

1. Eligible Companies

1.1 As of 1st January 2022 the previously existed “Fast Track Business Activation Mechanism” for foreign interests companies, evolved into the “Business Facilitation Unit (BFU)”, which will be the single point of contact for foreign companies. In order to be eligible to employ third country nationals in Cyprus, eligible businesses must meet one of the following criteria:

- The majority of the company's shares are owned by third-country nationals.
It is noted that in the event that the percentage of the foreign participation in the share capital of the Company is equal to or below 50% of the total share capital, the Company is eligible when this percentage of the share capital represents an amount equal to or greater than the amount of €200,000.
- Public companies registered on any recognized stock exchange.
- Companies of international activities (formerly off-shore), which operated before the change of regime, whose data are held by the Central Bank.
- Cypriot shipping companies.
- Cypriot high-tech/innovation companies*
- Cypriot pharmaceutical companies or Cypriot companies active in the fields of biogenetics and biotechnology.
- 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.

* An enterprise qualifies as ‘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, electronic and telecommunication products, pharmaceuticals, biomedical, research and development equipment, electrical machinery, chemicals, non-electrical machinery.

1.2 The following documents must be submitted by all eligible companies that meet the above-mentioned criteria:

1. Certificate of Incorporation;

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

In the case where 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 ultimate beneficial owners) should be declared and documented.

* In case where the percentage of foreign participation in the company's share capital is equal to or less than 50% of the total share capital, in order for the company to be considered as suitable, the foreign participation should represent an amount equal to or greater than the amount of €200.000.

5. Director's Affidavit on the company's ownership (from one of the directors if many);
6. Ultimate Beneficial Owners' valid passport(s);
7. Memorandum and Articles of Association;
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).

2. Employee Classification

Eligible companies may employ third country nationals in the following four categories:

- 1.1. Directors and/or,
- 1.2. Key personnel and/or,
- 1.3. Specialist(s) and/or,
- 1.4. Supporting staff.

*Note 1: the minimum gross monthly salary for highly skilled employment is set at €2,500. Below this limit, employment is considered to be at support level and a contract must be dully stamped by the Department of Labor.

*Note 2: the contract of employment must be at least two years of duration, dully signed and stamped.

*Note 3: the third country national employee should have all necessary for the position qualifications or a minimum of two years' experience relevant to the position in question.

3. Duration of Permit and Renewal

Duration of the permit depends on the duration of the contract of employment with maximum validity of two years. There is of course the option of renewal for another two years subject to the successful submission of the relevant documentation.

NOTES

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