

Cyprus citizenship program officially enhanced

On 13th September the Cyprus Cabinet approved amendments to its already popular citizenship by investment (CBI) program, making it more attractive than ever. Importantly, the key advantages of the program, including speed of processing, no residency requirement, three year exit window, and inclusion of dependents up to age 28 have been retained. The Cyprus CBI program was introduced in March 2014, and has proven very successful, injecting over €2billion into the economy. The changes not only improve the competitiveness of the program but according to the Minister of Finance, Harris Georgiades, it ensures longevity as well. The most significant change is the reduction of the required investment to €2M, from 2.5M. This remains a pure investment, there is no donation element. Another advantage is the inclusion of the main investors parents, provided that they acquire a permanent residence property with a value of €500,000. It is possible for this value to be

pooled into the main investment, enabling a more premium property to be purchased. The 'collective scheme' concept, which required the simultaneous deposition of five applications, has been abolished. All applications will now be submitted individually, thus there is no waiting time for the formation of a group. Real estate was always by far the preferred qualifying investment option, this trend is sure to continue following the abolishment of the bank deposit and pure bond investment schemes. In order to establish further genuine ties between the country and investor, applicants will be required to obtain Cyprus Permanent Residency (PR) status. This PR application can be submitted simultaneously with the citizenship application, it has a processing time of just two months, thus doesn't impact the overall speed. The investment made to fulfil the citizenship criteria also fulfils the financial criteria of the residency program, so there will be no additional cost

to the investor.

Cyprus has always been a magnet for foreign investment due to its strategic location, highly attractive tax regime and business-friendly environment. Its ideal Mediterranean climate, beautiful surroundings, safety and high standard of education and healthcare are just a few of the reasons for the island popularity amongst lifestyle purchasers as well. Following strong economic performance and with good projected growth the island has firmly regained investor confidence.

The Cyprus CBI program is by far the fastest route to obtaining EU citizenship. Considering the advantages detailed above and the programs clear requirements and simple procedure, it is without doubt the best option for high net worth individuals seeking a premium second citizenship and these latest updates will further enhance the programs popularity.

THE FASTEST ROUTE TO EU CITIZENSHIP:

-  Investment requirement **€2M**
-  Time to citizenship **3 months**
-  Residency requirement **none**
-  Passport quality **9th in the world**
-  Family **spouse, dependents up to age 28 and main investors parents**
-  Visa free - travel **168 countries**
-  Exit strategy **3 years**
-  Dual citizenship **permitted**
-  Eligibility **all nationalities**
-  Tax consequences **none**

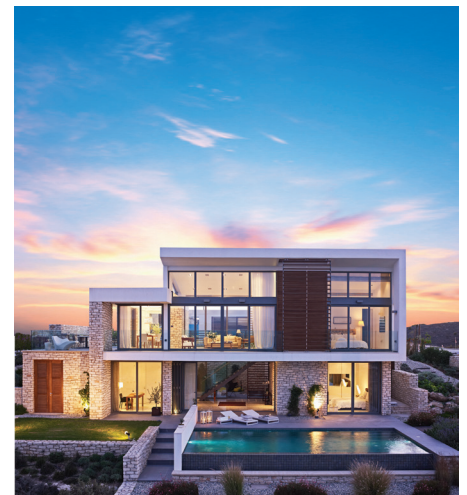


Cyprus CBI program going strong post Brexit

There has been much debate on the impact of Brexit on the Cyprus and other EU citizenship by investment programs. The reality is the change hasn't curbed interest at all. On the contrary demand is ever-increasing as awareness of the Cyprus program grows, which enables investors to obtain EU citizenship for an entire family within just three months with absolutely no residency requirement. EU citizenship was introduced by the Maastricht Treaty in 1992 and affords rights such as free movement, settlement and employment across the EU. An EU passport, with or without the UK, offers incredible security, opportunity and value to you and your family. If like the majority of investors, your key motivator in obtaining EU citizenship is to enjoy the benefits of the other 27 EU

member states in addition to Switzerland, Iceland, Norway and Liechtenstein, then Brexit will have no impact at all. There is strong consensus amongst industry leaders that those seeking access to the UK need not worry either, as it is highly probable that the UK will negotiate an EEA-type of agreement with the EU, or obtain a status similar to Switzerland, thus a form of free movement and settlement will still apply, especially to financially independent citizens. Various forms of relationships are possible. For instance, Liechtenstein, Norway and Iceland are not members of the EU, yet they are party to the European Economic Area (EEA) Agreement, and therefore the right of settlement as well as many other rights still extends to these countries. Switzerland is part of the Euro-

pean Free Trade Agreement (EFTA), but not a member of the EEA. It has opted for bilateral agreements which give its citizens the right of settlement throughout the EU. For now, the current EU freedoms within the UK remain effective until the conclusion of a full exit, which will inevitably take years to fully implement. Regardless of the UK's exit negotiations it is highly probable that Cyprus and the UK will continue to enjoy reciprocal benefits, as the two countries have had a long-term relationship that goes far beyond EU membership. Cyprus is an ex British colony, a Commonwealth member and is home to two British Sovereign bases, Akrotiri and Dhekelia. It is also home to one of the largest British communities in the EU.



Cyprus; Ripe for Investment

Large-scale projects, privatisations and a burgeoning oil and gas sector are firmly placing Cyprus on the map as a hotspot for investment. The island's improved credit standing, after consecutive upgrades by international credit rating agencies, successful bond issues, raising over €2 billion in international markets, and numerous large-scale projects have all contributed to the resurgence of Cyprus as a preferred foreign direct investment (FDI) location. Recognising the growing interest, Cyprus has focused on streamlining processes and was ranked in the ten economies with the most notable improvement in upgrading the business environment, climbing 13 places in the rankings of the World Bank's 2016 Doing Business Report. Already recognised as a popular tourist destination and a business hub servicing international companies with multinational operations, the island is growing its investment appeal with more incentives and improvements to its FDI framework – making this a ripe time to invest. A key development in 2016 is the launch of Cyprus' first-ever Science

and Technology Park (STP), which provides strategic investors with an interesting opportunity to finance, design, build and manage the landmark project. Cyprus' hydrocarbons find has captured the attention of several global energy companies, such as Eni, Kogas and Total, who have all secured exploration licences. The country's energy sphere saw yet another boost in November 2015, with British oil and gas company BG Group acquiring a 35% stake in Cyprus' offshore Block 12. US-company Noble Energy made the world-class natural gas discovery in 2011, and so far has confirmed reserves of 4.54 trillion cubic feet (tcf) in just one of the 12 offshore blocks. Further exploration is expected in 2016 and 2017, with oil deposit discoveries also a possibility. Cyprus' aim of becoming a regional energy hub in the Eastern Mediterranean also opens up opportunities for more oil and gas related business, and for investors to use Cyprus as a base to service their clients in the region.



New office in China

Pafilia is pleased to announce that after five consecutive years in China and due to rapid expansion it has moved to better premises in Beijing further expanding its direct presence within the Asian region. Beijing, as the biggest city in China, is also considered to be the epicenter for business and is the ideal place for the new premises. Through increasing their presence in this territory, Pafilia aims to continue to grow within the Asian market and to move closer to its customers and offer the highest level of support to its clients.

Sales and Marketing Director, Mr Simos Similides said "The opening of a new office in Beijing will allow us to be closer to our customers and better satisfy their growing needs. We have great expectations in terms of overall growth within this region and are very excited to have established a local presence in what can be defined a bridge between Europe and Asia".



Homes Overseas Russian Awards 2016

Pafilia's prestigious ONE development in Limassol has won GOLD Award in 2 categories in the Homes Overseas Russian Awards 2016 as the Best Project in Cyprus and the Best High Rising Project in Europe.

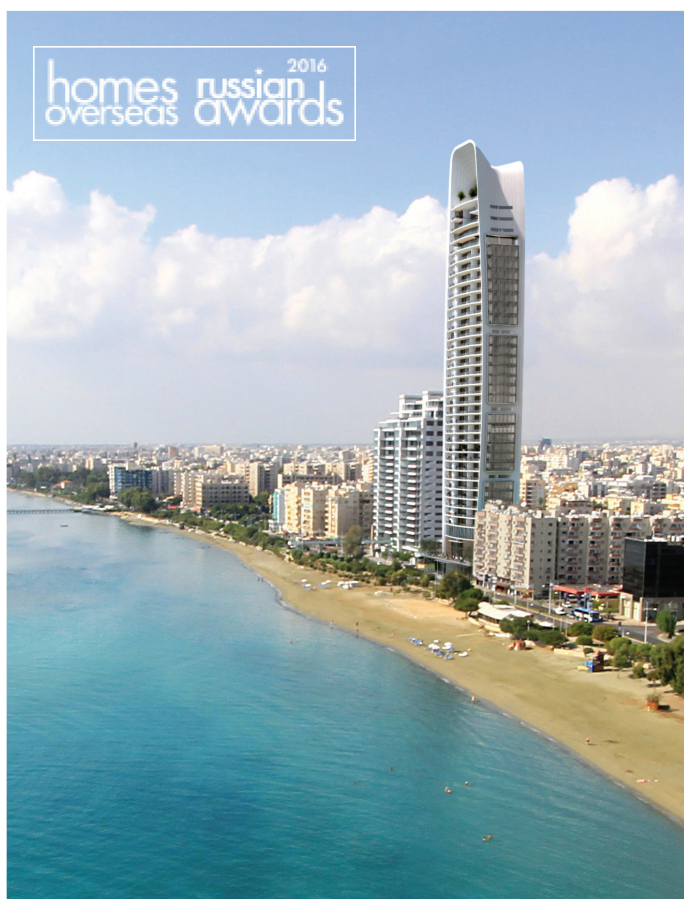
ONE was highly appraised by the Jury and won GRAND PRIX as the best project among all nominees. The awards were received by Moscow sales managers Sergey Filatov, Lar-

isa Tarakanova and our sales support executive Julia Svidritskaya. The official awards ceremony was held in Moscow, Borodino Hall and was accompanied by an impressive gala-dinner.

Gold, Silver and Bronze awards were delivered in the festive atmosphere to 11 foreign developments in 17 nominations.

Homes Overseas Russian Awards is the

only awards company in Russia to include international properties. The application campaign for participants 2016 started in December 2015. There were a total of 54 applications with just 11 developments receiving awards for the 2016 entries.



Property Transfer Fee Incentive now permanent

On 29th July 2016 the Finance Ministry announced that the temporary transfer fee reduction, which was valid until December 2016 and enabled investors to benefit from a 50% fee reduction, will be made permanent. This change is testament to the Government's commitment to continually enhance the attractiveness of Cyprus as a destination in which to invest.

Immovable Property Tax abolished

On 25th July 2016 the House of Representatives passed a proposal to reduce the 2016 Immovable Property Tax (IPT) by 75% and abolish the tax altogether as of 1st January 2017. This is welcome news to homeowners and makes investing in a Cyprus property even more attractive!

Property transaction volumes continually rising

Property transaction volumes to foreign purchasers are continually increasing with the first eight months of 2016 seeing a 17% rise compared with the same period in 2015. Pafos and Limassol have led the trend with Limassol showing the strongest performance. The city saw a 41% increase in unit sales from Jan to August compared with the same period last year. The momentum has been partly fuelled by the highly popular citizenship and residency programs and the tax incentives available until December 2016, which includes an exemption from capital gains tax on disposal, offering significant savings to investors.



Cyprus, Non-Dom status

In July 2015 Cyprus introduced attractive incentives for expatriates and high-net-worth individuals to adopt non-domiciled (non-dom) tax resident status in Cyprus. Under the non-dom rules, Cyprus tax resident individuals who are not domiciled in Cyprus are completely exempt from Special Contribution for Defence (SDC) on dividends, interest and rental income. The total tax exemption makes the holding of investments in dividends and/or interest earning financial assets, including shares and bonds, in Cyprus and anywhere in the world extremely attractive for non-Cyprus domiciled individuals. The maximum income tax rate on personal income in Cyprus is presently set at 35% for income in excess of €60,000.



Tourist arrivals continue to increase

The number of tourist arrivals in June and July 2016 rose 23% and 16.3% respectively compared with the same period in 2015, as the number of visitors from almost all major markets continued to rise, the statistical service said. In the first half of the year, Cyprus saw total arrivals increase an annual 21%, while tourist arrivals for the first seven months recorded an increase of 19.8%.

Arrivals from the UK, traditionally Cyprus' largest market of incoming tourists rose 21% in June and 7.1% in July. While those from Russia, Cyprus' second largest market, rose 42% in June and 39.3% in July compared with the respective months of 2015, Cystat said. Arrivals from Greece and Israel also rose in June 30% and 59% respectively.





SPOTLIGHT FEATURE ON: **OASIS PARK**

Oasis Park is an elegant Mediterranean development offering contemporary apartments and houses in beautifully landscaped grounds. Located in the heart of Kato Pafos, Oasis Park enjoys an exceptionally convenient location that places a wealth of amenities, attractions and experiences on your doorstep. The architecture has a distinctly Cypriot feel due to elements such as natural stone, terracotta roofs and large private terraces and gardens, which are ideal for enjoying al fresco Mediterranean living! Small blocks of semi-detached houses ensure a sense of openness while enabling extensive green buffers and pathways that give the development a park like feel. Additionally, this design style ensures that properties blend with the natural surroundings while providing residents with optimal natural light and views. The properties encircle a 330sqm communal courtyard and gardens, complete with large residents swimming pool. It provides an oasis of calm to enjoy a refreshing dip or soak up some sun, while poolside changing facilities provide a little extra convenience. The architect has utilised the plots gentle gradient to ensure all apartments on the first to fourth floor enjoy beautiful sea views. What's more, almost all properties are south facing! The project is almost complete, prices start from €348,000 (+VAT) and there is limited availability.



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