document) to reflect their agreement. The advantages of a corporate joint venture are a certainty, limited liability, tax, and versatility (e.g. by using different classes of shares). The disadvantages are the formal requirements (some of them being rigid) and the statutory obligations for filing annual reports, audited accounts, paying the annual companies registrar levy.

Does Cyprus have treaties for the avoidance of double taxation with other countries?

- Yes, Cyprus has an extensive network of treaties on the avoidance of double taxation.

Should I use a Cyprus International Trust or a company?

- This depends on your goals. A Cyprus International Trust is typically used in estate and international tax planning and asset protection. A company is typically used to conduct business or to accumulate the dividends from businesses abroad. Sometimes both may be used.

Why do I need to have a shareholders' agreement with the other shareholder in my company?

- A shareholders' agreement will regulate the relationship between the shareholders. It may provide for different rules than the default rules in the law, such as both shareholders approving significant transactions, each shareholder having the right to appoint a director on the board. On many occasions the articles of association of the company may also have to change but this depends on each specific case.

Can I ensure anonymity/ confidentiality about my ownership of a Cypriot company?

- Yes, you can do this. Contact us for more information.

What kind of documents will I need to provide when opening a bank account for a company?

- Banks need to establish the personal and economic profile of the beneficiary of a company or the person opening a personal account or being the beneficiary in a client's account. They need to consider the information in order to verify that the money being brought to Cyprus do not derive from illegal activities. For more information, you can request to send you our banking guide.

Can you assist me with VAT, accounting and taxes?

- Yes, we can offer, or recommend a third party if you would prefer, to offer accounting and VAT services and direct you to independent professionals for the accounting and auditing services required

FAQS ON WILLS, TRUSTS AND PROBATE IN CYPRUS IN CYPRUS

What do we mean by estate planning?

- Estate planning refers to the preparations for the transfer of assets of someone upon his or her death.

What is a Will?

- A Will is the legal declaration in writing of the intentions of a person in respect of the disposal of their movable or immovable property after their death and this includes a codicil.

Do I need a will in Cyprus?

- A will enables you to plan what will happen to your assets following your passing away. Subject to any forced heirship rules (see below) that may apply on a will having Cyprus law, a will ensures that those you would like to benefit, actually do so.

What are the requirements for a valid Will in Cyprus?

- In order to be able to make a valid Will, a person must be of sound mind and be at least 18 years old.

A valid Will must have 2 adults (of sound mind) as witnesses.

The Executor of the Will and the beneficiaries mentioned in the Will cannot sign as witnesses

Do I need a lawyer to make a will in Cyprus or can I do it on my own?

- You can prepare your own will considering that you are of 'sound mind', above 18 years old and know what the requirements may be for valid wills. However, it is highly recommended to prepare your will through your lawyer.

Can a will be revoked

- Yes, a will can be revoked at any point, provided you are of 'sound mind' i.e. you have the capacity to understand the effect of your actions.

The most common way to revoke a will is to execute a new one that states an intent to revoke all previously made will.

Can a beneficiary in a will be also a witness to the same?

- No, a beneficiary in a will cannot be a witness to it.

Can a beneficiary in a will be also the executor of the Estate?

- Yes, you can be a beneficiary and the executor of the will.

Do I need a trust?

- Any type of assets that are settled on trust will not be part of the deceased's estate. This means that your affairs will be placed in order before your demise as domestic forced heirship rules will not apply. Settling assets on trust can be cheaper while by using a trust you can provide for your needs at the point that you might not be able to take care of yourself.

What do we mean by administration of estate and probate in Cyprus?

- **"Administration of Estates"** refers to the Court process taking place to facilitate the dealing of assets of a deceased who did not leave a will behind.

If the deceased had left behind a valid Will then his assets should be dealt with in accordance with his wishes and this process is commonly known as **"Probate"**.

How long does the administration of estates/ probate process take in Cyprus?

- A definitive answer cannot be given because it depends on each case. We finish straightforward probate and administration of estates procedures between 6 – 12 months, which is probably the fastest in Cyprus. In general, it is easier and takes less time to deal with the estate (i.e. the assets) of a person who has left a valid will in place.

Typically, the main delays in the conclusion of an administration /probate in Cyprus, are due to the local and foreign tax offices (such as the HMRC). From our experience, the HMRC typically takes between 3-6 months to deliver the requested certificates (as the online format given is not acceptable to the Cypriot authorities). Local tax authorities, typically take 1-2 months to issue the final tax clearance certificate, provided that all the required documents are in place.

I am an English expatriate with assets in Cyprus and in England. Which law applies?

- If you are domiciled in Cyprus then Cyprus law applies for your movable property worldwide and all your immovable property in Cyprus.

As a general rule, if you are domiciled in any third country then Cyprus law applies only for immovable property in Cyprus and the law of that third country applies for your immovable property there and movable property worldwide.

So how do I know if I am domiciled in Cyprus or not?

- Domicile may be a complicated matter. In brief, every person has a domicile which he or she gets at birth. This is referred to as Domicile of Origin. A person can change his or her domicile and obtain a Domicile by Choice. To change domicile to Cyprus a person must:

- (a) Have a residence in Cyprus; and
- (b) Must have the intention to permanently reside in Cyprus.

Is there any inheritance tax or estate duty in Cyprus?

- No, there is no inheritance tax or estate duty in Cyprus. It has been abolished since the 1st of January 2000.

Does Cyprus have forced heirship rules? What are they?

- Yes. Cyprus has forced heirship rules which previously applied only to Cypriots. In 2015 the law has changed and the forced heirship rules now apply to people from the United Kingdom as well. This means that people can only leave by their will a specified portion of their assets (estate).

As the law has recently changed, people should review their wills to ensure that they achieve their intentions and benefit those that they want to benefit.

The Cyprus forced heirship rules are the following:

- a) Should the person have a spouse and children, children and grandchildren, spouse and grandchildren then only $\frac{1}{4}$ of their estate can be left elsewhere.
- b) Should they have a spouse, father or mother but no children or grandchildren then can leave $\frac{1}{2}$ of their estate elsewhere.
- c) Should they not have a spouse, children or grandchildren nor father or mother, then they can leave all of their estate at their absolute choice.

How expensive is the administration of estates and probate procedure in Cyprus?

- People can appoint anyone to be the administrator/ executor of their estate. If such a person is not a lawyer then he or she will probably need guidance, advice and legal documents from lawyers which tends to make the process more expensive than appointing a lawyer to be the administrator/ executor.

FAQS ON CYPRUS LITIGATION

What type of legal system does Cyprus have?

- Cyprus has a common law legal system. The English legal and equitable principle are followed in Cyprus unless there is a contrary provision in our statutes or constitution. The English case law on the same or similar points of law has a significant persuasive power for the Cypriot courts who typically follow the English legal position.

Can the Cypriot Courts issue interim injunctions such as freezing injunctions?

- Yes, the Cypriot Courts can issue interim injunctions to freeze property and money in Cyprus and abroad. The Cypriot Appeal Court, following English case-law has issued worldwide freezing injunctions against defendants on whom it has jurisdiction. As Cyprus is an international services center, many injunctions are issued every year to freeze assets, obtain or protect information, and generally to protect the claimants until the case is finally adjudicated.

How fast can an injunction be issued?

- An injunction in Cyprus can be issued without notice (ex-parte) if the matter is very urgent even on the same day. It will then be set returnable for service to take place to the other party in order for that party to object to the injunction or seek its amendment.

How is an injunction enforced?

- Typically, an injunction is enforced against the party directed to by the possibility of conviction for contempt of Court that can carry imprisonment against him or her.

Third parties such as banking institutions or the land registry will typically enforce the injunction issued. Banks by fear of being liable for contempt and the land registry by registering the issued judgement as a proprietary encumbrance on the title of the land in question.

How do I find out key information that would enable me to proceed with a claim against someone?

- If you do not know certain key information to start a claim (such as the identity of a wrongdoer or how certain actions occurred) but know someone who does know such information and does not disclose them, you may be able to sue those person for an order known as "Norwich Pharmacal" for the Court to direct them to disclose the relevant information.

How do I find out whether the defendant I want to take an injunction against has assets?

- Certain companies may be of help in discovering the assets of a proposed defendant to calculate the recoverability prospects. If a freezing injunction application will be filed, typically a disclosure order will also be sought against defendants.

How long does it take for a civil case to be tried in Cyprus?

- A civil case in Cyprus currently takes approximately 4-6 years at first instance, depending on the scale of the case and the Court's workload. In recent years, the Cyprus government has been hiring a number of new judges to facilitate the faster trial of cases and is also taking steps to re-organise the Courts more efficiently.

In exceptionally clear cases the Court may permit a summary judgement to be issued whereby the case is judged without going to full trial. A case tried by summary judgement will take approximately 3-6 months to be tried but this may vary.

How does the Cyprus court take jurisdiction in international cases?

- In cases where one or more of the parties are foreign then jurisdiction in Cyprus will be either based on the Brussels Regulation Recast 1215/12 for disputes involving European Parties or the common law rules known as forum convenience and related international agreements with the countries in issue.

How can I enforce a judgement in Cyprus?

A foreign judgement obtained in the European Union is recognized and enforced in Cyprus with an application to the court under the Brussels Regulation Recast (1215/2012).

A similar process is followed for judgments obtained in third countries with which Cyprus has a treaty signed for the facilitation of the judicial processes.

Can I enforce a judgement from a Cypriot Court to any European Country?

- Yes, under the Brussels Regulation Recast (1215/12) any judgement obtained in a European Country is recognizable and enforceable without any special procedure required as if it was a judgement issued by the Court where recognition and enforcement is sought.

How can I enforce a judgement in Cyprus?

- A defendant who does not obey a judgement may be liable for contempt of court which can carry imprisonment or a fine.

A defendant who cannot pay a monetary judgement against him or her, will be examined for his ability to pay the amounts sought in instalments and may have his movable and immovable property seized.

What happens if the defendant does not appear or defend in Court?

- In this situation you may be able to get a judgment in default of appearance or defense provided that the defendant was served.

How do I serve documents abroad?

- If service is in the EU, then the EU Regulation 1393/07 as well as the Brussels Regulation Recast 1215/12 apply. The process takes time as the documents must be sent from the relevant authority in Cyprus (the Ministry of Justice) to the relevant authority in the country where it will be served. Timing varies between the authorities of different countries. If service is not successful the Court may allow substitute service (such as by email or courier)

For non-EU countries the process depends on the agreements existing with the country that service is sought for.

How does the hearing process take place?

- The claimant's lawyer will call his witnesses to be examined in chief. Then for each witness, the defendant's lawyer will cross examine them. The claimant's lawyer will have a right to re-examine the witnesses to clarify issues that arose in the cross-examination.
The defendant's lawyer will then call his own witnesses for whom the same process will be followed.
After the witnesses finish their examinations, the lawyers will proceed with their addresses to the Court where they will each analyse the law and the facts as proven by the witnesses. After that the Court will deliver its judgment.

Has the Coronavirus/ Covid-19 affected the trial of cases?

- Certain safety precautions have been taken such as limiting the number of persons in the Court but the Courts are proceeding with hearings of cases normally.

Can I arbitrate a dispute in Cyprus?

- Yes, Cyprus has two laws on arbitration, the International Commercial Arbitration Law of 1987 (101/1987) and the Arbitration Law (Chapter 4). The first relates solely to international commercial disputes. 'International' is defined as meaning disputes in which one of the two parties does not reside or conduct business in Cyprus. 'Commercial arbitration' is defined as the arbitration of a dispute arising from commercial matters, whether contractual or not (such as sale of goods, distribution, agency, factoring, construction etc).