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As we all know Brexit is now a fact. It has left UK Nationals who have established their life in Cyprus feeling unsure and concerned as to how it will affect their right to live work and study in Cyprus. Fortunately, the EU has reached an agreement with the UK on citizens' rights known as the Withdrawal Agreement which has been legally binding on all member states as of 1st February 2020. This Agreement ensured that UK would leave the EU in an orderly manner. One of the main objectives of this Agreement has been to protect the rights of citizens who have built their life on the basis of rights emanating from UK membership to the EU.

In accordance with the Withdrawal Agreement, UK Nationals and their family members who have exercised their free movement rights in Cyprus before 1st January 2021, (end of the transitional period) have the right of residence, employment, study and free movement in the Republic of Cyprus and are entitled to continue living on the island just as they did before Brexit with the same access to work, study, benefits and public services that they enjoyed then, subject to some specific provisions.

UK Nationals and their family members who already hold current residency documents, such as a Certificate of Registration (MEU1), Residence Card (MEU2) or a Certificate/Card of Permanent Residence (MEU3), can continue to use them as a means of proof of their residence rights in Cyprus. Cyprus has chosen not to make it obligatory for UK Nationals and their family members who already reside in its territory, and hold the above documents, to have to apply for a new residence status as a means of verifying that they are entitled to their residence rights. This is optional. Should they opt to apply for the New Residence Documents (MUKW1, MUKW2, MUKW3), they will only need to follow a very simple procedure. They will not need to submit any further accompanying documents with their application. They will only need to submit a valid passport as proof of identity and their current residency documents. The applicants will, be requested to present themselves at the local Immigration Office or at the Civil Registry Migration Department for the submission of biometric data in order to finalize the application procedure.

It is important to note that eligible UK Nationals and their family members, including family members who are non-UK Nationals, who have residence rights under the Withdrawal Agreement, meaning that they have exercised free movement rights in Cyprus prior to 1st January 2021 but have not yet applied for residency documents prior to the above mentioned date, will continue to have the right to apply for residency documents, provided they can submit credible documentary evidence of their residency prior to 1st January 2021 as well as proof that they continue to reside in Cyprus. Those who will have completed five years of continuous residence in Cyprus before the 31st of December 2020, will be eligible to acquire permanent residence. If they have not completed continuous residence of 5 years in Cyprus by the 31st December 2020, they will be eligible to apply for temporary residence and will be able to remain in Cyprus until they have reached the five -year threshold which will allow them to apply for permanent residence. Commencement of this 5-year period for both cases starts at the moment of exercising their free movement rights, which may be at any time before 1st January 2021.

The Withdrawal Agreement also protects the rights of family members of those UK Nationals who have already exercised their free movement rights in the Republic of Cyprus before the 1st of January 2021. Children born or adopted after that date by them or their spouse/civil union partner will enjoy the same rights as pre-existing family members. Furthermore, any existing family member who on 31st December 2020 was living in a country other than Cyprus will be able to reunite in Cyprus with them as a family member at any time in the future. Such family member will then be eligible to qualify for permanent residence, after completing five years of continuous residence.

In all the above cases a new type of residency document will be issued to the UK Nationals and their family members, the MUKW1, MUKW2 and MUKW3. There will be no deadline for the submission of residency applications within the new process that applies as from 1st January 2021.

It is clear that the Cyprus Government protects the residency rights of UK Nationals and their family members, including family members who are Third Country Nationals, by fully implementing all the provisions of the Withdrawal Agreement on citizens' rights. If these persons have exercised their residency rights before 31st December 2020 or if they are eligible to apply after 31st December 2020, they will be able to continue living in Cyprus with the same access to work, study, benefits and public services that they enjoy now. They will have a right to reside in Cyprus without any time limitations. Their passports will be checked at the entry/exit border checks but will not be stamped.

UK Nationals however, who do not hold residency documents issued prior to 31st December 2020, and do not have credible evidence that they exercised their free movement rights in the Republic of Cyprus prior to the abovementioned date and that they continue to reside in Cyprus, will still be able to visit Cyprus but their passports will be stamped during entry/exit border checks with a 90-day limitation period, which is the period of time that they can legally remain in Cyprus. This means that UK Nationals can legally enter and stay in Cyprus with a 90 days' maximum limit.

TEMPORARY RESIDENCE

In the event that UK Nationals wish to extend their stay in Cyprus for more than 90 days, they can apply for temporary residence permit - the so called "pink slip" which allows non-EU passport holders to extend their stay in Cyprus for more than 90 days. Applicants need to apply before their visas expire. It is valid for one year and can be renewed on an annual basis. Under this permit a person is allowed to live in Cyprus as a visitor without the right to work. Spouses and children below the age of 18 can also apply. However, a holder of this temporary residence permit cannot stay out of the country for more than 3 months continuously as the permit will be cancelled.

PERMANENT RESIDENCE

In cases where UK Nationals wish to move to Cyprus permanently, then there are other routes which they, just as any other Non-EU National, can explore that will allow them to obtain permanent residence in Cyprus.

It is possible for any Non-EU National, including UK Nationals, to apply for an immigration permit on the basis of one of the Categories referred to in the Aliens and Immigration Regulations.

The immigration permit grants non-EU Nationals, as well as their spouses and children under 18 years old, the right to permanently reside in the country and travel to Cyprus without immigration entry procedures.

This permit is granted for an indefinite duration to non-EU nationals who comply with the requirements of applying under each Category.

Applications for the immigration permits are submitted on the basis of one of the following categories as described in the relevant legislation:

Category A: Persons who intend to work as self-employed in agriculture, cattle breeding, bird breeding or fish culture in the Republic: provided that they have in their possession adequate land or a permit to acquire same, they have fully and freely at their disposal necessary capital as provided for in the regulations and such an employment should not negatively affect the general economy of the Republic.

Category B: Persons who intend to work as self-employed in mining enterprises in the Republic: provided that they have in their possession a relative permit, they have fully and freely at their disposal the necessary capital and such an employment should not negatively affect the general economy of the Republic.

Category C: Persons who intend to work as self-employed in a trade or profession in the Republic: provided that they have in their possession a relative permit, they have fully and freely at their disposal the required capital and that such an employment should not affect negatively the general economy of the Republic.

Category D: Persons who intend to work as self-employed in a profession or science in the Republic: provided that they have academic or professional qualifications for which there is a demand in Cyprus. Possession of adequate funds is also necessary.

Category E: Persons who have been offered permanent employment in the country which will not create undue local competition.

Category F: Persons who have fully and freely at their disposal a secure and regular annual income, which is high enough to provide a decent living in Cyprus without having to engage in any business, trade or profession in Cyprus.

Applications are reviewed by the Immigration Control Board, and the Minister of the Interior will grant final approval. Examination and processing of applications takes around 12-18 months.

This category would be the most appropriate route for those wishing to retire in Cyprus and have savings or receive a pension or income from abroad. Owning a property in Cyprus weighs heavily positively in any such application though it is also possible to qualify merely with a rental agreement. Each application is examined on its merits.

Category F 6(2) - Expedited procedure which applies to those investing in new-build properties in Cyprus

An expedited procedure which complements Category F enables the granting of an immigration permit to non-EU nationals who invest in Cyprus and have income from abroad. These permits are granted on the basis of the following requirements. In order to qualify, applicants must meet the following criteria:

They must have purchased one or two real estate properties in Cyprus with a total purchase cost of at least €300,000 (excluding VAT). At least €200,000 of the purchase price must be settled in full.

They must provide evidence of a secure and steady annual income emanating from abroad that should be a minimum of €30,000 which increases with each dependent. The income should derive from sources other than employment in Cyprus.

They need to transfer €30,000 from abroad and deposit it in a Bank operating in Cyprus in a 3-year Fixed Deposit Account.

Applications are reviewed by the Civil Registry and Migration Department and the Minister of Interior grants final approval. Examination and processing of applications takes around 3 -6 months. The immigration permit continues to be valid provided that the holder visits Cyprus at least once every two years.

It is important to note that under category F and F 6(2) holders of Permanent Residence Permits are not allowed to work in Cyprus. However, they can be shareholders in a Cypriot Company which can do business in Cyprus or abroad and receive dividends income from this company.

WORK PERMITS

UK Nationals who wish to work in Cyprus could pursue the routes currently available to a Non-EU National wishing to reside and work in Cyprus.

It is possible, subject to certain requirements, to obtain a Temporary Residence Permit as an employee of an existing or new company of foreign interests in which the majority of the company's shares are owned by third country nationals or an international company registered in the Republic

In addition, it is possible, provided certain conditions are met, for Non-EU Nationals to be employed by a Cypriot company and for them to obtain a work permit. The application would be submitted to the District Labour Offices that will investigate and confirm that the criteria for the employment of foreigners are being met. The main provision of those criteria is the investigation of the possibility of satisfying the needs of the employer by Cypriot or European citizens. Following publication of the available position in daily newspapers via the employment services of the District Labour Offices and, provided that there are no Cypriot or European citizens available and capable to fill in the specific positions, the employer would submit a special application for permission to employ foreign workers.

The above article focuses on information for UK Nationals living in Cyprus or wishing to visit or relocate to Cyprus particularly with regard to residency, travel and doing business in the Republic. It highlights the effect of Brexit as a whole and the Withdrawal Agreement in particular, and provides reassuring news for expatriates regarding the protection of existing residency rights and benefits for those UK Nationals who have taken steps to secure their position in Cyprus and prepared for Brexit. It is clear that the Cyprus Government greatly appreciates the valuable contribution that UK Nationals have been making over the years to the Cypriot society and has taken steps to safeguard and protect theirs and their families' residency, where they have already established their life in Cyprus, by implementing all the provisions of the Withdrawal Agreement on citizens' rights.

For those UK Nationals who wish to visit Cyprus after 1st January 2021 and whose rights do not fall within the Withdrawal Agreement, though undoubtedly the procedure will not be as simple and straightforward as it used to be in the past, there are still various routes available to them as explained above which will enable UK Nationals to visit, relocate or work in Cyprus.

*The content of this article is valid as at the date of its first publication. It is intended to provide a general guide to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on your specific matter before acting on any information provided. For further information or advice, please contact **Esme Palas**, Partner at Telephone: +357 26 930 800 or via email at: Esme.Palas@kyprianou.com*