

Cyprus: The Island of Investment, Citizenship and Residence Opportunity

Ioannis Ioannikiou, Client Advisor for Casamont Cyprus, was in Manila to give a presentation at the Hubbis Philippines Wealth Management Forum to highlight the attractions of the Cyprus Investment Programme for Asia's HNWIs. He focused on the benefits of citizenship and tax residence in Cyprus, which is part of the European Union, and the consequent advantages for structuring wealth. He also highlighted a win-win for the HNWIs, as there are some compelling investment and real estate opportunities in Cyprus today.

IOANNIKIOU BEGAN WITH A BRIEF INTRODUCTION TO CASAMONT,

which he explained operates in Malta, Greece and Cyprus.

“We are a real estate agency that offers access to unique property in the market, as well as advising many of the big landlords in Cyprus how to structure their investments and how to structure their products from planning to marketing strategies,” he explained. And my core objective today is to highlight some of the key advantages of the Cyprus citizenship investment programme and tax residence in Cyprus as well as to highlight some of the attractive Cyprus investment and real estate opportunities.

He reported that the Cyprus programme is one of the fastest routes for someone to obtain European citizenship. “We heard in a presentation earlier today how Asia's HNWIs are increasingly seeking for alternative citizenship abroad for family and asset and estate planning, as well as for lifestyle. Cyprus recognised this some years ago and has an excellent offering in the form of the Cyprus Investment Programme.”

Fast-track to the EU

He elaborated by noting that the main applicant is also eligible to bring in his or her spouse, as well as dependents up to the age 28, and even the parents of the primary applicant, the latter irrespective of age and irrespective of financial status.



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Qualification for the citizenship programme requires a minimum investment of EUR2 million, and the process, if correctly followed, then the alternative citizenship via investment generally could be granted within six to eight months, he explained.

The financial requirements of EUR2 million can be via one of three routes. Either the real estate sector, or alternative investment funds, or EUR2 million into a Cyprus company that employs at least five Cypriot employees. All of the three criteria should be combined with a donation of EUR150,000 into a government fund.

Modest demands on time

Importantly, the programme does not require the applicant and family to relocate. The applicant can become a non-domicile tax resident by staying there only 60 days, which is modest in comparison with other jurisdictions, which state at least 183

days as the minimum. The Cyprus Government has also reformed their taxation system so that it gives more benefits for those HNWIs who do not really want to spend too much time into the country but achieve this non-domicile status.

Additionally, there is zero taxation of dividends, zero per cent tax on capital gains. There are also many double tax treaties, and the Cyprus tax system and legal systems are typically based on British law as Cyprus was once a British colony.

Real estate the optimal investment route

Ioannikiou commented that real estate is the simplest investment route. “The property must be held for five consecutive years and the applicant can then liquidate afterwards, but a EUR500,000 investment in residential property should be retained for the rest of his/her life.

He then turned to the opportunities in the real estate sector, explaining that the real estate market in Cyprus has been well established for a long time, successfully connecting to tourism, second homes, and also people wanting to live and enjoy the simpler luxuries of life rather than spending time in crowded cities. “Cyprus is well known as a remarkably beautiful island,” he reported, “and is a wonderfully safe and pleasant place for retirement, or holiday homes by the sea.”

Major resort development

And he reported that Cyprus had recently granted a casino license to just one company and a monopoly for 30 years, for the Melco Group, which operates City of Dreams in Macau. Melco will build the biggest resort casino of Europe in what is a very large investment of EUR550 million and due to employ more than 2500 people.

Moreover, as this will be a mixed development of casino hotels, conference centres and other leisure facilities, this will further drive tourism demand and of course, provide a very considerable boost for the Cyprus economy.

He added that investment in real estate in an overseas market should be approached professionally, with appropriate local advice and expertise, which Casamont offers. “The market is robust, prices are improving, but of course one should be sensible as to where to invest and what to buy, as well as considering future liquidity for exit routes.”

He highlighted how construction of the Melco-licensed resort has already started, and alongside that is an associated residential property investment, Citrine Estates, which will be attached to the casino and will

benefit from rental or possibly purchase demand from some of those anticipated 2500 employees and of course later from visitors.

The appeals of Citrine Estates

Citrine Estates will offer a variety of investment options tailored to HNWIs, including the possibility of purchasing a complete block of apartments at a recent estimated price of EUR2.3 million, thereby satisfying the investment criteria for citizenship applications and providing an attractive real estate investment leveraging the casino development’s future impact on the market. There are also villas of two to four bedrooms available, as alternatives to the individual apartments, or blocks of apartments

“Citrine is very wisely selected by our clients due to its quality, its location, the capital

appreciation potential And the rental income of 3% to 5% on investment,” he reported.

Ioannikiou also highlighted a second property opportunity in the form of beach-front villas in Ayia Napa, the island’s main tourist destination, with those tourists pouring in from the main season start in March through to late November.

An island in the Mediterranean sun

He closed his talk by reiterating Cyprus’ very considerable appeals as an investment destination and through its citizenship programme. “Look at the programme’s advantage for a variety of reasons,” he said, “and approach the investment aspects professionally from both the entry and exit perspectives, and the Asian HNWI will achieve a very positive outcome.” ■

