



UFG WEALTH MANAGEMENT

Hardening of conditions of the Cyprus Citizenship by Investment Program

FEBRUARY 2019

On February 13 the Cabinet of Ministers of the Republic of Cyprus approved amendments to the Cyprus Citizenship by Investment Program also known as Golden Passports Program.

The complete list of changes is presented below. Among the main of them are introduction of non-reimbursable fees payable to public funds and complicating of compliance checking.

What did change?

- Investors, which were earlier barred from acquisition of citizenship in other countries of European Union, will not be able to take part in the investment program.
- The investor will have to contribute EUR 75 000 to the state fund for development of housing for poor people, as well as EUR 75 000 to the state fund of innovations. Release from obligation to make contribution to the fund of innovations is provided for investments in Cypriot companies engaged in innovations, technologies, healthcare, education or power industry.
- Investments in the real estate sector, as before, shall be at least EUR 2 000 000, however in the event that residential real estate was used before that by other investor for acquisition of citizenship of Cyprus, the amount to be invested in real estate is to be increased up to EUR 2 500 000.
- The following documents should be submitted for any investments in real property: planning permit, as well as certificate of commissioning (for ready built objects). In the event that real estate is under construction, 5% of the total value shall be executed in the form of a bank guarantee whereunder the respective amount shall not be transferred to the seller's party until completion of the construction works. In the event of real estate mortgage, the bank will have to present certain document (the waiver of claims).
- The indispensable condition for the investor now is the existence of Schengen visa.
- The period of retention of investments is increased from 3 to 5 years from the date of the investor's naturalization.
- Investments in government bonds are excluded entirely from the program.
- Investments in the maritime industry will be considered as admissible criterion for acquisition of citizenship.

The changes shall come into effect on May 15, there is some time for interested investors to manage to file an application subject to the earlier conditions.