

January 2023

TEMPORARY RESIDENCE AND EMPLOYMENT PERMITS FOR NON-E.U. NATIONALS

A. ELIGIBLE COMPANIES

As from 12 December 2022, a new Decision approved by the Council of Ministers is implemented, which amends the eligibility criteria for companies that could be registered in the register of foreign interests companies.

Eligibility criteria:

1. The majority of the company's shares are owned by third-country nationals (Non-EU).
2. If the majority of the company's shares are not owned by third-country nationals (i.e. equal to or less than 50%) then the company is eligible if the foreign participation represents an amount of at least €200,000.

In both cases above (1&2), the ultimate beneficial owner (UBO) must deposit an amount of €200,000 in an account held by the company in a credit institution licensed by the Central Bank (payment institutions are not included). Alternatively, the company can submit evidence of an investment amounting to €200,000, for the purposes of operating its business in Cyprus (e.g. office purchase, office equipment purchase, etc.).

If more UBOs exist, then this amount can be deposited or invested by a single UBO or collectively.

3. Public companies registered on any recognised stock exchange.
4. Companies of international activities (formerly off-shore), which operated before the change of regime, whose data are held by the Central Bank.
5. Cypriot shipping companies.
6. Cypriot high-tech/innovation companies. A company would be considered as a 'High Technology Company' if:
 - (a) it is already established and has a presence in the market, and
 - (b) it has a high level or experimental R&D intensity, and
 - (c) it developed product/s that fall into one of the following categories: products related to aviation and space industry, computers, information and telecommunication technology (ICT), pharmaceuticals, biomedical, research



and development equipment, electrical machinery, chemicals, non-electrical machinery.

7. Cypriot pharmaceutical companies or Cypriot companies active in the fields of biogenetics and biotechnology.
8. Companies of whom the majority of the total share capital is owned by persons who have acquired Cypriot citizenship by naturalization based on economic criteria, provided that they prove that the conditions under which they were naturalized continue to be met.

For the cases 3-8, the investment criterion is also applicable and the company's initial investment in Cyprus of at least €200,000, must be proven by presenting the appropriate certificates (e.g. bank statement at the time of deposit of the amount or proof of investment (purchase of office space and/or office equipment)).

B. DOCUMENTS REQUIRED

1. Certificate of Incorporation;
2. Certificate of Registered Office;
3. Certificate of Directors;
4. Certificate of Shareholders, evidencing that the percentage of foreign participation in the company's share capital is over 50% of the total share capital.

If legal entities (e.g. local or foreign companies, trusts) are the shareholders, a shareholders' structure diagram presenting the whole chain of ownership up to the final owners (natural persons who are the UBOs) should be declared and documented.

5. Memorandum and Articles of Association;
6. Director's Affidavit on the company's ownership (from one of the directors if many);
7. Ultimate Beneficial Owners' valid passport(s);
8. Rental agreement document or title deed or a sale document for the offices of the new business (it must be duly stamped if its value equals the annual amount of €5,000 or more);
9. Audited Financial Statements (for companies already operating in Cyprus);
10. Tax Clearance Certificate for the company (for companies already operating in Cyprus);
11. Deposited amount of at least €200.000, supported by a Bank SWIFT or other similar document, which proves a foreign direct investment by the UBO, legally admitted to Cyprus from abroad. The investment must be made by the UBO himself/herself.

C. EMPLOYMENT CRITERIA

Upon successful registration of the company to the register of foreign interests companies, the basic criteria to employ any third-country national are the following:

1. Original Contract of Employment, of **at least two years of duration**, dully signed and stamped from the relevant office.



Important Note: the minimum gross monthly salary for highly skilled employment is set at **€2.500 minimum**. Below this limit, employment is considered to be at support level and a contract must be dully stamped by the Department of Labor.

2. Brief Curriculum Vitae - CV (including copies of academic qualifications and/ or relevant professional experience of at least two years).
3. Original Certificate of Criminal Record from the country of origin (if the applicant/employee resides in a country other than the country of origin, the certificate should be issued from the country of residence).
4. Title deed or Rental Agreement of a house/apartment dully stamped if valued over €5.000.

*Dependant family members (spouse, children, parent) can of course exercise their right to family reunification and submit the relevant application to obtain their permits based on the permit of the main applicant/employee of foreign interests.

**For more information and/or further advice on the requested/necessary documents for each applicant/employee and on the required steps/fees/timeframes of the registration process, please contact our law firm.

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