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PRESIDENT OEB

Interview by Maria Eracleous



PROS AND CONS OF THE NATURALISATION AND THE PLAN B

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he naturalisation programme contributed money in the sectors of economy, however substantial investments are due to other comparative advantages of the Republic of Cyprus for attracting foreign investors says the president of OEB Christos Michaelidis in 'K', highlighting the meaning of the legislative framework for the rapid licensing of big investments. It is noted that advertising the naturalisation's plans in wrong ways is a great weakness, which, however, seems to be resolved through stricter regulating of the issue by the Ministry's Council. Following the publishing of investor's names, OEB rings the alarm for the protection of the programme and its careful management. Mr Antoniou suggests that alongside the

naturalisations' agencies such as the Ministry of Development should also be promoted, aiming to create a multifaceted investment programme and to improve the country's business environment.

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- The naturalisations programme has given a boost to the real estate sector. Would it be an exaggeration to characterize it as the treatment for our economy's crisis?

- The implementation of the Nationalisation Scheme through investment has been a catalyst in the recovery of Cyprus' economy. Since 2008, there was a total of 3,382 naturalisations and they have flowed in different sectors of our economy contributing around 4,5 billion Euros. The boost which was given in the real estate sector contributed to the growth of properties' activity which was crucial for the recovery of the construction sector but also to the economy as a whole, as all the industry related professions and services improved significantly. Also it is worth noting that land developers and buildings constructors, are able to fulfill their obligations to the banks, due to the increase of sales revenues.

Following the recent economic crisis that we have experienced, it has been a serious source of money in our country.

- Is the naturalisation programme enough in order to bring essential investments in our country?

- Cyprus has many competitive advantages, mainly with the level and range of professional services it offers, boasting a great legislative and tax framework, legal system, safe environment and its quality of workforce. The main objective of the state's economic policy is to encourage direct foreign investment and to attract high income individuals for their establishment

in Cyprus. Within this framework and realising the strong investment interest that already exists, this programme has specific terms and conditions as well as control procedures to prevent any abuse. Consequently, this programme is another way to attract investors and investments in our country. Within the benefits of Cyprus' economy, it is expected that a new legislative framework for rapid licensing of big investments will soon be added and will have important benefits to the economy. Moreover, the fact that these positive prospects of our economy are being recognised by the International Assessment Bodies, restore the trust of both Cypriots as well as foreigners who are now evaluating Cyprus as a reliable destination for their business and investments.

- What do you think are the pros and cons of the scheme?

- Cyprus' passport is one of the most attractive in Europe as its demand is constantly increasing since with its acquisition, its owner has the right to visit a total of 145 countries without requiring a visa. Except from the fact that Cyprus has gained a prominent position in citizenship's acquisition, it has generally been noticed that foreigners buy a property of such high value in the country, gradually settling in and obtain business activity. The benefits therefore, are a lot and have a multiplier effect. Advertising the naturalisation schemes in wrong ways such as viewing the passport as a product you can buy or you can acquire with various techniques, is a great weakness. This issue has been resolved

with stricter regulation of display and advertising.

-You have expressed your support for the continuation of the programme. Are there other points for which you feel reserved?

- We have welcomed the programme's success and at the same time we have expressed our worries, especially when it comes to its management which should be very careful and responsible. We believe that stricter regulation for the management of the programme will limit aggressive advertisement against it or misinforming investors.

- How should Cyprus preserve its reputation and at the same time run the nationalisation programme without any issues?

- OEB has ringed a warning alarm regarding the recent developments of the programme's management where the names' of investors have been published. Institutions created with the aim to attract investment, should not be affected to such extent as to undermine our own country and deprive the possibility of naturalisation through investment. We have made an appeal to authorities to protect the programme and to manage it and promote it more carefully, away from any actions which might expose Cyprus and adversely affect the promotion of our country as an attractive but primarily credible investment destination.

- What are the consequences in case the programme has to be terminated?

- This is something that we need to take into serious consideration. The



THE LEGISLATIVE FRAMEWORK FOR RAPID LICENSING AND THE CREATION OF A DEPUTY MINISTRY OF DEVELOPMENT WILL GIVE A BIGGER BOOST IN ATTRACTING INVESTORS.

consequences will of course be negative for the region. However, no matter what happens there should also be an alternative choice or a Plan B. For example, the Deputy Ministry, CIPA or other authorities, could create one multifaceted investment programme with specific criteria for

foreign investors, who would like to live in Cyprus and invest in productive sectors of our economy: tourism, digital technologies, health, education etc. Our priority should be the necessary reforms that need to be taken, aiming to improve the business environment in our country, in order to be

even more appealing to the international investment community and to be more competitive against alternative investment destinations. OEB is willing to help and contribute in this direction by keeping in mind to serve the public interest and the country in general.