



The Law on Acquisition of Real Estate (Foreigners) (KEF.109)

Amendment History

CHAPTER.109 52/1969 55/1972 50/1990 ANAK.5062 54 (I) / 2003 161 (I) / 2011

Concise title

1. This Law will be referred to as the Real Estate Acquisition (Foreigners) Law.

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Interpretation

2. In this Law-

"Foreigner" means not a citizen of the Republic and includes a company controlled by foreigners, a foreign company and a trust for the benefit of a foreigner but does not include-

- (a) a foreign Cypriot;
- (b) a foreign spouse of a citizen of the Republic who is not separated from her spouse by a decision of a competent Court;
- (c) a national of a Member State who is a national of the European Union in accordance with Article 20 of the Treaty on the Functioning of the European Union and a national of a State party to the EEA Convention. · and
- (d) a legal person incorporated under the law of a Member State and having its registered office, central administration or principal place of business in a Member State of the EEA;
- (e) [Repealed];
- (f) [Repealed];

"Foreign Cypriot" means a person, not a citizen of the Republic, who was born in Cyprus at the time when his parents had their habitual residence in Cyprus or whose father was born in Cyprus at the time when the parents of the said person father had their usual residence in Cyprus and includes a foreign spouse of a foreign Cypriot who is not separated from her spouse by a decision of a competent Court;

"Secondary residence" [Deleted];

"Foreign-controlled company" means, in relation to the acquisition of immovable property, any organization;

- (a) in which half or more than half of the directors or persons holding the position of consultant, by whatever title they are called, are foreigners; or
- (b) in which half or more than half of the votes belong to aliens or to persons exercising, directly or indirectly, the right to vote on behalf of aliens; or
- (c) in which half or more than half of the shares are owned by foreigners; or
- (d) in which an alien has, at the time of the acquisition of immovable property by the organization, any powers conferred on him by the statutes or other founding document of the organization to ensure that the work of the organization will be carried out at will:

It is understood that when the powers referred to in this paragraph are conferred on two or more persons acting jointly, the organization shall not be considered as a foreign-controlled company unless half or more than half of such persons are foreigners or

- (e) in which any interest that controls it substantially belongs to half or more than half to aliens or to an organization falling within any of the other paragraphs of this definition.

"Alien for the benefit of an alien" means any kind of trust in which the existing beneficiary or one of the existing beneficiaries is an alien and includes any express or implied contract or agreement, written or oral, to which no property belongs. owned by an alien shall be owned by him or for his benefit or at his disposal in another way or on the basis of a lease which does not fall under the provisions of paragraph (a) of paragraph (6) of Article 3;

"Member State" means a Member State of the European Union but does not include the Republic;

"State Party to the EEA." means a State Party to the Agreement on the European Economic Area, signed in Porto on 2 May 1992 and ratified by the Accession Agreement of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Hungary, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the European Economic Area and the Final Act (Ratification) of 2004;

"Sovereign Base Areas" means the Cape Base Area and the Dhekelia Base Area which are under British Sovereignty as defined in Article 1 of the Treaty establishing the Republic of Cyprus, signed at Nicosia on 16 August;

"Foreign company" means an organization established in a country other than the Republic or the Sovereign Territories of the Bases, whether or not it is controlled by foreigners.

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Restrictions on the acquisition of real estate by a foreigner in some cases

3.- (1) The acquisition by a foreigner of real estate otherwise or due to death without prior permission of the Council of Ministers is prohibited.

(1A) When the acquisition of immovable property exceeds the area absolutely necessary for the erection of an estate for residential or commercial use and in any case exceeds the area of two steps, the permit granted by the Council of Ministers shall also be subject to such conditions, restrictions, conditions and criteria which were to be determined by Regulations issued by the Council of Ministers and approved by the House of Representatives.

(2) Upon submission of an application by any person, foreigner or not, for the granting of a license for the acquisition of immovable property by a specific foreigner or by any foreigner;

(a) the Council of Ministers shall deal with this request, decide on it and notify its decision in writing to the person who submitted the request as soon as possible.

(b) any authorization granted may provide that no further authorization is required for the acquisition by another alien, on such terms as were to be imposed on the authorization granted, of the immovable property for the acquisition of which it is granted, and in such case and notwithstanding the provisions of this Article no such further authorization shall be required.

(3) A valid contract or agreement, written or oral, made in accordance with the provisions of the Law on Contracts or any other law in force at the time, which provides for the acquisition of immovable property by a foreigner does not grant to the foreigner therewith or for the benefit of any right to acquire the immovable property, only after the granting of the permission of the Council of Ministers provided by subsection (1) for the acquisition of this immovable property.

(4) None of the provisions contained in this Law affects the right of a foreigner to take the actions referred to in article 2 of the Law on Sale of Land (Special Execution).

(5) Any registration of immovable property in violation of this article is invalid.

(6) For the purposes of this Article, the term "acquisition of immovable property" shall also include:

(a) the lease of immovable property for a period exceeding thirty-three years or may, together with any further periods giving unilateral option to extend or renew the lease, exceed thirty-three years:

It is understood that for the purposes of subsection (1A) the period referred to above must exceed ten years.

(b) The acquisition of a share of a company established as a legal entity in the Republic or in the Dominant Areas of the Bases and which has, in any case, real estate or in the Dominant Areas of the Bases when, taking into account any other shares of the same company owned by foreigners, the acquisition of this share by a foreigner would make the company in question controlled by foreigners

(c) the creation of a trust for the benefit of an alien concerning, in whole or in part, immovable property, the leasing of immovable property falling within the provisions of paragraph (a) or a share of a company whose acquisition falls within the provisions of paragraph (b) .

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Authority to issue Regulations

4.- (1) The Council of Ministers may issue Regulations published in the Official Gazette of the Republic-

- (a) specifying the minimum size of the parcels in which a foreigner may subdivide his immovable property for the purpose of sale
- (b) in general for the better realization of the purposes of this Law.

(2) Any registration of immovable property carried out in violation of any Regulations issued pursuant to subsection (1) shall be invalid and void.

(3) Regulations issued pursuant to this Article may enable the Council of Ministers to exclude, in the manner in which the Regulations are intended to determine, any alien or class of aliens from the operation of these Regulations.

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Exceptions.

5. The provisions of this Law shall be subject to the exceptions provided for in paragraph 3 of Article 39 and Articles 46, 55 and 58 of the Treaty establishing the European Community.

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Note 5Removed

Remarks of the Review and Consolidation Service of the Cypriot Legislation

1. The provisions of the Property Acquisition (Foreigners) (Amending) Law of 1990 (50 of 1990) are considered to enter into force from 5 October 1989 (3 of 50 of 1990).

2. Transitional Provisions of Laws 52 of 1969 and 55 of 1972.

The Real Estate Acquisition (Aliens) (Amendment) Act 52 of 1969, and the Real Estate Acquisition (Aliens) (Amendment) Law 55 of 1972, contained certain transitional provisions. Because they are not part of the basic law, they cannot be included in the consolidated text of the law as its article. However, the provisions referred to are likely to be useful from a practical point of view, so it was considered appropriate to cite these comments.

(A) The Real Estate Acquisition (Aliens) (Amending) Law 52 of 1969, which entered into force on 11 July 1969, contained the following transitional provisions in Article 6 thereof:

6.- (1) Any decree issued on the basis of Article 3, as it was in force before its repeal by this Law, and is in force on the day of entry into force of this Law shall be considered as a decree issued on the basis of the new Article 3 of the basic law, substituted by this Law, and as applicable both for the lease of immovable property and for the acquisition of a share of a company that falls, in any case, within the definition referred to in paragraph (4) of the aforementioned new Article 3 and continues valid until revoked or amended by a new decree.

(2) Any consent given to the acquisition of immovable property in accordance with a decree such as that referred to in subsection (1) shall be deemed to be a permit granted under the new Article 3 of the basic law as it was substituted by this Law and is still valid after the expiration of this decree.

(3) None of the provisions contained in this law shall apply to the lease of immovable property or the acquisition of a share of a company which falls, in any case, under the definition of paragraph 4 of the new Article 3, which is substituted by this Law, if this lease or acquisition was agreed under a contract concluded before the date of entry into force of this Law, provided that this contract will be submitted to the Minister of Interior, within two months from the date of entry into force of this Law, by any of the parties to be noted on this date of delivery, and this note on that date constitutes indisputable proof of delivery of the contract as mentioned above.

(B) The Real Estate Acquisition (Aliens) (Amending) Law 55 of 1972, which entered into force on 7 July 1972, contained the following transitional provisions in Article 4.

4 - (1) Subsections (1) and (2) of article 6 of the Real Estate Acquisition (Aliens) (Amendment) Law of 1969 are hereby repealed, and the parenthesed number 3 at the beginning of the only remaining third paragraph deleted:

It is understood that any consent given before the entry into force of the said Law and any permission granted before the entry into force of this Law for the acquisition, in any case, of real estate by a foreigner under the provisions of the basic law that was in force, is considered as a permit granted under Article 3 as amended by this Law and remains in force.

(2) None of the provisions contained in this law shall affect the rights of an alien existing on the date of its entry into force by virtue of a trust in his favor, which concerns in whole or in part immovable property, The said trust will be presented to the Minister of the Interior, within two months from the above date, in order to mark the date of his delivery, and this note of that date will be an indisputable proof of the delivery of the document in the manner stated above.

(3) None of the provisions contained in this law shall apply to a contract concluded before the date of entry into force of this Law for the acquisition of immovable property that has not yet taken place, in cases where obtaining the prior permission of the Council of Ministers for this acquisition is not required according to the provisions of the basic law but is required according to the provisions of this Law, meaning that this contract will be presented to the Minister of Interior, within two months from the date of entry into force of this Law, by any by the parties to be noted on this date of its delivery, and the marking of this date shall constitute indisputable proof of the award of the contract in the manner set forth above.

(4) For the purposes of this Article, the term "acquisition of immovable property" shall also include the leasing of immovable property and the acquisition of a company share, which are referred to in paragraphs (a) and (b) of subsection (6) of Article 3 of the basic law (as amended by this Law), and the term "immovable property" shall be construed accordingly.

Note

4 of Law 54 (I) / 2003 Entry into force of Law 54 (I) / 2003

This Law [SS: ie Law 54 (I) / 2003] enters into force on the date of accession of the Republic to the European Union.