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## **CYPRUS STARTUP VISA SCHEME**

**May 2022**  
**Deputy Ministry of Research, Innovation & Digital Policy**

## 1. Introduction

The "Cyprus Startup Visa" is part of the Policy Statement on Strengthening the Entrepreneurial Ecosystem. The National Policy Statement for the Enhancement of the Entrepreneurial Ecosystem in Cyprus is a joint action involving all actors of the entrepreneurial ecosystem aiming to exploit business potential, eliminate existing barriers and establish a new, growth-oriented, entrepreneurial culture in Cyprus.

The "Cyprus Startup Visa" Scheme allows talented entrepreneurs from third countries [outside the European Union (EU) and outside the European Economic Area (EEA)], individuals or a team, to enter, reside and work in Cyprus in order to establish / operate / develop a Startup with a high growth potential. The Scheme's goal is the creation of new jobs, the promotion of innovation and research, the development of the business ecosystem and consequently the economic development of the country. The Scheme supports the establishment of new innovative Startup or the move of established innovative Startup to Cyprus. The introduction of the "Cyprus Startup Visa" is part of the Policy Statement on Strengthening the Entrepreneurial Ecosystem<sup>1</sup>.

The Scheme is valid until May 2024 and up to 150 visas can be issued.

This Practical Guide includes all necessary information for applicants.

## 2. Beneficiaries

**Individual Startup visa scheme** – Eligible is a Non-EU country national who will act as the sole founder of an innovative Startup. An innovative Startup is defined as a venture that develops new innovations, creating a sustainable competitive advantage in the future.

**Team Startup visa scheme** – Eligible is a Team (of maximum 5 individuals) consisting of Non-EU country nationals. The Team should consist solely of the founders of an innovative Startup or of at least one (1) founder and other senior executives.

Additionally, more than 50% of the company's shares should be owned by one or more member(s) of the team of applicants.

## 3. Benefits in Case of Approval

- Right to economic activity and residence in the Republic of Cyprus for two years, with the possibility of renewal. After the end of the second year, a new application may be submitted to assess the success of the company. If the company is assessed as successful, applicants have the prospect of long-term residence in the Republic.
- For the Founder/s: Right to self-employment or paid employment in their registered

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<sup>1</sup> <http://www.reform.gov.cy/gr/>

company within the Republic.

- For the senior executives (Team Scheme): right to paid employment in a company that the Founders of the Company will register in the Republic.
- For the Founders and Senior Executives family members: right to residency and paid employment in the Republic, under the following conditions:
  - (a) the right concerns only the Founders' and Senior Executives' spouse(s)
  - (b) the right concerns direct but not free access to the labor market, i.e. for the issuance of a work permit, all national procedures for employment of a third country national will be followed depending on the employer (e.g. foreign interest company, Cypriot company, etc.)
  - (c) the right concerns only salaried and not independent work.
- Eligible to obtain a [Certificate of Innovative Company](#).

#### **4. Process for Obtaining Initial Approval**

The Applicant/s must submit an application ([Annex I](#)). All required documents should be submitted in English. The application may be submitted either while the applicant/s is/are abroad or while they reside legally in the Republic.

The Startup to be established or to be moved to Cyprus, must be innovative. The applications for existing startups refers to their transfer to Cyprus or the creation of a branch in Cyprus.

A Business plan should be submitted describing the ability of the Startup to develop new or clearly improved products, services or processes with high technological or industrial risk, which are characterized as innovative in their field / market. Guidelines for the preparation of the business plan can be found in [Annex II](#).

The Business Plan is evaluated by two independent evaluators based on specific criteria (Annex III). In case the Business Plan secures a score of  $\geq 3$  per criterion and  $\geq 15/20$  in total from both evaluators, then the company qualifies as 'Innovative'. In case the Business Plan secures a score of  $\geq 3$  per criterion and  $\geq 15/20$  in total by only one evaluator, then the Business Plan is evaluated by a third evaluator. If a score of  $\geq 3$  per criterion and  $\geq 15/20$  in total is secured by the third evaluator, then the company qualifies as 'Innovative'. In case the Business Plan secures a score of  $< 3$  in one criterion and/or  $< 15/20$  in total from both evaluators, then the evaluation procedure is complete and the company does not qualify as 'Innovative'.

#### **Approval or Rejection of an Application**

The Deputy Ministry of Research, Innovation and Digital Policy approves or rejects the application within five weeks of receiving a completed application.

The Deputy Ministry reserves the right to request further clarification / information / explanations about the company.

In the case of a positive evaluation of the application, the applicant/s will receive a Notification of Initial Approval, which grants them the right to economic activity in the Republic of Cyprus for two years, with the possibility of renewal for at least another year, from the date of issue.

### Objection / resubmission procedure

In the case of a negative evaluation of the application, the applicant/s will receive a letter containing the overall comments of the evaluators who have evaluated their Business Plan.

Applicant/s who have received a negative evaluation, but whose average evaluation is >12/20, are allowed to resubmit their application one more time, with a revised Business Plan, which takes into account the evaluators' comments.

### **5. Submission of an Application of Entry in the Republic of Cyprus**

The application's initial approval does not automatically guarantee a right of entry, residence or employment in the Republic. The Department of Civil Registry and Migration and the Ministry of Foreign Affairs is notified by the Deputy Ministry about the approval of the Application.

When the applicant/s obtains the Notification of Initial Approval while abroad, they must submit within six (6) months an application for visa to the Consular Authorities of the Republic or to the Department of Civil Registry and Migration to secure entry/registration/residence permit.

The application will be reviewed within three (3) weeks after complete submission. In case of approval, the applicant should arrange entry into the Republic within the document's validity period.

### **6. Submission of an Application of Entry and Work / Residence permit in the Republic of Cyprus**

If the applicant/s receive the Notification of Initial Approval while legally staying in the Republic, they must submit within one (1) month an application to the Department of Civil Registry and Migration to ensure registration/residence permit for the establishment/operation/and development of a Startup.

The application is examined within three (3) weeks after its complete submission. In case of approval, a residence permit is issued, valid for one year from the date of the Notification of Initial Approval.

If the applicant is in the Republic with a visitor status, before submitting the application, they should submit a written request to the Department of Civil Registry and Migration in order to change their residence status. The request will be reviewed within five (5) weeks.

### **7. Possibility for Additional Recruitment of Foreign Personnel under the Individual Startup Visa Scheme**

If an application was submitted under the Individual Startup Visa Scheme, it is possible to transfer to the Team Scheme, provided that the requirements of that Scheme are met.

If an application was submitted in the Team Startup visa scheme, at any time within the two (2) years of the Notification of Initial Approval, there is a possibility to complete the maximum number of five (5) team members, provided that the requirements of the Scheme are met.

In case the company wishes to recruit additional foreign personnel, then the existing procedures for recruiting foreign personnel should be followed, by obtaining the approval of the Department of Labour. The Department of Labour will approve additional recruitment of foreign personnel in

cases where the total number of foreign workers in the company does not exceed 30% of the total staff.

All relevant forms can be found at the Department of Labour website: <http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/>.

## **8. Expiration of the Renewed Residence Permit**

Two (2) months before the expiration date of the renewed residence permit, the applicant/s may submit a new application to the Deputy Ministry to assess whether the Startup has been successful or not.

The criteria for the re-evaluation of the application after two years will be:

1. Whether the company has proved to be viable (scaling up) – this shall be proved by a presentation of the company's previous year's audited Financial Statements that show an increase of at least 15% in the company's growth over the two years' period.
2. Whether the company has contributed to the Scheme's goal, i.e. the creation of new jobs, the promotion of innovation and research and the development of the local business ecosystem.

The Deputy Ministry of Research, Innovation and Digital Policy approves or rejects the application within five (5) weeks of receiving a completed application.

### **A. The evaluation is positive:**

If the evaluation is positive, then the applicant/s will receive a Notification of Final Approval within five (5) weeks of submission.

### **In cases where there is a registered company with tax domicile in the Republic:**

- Personnel already working in the company (initial applicants), will be ensured the right of residence and employment in the Republic and in the company. For the paid employees, there will be a potential of a two-year issue / renewal of residence permits and for the self-employed, one year<sup>2</sup>, by paying the corresponding fees. Applicants and employees will be able to directly exercise the right to family reunification, in accordance to immigration laws.
- The company, in case it wishes, will be able to recruit additional foreign personnel that do not exceed three (3) individuals without prior approval of the Department of Labour, provided that the latter will receive a gross monthly salary of at least €1.500. Such personnel shall be entitled to reside and be employed in the Republic, in the relevant company, with a potential of a two-year issue / renewal of residence permits and if the provisions of the immigration law are met, be able to exercise the right to family reunification.
- The company will be able to recruit additional foreign personnel (in excess of the three (3) individuals above), by following the established procedures relating to residence and

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<sup>2</sup> In accordance with the limitation of Regulation 12 of the 1972 Regulations on Foreigners and Immigration Law as it was amended.

employment of third country nationals, prior to approval from the Department of Labour. For these personnel the policy governing General Employment will be applied.

**In the cases where there is no registered company with tax domicile in the Republic:**

- The self-employed in the company at the time of issue of the Notification of Final Approval, will be ensured the right of residence and employment in the Republic, in the specific company, with one-year<sup>3</sup> renewal, and by paying the corresponding fees. He/they will be able to directly exercise the right to family reunification, in accordance to the immigration laws.
- The company, in case it wishes, will be able to recruit additional foreign personnel that do not exceed three (3) individuals with no prior approval of the Department of Labour, provided that the latter will receive a monthly gross salary of at least €1.500. Such personnel shall be entitled to reside and be employed in the Republic, in the specific company, with a potential of a two-year issue / renewal of residence permits and if the provisions of the immigration law are met, be able to exercise the right to family reunification.
- The company will be able to recruit additional foreign personnel (in excess of the three (3) individuals above), by following the established procedures relating to residence and employment of third country nationals, prior to approval from the Department of Labour. For this kind of personnel, the policy governing General Employment will be applied. The self-employed founder with the larger number of shares in the company will be considered as the employer. In the case of a partnership, shareholding is not taken into account. Each partner in a partnership pays social insurance fees as an independent self-employee.

**B. The evaluation is negative:**

- If the application's evaluation is negative, the Department of Civil Registry and Migration will be informed accordingly.
- If the applicant/s was/were on a self-employed basis and wish to continue to reside in the Republic for the purpose of a paid employment, they must depart from the Republic and follow the procedures the Department of Labour providing approval from their prospective employer.

**For more information, please contact:**

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