

STRATEGY FOR ATTRACTING COMPANIES TO OPERATE AND/OR EXPAND THEIR ACTIVITIES IN CYPRUS

No.	ACTION/DESCRIPTION	AUTHORITY	ACTIVITIES	TIMETABLE & IMPLEMENTATION
A. BUSINESS FACILITATION UNIT				
1	<p>Transform the existing Fast-Track Business Activation Mechanism into a Business Facilitation Unit (BFU) for companies operating or wishing to operate in Cyprus</p> <p>The BFU will have an enhanced role and increased workload as it will act as the central point of contact for all companies of international interest that:</p> <p>(a) either operate in Cyprus or wish to operate in Cyprus; and</p> <p>(b) for Cypriot companies in specific sectors of economic activity.</p> <p>Improving the functioning of the BFU by making greater use of technology.</p>	<p>MECI MOI (CRMD) DMRID</p>	<p>(a) Establishing the procedure for the operation of the BFU.</p> <p>(b) Provision of information on the websites of the relevant services.</p> <p>(c) Simplification and digitalisation of all procedures related to the operation of international companies.</p>	<p>(a) A Proposal was approved by the Council of Ministers on 21/12/2021.</p> <p>The BFU is staffed with officials from the Ministry of Energy, Commerce and Industry, the Tax Department and the Social Insurance Service. A contact point has also been designated by the Department of Town Planning and Housing.</p> <p>(b) Information material on the Strategy is kept up to date on the websites of the relevant departments.</p> <p>(c) As of December 2023, the BFU has implemented an electronic application system for the registration of foreign interest companies, through which information on the status of the application can be provided. The system also offers information and guidance on licensing for business activities and applying for Social Insurance and Tax Department registrations.</p> <p>The BFU will also examine the possibility of developing a platform that will allow for the monitoring of the status of the application by the applicant, as well as the possibility of interconnection between the electronic systems of the competent services.</p>

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B. AUTHORISATIONS FOR THE EMPLOYMENT OF STAFF FROM THIRD COUNTRIES EMPLOYED BY TRANSNATIONAL COMPANIES				
2	<p>Review of the existing policy on the employment of staff from third countries by companies/businesses of foreign interests (companies/businesses registered in the Business Facilitation Unit)</p> <p>A. Eligible enterprises:</p> <p>1. Businesses/companies of foreign interests operating in the Republic of Cyprus or businesses/companies of foreign interests intending to operate in the Republic of Cyprus and operating independent offices in Cyprus, which must be located in suitable premises, separate from any private residence or other office.</p> <p>2. Cypriot shipping companies.</p> <p>3. Cypriot high-tech/innovation companies.</p> <p>4. Cypriot pharmaceutical companies or Cypriot companies active in the fields of biogenetics and biotechnology.</p> <p>The eligibility criteria can be found in the following link: https://www.businessincyprus.gov.cy/business-facilitation-unit/</p>	<p>MECI MLSI MOI (CRMD)</p>	<p>(a) Determination of eligible companies for inclusion in the BFU</p> <p>(b) Re-establishment of the criterion for proving initial investment in the Republic of Cyprus.</p> <p>(c) Extension of the validity period of the licences.</p> <p>(d) Improve the management and digitisation of licences.</p>	<p>(a) Determination of the categories of companies to be eligible for registration at the BFU by a Decision of the Council of Ministers (Dec.2021 and July 2022 for the inclusion of international higher and higher education institutions).</p> <p>(b) In November 2022, through a Council of Ministers Decision, the obligation to prove an initial investment in the Republic of Cyprus of at least €200k was reintroduced for all companies to qualify under the scheme.</p> <p>(c) As from 18/7/2022, it is possible to submit applications for the issuance of residence and work permits with validity up to 3 years.</p> <p>(d) Regarding the issuance of permits, from 20.3.2023:</p> <p>(i) Weekly, fixed appointments have been granted to certain service providers based on the volume and frequency of requests they submit to the Department.</p> <p>(ii) Individuals and service providers with a smaller number of applications are served daily on a first-come, first-served basis (2-3 applications at a time).</p>

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	<p><u>Employment of third-country nationals with high skills, provided that the employee:</u></p> <ul style="list-style-type: none"> - will be paid a minimum gross monthly salary of €2500 - will hold a university degree or diploma or equivalent qualification or certificates of relevant experience in a relevant job for 2 years. - will present a contract of employment of not less than two years duration. <p>The maximum number of third country nationals who can be employed at a given company is set at 70% of the total number of workers over a period of 5 years from the date of joining the BFU. In the event that the 5-year period elapses and the target of 30% Cypriot workers employed has not been met, then it will be reviewed on a case-by-case basis.</p> <p>B. Employment of third country nationals as support staff (with a gross monthly salary of less than €2500) - is allowed provided that it does not exceed 30% of the total number of support staff and provided that the third country national and the employer have concluded an employment contract duly certified by the competent authority in accordance with the applicable legislation.</p>		<p>(e) amendment of the policy on the employment of third-country nationals employed by companies/businesses of foreign interests to be in line with the provisions of the Blue Card Directive (new action: 3B).</p>	<p>(e) Submit a Proposal to the Council of Ministers when the Blue Card legislation is passed.</p>

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<p>NEW ACTION</p>	<p>The level of their salaries is determined by the applicable legislation.</p> <p><u>Notes:</u> To obtain the relevant permits to employ staff from third countries, companies/businesses will need to provide certificates of registration from the Registrar of Companies and the Tax Department.</p> <p>C. <u>Eligibility of companies to remain registered in the BFU Registry.</u></p> <p>This measure relates to companies already registered in the BFU Registry, which may not meet some of the eligibility criteria from a certain point onwards, such as the foreign citizenship of the owners (the majority of the company's shares belong to third country nationals), due to the acquisition of Cypriot citizenship or the sale of the company, etc.</p>	<p>MECI</p>	<p>Examine the possibility of permitting companies that are already registered in the BFU to remain in Register.</p>	<p>C. Submission of a Proposal to the Council of Ministers (amend Proposal No. 1618/2021 (dated 21/12/2021) in the first quarter of 2024.</p>

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<p style="text-align: center;">3</p> <p>NEW ACTION</p>	<p>Implementation of the Blue Card Directive</p> <p>The Blue Card concerns a European Directive on the conditions of entry and residence of highly qualified third-country nationals for the purpose employment, which is defined as the possession of a higher education qualification of at least three years' duration or, for managers and professionals in the information and communication technology sector, relevant professional experience of at least three years within the seven-year period prior to applying for a Blue Card.</p>	<p>MOI (CRMD) MLSI</p>	<p>(a) Preparation of a draft bill for the harmonisation of the Directive into national law.</p> <p>(b) Single Application Procedure for receiving and examining applications within 1 month.</p>	<p>(a) The bill was approved by the Council of Ministers on 17/1/2024 and will be submitted to the House of Representatives.</p> <p>(b) The internal procedure will be defined within the next period by the Ministry of Labor (MSLI) and the Ministry of Interior (MOI).</p>
<p style="text-align: center;">4</p>	<p>Right to Family Reunification of third-country nationals who join the Business Facilitation Unit and - Right to employment.</p> <p>Immediate and free access to the labour market through <u>paid employment</u> for spouses whose family members have secured a residence and work permit in the Republic through the BFU and who receive a minimum gross monthly wage of €2500 (excludes support staff).</p> <p>The single permit requires:</p> <p>(a) A valid passport with a validity of at least 2 years,</p> <p>(b) legal residence in the Republic,</p> <p>(c) Employment contract duly certified where required,</p>	<p>MOI (CRMD) MLSI</p>	<p>A stamped Contract from the Department of Labour will not be required. The terms and conditions of the permit must comply with the terms and conditions set out in the legislation.</p>	<p>Effective from 1/1/2022.</p>

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	(d) professional qualifications, (e) suitable accommodation, (f) health insurance, (g) does not pose a threat to public order or public safety (clear criminal record), (h) does not pose a threat to public health (medical examinations), (i) an affidavit to cover removal costs.			

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C. DIGITAL NOMAD VISA				
5	<p>Digital Nomad Visa (with a maximum initial ceiling of 100 beneficiaries)</p> <p>This measure relates to a residence permit in the Republic, not a work permit.</p> <p>Globally there is a shift towards remote working. This creates prospects for Cyprus whereby it can attract people who will reside in Cyprus while working in companies operating abroad.</p> <p><u>Beneficiaries</u> Third country nationals who are self-employed, freelancers or salaried employees working remotely with the use of information and communication technologies with employers/clients outside Cyprus.</p> <p><u>Residence status</u> - They have the right to stay in the country for up to one year, renewable for another two years.</p> <p>- They may be accompanied by their family members who are granted, upon request, a residence permit that expires at the same time as that of the financial supporter of the family. During their stay in Cyprus, the spouse or partner (concerns persons who have entered into a civil partnership agreement) and the minor members of the family are not</p>	MOI	<p>(a) Council of Ministers' Decision on the maximum number of Digital Nomad Visa beneficiaries.</p> <p>(b) Review of the criteria for issuing Digital Nomad Visa licences and possible extension of the maximum number of beneficiaries.</p> <p>(c) Promoting online submission of applications.</p>	<p>(a) Launch of the programme in February 2022 with a limit of 100 digital nomad licences. By Decision of the Council of Ministers dated 03/03/2022 the maximum number of Digital Nomad Visa beneficiaries was increased to 500. This limit has already been exhausted.</p> <p>(c) As a first step, the CRMD will examine, in cooperation with the Deputy Ministry of Research, Innovation and Digital Policy (DMRID), the possibility of digitizing the renewal process for residence permit for digital nomads.</p>

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	<p>allowed to perform any form of paid employment or engage in any form of economic activity in the country.</p> <p>- If they reside in the Republic for one or more periods exceeding a total of 183 days within the same tax year, they are considered tax residents of Cyprus provided that they are not tax residents in any other State.</p> <p><u>Necessary preconditions</u></p> <p>The residence permit is granted to the person concerned, provided that he/she submits:</p> <ul style="list-style-type: none"> • a declaration stating his/her intention to reside in the country with a residence permit for the purposes of carrying out work remotely and his/her commitment that he/she will not in any way provide work or services or work to an employer established in Cyprus, • an employment or project contract or proof of an employment relationship with an employer, natural or legal person, who is established outside the Republic of Cyprus, for an indefinite period or, in the case of a fixed-term contract with a residual duration covering the period of the residence permit granted, or • employment or work contracts of indefinite duration or, in the case of a fixed-term employment contract, with 			

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	<p>a residual duration covering the period of validity of the residence permit granted, if the third-country national is a self-employed person with more than one employer established outside the Republic of Cyprus,</p> <ul style="list-style-type: none"> • or information on the applicant's status in the company, as well as information on the company name, place of company, field of activity and corporate purpose of the company if the applicant is a self-employed person running his own company which is located outside the Republic of Cyprus, • evidence that he/she has sufficient funds, in terms of a stable income level, to cover his/her subsistence costs during his/her stay in the country without burdening the national social insurance system. The amount of sufficient funds is set at EUR 3 500 per month and is proven by: <ul style="list-style-type: none"> i. the employment or project contract or proof of employment relationship, in the case of dependent work, services or projects, or ii. a bank account. If the sufficient funds are derived from salaried employment, services or work, the above minimum level refers to net income after payment of the required taxes in the country where 			

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	<p>the work is performed.</p> <p>The above amount is increased by twenty percent (20%) for the spouse or civil partner and by fifteen percent (15%) for each child.</p> <ul style="list-style-type: none"> • Medical Insurance • A clear criminal record from the country of residence. 			

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D. TAX INCENTIVES				
6	Extension of tax exemption for investments in Approved Certified Innovative Companies.	MOF	Examination of the possibility of extending and expanding the 50% tax deduction for investments in approved certified innovative companies not only to individuals but to corporate investors, as well. The regime that was in force until the end of June 2021 allowed tax deduction only to natural persons.	<p>The legislation was approved by the House of Representatives and entered into force in July 2022 with an implementation period until the end of 2023.</p> <p>In November 2023, the HoR approved the extension of the measure until the end of 2026.</p>

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7	<p>Extension of the tax exemption framework for the eligible employees in the Republic.</p>	<p>MOF</p>	<p>a) Employees with earnings of more than €100,000 can extend the benefit from 10 to 17 years from the year of employment, provided certain conditions apply.</p> <p>Employees with earnings between €55,000 and €100,000 can become eligible for the tax benefit of 50% for a period of 17 years from the year of employment, provided certain conditions apply.</p> <p>At the same time, employees with earnings below €55,000, can claim for a tax deduction of 20% or €8,550 (whichever is less) provided that certain conditions are met.</p> <p>(b) Beneficiaries of the tax exemption is also in the case of change of employment (up to the maximum number of 17 years) – by compensate - increasing the requirement years for residence abroad prior to the employment in Cyprus to 15 years.</p>	<p>(a) Approved by the House of Representatives and entered into force in July 2022.</p> <p>(b) In June 2023 an amendment bill was enacted which removes the restriction of the tax exemption in relation to the first employment in the Republic (the right is also ensured in case of change of employment) by increasing the requirement years for residence abroad prior to the employment in Cyprus to 15 years.</p>

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8	Increased (compared to the actual) tax deduction for expenditure on research and development.	MOF	Incremental tax allowance on research and development expenditure (by 20%). Eligible research and development expenditure will be deducted from taxable income an amount equal to 120% of the actual.	The legislation was approved by the House of Representatives and entered into force in July 2022 (implementation period 2022-2024).

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E. NATURALISATION				
9	<p>Right to apply for naturalisation after:</p> <p>(a) 5 years of residence and work in the Republic; or</p> <p>(b) after 4 years if they fulfil the criterion of holding a "Certificate of Success in Very Good Knowledge of Greek Language".</p>	MOI (CRMD)	<p>(a) Amendment of the Aliens and Immigration Law so as to reduce the required years from 7 to 5 and, under certain conditions, to 4.</p> <p>In addition, the amending legislation should consider introducing provisions so that when a person is absent from Cyprus for work purposes with justified reason, this should be taken into account in the calculation of the time of residence in the Republic.</p> <p>(b) Examination of applications as a priority after completing 7 years of residence and work in the Republic (immediate implementation).</p>	<p>(a) On 30/11/23, the House of Representatives passed the Law entitled "The Aliens and Immigration (Amendment) Law, 2023" (149(I)/2023) which came into force on 19/12/2023.</p> <p>Provisions have been included in the Law pursuant to item (a) (2nd column of the table).</p> <p>(b) The Law provides for a procedure to expedite the examination of applications by payment of a relevant fee.</p>
10 NEW ACTION	<p>Type C visa for visitors with the purpose of travel "Business".</p> <p>Allows foreign visitors to enter the territory of the RoC, without the right to work, for a maximum period of 90 days for the purpose of conducting business activities such as: exploring the business environment, visiting a business/company/organization for meetings, business agreements, negotiations or signing contracts, etc.</p>	MFA	Issue of a visa sticker with the indication "Business".	By circular dated 12/7/2023, the Diplomatic Missions of the RoC that issue entry visas have been instructed to indicate the purpose of the trip on the visa sticker.

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	In order for the visa sticker to be marked " Business ", the applicant (visitor) must indicate this on the visa application form and submit the relevant supporting documents.			
F. SOCIAL INSURANCE				
11	<p>Securing the right to social security</p> <p>The current framework provides equal rights and obligations for all insured persons, regardless of nationality. In particular:</p> <p>(α) Social Insurance Services export pensions in all countries without any reduction and without the existence of any bilateral agreement.</p> <p>(β) if an insured person does not become entitled to a pension at the age of 65, then at the age of 68 he/she is entitled to a lump sum provided that he/she has completed 6 years of insurance and 6 insurance units.</p> <p>(γ) The European Social Security Coordination Regulations also apply to third-country nationals residing in the EU whose situation is not limited to a single Member State.</p>	MLSI (SIS)		The existing framework ensures the right to Social Security for third-country nationals.

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NEW SECTION G. FACILITIES TO MEET THE EDUCATIONAL NEEDS OF THE CHILDREN OF FOREIGN WORKERS IN CYPRUS				
12 NEW ACTION	Ensuring the continuation of the education of children of foreign nationals of third countries working in Cyprus, based on their level of education/ class they are attending at the time of relocation and not according to the age of the child.	MOEC	Amendment of the Council of Ministers Decision so that the age of the child is not used for class placement, but rather the level of their study in the country of origin.	The Council of Ministers, by its Decision dated 29/11/2023, approved the exceptional enrolment of children who relocate to Cyprus based on the class they are attending at the time of relocation and not according to their date of birth, given that the primary school of their choice follows the same curriculum as their previous school.
13 NEW ACTION	Facilitate the licensing process for the operation of private schools to cover the educational needs of the children of foreign workers in Cyprus. The evaluation and approval procedure of the documents submitted with the applications for establishment and operation can be completed within three months from the date of their receipt, given that all the building certificates from the competent state authorities (planning permit, building permit, fire safety, sanitary and electromechanical certificates) have been submitted.	MOEC MOI BFU	(a) Preparation by the BFU, in cooperation with competent licensing authorities, of Guidelines which will describe all stages of the licensing process. (b) Fast-track examination for the licensing process for the operation of private schools.	(a) The BFU, in cooperation with the Ministry of Education, Sport and Youth, completed the recording of the process of establishing a private school. The document will be translated and posted on the BFU website as Guidelines during the first quarter of 2024. (b) The fast-track procedure by the Department of Town Planning and Housing is already in place.
14 NEW ACTION	Use of State land for academic/educational purposes.	MOI	Amendment of the existing Regulatory Framework (State Land Disposal Regulations) so that state land can be used for the establishment of academic/educational institutions.	The amendment has been prepared and is expected to be submitted to the Attorney General of the Republic for legal vetting.

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NEW SECTION H. ADDRESSING HOUSING SHORTAGES FOR FOREIGN COMPANY PROFESSIONALS AND EMPLOYEES				
15 NEW ACTION	Measures to Increase Housing Supply “Build to Rent” Conditions: <ul style="list-style-type: none"> (i) provision of additional residential units resulting from the increase in allowable building area of up to 45%, for rent at affordable levels to beneficiaries, for a period of at least 6 years. (ii) provision of 20% of the residential units resulting from the allowable building area, for rent with market rent, for a period of at least 6 years. (iii) sale or rent of the remaining 80%, of the residential units resulting from the allowable building area, on the open market. (iv) the price of affordable rent is determined by the Department of Lands and Surveys). <p>The above scheme is accompanied by the following additional tax incentives:</p> <ul style="list-style-type: none"> -Income from affordable rent will be exempt from income tax for the duration that the units remain affordable. -Additional exemption (3%) of the special defense tax on all properties of the scheme. 	MOI MFA	<ul style="list-style-type: none"> a) Introduction of a new Housing Scheme Incentive with an increase of up to 45% in allowable building area (in Residential Zones with a allowable building area greater than 1.00:1 and with a minimum net area of 1,000 sq.m). b) Expedited planning application approval. 	<ul style="list-style-type: none"> (a)The incentive was approved by the Council of Ministers on 20/12/2023. The scheme is effective immediately and has a duration of two years from the date of approval. Projects can benefit from the scheme if their planning application is submitted within the specified timeframe. (b) Effective upon Council of Ministers’ approval.

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	<p>-Increased capital discounts on capital expenditure for the period that the units remain affordable (5% instead of 3% currently in force).</p> <p>- Increased capital discounts for the purchase of equipment (15% instead of 10% currently in force).</p>			
<p>16</p> <p>NEW ACTION</p>	<p>Revision of the Housing Incentives Schemes in order to increase the construction and availability of housing units.</p> <p>(a) Up to a 45% increase in the maximum allowable building area is available in Residential Zones with a building coefficient greater than 1.00:1 and a minimum net area of 1,000 sqm.</p> <p>(b) Up to a 25% increase in the maximum allowable building area is available in Residential Zones with a building coefficient equal to or less than 1.00:1 and a minimum net area of 4,000 sqm.</p> <p>There are three options available for availing the incentive schemes.</p> <p>(i) The first option is to allocate part of the allowable building area in the principal property (25% for Scheme (a) and 15% for Scheme</p>	<p>MOI (TPHD)</p>	<p>Revision of the Housing Incentive Schemes with an increase of the maximum allowable building area.</p> <p>The incentive can be applied to new or ongoing developments.</p>	<p>The relevant scheme was approved by the Council of Ministers on 20/12/2023. The scheme is effective immediately and has a duration of two years from the date of approval. Projects can benefit from the scheme if their planning application is submitted within the specified timeframe.</p>

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	<p>(b)) for the purpose of producing affordable housing for sale at affordable prices, (the price is determined by the Cyprus Land Development Organization), while the remaining part of the allowable building area (20% for (a) and 10% for (b)), is allocated for the benefit of the owner (at free market prices).</p> <p>(ii) The second option is to allocate an equal amount of building area in a secondary property. This area would be equivalent to the increased allowable building area in the principal property under development (up to 45% for Scheme (a) and 25% for Scheme (b)) for the benefit of the owner (at free market prices). The allocated area in the secondary property would be used for the purpose of producing affordable housing for sale at affordable prices (the price is determined by the Cyprus Land Development Organization).</p> <p>(iii) The third option is to increase the allowable building area in the principal property by up to 45% for Scheme (a) and 25% for Scheme (b). This increase would benefit the owner, who would be able to sell the additional units at free market prices. However, a payment in lieu would be required, with the price per square meter</p>			

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	determined by the Department of Lands and Surveys.			

OTHER ACTIONS WITHIN THE BROADER FRAMEWORK OF IMPROVING THE BUSINESS ENVIRONMENT

A/N	ACTION/DESCRIPTION	AUTHORITY	ACTIVITIES	DATE & IMPLEMENTATION
I. IMPLEMENTATION OF REFORMS AND INVESTMENTS TO IMPROVE THE BUSINESS ENVIRONMENT				
17	Reform of the Courts to enhance the efficiency and speedy administration of justice.	MJPO Supreme Court	Related projects and reforms are included in Section 3.4 of the Recovery and Resilience Plan (RRP), mainly concerning the clearance of backlog of cases pending before the Courts, the digitisation of the Courts and the introduction of the new Civil Procedure Rules.	(a) Implementation, as from September 2023, of the new Civil Procedure Rules for new cases registered in Courts. (b) Implementation of E-justice from June 2024, replacing i-justice. (c) With regard to the backlog of cases, the objectives of the RRP have already been achieved.
18	Modernisation and reform of the "Companies Law". Drafting of a new Companies Law according to best practices, enhancing the business environment and the competitiveness of the Cypriot economy.	MOF MECI	Amendment of the "Companies Law". The relevant reform is included in Section 3.3 of the Recovery and Resilience Plan.	The contract is expected to be awarded by the end of February 2024 to the successful contractor.
19	Adoption of a bill to facilitate strategic development projects. The purpose of the Law is to facilitate strategic developments in the Republic of Cyprus by simplifying the licensing process for strategic investments and reducing bureaucracy. The main reforms being promoted are: (i) Establishment of a Strategic Development Division within the Department of Town	MOI	(a) The relevant reform is included in Section 3.3 of the Recovery and Resilience Plan. (b) Establishment of a new Division within the Department of Town Planning and Housing to facilitate the licensing of strategic development projects.	(a) The Law entered into force on 1 December 2023, following a Decision of the Council of Ministers (377/2023). (b) The new Division is expected to be operational by 28 April 2024.

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	<p>Planning and Housing of the Ministry of Interior, under which the Project Management Division and the Licensing Division will operate.</p> <p>(ii) Creation of an institutionalised mechanism that will allow the characterisation of a development as strategic for the Cypriot economy, based on objective criteria, which are generally described in the Law and specified in Regulations.</p> <p>(iii) Establishment of a Project Manager for each strategic development project included in the mechanism. The Project Manager will be the applicant's single point of contact with all departments for licensing purposes.</p> <p>(iv) Issue planning permits and building permits at a central level by the Strategic Development Division within a maximum period of one year. It is noted that with this arrangement, the multiplicity of building and planning authorities is abolished. The Single Licensing Authority is determined to be the Head of the Strategic Development Division, i.e. the Director of the Town Planning and Housing for strategic development projects.</p> <p>(v) Setting binding timetables in advance for the issuance of all permits required for the implementation of a strategic development project. The relevant departments will commit themselves in this respect by means of Memorandum of Understanding between the Ministry of Interior and the relevant Ministries.</p>		<p>(c) Establishment of a mechanism for the procedures to be followed for the implementation of the Law.</p>	<p>(c) The mechanism is expected to be ready by Q2 2024.</p>

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	<p>(vi) Consultation with all stakeholders, chaired by the Head of the Strategic Development Division, in the presence of the Project Manager, where the views expressed will be binding.</p> <p>(vii) The Environment Department is the competent authority for consultation and advice on all environmental matters.</p>			
<p>20</p> <p>NEW ACTION</p>	<p>Enhancing Entrepreneurship</p> <p>Improving access to finance for SMEs, start-ups and innovative businesses is an important factor in strengthening entrepreneurship in Cyprus.</p>	<p>MOF</p>	<p>(a) Conduct a study on the establishment of a National Promotion Agency to address the identified funding gaps in relation to SMEs, start-ups and self-employed persons.</p> <p>(b) Establishment of the Cyprus Equity Fund, which will invest mainly in start-up and innovative Cypriot companies, with the aim of filling the financing gap in the Cypriot market due to the high investment risk of these companies.</p> <p>(c) Preparation of a draft law on the institutional framework for investment funds, with the standardization and licensing of administrative services. The aim of the bill is to provide further certainty for investors and to make the</p>	<p>(a) A technical assistance project was carried out with funding from the European Commission. A Proposal to the Council of Ministers is expected to be submitted within March 2024, for approving the Roadmap for the establishment of the Agency. The project is included in the RRP.</p> <p>(b) The RoC signed a Financing Agreement with the European Investment Bank, which was entrusted with the monitoring of the operation of the Fund. The establishment of the Fund by the selected Fund Manager (Fund Manager - 33East Fund C.V.) was completed in December 2023, and the Fund is expected to commence operations within the first quarter of 2024.</p> <p>(c) On 15 November 2023, the Council of Ministers approved the bill entitled "The Establishment and Operation of Collective Investment Organisation Management Companies Law of 2023", which was submitted to the House of Representatives</p>

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			market for investment funds more attractive to Fund Managers, who will be able to focus on more specialised fund management and risk assessment issues.	in December 2023.
21	<p>Amendment of the institutional framework governing the transfer of knowledge and the establishment of spin-off companies by the Public Universities of Cyprus</p> <p>A spin-off is a start-up company set up specifically for the development of university-derived technology, with the direct participation of the founding researchers from the university as shareholders.</p>	<p>MOF MOEC DMRID</p>	Amendments to the Legislation and Regulations of Public Tertiary Academic Institutions, aiming at improving the institutional framework governing the establishment of Private Legal Entities and the participation of their academic and other staff in complementary activities, with the aim of transferring their know-how and inventions into marketable products and services to create added value in the economy.	The consultation with the Public Universities has been completed. The amendment to the institutional framework is expected to be submitted to the Legal Service for legal vetting by February 2024.
22	<p>Upgrading the infrastructure for information and communication technologies.</p>	<p>DMRID MOF OSECPR</p>	Relevant actions are included in Section 4.1 of the Recovery and Resilience Plan, which aims to ensure the digital transformation of Cyprus. It includes, among other measures, investments in fibre and 5G networks, aiming at ensuring coverage for 100% of the population, including universal and affordable access to Gigabit connectivity in all urban and rural areas.	The implementation of actions is proceeding according to the timelines and milestones set in the framework of the RRP (target 2024).
23	<p>Awareness campaign for attracting qualified Cypriots working abroad.</p>	<p>MFA, INVEST CYPRUS, DMRID</p>	<p>(a) Awareness campaign through our Embassies in countries where there is a large number of Cypriot workers and students.</p> <p>(b) Development of an online platform that will provide all the necessary</p>	Development, in the first stage, of an information platform. The possibility of

A/N	ACTION/DESCRIPTION	AUTHORITY	ACTIVITIES	DATE & IMPLEMENTATION
			information to interested employees (cost of living, public services, employment prospects, employment incentives, etc.)	developing the platform further will be examined in order to enrich it, so as to become more interactive, providing for search functions both on the employer and the employee side.
24	Promotion of a comprehensive branding for Cyprus.	MFA, INVEST CYPRUS, MOF, MECI	Assignment of the design and promotion of a comprehensive branding strategy for Cyprus to a consulting company. The branding will provide for a unified approach to be followed by all competent authorities, regarding the promotion of the country as an attractive investment destination (e.g., Invest Cyprus, Diplomatic Missions).	The Presidency, in cooperation with the Cyprus Investment Promotion Agency (Invest Cyprus), is currently preparing the terms of reference for the issuance of the relevant tender.
25 NEW ACTION	Establish a dialogue with foreign investors there by ensuring a continuous communication flow and exchange views in order to identify areas of improvement and address problems	PRESIDENCY MOF	Promotion of actions to resolve issues related to the smooth transition of investors and employees to Cyprus.	2 times/year.
J. HUMAN RESOURCES / UPGRADING OF THE WORKFORCE				
26	Upgrading of employees' skills to align them with market needs (cross-sectoral competencies, specialised programmes and professional certifications).	MLSI, (HRDA) DMRID	(a) Preparation of a National Action Plan for Digital Skills.	(a) The National Action Plan for Digital Skills, which brings together all the actions implemented at the national level by all stakeholders has been approved by the Council of Ministers. In the public sector, the implementation of a holistic programme has already started in cooperation with the Cyprus Academy of Public Administration. In the private sector, new programmes are planned and implemented in parallel by various agencies etc.

A/N	ACTION/DESCRIPTION	AUTHORITY	ACTIVITIES	DATE & IMPLEMENTATION
			<p>(b) Relevant reforms are included in Section 5.1 of the Recovery and Resilience Plan. Relevant measures include:</p> <ul style="list-style-type: none"> - designing new secondary education curricula to improve non-technical and vocational skills, - the introduction of a tracking system for higher education graduates, - the alignment of university programmes with market needs, particularly in the fields of information and communication technology, - training, strengthening and upgrading digital, green and blue skills for all and promoting entrepreneurial skills, - the implementation of specific actions of the Action Plan for Digital Skills. 	<p>(b) The implementation of the actions is proceeding according to the timelines and milestones set in the framework of the RRP (2022-2026).</p>
27	<p>New school programmes that will further promote STEM subjects and related professional orientation.</p>	<p>MOEC MLSI (HRDA)</p>	<p>Relevant reforms are included in Section 5.1 of the RRF including, inter alia, the digital transformation of schools to enhance digital and STEM-related skills.</p>	<p>2022 - 2026</p>

A/N	ACTION/DESCRIPTION	AUTHORITY	ACTIVITIES	DATE & IMPLEMENTATION
28	Aligning the curriculum of university programmes with market needs, especially in the fields of technology, information and communications.	MOEC, Higher Education Institutions, DMRID	The measure is included in the provisions of the National Action Plan for Digital Skills as well as in Section 5.1 of the RRF.	2022 - 2026

Annex I – List of Abbreviations

BFU	Business Facilitation Unit
CRMD	Civil Registry and Migration Department
DMRID	Deputy Ministry of Research, Innovation and Digital Policy
HoR	House of Representatives
HRDA	Human Resource Development Authority
MECI	Ministry of Energy, Commerce and Industry
MFA	Ministry of Foreign Affairs
MJPO	Ministry of Justice and Public Order
MOI	Ministry of Interior
MLSI	Ministry of Labour and Social Insurance
MOEC	Ministry of Education, Sport and Youth
MOF	Ministry of Finance
OSECPR	Office of Electronic Communications & Postal Regulation
RoC	Republic of Cyprus
SIS	Social Insurance Services
TPHD	Town Planning and Housing Department