

Cyprus Start-Up Visa Scheme for Third Country Nationals

August 2017

In February 2017, the Cyprus Government approved a Start-Up Visa Scheme ("the Scheme") aimed at attracting foreign investments from non-EU countries in the fields of innovation and research and development (R&D).

The Scheme allows talented entrepreneurs from third countries (individuals or groups of investors) to reside in Cyprus and establish and/or operate and develop their own start-up companies with high growth potential, provided that they meet certain criteria. The Scheme's goal is the creation of new jobs and the promotion of innovation and research.

The introduction of the Scheme is part of the Cyprus Government's Policy Statement on Strengthening the Entrepreneurial Ecosystem.

Who Can Benefit

A non-EU country national who:

- Is the only founder of the company and meets the enterprise requirements set out below
- Has access to €50,000, which may include venture capital funding, crowdfunding or other sources of funding
- Holds an undergraduate degree or an equivalent professional qualification

- Has very good knowledge of the Greek and/or English language

A team of non-EU country nationals:

- Comprising solely of founders that meet the enterprise requirements below and number a maximum of five individuals
- Or comprising of at least one founder and other senior executives whose total does not exceed five individuals. The senior management must belong to the third level of the administrative hierarchy (managers/C-level employees) and must have the right to stock options.
- Possessing, in total, more than 50% of the company's shares
- The founder has access to €25,000. In cases where the founders are more than two the total capital must be €50,000 which may include venture capital funding, crowdfunding or other sources of financing.
- At least one of the team members holds an undergraduate or an equivalent professional qualification.
- All team members have a very good knowledge of Greek and/or English language.

Enterprise Requirements

- The enterprise must be innovative. It will be considered as innovative if its research and development costs represent at least 10% of its operating costs, in at least one of the three years preceding the submission of the application, as certified by an external auditor, on the basis of international accounting standards. In the case of a new enterprise without any financial history, the evaluation will be based on the Business Plan submitted by the applicant.
- The Business Plan must provide that the enterprise's head office and tax domicile be established in Cyprus. The head office may be a common co-working space (e.g., business accelerators, incubators, digital hubs etc.) or a shared location with other enterprises.

What Are the Benefits for the Founders?

The individuals who will be approved and participate in the Individual and/or team schemes will benefit from the following:

- Right to economic activity and residence in the Republic for one year, with the possibility of renewal for at least another year.
- Right to self-employment or right to paid employment in their registered company within the Republic (paid employment also applicable for senior executives).
- Prospective residence in the Republic without any maximum time restrictions, if the enterprise succeeds.
- Enjoyment of family reunification, if the enterprise succeeds.
- Prospective recruitment of a specific number of personnel from non-EU countries without prior approval of the Department of Labour, in case of success of the enterprise. The success or failure of the enterprise will be assessed at the end of the second year. (Factors such as the number of employees, taxes paid in Cyprus, exports and the extent to which the company promotes research and innovation will be taken into consideration by the relevant authorities in the assessment process.)

The Scheme will initially be applied for a two year period (February 2017 - February 2019) during which hundred and fifty (150) residence permits will be issued to the eligible applicants.

How Trident Trust Company (Cyprus) Limited can assist

- Assisting with the preparation and submission of the relevant application forms, and communication with the local authorities
- Incorporation of Cyprus companies
- Ongoing company administration, registered office and company secretarial services, including compliance and board meetings
- Bank account opening and administration
- Ensuring compliance with Cyprus regulations
- Accounting, bookkeeping and VAT services
- Liaison with the external auditors in respect of annual audit
- Legal services (through associates)
- Tax advice (through associates)
- Office facilities – both physical¹ and virtual

If you or your clients would like to discuss these developments, please contact your usual Trident contact or our Cyprus office by telephone at +357-258-20-650 or email at cyprus@tridenttrust.com.

¹Subject to availability

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