

REPUBLIC



OF CYPRUS

Cap. 109.  
52 of 1969  
55 of 1972  
50 of 1990  
54(I) of 2003.

**THE IMMOVABLE PROPERTY  
ACQUISITION (ALIENS) LAW**

*(English translation and consolidation)*

**Office of the Law Commissioner**

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The present edition of the Office of the Law Commissioner is a reproduction of the Immovable Property Acquisition (Aliens) Law, Cap. 109, incorporating an english translation of the amendments made by Laws enacted up to 1<sup>st</sup> October, 2007, i.e. Laws 52 of 1969, 55 of 1972, 50 of 1990, 54(I) of 2003. The Observations/Notes, appearing at the end of the edition, are important.

This consolidation may be useful in practice, but it does not replace the initial text of the Laws. Authentic are only the texts of laws printed in the Official Gazette of the Republic of Cyprus.

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CAP. 109  
THE IMMOVABLE PROPERTY ACQUISITION  
(ALIENS) LAW

Arrangement of sections

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Section

1. Short title
2. Interpretation
3. Restrictions on acquisition of immovable property by alien  
in certain cases.
4. Power to make Regulations.
5. Exemptions



A LAW TO REGULATE THE ACQUISITION OF IMMOVABLE  
PROPERTY BY ALIENS

(24th April, 1936).

Cap. 109. \*  
52 of 1969 \*  
55 of 1972 \*  
50 of 1990 \*  
54(I)of 2003. \*

1. This Law may be cited as the Immovable Property Acquisition (Aliens) Law.

Short  
title.

2. In this Law—

Interpretation.

"alien" means any person not being a citizen of the Republic and includes an alien controlled company, a foreign company and a trust in favour of an alien but does not include—

2 of 52/69.\*  
2(a) of 55/72.\*

- (a) an alien Cypriot;
- (b) an alien wife of a citizen of the Republic, not being separated from her husband under a decree of a competent Court;
- (c) a citizen of a member state, who has his permanent residence within the Republic;
- (d) a citizen of a member state, not being a permanent resident within the Republic, in the case of acquisition of immovable property other than a secondary residence;
- (e) a body corporate formed in accordance with the law of a member state and having its registered office, central administration or principal place of business within the Republic;
- (f) a body corporate formed in accordance with the law of a member state and having its registered office, central administration or principal place of business within a member state, in the case of acquisition of immovable property other than a secondary residence.

2(b)of  
54(I)/2003.\*

"alien controlled company" means, in connection with the acquisition of immovable property, any body—

2(b)of 55/72.\*

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\* See Note at the end of the text

- (a) in which one-half or more than one-half of the directors, or persons occupying the position of directors by whatever name called, are aliens; or
- (b) in which one-half or more than one-half of the voting power is in the hands of persons who are aliens, or who exercise their voting powers directly or indirectly on behalf of persons who are aliens; or
- (c) in which one-half or more than one-half of the shares is in the hands of aliens; or
- (d) in which an alien has, at the time of the acquisition by the body concerned of immovable property, such powers conferred upon him by the memorandum or articles of association of, or other document regulating the said body, as to ensure that the affairs of the said body shall be conducted in accordance with his wishes:

Provided that where the powers referred to in this paragraph are conferred on two or more persons acting jointly, the body concerned shall not be deemed to be an alien controlled company unless one-half or more than one-half of such persons are aliens; or

- (e) in which the controlling interest therein, if any, is in substance vested as to the one-half or more than one-half in aliens or in a body falling within any of the other paragraphs of this definition;

"alien Cypriot" means a person, not being a citizen of the Republic, who was born in Cyprus while his parents were ordinarily resident in Cyprus or whose father was born in Cyprus while the parents of the said father were ordinarily resident in Cyprus and includes an alien wife of an alien Cypriot not being separated from her husband under a decree of a competent court; 2 of 52/69.\*

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\* See Note at the end of the text.

"foreign company" means a corporation established in a country other than the Republic or the Sovereign Base Areas, irrespective of whether it is controlled by aliens or not; 2(c) of 55/72.\*

"member state" means a member state of the European Union but it does not include the Republic; 2 (α) of 54(I)/2003. \*

"secondary residence" means a residence not being a permanent place of residence; 2(α) of 54(I)/2003. \*

"Sovereign Base Areas" means the British Sovereign Base Area of Akrotiri and the British Sovereign Base Area of Dhekelia as defined in Article 1 of the Treaty of Establishment of the Republic of Cyprus signed in Nicosia on the 16<sup>th</sup> August, 1960; 2(c) of 55/72. \*

"trust in favour of alien" means a trust of every kind, the beneficiary of which, or one of the existing beneficiaries of which, is an alien, and includes any express or implied contract or agreement, whether written or oral, whereby any property the ownership of which is not vested in an alien shall be held by him or for his benefit or shall be at his disposal otherwise than under a lease not falling within the provisions of paragraph (a) of subsection (6) of section 3. 2(c) of 55/72. \*

**3.—(1)** No alien shall acquire, otherwise than mortis causa, any immovable property without the permit of the Council of Ministers first obtained. Restrictions on acquisition of immovable property by alien in certain cases. 3 of 55/72. \*

(1A) Where the acquisition of immovable property exceeds the necessary extent for the erection of a premises for a house or professional roof and in any case exceeds the extent of two donums any permit granted by the Council of Ministers shall be subject to such terms, limitations, conditions and criteria which may be set by Regulations made by the Council of Ministers and approved by the House of Representatives. 2(a) of 50/90.\*

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\* See Note at the end of the text

(2) Where an application is made by any person, whether an alien or not, for the grant of a permit for the acquisition of immovable property by any particular alien or by any alien—

- (a) the Council of Ministers shall consider such application, decide thereon and notify its decision in writing to the applicant, with all possible speed;
- (b) any permit granted may provide that no further permit shall be required for the acquisition by another alien, on such conditions as may be imposed in the permit, of the immovable property for the acquisition whereof it is granted, and in such case and notwithstanding the provisions of this section no such further permit shall be required.

(3) A valid contract or agreement, written or oral, made in accordance with the provisions of the Contract Law or any other Law in force for the time being providing for the acquisition of immovable property by an alien shall not confer upon such alien or for his benefit any right or acquiring such immovable property, except only upon the grant, under subsection (1), of the permit of the Council of Ministers to acquire such immovable property.

Cap. 149.  
22(I) of 1995.

(4) Nothing in this Law provided shall affect the right of an alien to do any act specified in section 2 of the Sale of Lands (Specific Performance) Law.

Cap. 232.  
50 of 1970  
96 of 1972  
51(I) of 1995  
96(I) of 1997.

(5) Any registration of immovable property effected in contravention of this section shall be null and void.

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

(a) the lease of immovable property for a period exceeding thirty three years or for a period which may, together with any further periods in respect of which a right of unilateral option has been granted for extending or renewing the lease, exceed thirty-three years:

Provided that for the purposes of subsection (1A) the above 2(b)of 50/90.\* mentioned period must exceed ten years;

(b) the acquisition of a share in a company established as a corporate body in the Republic or in the Sovereign Base Areas and owning, in either case, immovable property in the Republic or in the Sovereign Base Areas, if, taking into consideration also any other shares of the same company owned by aliens, the acquisition of such share by an alien would render the said company an alien controlled company;

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

4.—(1) The Council of Ministers may make Regulations to be published in the Official Gazette of the Republic— Power to make Regulations.

(a) prescribing the minimum size of plots into which an alien may sub-divide his immovable property for the purpose of sale;

(b) generally for the better carrying into effect of the purposes of this Law.

(2) Any registration of immovable property effected in contravention of any Regulations made under subsection (1) shall be null and void.

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\* See Note at the end of the text

(3) Any Regulations made under this section may enable the Council of Ministers to exempt, in such manner as the Regulations may prescribe, any alien or class of aliens from the operation of such Regulations.

2 of 33/36.  
4 of 52/69. \*

5 of 52/69. \*

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

Exemptions.  
3 of 54(I)/2003.\*

**NOTE**

The following observations do not form part of the Law. They either relate to, or clarify the application of, the principal Law and they cannot be included in the consolidated text of the Law as a section thereof, but, in view of the fact that they affect the application of the Law, it was considered expedient to include them in this Note:

1. The Law (Cap. 109, originally Cap. 228 of the 1949 Consolidated Edition) came into force on 24<sup>th</sup> April, 1936.
2. Section 5 of Cap. 109 was repealed by section 5 of the Immovable Property Acquisition (Aliens) (Amendment) Law, 52 of 1969. A new section 5 was added by section 3 of the Immovable Property Acquisition (Aliens) (Amendment) Law, 54(I)/2003.
3. The Immovable Property Acquisition (Aliens) (Amendment) Law of 1969 (L.52/1969), which entered into force on 11th July, 1969, contains the following transitional provisions in section 6 thereof-

"Transitional provisions

**6.—(1)** Every Order made under section 3\* as in force prior to the repeal thereof by this Law, and being in force on the day of the entry into force of this Law, shall be deemed to be an order made under the new section 3 of the principal law as substituted by this Law and to apply also to the lease of immovable property and to the acquisition of a share in a company falling in either case, within the definition in sub-section (3) of the said new section 3 and shall continue in force until it is revoked or amended by a subsequent order.

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\* Note: Section 3 of the Immovable Property Acquisition (Aliens) Law, Cap. 109, referred to, reads as follows:

"Restriction on acquisition of immovable property by alien in certain cases.

3. The Governor in Council may, by Order to be published in the Gazette, declare that except with the consent of the Governor first obtained no alien shall, after the date of the order, acquire, otherwise than by inheritance, ownership of any immovable property situate within any area prescribed in the order, and any registration effected in contravention of the terms of such order shall be null and void."

(2) Every consent given for the acquisition of immovable property in accordance with an order as in sub-section (1) referred to shall be deemed to be a permit granted under the new section 3 of the principal law as substituted by this Law and shall continue in force after the expiration of the operation of such order.

(3) Nothing in this Law provided shall apply to a lease of immovable property or to the acquisition of a share in a company falling, in either case, within the definition in sub-section (3) of the new section 3 as substituted by this Law, where such lease or acquisition was agreed upon by virtue of a contract entered into prior to the date of the entry into force of this Law, provided that such contract shall be produced to the Minister of Interior within two months of the date of the entry into force of this Law by either contracting party for noting thereon the date of its production, and such note of the date shall constitute incontrovertible evidence of the production of the contract as aforesaid.”

**4.** The Immovable Property Acquisition (Aliens) (Amendment) Law of 1972, (L.55/1972), which entered into force on 7th July, 1972, contains the following transitional provisions in section 4 thereof-

”Repeal and transitional provisions. 52 of 1969. **4.—(1)** Subsections (1) and (2) of section 6 of the Immovable Property Acquisition (Aliens) (Amendment) Law, 1969, are hereby repealed, the number “(3)” within brackets at the beginning of the only remaining third sub-section thereof being deleted:

Provided that every consent given before the entry into force of the said Law and every permit granted before the entry into force of this Law for the acquisition, in either case, of immovable property by an alien under the

provisions of the principal Law in force at the time shall be deemed to be a permit granted under the provisions of section 3, as set out in this Law, and shall continue in force.

(2) Nothing in this Law provided shall affect the rights of an alien subsisting at the date of the entry into force of this Law under a trust for his benefit relating, in whole or in part, to immovable property, provided that the document creating the said trust shall be produced to the Minister of Interior within two months of the said date for noting thereon the date of its production, and such note of the date shall constitute incontrovertible evidence of the production of the document as aforesaid.

(3) Nothing in this Law provided shall apply to a contract entered into before the date of the entry into force of this Law for the acquisition of immovable property, which acquisition has not yet been completed, in cases where the prior permit of the Council of Ministers for such acquisition was not required under the provisions of the principal Law but is required under the provisions of this Law, provided that such contract shall be produced to the Minister of Interior within two months of the date of the entry into force of this Law by either contracting party for noting thereon the date of its production, and such note of the date shall constitute incontrovertible evidence of the production of the contract as aforesaid.

(4) For the purposes of this section, the term "acquisition of immovable property" shall include also the lease of immovable property and the acquisition of a share in a company as provided in paragraphs (a) and (b) of subsection (6) of section 3 of the principal Law (as set out in this Law), and the term "immovable property" shall be construed accordingly".

**5.** The Immovable Property Acquisition (Aliens) (Amendment) Law of 1990 (L. 50/1990), published in the Official Gazette of the Republic, Supplement I (I), dated 30.3.1990, contains the following provision:

“Entry into  
force of  
this Law.            3. The provisions of this Law are deemed to have  
entered into force as from the 5<sup>th</sup> October, 1989.”

**6.** The Immovable Property Acquisition (Aliens) (Amendment) Law of 2003 (L.54(I)/2003), published in the Official Gazette of the Republic, Supplement I (I), dated 13.6.2003, contains the following provision:

“Entry into  
force of  
this Law.            4. This Law shall enter into force on the date of  
accession of the Republic to the European Union.”