

EMPLOYING THIRD COUNTRY NATIONALS

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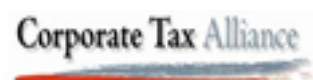
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CREATING, PROTECTING AND GROWING WEALTH

OVERVIEW

A growing number of businesses are setting up their company operations in Cyprus and are keen to relocate their senior executives and specialists to the island. Cyprus offers an array of corporate and tax incentives as well as a smooth procedure for companies who wish to attract foreign talent.

EXEMPTED COMPANIES

The following companies are exempt from needing to apply as a Company with Foreign Interest in Cyprus:

- Public companies registered in any recognised stock exchange.
- Former offshore companies that were operating in Cyprus by approval of the Cyprus Central Bank, before the change of their offshore status.
- Cypriot shipping companies.
- Cypriot companies of high technology / innovation, that will be certified by the Deputy Ministry of Research, Innovation and Digital Policy based on the applicable framework.
- Cypriot pharmaceutical companies or companies operating in the fields of biogenetics and biotechnology.
- Persons who have acquired Cypriot citizenship by naturalization based on economic criteria, given that they will prove that the conditions under which they were naturalized are still met.

In the case where companies are the shareholders, their final owners (natural persons who are the ultimate beneficial owners) should be declared, in order to receive the approval of the Civil Registry and Migration Department.

OPERATING CAPITAL

Many entrepreneurs are setting up their headquarters in Cyprus. They may either avail the Fast Track Business Activation Mechanism if they qualify or alternatively register with the Department of Labour for the respective permissions to employ third country nationals (non-EU) in Cyprus.

In case the percentage of foreign participation in the share capital of the company is 50% or more of the total share capital then this percentage must represent an amount equal to or greater than the amount of EUR 200,000. This would mean that the company is eligible and meets the EUR 200,000 deposit requirement.

OFFICE REQUIREMENTS

The company must have premises or operations physically in Cyprus. It must operate independent offices in Cyprus, in suitable premises, separate from any private housing or other office, except in the case of business co-habitation.

REQUIRED DOCUMENTS

1. Original Certificate of Incorporation
2. Original Certificate of Registered Office
3. Original Certificate of Directors
4. Original Certificate of Shareholders proving the % of foreign participation in the company's share capital is over 50% of the total share capital and documents leading up to the UBOs.
5. Proof that steps were taken to employ a Cyprus resident person unsuccessfully such as first advertising the vacancy in 2+ local newspapers to demonstrate no candidates were sourced from the local market.
6. Directors' Affidavit on the company's ownership.
7. Ultimate Beneficial Owners' valid passport(s).
8. Original Company M&AAs
9. Description of the company's principal activities.
10. Deposited amount of at least €200,000, supported by a Bank SWIFT or other similar document which proves an initial investment by the ultimate beneficial owner, legally admitted to Cyprus from abroad. In the case where the investment has not directly been made by the ultimate beneficial owner, the relation of the investor to the ultimate beneficial owner must be proved and documented.
11. Completed Analytical Statement of Company of Foreign Interests' Personnel.
12. Title of ownership/rental agreement of office premises. If the title of ownership has not been obtained yet, the applicant must submit a contract of sale duly stamped by the Stamps Commissioner and the Department of Lands & Surveys and proof of payments.
13. Audited Company Accounts (for companies already operating in Cyprus).
14. Tax Clearance Certificate for the company (for companies already operating in Cyprus).
15. Proof of Levy Payment for the Registrar of Companies (for companies already operating in Cyprus).

TEMPORARY RESIDENCE PERMIT APPLICATION

There is no requirement for the investor to relocate to Cyprus but it is requested that all PRP holder visit Cyprus every 48 months to ensure the validity of their residency permit.

1. Copy of valid passport or other travel document with validity of at least two (2) years from the date of the submission of the application.
2. List of Company's third country personnel per category [Directors /Key Personnel/ Specialists].
3. Brief Curriculum Vitae - CV (including copies of academic qualifications and or relevant professional experience of at least one year).
4. Copy of Contract of Employment, duly signed.
5. Declaration signed by the Employer for covering return costs for the employee.
6. Original blood analysis results showing that the third country national does not bear/suffer from HIV, syphilis, hepatitis B and C and a chest x-rays for tuberculosis (TB) from the country of origin.
7. Original Certificate of Criminal Record from the country of origin (if the applicant resides in a country other than the country of origin, the certificate should be issued from the country of residence).
8. Receipt of payment of the annual company fee to the Registrar of Companies.

After the third country national arrives they need to submit the following:

1. Copy of the passport's or other travel document's page, showing the latest arrival in the Republic.
2. Original Entry Permit (M70).
3. Original blood analysis results showing that the third country national does not bear/suffer from HIV, syphilis, Hepatitis B and C and a chest x-rays for tuberculosis (TB), certified from a Specialized Doctor in Cyprus.
4. Title deed or rental agreement of a house/apartment duly stamped.
5. Valid Certificate of Health Insurance for medical care that covers inpatient and outpatient care as well as transportation of corpse (Plan A), automatically renewable, OR
6. Registration Certificate in the General Healthcare System (GHS – GESY) and private health insurance for inpatient health care and transportation of corpse.
7. Employer's liability insurance with an automatic renewal.
8. Original contract of employment duly signed and stamped, as well as two (2) copies of the stamped original contact, also duly stamped.
9. Marriage Certificate (If applicable).
10. Children Birth Certificates (If applicable)

It is emphasised that at the time of the application submission, the photograph, fingerprints, and signature of third country nationals will be captured by Authorised personnel.

For convenience purposes, the capturing of the above may take place up to one (1) week after the submission of the application, at the District Units of the Aliens and Immigration Service of the Police, at the district of residence (for all Districts except Nicosia) by presenting the application submission receipt and a valid travel document.

The application is not considered complete and cannot be processed further if these data is not captured.

CATEGORIES OF ELIGIBLE STAFF

CATEGORY 1 - DIRECTORS

In this category the following third-country nationals are included:

1. Directors or Partners registered in the Registrar of Companies
2. General Managers of branches and of mother companies of alien companies
3. Departmental Managers
4. Project Managers

The minimum acceptable gross monthly salary for Directors is **EUR 4,000**, an amount that may be adjusted from time to time, depending on fluctuations in the wage index. Unless specifically allowed, the maximum number of employees permitted in this category is five.

CATEGORY 2 - MIDDLE MANAGEMENT

In this category the following third country nationals are included:

- Upper / middle management personnel,
- Other administrative, secretarial or technical staff

The minimum acceptable gross monthly salary for this category is **EUR 2,000**. Amounts may be adjusted from time to time, depending on wage index fluctuations. Unless specifically allowed by the CRMD, the maximum number of employees permitted in this category is ten.

CATEGORY 3 - SPECIALISTS

Companies are entitled to employ third country nationals in professions / with skills as listed below:

1. Software and System Engineers
2. Application and Data Architects
3. Information and Communication Technology and Enterprise Solution Architects
4. Technical Assurance Professionals
5. Telecom and Space Engineers
6. Data scientists
7. Machine Learning Engineers
8. Web Developers and designers
9. UX User Experience Professionals
10. Quantitative Analysts
11. Quality Assurance Analysts
12. Mobile Application Developers
13. Augmented Reality/ Virtual Reality Programmers
14. Digital Marketing Specialists
15. Video Production Multimedia Specialists for Mobile Apps and Software
16. Analysts for Mobile Apps and Software
17. Designers of Prototype for Mobile Devices
18. DevOps Engineers
19. Cyber Security Specialists
20. Artificial Intelligence, Robotics and Big Data Specialists
21. Pharmaceutical Formulation Technologists
22. Pharmaceutical Engineer Validation Specialists
23. Pharmaceutical Patents Specialists
24. Pharmaceutical Regulatory and Quality Assurance Professionals
25. Marine Engineers
26. Naval Architects

The minimum acceptable gross monthly earnings for Specialists is **EUR 2,000**, an amount that can be adjusted from time to time, depending on fluctuations in the wage index. The recommended maximum number of Specialists is 5, depending on the company's turnover and permit. Companies already registered in the Register of Foreign Companies of the Civil Registry and Migration Department can automatically benefit from the policy for employment of third country nationals in the Specialists' category.

CATEGORY 4 - SUPPORT STAFF

All third country nationals not included in the above categories. Companies are expected to fill in positions in this category with Cypriot or European citizens. In the case where there are no qualified Cypriots or European citizens available, a company may employ third country nationals in posts in this category at a rate of 30% of the total staff.

Please note that it will be at the discretion of the Civil Registry and Migration Department to approve the license of the Company to employ only third country nationals, therefore it is strongly suggested that a sufficient amount of Cypriot or European citizens is also employed.

LIMITS PER CATEGORY

There are limits on the number of third country staff that can be employed under each category.

If companies wish to hire more third country nationals their requests must be submitted accompanied by justifications for why they are necessary to the company and supporting documents including:

- The company's turnover
- The ratio of third country employees to local/EU nationals
- The company's operating time in Cyprus.

In order to hire more than 300 third country nationals the consent of the Council of Ministers is required.

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ENTERING CYPRUS

Third country nationals that are eligible may enter Cyprus to work for a company of foreign interests by submitting an entry permit at the Civil Registry and Migration Department. Alternatively third country nationals who enter under the Director, Middle Management or Specialist categories may also obtain a visa from a consular authority of Cyprus abroad.

Seven days after arriving the third country national must register with the Civil Registry and Migration Department, in the Aliens' Register. The individual should obtain a reference letter from a local qualified professional in Cyprus that confirms the applicant is i) well known to the professional providing the reference ii) meet regularly and that the applicant does infact reside in Cyprus and iii) that the permanent residence of the applicant in Cyprus is known to the professional.

Moreover, a temporary residence permit must be submitted in the interim whilst the employment permit is in process. The employment permit and temporary residence permit will be valid for the duration of the contract, normally 2 years. Once third country nationals enter (under categories 1 to 3) they can apply for their minor children and spouse to enter Cyprus under family reunification purposes.,

WHAT WE CAN DO FOR YOU

We at ATG have extensive experience managing Cyprus companies and their operations over the past two decades. We have supported our clients in obtaining the relevant permits for their company to hire specialists and senior executives from third countries seamlessly. Each case has its unique characteristics and we consistently deliver a solution that ensures the swift processing of employment and residency permits for foreign nationals.

We offer a full range of corporate services in Cyprus from corporate advisory services to payroll, immigration to accounting. Our team comprises of highly qualified individuals with extensive experience in their field of services.

For a FREE Initial Consultation to discuss the specifics of your enquiry please contact Andreas Athinodorou on + 357 22057560 or andreas.athinodorou@atgcorporate.com



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