

CYPRUS RULE OF LAW REPORT 2026 – RESPONSES TO ADDITIONAL QUESTIONS

1. Are there plans to amend Law 114(I)/2007, in order to cover all persons with top executive functions, as also recommended by GRECO?

➤ MINISTRY OF JUSTICE AND PUBLIC ORDER

In the context of restructuring and streamlining the operation of the two Committees that function under the Laws 114(I)/2007 and 7(I)/2008, a proposal for a new law is prepared so that the oversight exercised by them, is extended to additional persons exercising executive functions. Specifically, the Presidency instructed the Law Commissioner to prepare a bill, in cooperation with the Ministry of Justice and Public Order, which will soon be submitted for public consultation, under which the responsibilities of the above-mentioned separate Committees will be assigned to a single unified Committee, and the categories of persons subject to oversight will be further expanded.

➤ HOUSE OF REPRESENTATIVES

In relation to the recommendations of GRECO, please note that there is no legislative proposal pending before the Cyprus House of Representatives. However, kindly note that a legislative proposal is pending before the House Standing Committee on Institutions, Merit and the Commissioner for Administration (Ombudsman) which aims to extend the scope of the above law so that it is prohibited to assume duties as a consultant or secretary of a company, as well as the acquisition of the status of shareholder and beneficial owner of a company without prior obtaining leave for the period of two years from the date of retirement of the state official or employee.

2. [Asset declarations] Is the digital solution to introduce and publish asset declarations already working? Since when? Are asset declarations already publicly disclosed?
3. [Asset declarations] Law 137(I)/2024 came into force on 28 February 2025 and the deadline for submission of first declarations expired on 27 June 2025. How many officials or publicly exposed persons have completed the submission process? Were there cases of non-submission or late submission? Were there any inspection(s)/investigation(s) carried out? Were sanctions imposed?

4. [Asset declarations] In the GRECO 2025 compliance report on the Fifth Evaluation Round, there are recommendations related to declaration of assets regime that are partially implemented (recommendations x, xi). Are there plans to implement these recommendations?
5. [whistleblowing] Could you explain the reasons behind the lack of an operational whistleblower reporting platform for the IAAC? Are there ongoing measures to remedy to that absence?

➤ **INDEPENDENT AUTHORITY AGAINST CORRUPTION**

The IAAC maintains, through its official website, an electronic platform enabling the submission of complaints to the IAAC. Through the same mechanism, protection under the whistleblowing legislation may also be invoked.

Such protection, however, may be invoked when reporting to the IAAC acts of corruption. Furthermore, as expressly provided under whistleblowing legislation, protection under the said law may also be invoked verbally.

6. [whistleblowing] Were there trainings/ raising awareness sessions delivered in 2025 on whistleblowing (with the exceptions of those reported in the last year Rule of Law Report)?

➤ **MINISTRY OF JUSTICE AND PUBLIC ORDER**

Relevant information letters and guides were also sent by the Ministry to the Trade Unions, in order to inform the employees about their rights and the protection afforded to whistleblowers. Further to this, we are aware that relevant seminars are being organized following initiatives by private training providers and various associations (e.g. The Institute of Internal Auditors, the Cyprus Bar Association) for informational/awareness purposes.

For example:

-Effective Whistleblowers' Protection: A New Law for Ensuring an Organisation's Sustainability - on 29 May 2025 (by the Cyprus Bar Association)

-Protection of Whistleblowers (Law(I)/2022 – practical application and challenges) – on 08 July 2025 (by the Institute of Internal Auditors)

➤ **INDEPENDENT AUTHORITY AGAINST CORRUPTION**

The IAAC has not conducted any whistleblowing awareness trainings during 2025. However, the IAAC intends to proceed with the implementation of its Action Plan, under which such training initiatives will be carried out. It is further noted that the IAAC has provided guidance and information to individuals regarding their rights, the applicable procedures, and the legal protection measures arising under the whistleblowing legislation, where such information was requested.

7. [Police] The 2025 Rule of Law report noted that “Competitions for new hires in the Cyprus Police are ongoing (some 200 applicants with another 200 confirmed for the summer)”. Have these competitions been concluded? Are there plans to hire new staff in the Financial Crime Sub-Directorate of the Cyprus Police for 2026?

➤ **CYPRUS POLICE**

Regarding the recruitment of new Police Officers, in relation to the afore-mentioned inquiry, the following data apply:

- 209 officers were recruited in January 2025, and an additional 16 in June 2025.
- Furthermore, under a new recruitment process, 120 officers were recruited in October 2025, and another 85 are scheduled to be recruited on March 18, 2026.
- It should be noted that a new announcement is currently underway, from which approximately 200 more officers are expected to be recruited in the last quarter of 2026. From the above recruits, it is expected that some, after their permanent appointment (3 years from recruitment), may be assigned to the Economic Crime Sub-Directorate by decision of the Police Leadership.

8. [Police] In the Rule of Law report of 2025, it was explained that there were plans to hire additional investigators in 2025, especially forensic accountants. We see however that the number of forensic accountants remained in 2025 at 5. We understand that such recruitment did not take place. Are there are plans to hire such staff for 2026?

➤ **CYPRUS POLICE**

At this stage, there is no decision made as regards the creation / opening of new forensic accountants posts, as mentioned in the inquiry.

9. [Police] We understand that in December 2025, the establishment of the Directorate for Combating Organised Crime (DCOC) was announced but the new structures have not yet

been established. Could you explain if this service will play a role in the fight against corruption?

➤ **CYPRUS POLICE**

Η δημιουργία εξειδικευμένης Διεύθυνσης για την καταπολέμησης του οργανωμένου εγκλήματος, αποτελεί καθοριστικό παράγοντα για την αντιμετώπιση της διαφθοράς, καθώς τα δύο αυτά φαινόμενα είναι άρρηκτα συνδεδεμένα. Το οργανωμένο έγκλημα χρησιμοποιεί τη διαφθορά ως βασικό «εργαλείο» για να διεισδύει στον κρατικό μηχανισμό.

Εγκληματικά στοιχεία, επιδιώκουν να δωροδοκούν δημόσιους λειτουργούς, αστυνομικούς, δικαστικούς, για να αποκτούν έμπιστευτικές πληροφορίες σχετικά με έρευνες ή για να επηρεάζουν τη λήψη αποφάσεων. Η εξάρθρωση αυτών των εγκληματικών οργανώσεων, αποδυναμώνει αυτόματα και τα δίκτυα διαφθοράς που τις συντηρούν.

Λαμβανομένου υπόψη και το ότι, τέτοια Τμήματα επικεντρώνονται στον εντοπισμό και την κατάσχεση περιουσίας που αποκτήθηκε στα πλαίσια παράνομων δραστηριοτήτων, θεωρούμε ότι, θα συμβάλει θετικά στην καταπολέμηση της διαφθοράς.

Το οργανωμένο έγκλημα επιδιώκει να ελέγξει πολιτικά πρόσωπα, όπως βουλευτές, τοπικούς παράγοντες, για να προωθήσει τα συμφέροντά του. Η ύπαρξη μιας ισχυρής διωκτικής αρχής λειτουργεί αποτρεπτικά, ενισχύοντας τη διαφάνεια και το κράτος δικαίου.

Επιπλέον, η αποτελεσματική δίωξη του οργανωμένου εγκλήματος μειώνει το αίσθημα ατιμωρησίας, ενθαρρύνοντας τους μάρτυρες δημοσίου συμφέροντος (whistleblowers) να αναφέρουν περιστατικά διαφθοράς.

Translation to English:

The establishment of a specialized Directorate for combating organized crime constitutes a decisive factor in addressing corruption, given the intrinsic link between the two. Organized crime systematically employs corruption as a primary tool to infiltrate and influence state institutions.

Criminal actors seek to bribe public officials, law enforcement personnel, and members of the judiciary in order to gain access to confidential information regarding ongoing investigations or to influence decision-making processes. The dismantling of such criminal organizations simultaneously weakens the corruption networks that sustain them.

Furthermore, given that such specialized units focus on the identification and confiscation of assets acquired through illicit activities, it is anticipated that their operation will make a substantive contribution to anti-corruption efforts.

Organized crime also aims to exert influence over political figures, including members of parliament and local officials, in order to advance its interests. The presence of a strong and effective enforcement authority serves as a deterrent, reinforcing transparency and the rule of law.

Finally, the effective prosecution of organized crime reduces the sense of impunity and encourages whistleblowers to report incidents of corruption.

10. [Police] Could you update us on the following:

- a. Educational activities carried out in 2025 on integrity/ corruption: are these educational activities incorporated into the training program of the Cyprus Police Academy for every academic year?

➤ **CYPRUS POLICE**

Educational activities carried out in 2025 on integrity / corruption are incorporated into the training program of the Cyprus Police Academy for every academic year. Trainings include, among others, training of police cadets, special constables, sergeant courses, trainings of investigators of financial crime, trainings on police ethics, integrity and corruption. It should be noted that, in addition to the above, senior officer's trainings are also included. Please find attached the Trainings provided at the Cyprus Police Academy on Corruption and other related issues.

Please see also Attachment.

- b. State of play on the work to revise the Police (Promotions) Regulations

➤ **CYPRUS POLICE**

A draft Law has been prepared by the Police and it will soon be submitted to the Ministry of Justice and Public Order, for its submission to Parliament.

- c. State of play on the draft amendments to the Police Disciplinary Regulations to simplify and accelerate disciplinary proceedings.

➤ **CYPRUS POLICE**

A draft Law has been prepared by the Police and it has already been submitted to the Ministry of Justice and Public Order for further editing.

11. [Law Office] In the Rule of Law report of 2025, on asset recovery it was flagged that an amount of EUR 8 million had been recovered in domestic cases in 2024. Could you provide figures for 2025?

➤ **LAW OFFICE**

For the year 2025, freezing orders for the value of approximately 12 million euro plus Crypto 617,340 were obtained in domestic cases investigated by the police and additionally confiscation orders of the value of almost 2 million euro were also obtained in domestic cases prosecuted in Cyprus.

It is noted that the above figures are not limited only to corruption offences but refer to different criminal offences. The same applies for the amount of Euro 8 million frozen assets in domestic cases in 2024 that is mentioned in the last paragraph of the Report in page 9.

12. [Law Office] As regards prosecutions for corruption linked to the now suspended Citizenship Investor Programme (CIP) that were still ongoing in 2025, could you give us updated figures on:

- How many prosecutions were ongoing;
- How many natural and legal persons were being prosecuted.

➤ **LAW OFFICE**

Cases relating to the Investor Citizenship Scheme – Update

In total, four criminal cases were initiated relating to the Investor Citizenship Scheme.

1. The case in relation to two former Ministers of the Republic of Cyprus was filed on 16.1.2025. In total, there are eight natural and two legal entities on the indictment. The case is scheduled for hearing on 8.7.2026.
2. The case against the former Speaker and a former member of Parliament which was filed on 14.7.2022 (ongoing in 2025) was completed and both the defendants were acquitted by 2 – 1 majority by the Assize Court on 17.2.2026. The judgment of the Assize Court has already been appealed and the appeal is pending. Initially, two more natural persons were included in the indictment but the case against them was eventually discontinued.
3. The case against a law firm in Larnaca and its staff led to acquittal by the Larnaca Assize Court. The case was filed before the Assize Court in June 2021, against nine defendants, five natural persons and four legal entities. At first instance, the Assize Court acquitted the defendants on the basis that essential ingredients of the offence were not proven, despite having found that there was *prima facie* case against the defendants on all counts. Please note that one of the defendants has since passed away.

The Attorney General of the Republic appealed against the acquittal of all accused persons and the appeal succeeded. In particular, the Court of Appeal quashed the acquittal and ordered retrial. The defendants tried to obtain leave to appeal to the Supreme Court but this was rejected. The retrial of the case commenced on 10.3.2026 and is pending.

4. Lastly, the case involving a developer and his lawyer which led to a majority 2 -1 acquittal on violations of the CIP but conviction on VAT offences by the developer has been appealed by the Attorney General of the Republic and the appeal is pending. This case was filed on 23.6.2022. The total number of defendants was seven, four natural persons and three legal entities, all of whom remained defendants until the conclusion of the trial. The defendants included lawyers, a developer and a financial director, as well as their respective companies.

Following the hearing of the case, and after all defendants had entered pleas of not guilty to the charges they faced, the Court delivered its final judgment on 23.1.2025. It should be noted that the decision was not unanimous. There was both a majority decision and a dissenting decision.

By the majority decision, all defendants were acquitted of the charges they faced, with the exception of one natural person (developer) and his company, who were convicted on specific counts relating to VAT offences. In relation to those offences, a suspended custodial sentence was imposed on the natural person, while a fine was imposed on the company.

At this stage, appeals filed by the Attorney General in February 2025 are pending adjudication. These appeals concern both the acquittal delivered by the Court and the alleged inadequacy of the sentences imposed in relation to the above-mentioned VAT related counts for which the two defendants were convicted. It should be noted that the appeals filed concern only five of the seven defendants who were tried at first instance (four natural persons and two legal entities).

13. [Treasury] In the 2025 Rule of Law report, it was noted that in 2024, “the Treasury of the Republic of Cyprus identified four cases of conflicts of interest, three of which were excluded from EU funding programs and two were referred to the IAAC for further investigation”. Could you provide us with data for 2025 (number of cases of conflict of interest identified, cases excluded from EU finding and cases referred to the IAAC)?

➤ **TREASURY OF THE REPUBLIC (PUBLIC PROCUREMENT DIRECTORATE)**

During 2025, three cases of potential (but not actual) conflicts of interest were identified and recommendations were made to the relevant Contracting Authorities to help them

strengthen their conflict-of-interest management frameworks in order to operate in a preventive and deterrent manner. In these specific cases, members of Evaluation Committee had links and/or secondary employment with legal entities that could potentially be involved in public procurements however no evidence of actual impropriety was found and therefore none of these cases were referred to the IAAC and they were not excluded from EU funding programs.

14. [Treasury] Could you indicate when the website featuring a dedicated section on procurement statistics was launched (a section includes detailed data on public procurement activities and contract awards from January 2019 onwards)?

➤ **TREASURY OF THE REPUBLIC (PUBLIC PROCUREMENT DIRECTORATE)**

The website was launched in September 2024 and the information is updated on a monthly basis.

15. We wish to receive some further clarifications on the comprehensive Strategy for the integrity of persons entrusted with top executive functions. In the written input, it is stated that *“By identifying systemic vulnerabilities and risks, the project will propose robust preventative measures and define a clear methodology for ongoing compliance monitoring.”* We understand that the launch of such strategy is based on recommendation iii of the GRECO 2025 compliance report on the Fifth Evaluation Round.

➤ **INDEPENDENT AUTHORITY AGAINST CORRUPTION**

Yes, in relation to recommendation iii of the GRECO 2025 compliance report on the Fifth Evaluation Round.

- (i) Will the Strategy also look into the implementation of the other recommendations related to the integrity of persons entrusted with top executive functions that are partially implemented or not implemented (recommendations iv, v, ix, x, xi, and xiii)?

➤ **INDEPENDENT AUTHORITY AGAINST CORRUPTION**

As stated above the specific action is formulated in direct response to Recommendation (iii) of GRECO’s Fifth Round Evaluation Report, and is scheduled for commencement in 2026. The project encompasses an 18-month implementation period. A comprehensive analysis of the strategic objectives and the underlying execution framework of the project is detailed below.

- (ii) Could you briefly explain which kind of risks will be assessed?

➤ **INDEPENDENT AUTHORITY AGAINST CORRUPTION**

Please see comprehensive answer below.

As stated above, in alignment with Recommendation (iii) of the GRECO Fifth Evaluation Round, the IAAC is prioritizing the integrity of politically appointed officials as a core pillar of Action 6 in its strategic Anti-Corruption Action Plan. The primary objective of this Action is the development of a comprehensive, long-term strategy by independent experts (through tender procedures will be selected and appointed). This strategy aims to secure and enhance the integrity of Persons with Top Executive Functions (PTEFs) and their Advisors/Collaborators (CPTAs).

This high-priority initiative is designed to contribute decisively to the following goals:

- **Preserving Public Trust:** PTEFs and CPTAs hold positions of power and responsibility. Their integrity is fundamental to inspiring confidence that decisions are made in the public interest rather than for personal gain or improper motives.
- **Ensuring Good Governance:** Integrity ensures that policies and decisions are based on objectivity, legality, and efficiency. This reduces the risk of corruption and mismanagement, leading to more effective use of public resources.
- **Protecting the Rule of Law:** When those in power act with integrity, the legitimacy of institutions and equality before the law are reinforced. Conversely, a lack of integrity leads to legal violations and systemic injustice.
- **Setting a Positive Example:** Due to their visibility, political appointees serve as role models. Demonstrating high ethical standards fosters a positive culture of integrity across the entire public sector and society.
- **Enhancing International Standing:** A country's reputation and credibility are directly linked to the integrity of its government officials, making it more attractive for investment and strengthening international relations.

The project will focus on four critical pillars:

- Risk Identification (is the first phase of the project): Regarding risk identification and assessment (as stated in the question above), the independent experts shall conduct a comprehensive and exhaustive risk analysis focusing on the specific executive mandates of PTEFs and CPTAs. This analysis must culminate in a Risk Matrix (to be integrated into the final Report), where each identified risk is assessed based on its Probability and its Impact on public trust and good governance. A clear risk prioritization is required to ensure that mitigation measures are strategically targeted.
- **Strategic Proposals:** Proposing mitigation measures and a long-term roadmap.
- **Audit Methodology:** Defining the framework for monitoring and control.
- **Training:** Educating politically appointed persons on ethics and compliance.

The IAAC maintains that reinforcing the integrity of political appointees is not an elective ethical exercise; it is a fundamental prerequisite for democratic stability, sustainable economic growth, and collective societal well-being.