

Information Sheet No. 4

Permanent Residence & Certificate of Naturalization for non EU-nationals
GENERAL

The Minister of Interior, in his capacity as Chief Immigration Officer is responsible for granting permits to expatriates for permanent residence.

PROCEDURE

Applications for permanent residence to the Chief Immigration Officer are made using form M67. In order to avoid delays for applicants under category F the proper documents regarding income and its sources should accompany the application form. The documents should include the following:

- a) bank certificates from foreign and / or local banks
- b) pension advice notes (where applicable)
- c) copy of letter of retirement (where applicable)
- d) other evidence of financial status

The following two categories of permanent residence that depend on the type of business someone intends to carry out in Cyprus.

E. Employment

F. Applicants of independent means

→ For more information on Permanent Residence Permits refer to [Information Sheet No. 57](#)

Categories E,F

The categories cover the expatriates who intend to live and work in Cyprus for Cyprus companies and are usually granted permanent residence permits.

Category F

Retired persons and applicants of independent means (Category F) are granted permanent residence permits relatively easily. Permanent residence permit holders under category F are not allowed to take up employment or practice any profession or occupation in Cyprus.

The documents required for submitting an application for an Immigration Permit under category "F", are the following:

- a) Form MIP1.
- b) Copy of passport of the applicant and dependent person (wife/husband).
- c) Curriculum vitae of the applicant.
- d) Documentary evidence of the applicant that he/she has in his/her own and his/her free disposition a secured annual income (such as pension, dividends from investments, interest from deposits etc.) of a sufficient amount to support himself/herself and his/her family whilst in Cyprus.



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- e) Three (3) passport size photos.
- f) Lease agreement or contract of sale for his/her residence in Cyprus.
- g) Bank reference/statement, if any.

The required annual income for a person of "independent means" is EUR10,000 plus EUR5,000 for each dependent person and this income must be "secured" income i.e. interest, dividends, pension etc.; and other forms of income that are not based on the applicant's earnings from his/her job or donations from his/her children, family, of any other form of unsteady income. If the application is approved, the applicant must not fail to acquire residence in Cyprus within one year. If he/she fails to do so, the permit granted is automatically cancelled and the authorities will need satisfactory explanation to re-issue the permit. The permit will also be cancelled if the applicant acquires permanent residence abroad or is absent from Cyprus for a period of two years.

Tax Basis

As from 1 January 2003 a person is considered resident in Cyprus for tax purposes if 183 days are spent in Cyprus in any tax year. The tax year in Cyprus is the calendar year and if a person is a tax resident in Cyprus, he/she pays tax on his/her worldwide income whether this is remitted to Cyprus or not.

The personal income tax rates in Cyprus for 2014 are as follows:

Chargeable Income €	Tax Rate %	Cumulative Tax €
0 – 19.500	0	0
19.501 – 28.000	20	1.700
28.001 – 36.300	25	3.775
36.300 – 60.000	30	10.885
Over 60.000	35	

Note: It is noted that certain types of income are either tax exempt or taxed under a different basis. Further there are certain tax incentives for foreigners moving their tax residence in Cyprus.

Taxation for Category F

Pension income (arising from pensions for employment originally outside Cyprus) is taxable on a worldwide basis as above. It can be taxed at either of these methods at the taxpayer's option:

- a) five percent on amount of pension in excess of EUR3,417; or
- b) normal rates

Taxation for Category E

Expatriates working for Cyprus companies are subject to the normal rates of income tax. Relief is given for all tax credits available under the law.

If expatriates offer services both in Cyprus and outside Cyprus then the income is apportioned pro-rata and provided the income for services provided abroad is paid in foreign exchange and remitted to Cyprus then it is not subject to Cyprus tax.

Certificate of Naturalisation

Applications for the acquisition of a certificate of naturalisation are made to the Migration Officer in Nicosia. There are three basic conditions that applicants must satisfy.

- a) Applicants have resided in Cyprus or have been in the public service of the Republic for a period totalling in aggregate to seven years out of which during the last two years, not to be continuous absent from Cyprus for a period of six months.
- b) Applicants intend to reside permanently in Cyprus and
- c) Applicants are of good character.

If an applicant is married to a Cypriot citizen then the requirement at (a) above does not apply but the applicant must show that he/she has been married and living with his/her Cypriot spouse for at least two years.

The application procedure is a slow one and by no means easy.

Naturalised citizens have the same rights and commitments as any other citizens including voting rights, payment of taxes etc.

→ For more information on the conditions and criteria for the Naturalization of foreign persons you may refer to [Information Sheet No. 56](#).

NOTES:

The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained. P.G. Economides & Co Ltd will be glad to assist you in this respect. Please do not hesitate to contact us.

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