
**IMMOVABLE PROPERTY ACQUISITION
(CONTROL) ORDINANCE 2022**

An Ordinance to provide for control of the acquisition of immovable property by 3rd country nationals and companies controlled by 3rd country nationals and related matters

R. Thomson
ADMINISTRATOR

11 May 2022

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

Short title

1. This Ordinance may be cited as the Immovable Property Acquisition (Control) Ordinance 2022.

Commencement

2. This Ordinance comes into force on 16 May 2022.

Interpretation

3. In this Ordinance—

“2007 Ordinance” means the Delegation of Functions to the Republic Ordinance 2007(a);

“3rd country national” means—

(a) an individual who is not a relevant European; or

(a) Ordinance 17/2007.

- (b) a body corporate controlled by a 3rd country national within the meaning given in section 5;

“conditions” means the conditions specified in a licence and includes limitations;

“immovable property” has the meaning given in section 2 of the Immovable Property (Tenure, Registration and Valuation) Ordinance(a);

“licence” means a licence for the acquisition of immovable property by a 3rd country national granted under section 7(2);

“regulations” means regulations made under section 9; and

“relevant European” has the meaning given in section 4.

Relevant European

4. A “relevant European” is a person who is—
- (a) a citizen of a member State;
 - (b) a citizen of a contracting party to the EEA Agreement;
 - (c) a British citizen;
 - (d) not a citizen of the Republic, but who was born in the island of Cyprus, and—
 - (i) whose parents were ordinarily resident in any part of the island of Cyprus at the time of his or her birth; or
 - (ii) whose father or mother was born in the island of Cyprus at a time when the parents of his or her father or mother, as the case may be, were ordinarily resident in any part of the island of Cyprus; or
 - (e) the spouse, civil partner, widow or widower (in respect of whose marriage there has not been a decree of dissolution or judicial separation (by whatever name called) by a competent Court in any jurisdiction) of a person referred to in paragraphs (a) to (d).

Body corporate controlled by 3rd country national

- 5.—(1) A body corporate is controlled by a 3rd country national where—
- (a) half or more of the directors of the body corporate, or persons occupying the positions of directors (by whatever name called) are not relevant Europeans;
 - (b) half or more of the voting power of the body corporate is in the hands of persons who are not relevant Europeans, or who exercise their voting powers directly or indirectly on behalf of persons who are not relevant Europeans;
 - (c) half or more of the shares of the body corporate belong to persons who are not relevant Europeans;
 - (d) a person who is not a relevant European, has, at the time when a body corporate acquires immovable property, authority given to him or her under the articles of association or any founding instrument of the body corporate so that the business of the body corporate must be conducted at his or her discretion; or
 - (e) half or more of any controlling interest of the body corporate belongs to—
 - (i) a person who is not a relevant European; or
 - (ii) a body corporate controlled by a 3rd country national within the meaning of this section.

(a) Cap 224, Statute Laws of Cyprus revised edition 1959, as applied in the Areas by the Sovereign Base Areas of Akrotiri and Dhekelia Order in Council 1960 (SI 1960/1369, United Kingdom). Schedule 2 to the Interpretation Ordinance 2012 (Ordinance 8/2012) provides for the interpretation of such legislation.

(2) For the purpose of subsection (1)(d), where the authority is conferred on 2 or more persons who must act jointly, a body corporate is controlled by a 3rd country national only if half or more than half of the persons are not relevant Europeans.

Acquisition of immovable property

6.—(1) For the purpose of this Ordinance, acquisition of immovable property includes acquisition by way of purchase, exchange or gift, but not inheritance.

(2) Without limiting subsection (1), acquisition includes—

- (a) the acquisition of a lease of immovable property of a term exceeding 33 years or which, together with an option to extend or renew, may exceed 33 years;
- (b) the creation of a trust which relates wholly or partly to—
 - (i) immovable property;
 - (ii) a lease of immovable property referred to in paragraph (a).

(3) Where a lease is for immovable property which exceeds an area of 2 donums, subsection (2)(a) has effect as if the references to “33 years” were to “15 years”.

(4) For the purpose of subsection (2)(b)—

- (a) a “trust” includes any express or implied contract or agreement, whether oral or written, whereby immovable property is held for the benefit of a person other than its legal owner;
- (b) the person for whose benefit the trust is created is treated as the acquirer of the immovable property.

Licence for acquisition of immovable property

7.—(1) For the purposes of this Ordinance, a 3rd country national (“N”) may not acquire immovable property unless N has a licence which authorises the acquisition.

(2) Subject to subsection (5), the Administrator may, at their discretion, grant a licence for the acquisition of immovable property by N.

(3) The Administrator may impose conditions on a licence.

(4) The Administrator may amend or vary conditions imposed on a licence.

(5) A licence for the acquisition of immovable property—

- (a) for any use other than a residence for the 3rd country national acquiring the property; or
- (b) which exceeds an area of 2,676 square metres,

may be granted only for a use, and in accordance with the conditions, specified in regulations.

(6) Any contract or agreement, whether oral or written, providing for the acquisition of immovable property by a 3rd country national does not confer any right on the 3rd country national to acquire the property, unless authorised by a licence.

(7) Subsection (6) applies whether or not the contract or agreement was made under the Contract Ordinance(a) or any other Ordinance.

(8) Title to immovable property which has been acquired in contravention of subsection (1) may not be registered under the Immovable Property (Tenure, Registration and Valuation) Ordinance(b).

(9) Nothing in this section affects the right of a 3rd country national to take the actions referred to in section 3 of the Immovable Property (Specific Performance) Ordinance 2012(c).

(a) Cap. 149, Statute Laws of Cyprus revised edition 1959, as applied in the Areas by the Sovereign Base Areas of Akrotiri and Dhekelia Order in Council 1960 (SI 1960/1369, United Kingdom). Schedule 2 to the Interpretation Ordinance 2012 (Ordinance 8/2012) provides for the interpretation of such legislation. Cap. 149 was amended by Ordinance 6/2014.

(b) Cap. 224, Statute Laws of Cyprus revised edition 1959.

(c) Ordinance 16/2012.

Delegation to the Republic

8. The functions of the Administrator in section 7 are qualified delegated functions for the purposes of the 2007 Ordinance.

Regulations

9.—(1) The Administrator may make regulations as a public instrument for the more effective application of this Ordinance.

(2) Without limiting subsection (1), regulations may—

- (a) prescribe the uses for which immovable property may be acquired by a 3rd country national;
- (b) prescribe conditions relating to licences for the acquisition of immovable property;
- (c) prescribe the minimum size of plots into which a 3rd country national (“N”) may subdivide N’s immovable property;
- (d) delegate functions to the Republic for the purposes of the 2007 Ordinance.

Repeal and revocation

10.—(1) The Immovable Property Acquisition (Control) Ordinance 1972(a) is repealed.

(2) The following public instruments are revoked—

- (a) Public instrument 37 of 1972 (Corrigendum to Ordinance 9 of 1972);
- (b) Public instrument 58 of 2000 (Consent to Acquisition of Immovable Property by a Non-Cypriot under s3(1) of Ordinance 9 of 1972).

(a) Ordinance 9/1972.

EXPLANATORY NOTE

(This note is not part of the Ordinance)

Introduction

1. This explanatory note relates to the Immovable Property Acquisition (Control) Ordinance 2022 (“the Ordinance”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.

Summary

2. The purpose of the Ordinance is to give effect to section 7(b) of the Arrangement between the Governments of the Republic of Cyprus and the United Kingdom relating to the regulation of development in the Areas made on 15 January 2014. It repeals legislation which restricted ownership of immovable property to citizens of the Republic, and barred 3rd country nationals (both individuals and bodies corporate) from buying land unless granted a licence by the Administrator. Relevant Europeans, as defined, do not require a licence under the Ordinance to acquire immovable property in the Areas. The Ordinance reflects the Republic’s Immovable Property Acquisition (Aliens) Law (Cap 109), as variously amended.

Particular points

3. Sections 3, 4, 5 and 6 contain various interpretative provisions. Section 4 defines relevant Europeans to include citizens of the Republic of Cyprus, other EU member states, and states which are part of the EEA (as well as their spouses, widows and widowers) and British citizens. Section 5 defines a body corporate controlled by a 3rd country national, as a body which is controlled or owned by a person who is not a relevant European.

4. Section 6 defines what an acquisition of immovable property is. It includes acquisition by purchase, exchange or gift, and the acquisition of a lease of more than 33 years. It does not include acquisition by inheritance. Section 6 also specifies that the creation of a trust is treated as an acquisition, whereby the person for whose benefit the trust is created is treated as the acquirer.

5. Section 7 provides that a 3rd country national (including a body corporate controlled by a 3rd country national) must have a licence in order to acquire immovable property in the Areas. A licence is issued by the Administrator who may impose conditions. Where the property will not be used for a residence for the 3rd country national or, irrespective of use, exceeds 2 donums (a donum is 1,337.8 square metres), the licence is subject to conditions prescribed in regulations. If a 3rd country national acquires property without a licence, title to it may not be registered under the Immovable Property (Tenure, Registration and Valuation) Ordinance.

6. Section 8 provides that the function of issuing a licence is a qualified delegated function for the purposes of the Delegation of Functions to the Republic Ordinance 2007. This means that licences can be issued by the authorities of the Republic of Cyprus on behalf of, and subject to prior consultation with, the Administration.

7. Section 9 provides a regulation making power, and, in particular, a power to prescribe the uses for which immovable property may be acquired, and the conditions on a licence for its acquisition.

8. Section 10 repeals the Immovable Property Acquisition (Control) Ordinance 1972 and public instruments made under it.

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