

Transparency International EU

The global coalition against corruption

Cyprus axes corruption-plagued golden passports scheme

Alessandro · Tuesday, October 13th, 2020

Need for legislative solution to golden visa programmes in the EU remains

The government of Cyprus has announced that it will abolish its controversial citizenship-by-investment scheme as of 1 November 2020. The decision follows multiple scandals and controversies, the most recent of which appear in a covertly filmed [documentary](#) by Al Jazeera that implicates high-level politicians in corruption related to the scheme.

Maira Martini, Research and Policy Expert on Corrupt Money Flows at Transparency International said:

“Axing the scheme was the only option. These latest revelations are the final straw in the Cyprus’s golden passports affair and come on top of mounting public and political pressure. The overwhelming evidence is that the country’s golden visa scheme serves corrupt interests, not the people of Cyprus.”

“Today’s announcement is certainly a step in the right direction. We still need to understand what ‘abolition’ means in practice and whether the Cypriot government has plans of creating another similar programme or revamping the existing residency-by-investment scheme, which also offers a route to EU citizenship. This was the approach taken by Malta recently. If this is the case, then it may not do much to protect the EU from dirty money.”

“The undercover investigation published by Al Jazeera yesterday once again confirms what we have been saying for years – the risk appetite of public officials running these programmes is way too high – and they often may be willing to bypass existing rules and standards to attract more investments, regardless of the origin of the funds or the background of applicants.”

“The allegations reach the highest level of politics in Cyprus and these must also be fully investigated, with no impunity for corrupt acts. We want to see a proper analysis of previously awarded passports and revocations, where necessary.”

Laure Brillaud, Anti-Money Laundering Policy Expert at Transparency International EU, said:

“The European Union counterparts, including the European Commission and the Members of the European Parliament, have also made it abundantly clear that the Cyprus scheme undermines the objectives of the European Union.”

“It is our firm position that, in their current shape and form, EU golden visa schemes are broken beyond repair. The European Commission has acknowledged that, but it now must take action if it

wants to protect member states and the EU from dirty money.

“Yesterday it was Malta, today it is Cyprus, and tomorrow it will be another EU country’s golden visa programme under the spotlight. The problem of corruption in these schemes and their abuse is systemic and requires a strong response from the EU. We need a solid legislative proposal from the European Commission on how these programmes can be regulated until they are phased out.”

See also:

- Transparency International, October 2018: [European Getaway: Inside the Murky World of Golden Visas](#) (report)
- Transparency International, 24 August 2020: [Cyprus Papers: Golden visa schemes are broken beyond repair, EU must act](#) (press release)

This entry was posted on Tuesday, October 13th, 2020 at 1:02 pm