

## **Re: Report on Transparency and Rule of Law - Presidents' Conference in Vienna**

1. The year 2022 was a busy year in Cyprus regarding Transparency and the fight against Corruption. In a nutshell the most important step that was taken towards achieving transparency was the strengthening of the legal framework with the enactment of three laws, with the most important of them being **Law 19(I)/2022 (the “Authority Law”)**, providing for the establishment of an Independent Authority against Corruption (the “**Authority**”). The Cyprus Parliament has enacted the said law on the **04.03.2022**. The Authority is responsible for transparency and prevention of corruption in both the public and private sectors. The operational establishment of the Authority, which was expected to be operational as of 1 July 2022, started with the appointment of the members of the board by the President of Cyprus on 3 May 2022, and the allocation of financial and technical resources. In addition, the Ombudsperson is competent alongside others to monitor the good functioning of the public administration and can also receive complaints regarding maladministration linked to possible public sector corruption. In this case, the outcome of the investigation will be sent to the Attorney General Office to examine the possible criminal offences<sup>1</sup>. However, in the past year the Ombudsperson was not able to examine any complaints regarding corruption because there was no regulatory framework in place on how the Authority was going to examine the complaints. On the 16.12.2022 the Parliament passed Regulations<sup>2</sup> but as far as we know there has not been any official investigations yet.
2. The participation of the Cyprus Bar Association (“CBA”) has been instrumental in the strengthening of the Authority Law by introducing amendments regarding the procedure on how the members of the Authority are appointed by the President of the Republic. The CBA suggested the establishment of an ad hoc Advisory Council<sup>3</sup> which prepares a list of candidates for appointment. Also, the CBA advised the broadening of the investigative powers of the Authority in order to allow for the investigation of criminal offences regarding corruption. Regardless of the pressure that the CBA applied to the Parliament and the Government, the Parliament accepted the establishment of the Advisory Council and although they have broadened the Authority’s

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<sup>1</sup> See page 8 of the European Commission Staff Working Document **2022 Rule of Law Report** Country Chapter on the rule of law situation in Cyprus.

<sup>2</sup> Regulatory Administrative Acts 483/2022

<sup>3</sup> The Advisory Council consists of a (i) one (1) retired judge of the Supreme Court, who shall be appointed on the recommendation of the Supreme Court, (ii) the president of the Cyprus Academy of Sciences, Letters and Arts, (iii) the president of the Cyprus Bar Association, (iv) the president of the Association of Chartered Accountants of Cyprus, and (v) the president of the Cyprus Rectors’ Conference.

power to examine complaints, the Government and the Parliament rejected our proposal for granting the Authority investigative powers and jurisdiction over criminal offences regarding Corruption.

3. In addition to the establishment of the Authority, at the beginning of 2022, an anti-corruption task force was created under the competence of the Attorney-General's Office, with specialised officers from relevant institutions (such as the Attorney-General's Office, the Anti-money Laundering Unit (MOKAS), and the Police and in addition to ad-hoc experts from other entities)<sup>4</sup>.
4. The second relevant law enacted by the Parliament is the Law **20(I) of 2022 'On transparency in public decision-making and related matters'** which entered into force in February 2022, except for the sections 6 and 7 of the Law (on the sanctions and penalties, respectively), which entered into force on the 1<sup>st</sup> January 2023. The law creates a public register on lobbying activities, monitored by the newly established Authority<sup>5</sup>.
5. The third relevant law enacted by the Parliament is the legislation on whistleblower protection. On 20 January 2022, the Cyprus Parliament passed a bill transposing into national law the provisions of the EU Whistleblower Directive 2019/1937 (the Directive), referred to as the "**The Protection of Persons Reporting Violations of the EU and National Law 2022**" (**Law 6(I)/2022**). The Law came into force on 4 February 2022, when it was published in the Official Gazette of the Republic. The legislation aims at transposing the EU Directive on whistleblower protection and at providing for supplementary protection to persons reporting acts of corruption both in the public and the private sectors, with sanctions being reduced for any individuals that cooperate with the police.<sup>6</sup>
6. Whenever the CBA was invited to Parliament, to attend the discussions regarding the legislation mentioned above, the CBA was present and voiced their suggestions which were also made in writing via extensive memos, which are available online for the public to review<sup>7</sup>.

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<sup>4</sup> See page 9 of the European Commission Staff Working Document **2022 Rule of Law Report** Country Chapter on the rule of law situation in Cyprus.

<sup>5</sup> See page 10 of the European Commission Staff Working Document **2022 Rule of Law Report** Country Chapter on the rule of law situation in Cyprus.

<sup>6</sup> See page 11 of the European Commission Staff Working Document **2022 Rule of Law Report** Country Chapter on the rule of law situation in Cyprus.

<sup>7</sup> See <https://www.cyprusbarassociation.org/index.php/el/c-b-a/committees/8048-anti-corruption-committee>.

7. In addition to the above please also note that according to the European Commission Staff Working Document 2022 Rule of Law Report Country Chapter on the rule of law situation in Cyprus, “the regulatory framework relating to transparency of media ownership in the audio-visual media sector has been somewhat strengthened. The Radio and Television Organisations Law, as amended in December 2021 obliges all media service providers under the jurisdiction of the Republic to make accessible to the Cyprus Radio Television Authority information concerning their ownership structure, including the beneficial owners. However, the Media Pluralism Monitor (“MPM”) - highlighting the fact that these transparency rules apply exclusively to broadcast media, which makes determining cross-ownership in the sector very hard - rates the area as a high risk one. Furthermore, MPM concludes that this lack of clarity does not permit a proper understanding of news media concentration in the country which is, consequently, also rated as high risk”<sup>8</sup>. The CBA was not asked to make suggestions on this legislation.

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<sup>8</sup> See pages 12 and 13 of the European Commission Staff Working Document **2022 Rule of Law Report Country** Chapter on the rule of law situation in Cyprus.