

## Work Permits

### **Introduction - Categories of Permits & Visas:**

Permission to be in the TRNC is granted subject to having of one of the following:

- a) Visitor Visa –UK citizens are normally given 90 days. IT IS ILLEGAL TO WORK.
- b) Temporary or Permanent Residency Permits – available for foreigners who live in the TRNC. IT IS ILLEGAL TO WORK.
- c) Student Permit – for those studying at recognised educational establishments. IT IS ILLEGAL TO WORK
- d) Work Permits – For people working for TRNC companies, they do not own.
- e) Business Permits – For owners or part owners of TRNC businesses.

It is only legal to work if someone holds a valid work or business permit. To enquire about the latest regulations for your particular proposed business or occupation, first visit the Local District Labour Department's office.

### **Work Permits:**

Work permits are initially for either six months or one year. Once a year has been completed, then 2 year permits are available. Permits, as at 1st February 2016 cost either 160TL for 6 months or 346TL/year or 692TL for 2 years. Work permits are issued for working at a specific company and location. Only one permit is allowed.

Before a permit can be issued, all taxes have to have been paid by the company to the Sosyal Sigorta (Health Insurance Dept) and Ihtiyat Sandigi (Pensions/Provident Fund) and not merely deducted from the employee. The rates, based upon gross monthly income, currently are:

Ihtiyat Sandigi-11% paid by employer, 9% paid by employee. Sosyal Sigorta-5% paid by employee.

The first thing the employee needs to do is obtain, from the Police's immigration department, a copy of their 'ins & outs'. The form they issue requires a post office stamp (approx. 20TL).

If a foreigner has a kocan in their name, no bond is required, otherwise a bond of 750 Euros is required. This is usually arranged by the company. The money remains in the company's bank account but is 'blocked' by the bank. It does not have to be in a special account, but merely one in Euros. It can earn interest for the company. Annually, a letter, from the bank to the 'Social Security Department', confirming that they have blocked the money is needed. This letter will be sent to the company's accountants. The company can negotiate how much the bank charges, but it can be up to 700TL. If an employee leaves their employment within a year, the money still remains blocked until the year has finished.

The company's accountants deal with the government. They will supply the employee with a form for obtaining a blood test and x-ray. The hospital will issue a pink booklet, which they must stamp; it also confirms that the employee is entitled to free medical care. The health check costs 135TL. The pink hospital booklet needs to be given to the accountants along with the employee's passport. Both will be returned, along with a work permit stamped into the passport.

It is not possible to have both a work permit and temporary resident status. If you have already been issued with one or the other, the one not required must be cancelled. Temporary residency payments are not refundable, if a work permit is subsequently applied for. If someone has been a resident for a number of years, then obtains a work permit, the years they had previously built up become void. The Government is currently reconsidering this situation. Other points to bear in mind:

a) A spouse's residency permit must be dated the same as her married partner's work permit.

b) If you have a work permit, then become "not employed", a residency permit must be obtained. There are a limited number of days allowed to obtain this and our advice is to action this within 14 days. The cost of a residency permit as of 1st February 2016 is 477TL

c) A work permit is still required for people over 65 years old. No Sigorta payments are needed, instead private medical insurance is compulsory. Some banks offer this as part of a discounted package along with the Euro bond.

d) If a company is caught employing someone without a work permit, the employee faces potential deportation. Furthermore both the employee and the employer face a fine of 5 x the legal minimum wage. (Currently 6,500TL each).

We have been advised that, in respect of, skilled tradesmen, the Government has recently authorised agencies to form companies, specialising in individual trades (electricians, plumbers, tilers etc). These companies will then employ the foreign worker, obtain their work permit and deal with issues like tax and insurance. To be employed by the agency company, the tradesman will need to present a current certificate confirming they are members of an internationally recognised professional body. Any tradesman, whose certificate has expired, will be required to attend a one day training course in Lefkosa to be re-certified as competent. They are also forbidden to undertake work, unless they are accompanied by a company representative, until such time as they have proved their competence and obtained the appropriate certificate.

Typical Annual Costs (TL) for this service are as follows:

- Work permit                      260
- Medical                              135
- Accounting fees                  252
- Bank bond letter                300 to 700 (this can usually be negotiated)

Additional fees that registered tradesman would need to pay are 10% + KDV (VAT) = 11.6% of the work's price, after deducting the material

costs. Currently KDV (VAT) is 16%. It is a legal requirement that tax and insurance will be deducted by the company.

Groups of workers, such as entertainers will require work permits for each individual.

Currently only one registered agency exists, which must be joined in order to obtain a work permit. It is:

-ASAP in Alsancak

### **Charity Workers**

In respect of TRNC registered charities only:

- a) Permanent, regular, unpaid volunteer workers require a work permit.
- b) Occasional, non permanent, unpaid volunteer workers. e.g. manning a stall, permission is required from the local District Office. There is no fee charged.
- c) Each permission is given, only for a particular activity. The number of days it can be undertaken is also limited.
- d) Occasional volunteer workers do not normally require a permit or permission. However, written notification to the Local District Labour Department is suggested.
- e) Voluntary work with unregistered charities or organisations - A work permit is required.

### **Business Permits/Models:**

- a) Companies owned by foreigners must have limited liability.
- b) Companies can be 100% foreign owned, except for certain types of businesses. This is where the rules of the 'Union' (this is the business federation and not a trade union) prohibit or restrict such ownership. The

company's accountants need to check the rules before forming the company.

c) A maximum of 49% foreign share holding is allowed for such companies as: Estate agents, property owning companies (regardless of their main activity)

d) Foreigners are not allowed to have any ownership of companies involved in businesses like Hospitals, Transport, Banks.

The company's or individual's bank needs to hold a bond for 15,000TL per foreign shareholder, to be held against unpaid tax. The money remains in the company's bank account but is 'blocked' by the bank. It does not have to be a special account, but merely a deposit account in TL. It can earn interest for the company. Annually, a letter from the bank confirming that they have blocked the money is sent to the company's accountants. This letter will be charged for, but the amount is negotiable.

Initially the business permit is for 1 year. However, after that year's business has successfully been completed, a 2 year permit is available. Before business permits can be renewed, confirmation from the tax authorities is required, that the following have been paid: company tax, personal tax, employee tax and accounts have been filed. It is advisable to use an accountant who is close to the tax authorities. Rates as at 1st February 2016 are as follows:

- 946TL for 6 months
- 1,905TL for one year
- 3,796TL for 2 years

### **Off-Shore non-TRNC trading Companies**

It is possible to own an off-shore company. The rules aren't complicated, but need to be followed and can vary according to the nature of the enterprise. An accountant is required and will give specific advice. However, it must be remembered that the company only trades overseas, with no transactions involving the TRNC, beyond the statutory requirements of:

- Employing a Turkish Cypriot resident for a few hours/week paying at least the legal minimum hourly rate.
- Filing accounts monthly, these can be undertaken by any competent person.
- Filing annual accounts via the company's accountants, in the same way as any other company.
- The shareholders are paid through dividend income, which has a 2% tax liability.
- No work or business permit is needed.

### **Contacts**

Tel: (392) 227 3643

Ministry of Labour:

Tel: (392) 815 2112

Labour Department, local district office

Website:

[www.calisma.gov.ct.tr](http://www.calisma.gov.ct.tr)

## Residency

## **Residency (June 2015)**

### **1. Tourist Visa.**

It is routine for tourists to the TRNC to be issued with a 90 day tourist visa. Until recently visas were stamped a white slip, if preferred, but now the white slip is no longer issued and your arrivals and departures are recorded on computer only.

2.

If your stay is to be longer than 90 days the correct thing to do is to apply for a temporary residency permit to the immigration office in Lefkosa. However, it has become commonplace over the years for those approaching the end of their 90 day visa to cross a border (into southern Cyprus or Turkey) and on return get a further 90 day visa. It has been known however for some those who are deemed to have abused the tourist visa to be issued with only a 30 day visa on their return from crossing a border and instructed to apply for a temporary residency permit following the procedures detailed below or leave the TRNC.

3.

It is your responsibility to apply for temporary residency permit or leave the TRNC at, or before, the 90 days have lapsed. Failure to do so will result in inconvenience and a monetary fine of TL 90.00L per day (June 15).

### **4. Application for a Temporary Residency Permit.**

For your initial application (and for renewals if you are aged under 60) you should report to the Immigration Section at your local Police station. Opening hours are typically Mon-Fri 0815-1145 but will vary. You should take with you the following documents:

- Your valid passport plus a copy of the photo page & passport residency certificate page if renewing.
- 2 recent passport photos. (not required for renewing).
- Pink or Blue Photo ID issued previous year (if renewing).
- A photocopy, of your property sale contract, kocan (deed) or rental contract in your name
- Local bank statement showing holder's name and latest balance. (Typically you could need £10,000 or TL equivalent, per person)
- TL 15 in revenue stamps (Jun 15) from local Post Office.

- Original letter from your local Muhtar confirming your residency address with a TL 2 revenue stamp (Jun 15) from the local post office.
- Married couples should produce their marriage certificate plus a photocopy
- Dependents over 18 years will need a notarized statement from their sponsor (e.g. parents) promising financial support. However this is not mandatory and may be refused. This is best checked with the immigration staff in Lefkosa first
- If you have moved house since your last renewal a copy of your new house contract, kocan or rental agreement, with the new address, if appropriate, is also required.

## 5. **Blood Donor**

If you are a blood donor and are using the latest test (within 1 month of application) as part of your residency medical tests, the original donor card plus a copy is also required together with a copy of the recent blood test results.

## 6. **Couples.**

If a couple apply together, each person must have a full set of documents. For the first year it is only possible to obtain a residency permit for one year. For successive renewals a 2 year option is available, **but normally only if you are aged 60 or over**. Having said that, a married couple renewing together, and where only one is over 60, if the other spouse is over 55 it might be possible to obtain a two year residency for the under 60 partner at the immigration officer's discretion. May we point out at this time that the Foreign Immigration Law is under review.

## 7. **Medical Test.**

If the documents are in order, the immigration officer will give you a slip of paper to take to your local state hospital to obtain medical tests (normally a blood test and a BCG test). Residents of Lefke will go to Guzelyurt; Karpaz residents will go to Gazimagusa and Girne residents to Girne State Hospital.

## 8. **Girne State Hospital Procedure**

You must pay for the medical tests before undergoing them. Take your passport and the slip that the police gave you and enter the Hospital from the visitors' car park at the rear of the hospital. Go up a set of stairs on the left then to the **Transaction (İşlem)** and **Cashier (Vizne)** office windows on the right. Go first of all to the İşlem window with your passport the police documentation and the blood test results (if a donor). Once cleared, go to the Vizne window and pay the appropriate fee, TL 135 (Jun 15). If it is working you may need to take a number from the number dispensing machine by the Cashiers desk. You will then be called in turn, told which tests you must undergo and allocated to a specific test laboratory or a private clinic outside the hospital. You should then go to the appropriate laboratory or clinic and undergo the medical tests.

#### **9. Police Immigration Section.**

Once you have completed the medical tests you should return to the Immigration Section at the police station with all the documents detailed in para 2 plus the medical test payment receipt. This could be the same day if the Immigration Section is still open.

#### **10. Collect Medical Results.**

After a week or so you should return to the hospital with your passport and medical test payment receipt to receive your medical test results under signature. The results will be contained in a sealed envelope which you should not open. In Girne State Hospital the test results collection point is a small glass fronted office on the ground floor.

#### **11. Obtain Residency Status.**

After a minimum of 3weeks (4 for Karpaz residents) go to the residency office at the Immigration Department in Lefkosa on a weekday morning, taking with you the documentation detailed below. The residency office closes at 12.30 pm. A map giving directions to the Immigration Department can be found on [this link](#)

- Your passport
- Your medical report in its sealed envelope
- The current residency fee –TL 283.00 per year (May 16).
- TL 11.10 in revenue stamps (May16) (You can buy stamps in the Cafe on the same floor but the fee could be as much as TL 15.00)

12. Having handed in the various forms to the residency office, if all is in order you will be asked to take your passport and an invoice for the appropriate fee and to the pay office (**Vizne**) down the corridor to make the payment. Once at the Vizne, hand over your passport and the invoice and on payment of the fee your passport will be returned with the

residency stamp inserted. Return with your passport and fee receipt to the residency office for final documentation by the immigration officer and that is the end of the process.

***Practice shows that it is advisable to go to the residency office at the immigration HQ in Lefkosa late morning, say 1100-1130 am. Before that time it is full of applicants from many nationalities who are seeking residency status and the waiting area can be full. If you do arrive early in the morning it may be necessary to obtain a number from a teller and wait to be called.***

***As you may be aware, in the TRNC, it is not uncommon for individual officials to misinterpret rules. We would therefore ask that you advise the BRS should any immigration official insist in requiring other documentation. Please ask the official for his/her name and advise them that you will be reporting back to the BRS who have agreed this new simplified process with the Immigration management.***

### **Residency Renewals for Over 60s' Only**

13. The concession allowing those British residents aged over 60 to come and go without residency requirements has been the subject of much confusion for the ex-pat community for a considerable period of time. Hopefully the following information may prove useful.

- This concession for the over 60's is not legally binding. Therefore the TRNC government can cancel this arrangement at any time.
- Anyone that wants permanent residency must, currently, have five consecutive annual residency stamps in their passport. This procedure is currently suspended pending changes to the law. Anyone choosing not to renew will not obtain a residency stamp and this may make them ineligible to obtain permanent residency.
- We are not aware of an immigration problem that has arisen for British residents aged over 60 leaving and entering the TRNC without a residency stamp in their passport. If you are concerned about this approach you can download a copy of a fax that was issued to the immigration staff to confirm this arrangement. This document can be obtained from the "Forms" section of the Members Only section of our website.
- If you don't have a residency stamp in your passport when applying for a TRNC driving license you will need a Muhtar's letter to confirm your place of residence together with the other necessary documents.

