



GOVERNMENT ACTION PLAN FOR ATTRACTING COMPANIES IN CYPRUS

The Government created a **BUSINESS FACILITATION UNIT** which shall operate in Cyprus, and assist in accelerating manner for the following services:

- A. Provision of services for the establishment of corporate entities:
 - i. Company registration and name approval.
 - ii. Registration with the Social Insurance Registry.
 - iii. Registration with for VAT Registry and Income Tax.
 - B. Guidance for the registration and operation of companies in Cyprus.
 - C. Facilitation for the issuance and renewal of residence and employment permits in Cyprus.
1. **New Policy for the issuance of Employment Permits to third country nationals employed in companies of foreign interests, as well as for Cypriot companies that provide added value to the economy.**
- A. Eligible Companies:
 - i. Companies of Foreign Interest which are operating in Cyprus or Companies of Foreign Interest in Cyprus wishing to establish presence in Cyprus which have a physical presence in Cyprus including establishment/ operation of independent offices that are separate from any private residence.
 - ii. Cyprus shipping companies.
 - iii. Cyprus high technology / innovation companies.
 - iv. Cypriot pharmaceutical companies or companies operating in the fields of biogenetics and biotechnology.
 - B. Issuing of temporary Residence and Employment Permits in Cyprus for third country nationals with **minimum acceptable gross monthly salary of €2.500**, provided that the following conditions are met:
 - i. Possession of a university diploma or title or equivalent qualification or certificates of relevant experience in a corresponding employment position lasting at least 2 years.



- ii. Presenting an Employment Agreement of not less than two years.

Additional Information:

Maximum number of Third Country Nationals must represent the 70% of all employees of the Company for the period of 5 years, from the date of entry into the Business Facilitation Unit.

C. Employment of support staff with gross monthly salary less than €2.500.

The employment of third-country nationals is permitted provided that it does not exceed 30% of all support staff, and the amount of their salary is in accordance with the applicable Law.

D. Duration of residence and employment permits:

The permits will be issued within 1 month and will last up to 3 years.

2. FAMILY REUNIFICATION of the third-country nationals who are part of the BUSINESS FACILITATION UNIT.

Direct and free access to the labor market as paid employees to the spouses of those obtained a residence and work permit in the Republic, through **BUSINESS FACILITATION UNIT**, and who receive a minimum gross monthly salary of €2.500.

The above scheme is not applicable for the support staff, that receive less than €2.500.

3. Simplification of the process of granting work permits for the CATEGORY E (Long-Term Resident) Status.

Category E: Is given to Persons who have been offered permanent employment in the Republic, with no investment, provided that will not create undue local competition.

4. Issuance of DIGITAL NOMAD VISA (with a maximum initial limit of 100 beneficiaries)

A. Beneficiaries

Third country nationals self-employed or paid employees who work from distance using information and communication technologies, with employers / clients outside Cyprus, for period of 12 months.

B. Residence status



- i. Residence permit in the country for up to one year, with the right to renew for another two years.
- ii. Applicants can be accompanied by their family members, to whom, upon their own request, a residence permit may be issued that expires at the same time as that of the Applicant/Sponsor. During their (Family) stay in Cyprus, the spouse or partner and the minor members of the Applicant/Sponsor family are not eligible to provide dependent work or to engage in any kind of economic activity in the country.

If they live in the Republic of Cyprus for one or more periods which in total exceed 183 days within the same tax year then they are considered as Tax Residents of Cyprus, meaning they are not tax residents in any other State.

C. Requirements:

The residence permit is granted when the Applicant can provide the following:

- i. Declaration by which he/she declares his/her intention to reside in the Republic with a residence permit for the provision of distance working and that he/she won't provide any kind of work or services in any way to an employer in Cyprus.
- ii. Employment Agreement or evidence of employment with an Employer, natural or legal person, who is outside the Republic of Cyprus.
- iii. Employment Agreements or projects of indefinite duration, with a remaining duration that covers the validity period of the issued Residence Permit, in cases where the third country national is self-employed professional with more than one employer.
- iv. Information about the capacity of the Applicant in the company, as well as information regarding the name, the registered office, the field of activity and the corporate activities of the company, in case the Applicant is self-employed.
- v. Evidence that he/she has sufficient resources, at a fixed income level, to cover his / her living expenses during his / her stay in the country, without burdening the national social welfare system. The amount of sufficient resources is set at €3.500 per month and it can be supported:
 1. from the employment or work agreement or proof of employment, in the case of dependent work.



2. from a bank account. If sufficient funds come from paid employment services, services or work, the above minimum amount refers to net income after payment of the required taxes in the country of employment

The above amount is increased by twenty percent (20%) for the spouse and by fifteen percent (15%) for each child.

vi. Medical Insurance

vii. Certificate of Clean criminal record from the country of residence.

5. Extension of the tax exemption that applies to employees in the Republic, provided that they were not residents of Cyprus before the commencement of their employment.

Income Tax exemption of 50% to new residents-employees with income of €55.000 or more.

The existing beneficiaries of the scheme have the right to extend the benefit from 10 to 17 years. Potential beneficiaries with income (€ 55K- € 100K) for the remaining period of 17 years.

6. Extension of tax exemption for investment in innovative companies

Consideration of the possibility of extending the tax exemption to 50% for investment in certified innovative companies and by corporate investors.

7. Increased tax deduction for research and development expenses

Granting an increased discount on research and development expenses (e.g. by 20%). Eligible research and development expenses will be deducted from taxable income equal to 120% of the actual.

8. NATURALIZATION

The Applicant has the right to submit an application for naturalization after 5 years of legal residence and work in Republic of Cyprus, instead of 7 years that is required today by the applicable Law.

In case the Applicant meet the criteria of holding a recognized certificate of very good knowledge of the Greek language, the Applicant has the right to submit the application after 4 years of legal residence instead of 5.