



Investor citizenship schemes: European Commission opens infringements against Cyprus and Malta for “selling” EU citizenship

Brussels, 20 October 2020

Today, the European Commission is launching infringement procedures against **Cyprus** and **Malta** by issuing letters of formal notice regarding their investor citizenship schemes also referred to as “golden passport” schemes.

The Commission considers that the granting by these Member States of their nationality – and thereby EU citizenship – in exchange for a pre-determined payment or investment and without a genuine link with the Member States concerned, is not compatible with the principle of sincere cooperation enshrined in Article 4(3) of the Treaty on European Union. This also undermines the integrity of the status of EU citizenship provided for in Article 20 of the Treaty on the Functioning of the European Union.

Due to the nature of EU citizenship, such schemes have implications for the Union as a whole. When a Member State awards nationality, the person concerned automatically becomes an **EU citizen** and **enjoys all rights linked to this status**, such as the right to move, reside and work freely within the EU, or the right to vote in municipal elections as well as elections to the European Parliament. As a consequence, the effects of investor citizenship schemes are neither limited to the Member States operating them, nor are they neutral with regard to other Member States and the EU as a whole.

The Commission considers that **the granting of EU citizenship for pre-determined payments or investments without any genuine link with the Member States concerned, undermines the essence of EU citizenship.**

Next steps

The Cypriot and Maltese governments have two months to reply to the letters of formal notice. If the replies are not satisfactory, the Commission may issue a Reasoned Opinion in this matter.

Background

Investor citizenship schemes allow a person to acquire a new nationality based on payment or investment alone. These schemes are different to investor residence schemes (or “golden visas”), which allow third-country nationals, subject to certain conditions, to obtain a residence permit to live in an EU country.

The conditions for obtaining and forfeiting national citizenship are regulated by the national law of each Member State, subject to due respect for EU law. As nationality of a Member State is the only precondition for EU citizenship and access to rights conferred by the Treaties, the Commission has been closely monitoring investor schemes granting the nationality of Member States.

The Commission has frequently raised its serious concerns about investor citizenship schemes and certain risks that are inherent in such schemes. As mentioned in the Commission's report of [January 2019](#), those risks relate in particular to security, money laundering, tax evasion and corruption and the Commission has been monitoring wider issues of compliance with EU law raised by investor citizenship and residence schemes. In April 2020, the Commission wrote to the Member States concerned setting out its concerns and asking for further information about the schemes.

In a [resolution adopted on 10 July 2020](#), the European Parliament reiterated its earlier calls on Member States to phase out all existing citizenship by investment (CBI) or residency by investment (RBI) schemes as soon as possible. As stated by President von der Leyen in the [State of the Union Address of 16 September 2020](#), European values are not for sale.

The Commission is also writing again to **Bulgaria** to highlight its concerns regarding an investor citizenship scheme operated by that Member State and requesting further details. The Bulgarian government has one month to reply to the letter requesting further information, following which the Commission will decide on the next steps.

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