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The global coalition against corruption

EU citizenship for sale?

Alessandro · Thursday, June 15th, 2017

Following the 2008 financial crisis, we have seen new kinds of investor schemes blossoming across Europe. Their names and modalities differ from one Member State to the other – the Tier 1 investor visa in the UK, the [Autorização de Residência para Atividade de Investimento](#) (translated as Golden Residence Permit Programme) in Portugal, the [Scheme for Naturalization of Investors in Cyprus by exception](#) in Cyprus (obviously), or the [Individual Investor Programme](#) in Malta – but the objective is the same: offering fast-track residency or even citizenship to third-country nationals in return for investments in the national economy. However, the golden visa schemes often have multiple risks of corruption on different levels.

These money-for-passports programmes targeted at wealthy individuals investing in the country above a certain threshold impose quite light eligibility criteria. And when conditions are required, they are not always followed in practice. For example, the Portuguese Golden Residence Permit Programme was diverted from its initial purpose to foster employment creation to encourage investment in high-value property. One can doubt that the requirement to create ten jobs is respected in most cases.

Although, increased foreign investment in key economic sectors in Member States may seem very welcome, it also raises serious concerns that these schemes may offer easy access and legitimate cover for money launderers wishing to introduce substantial amounts of illicit money in the market. Transparency International has documented how these schemes operate from the perspective of the corruption and money-laundering risks that they pose. Read more about the [UK Tier 1 investor scheme](#), the [Portuguese Golden Residence Permit Programme](#) (page 50), the [Hungarian Residency Bond Scheme](#). It has been also relayed in a number of [media articles](#).

This is a European issue that should be addressed at EU level. Indeed, all these investment schemes essentially rely on their capacity to offer free access to the Schengen area, a benefit which is often advertised upfront as one of the key [selling points](#). We call on the European Commission to assess the risks and threats that those schemes pose to its financial system and provide an appropriate policy response.

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