



Shorex Capital

CYPRUS

A FAST TRACK TO EU CITIZENSHIP

Cyprus - a Fast Track to EU Citizenship

Advantages of working with Shorex Capital

- Impartial advice
- Transparent pricing and no fee layering as our fees are paid by the service providers
- Step by step following of your client's application
- A free advisor

A EU passport for the family

What are the advantages?

- Freedom to work, live and study in all 28 EU member states as well as in the three EEA states (Norway, Lichtenstein and Iceland) and in Switzerland
- Freedom to travel to 159 countries visa free
- The right to security within the European social and legal system
- Easy access to relocation programmes designed for EU citizens – Austria, Belgium, Monaco, Luxembourg, Portugal and Switzerland

The essence of the programme

The programme was amended on 16th of September 2016. In spite of the fears that the amendments will make it more expensive and complicated they were in fact very favorable.

1. The minimum required investment amount for giving the right to obtain the citizenship has been reduced to €2.000.000- plus V.A.T. provided the whole investment is made solely in residential unit or units. In this scenario at least one of such residential properties needs to be minimum value of €500.000- plus V.A.T. For any other kind of investment including combination of investments, the required amount is €2m plus a residential property of €500.000 - value. This applies to commercial property, land or an option of setting up a business in Cyprus
2. The parents of the investor are now also eligible to obtain the citizenship provided they purchase their own residential property of minimum value of €500.000- plus V.A.T. in addition to the investment made by the main applicant. A property of the same or higher value (i.e. minimum €500.000-) must be retained by the parents at all times. Therefore the applicant by purchasing a single property of €2.5 million plus V.A.T. or 2 properties of 500.000 each or 1 property of 1.000.000 minimum value, is eligible to apply together with his parents.
3. The children up to 28 years old are eligible to obtain the citizenship provided they are financially depended to the investor and are studying in a university (third degree, master,)
4. Every applicant (including the investor and dependents), prior to his naturalization in Cyprus will have to be in possession of a Cyprus Permanent Residency (PR) Permit. For those applicants who don't already have a permit, they can apply simultaneously with the submission of the citizenship application.
5. The provision that the investment can be disposed 3 years after the citizenship is granted, remains the same in the new scheme. It is understood that even in the scenario described in the first point above (i.e. total investment of €2,0 million) in case such is sold after 3 years, the investor will still be required to be in possession of a residence of minimum value €500.000- and if application was made with parents, then they also will need their own residence of minimum value of €500.000

Cyprus' geopolitical clout and economic prospects

There is a lot of turbulence and instability in the world at the moment. Some clients run away from Brexit and non-dom status changes, some from Trump, and others from war zones. Whatever your client's reasons for citizenship and relocation solutions are Cyprus has a lot to offer:

- Political stability
- Location
- Weather
- Good economic prospects
- Tourism
- Sound legal system
- Favorable Taxation regime

Economic prospects

- The discovery of significant natural gas reserves in the fields of Cyprus indicated enormous petroleum and natural gas potentials in the region, deeming the circumstances for exploitation and production of oil and gas in Cyprus extremely positive and attracting great international interest from major energy providers. Energy giant Total made an announcement in October that it plans to carry out its first exploratory drilling for hydrocarbons offshore Cyprus around April 2017. The recent exploration proves that there is more untapped offshore wealth to be found off Cyprus Island
- Latest Tourism Revenue Figures from Aug 2016 are also very positive: revenue from tourism reached €392,2m in August 2016 compared to €358,5m in the corresponding month of the previous year, recording an increase of 9,4%. For the period January – August 2016 revenue from tourism is estimated at €1.625,6m compared to €1.431,5m in the corresponding period of 2015, recording an increase of 13,6%.

Favorable Taxation regime

- Low corporation tax – 12.5%
- Introduction of the concept of a non-domiciled resident individual – July 2015. Non-doms will not be subject to the SDC (Special Contribution for Defence) in Cyprus on any interest, rents or dividends (whether actual or deemed) regardless of the source, and regardless of whether such income is remitted to a bank account or used in Cyprus
- No tax is imposed on individuals under the Income Tax Law on interest or dividend income deriving both in Cyprus and abroad
- No CGT (capital gain tax) on the real estate purchased between July 2015 and December 2016. Likely to be extended
- The new non-dom rules are expected to further encourage the relocation of corporate executives and encourage High Net Worth Individuals to take up residence in Cyprus.

Investment opportunities in Cyprus

These are all very positive factors for the real estate industry.

I have carried out a small survey of my clients who purchased portfolio of properties in both Paphos and Limassol as required by their citizenship applications in 2014/2015/2016.

As a rule the Limassol based properties are all rented out on long leases to professionals, quite often expats and the Paphos based properties are mainly rented out as short rentals during the holiday season of April to November.

The overall net income is between 3-4% for both categories.

Even the most sceptical of my clients who had very low expectations from the real estate investment in Cyprus are quite pleasantly surprised.

And some are saying that they might keep their portfolio or at least part of it once the three year mandatory requirement is over.

There is going to be an **Iconic ONE tower** – the tallest in Eastern Mediterranean built right on the sea in the main part of the promenade. There are currently a few new projects on the built in Limassol which will result in the total of over 300 new apartments.





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Del Mar towers

is another project located not far from the five star hotel district of Limassol



Investment opportunities in Cyprus

- Both residencies have fantastic amenities: concierge services, shopping facilities and provide their customers with a very particular lifestyle. They all target high end clientele who are used to particular standards of living.
- Over 30% of the apartments have already been sold off plan and yet the buildings are at its initial building stage. Most buyers are the passport investors from Russia, China, Iran, India and some other countries.
- This clearly demonstrates a high demand for the programme and the ability of Cyprus real estate developers to sustain this demand. Another interesting observation is that a high proportion of the passport clients visit Cyprus on a regular basis and built very strong links with the country. This particularly applies to Russian and the Middle Eastern clients.

Advantages of the programme

1. No residency requirements
2. The speed of Application – approval in 3 months, passport in 6 months
3. Children age – up to 28
4. Inclusion of the main applicant's parents in the Application
5. The cost - investment as opposed to donation
6. The easiness of the application process
7. Cyprus as a jurisdiction
8. Tax residency options

And the last but not the least it is a EU member state. With this passport your clients can easily relocate to Switzerland, Monaco, France, Luxembourg and the UK. This concludes my presentation and leads us to the Panel discussion on

Relocation to/in Europe and European Citizenship & Residency Options