

# Mobility: Immigration alert

May 2023



## Cyprus

### Major changes to immigration regulations for investors

#### Executive summary

On 2 May 2023, the Cyprus government implemented several amendments to its policies impacting third-country nationals who seek to become permanent residents based on a qualifying investment.

#### Background

Pursuant to Regulation 6(2) of the Aliens and Immigration Regulations, eligible investors from third countries (i.e., countries outside the EU and EEA) can become permanent residents and bring in qualifying dependents. Their permanent residence card is issued for 10 years. Upon its expiry, holders may apply for a new card that is valid for another 10 years.

#### Key developments

On 2 May 2023, the following amendments went into effect:

- ▶ Individuals who apply to become permanent residents based on the purchase of real estate must invest at least EUR 300,000 upfront (excluding value-added taxes) and present proof of the investment (i.e., that they transferred or disbursed at least EUR 300,000) at the time of filing their application. Previously, these individuals were still required to invest at least EUR 300,000. However, they could file their applications based on a partial payment of less than EUR 300,000 (and pay the remainder after filing the application).
- ▶ Applicants who reside outside their country of citizenship must now submit police clearance certificates issued in

both countries (i.e., citizenship and residence) when filing their applications. Previously, applicants could submit one police clearance certificate issued in either country.

- ▶ Only minor children under the age of 18 and spouses of individuals who apply to become permanent residents as investors now qualify to obtain dependent permits. Previously, applicants' children over the age of 18, parents and in-laws were also eligible to apply for dependent permits.
- ▶ Applicants must earn an income of at least EUR 50,000 annually (up from EUR 30,000 previously) from a source outside Cyprus. Those who seek to sponsor dependents must earn an additional EUR 15,000 (up from EUR 8,000 previously) for a dependent spouse and EUR 10,000 for each dependent child (up from EUR 5,000 previously).

In addition, individuals who become permanent residents pursuant to Regulation 6(2) must now submit proof to the immigration authorities annually that they continue to:

- ▶ Hold the initial investment (or replaced it with another qualifying investment)
- ▶ Receive the minimum applicable annual income
- ▶ Be registered under the national health scheme in Cyprus or covered by private health insurance
- ▶ Have no criminal records in their home country and country of residence (if applicable)

Previously, these individuals were not required to present proof annually that they continue to meet the eligibility criteria. Effective 2 May 2023, those who do not submit the proof above on an annual basis will have their status as permanent residents revoked.

### Impact

Individuals seeking to become permanent residents as investors are now subject to more stringent eligibility requirements. Employers are not directly impacted by this development.

### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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EYG no. 004312-23Gbl

2101-3682263  
ED None

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