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Greco RC-I (2003) 13E
Addendum

First Evaluation Round

Addendum to the Compliance Report on Cyprus

Adopted by GRECO
at its 26th Plenary Meeting
(Strasbourg, 5-9 December 2005)

I. INTRODUCTION

1. GRECO adopted the First Round Evaluation Report on Cyprus at its 7th Plenary Meeting (17-20 December 2001). This report (Greco Eval I Rep (2001) 6E) was made public by GRECO, following authorisation by the authorities of Cyprus on 11 February 2002.
2. Cyprus submitted the Situation Report required by GRECO's compliance procedure on 2 July 2003 concerning the implementation of the recommendations. On the basis of the Evaluation and Situation Reports as well as a Plenary debate, GRECO adopted the First Round Compliance Report (RC-report) on Cyprus at its 16th Plenary meeting (8-12 December 2003) which was made public on 14 January 2004. The Compliance Report (Greco RC-I (2003) 13E) concluded that six of the ten recommendations (i, iii, iv, v, vi and x) had been implemented satisfactorily, whereas four of the recommendations had been partly implemented (ii, vii, viii and ix); GRECO requested additional information on their implementation. The additional information requested was submitted on 13 October 2005.
3. Pursuant to Rule 31, paragraph 9.1 of GRECO's Rules of Procedure the objective of the present Addendum to the First Round Compliance Report is to appraise the implementation of recommendations ii, vii, viii and ix in the light of the additional information referred to in paragraph 2.

II. ANALYSIS

Recommendation ii.

4. *GRECO recommended that a system should be established for the declaration of assets and interests of high State officials, including Members of Parliament, the President of the Republic, the Attorney-General and Ministers.*
5. GRECO recalls that it concluded in the RC-report that the recommendation was partly implemented as draft legislation in this respect was still under consideration in Parliament at the time. GRECO invited the Government to report back on the final adoption and implementation of the afore-mentioned draft.
6. The authorities of Cyprus have reported that new legislation adopted in 2004, i.e., Law No. 49(I)/2004 and Law No. 50(I)/2004, provides for the mandatory declaration of assets and interests of high State officials, including Members of Parliament, the President of the Republic, the Attorney-General and Ministers. The above-mentioned laws address, *inter alia*, the procedure for filing the declarations of assets, the composition of the body to which those declarations are to be submitted, and the applicable sanctions for failures to comply with the reporting obligation.
7. GRECO took note of the new information provided and welcomes the adoption of a regulatory framework for the declaration of assets and interests of high State officials. In this context, it recalls that the evaluation of the implementation of Law No. 49(I)/2004 and Law No. 50(I)/2004 on declaration of assets is one of the specific topics for consideration in the Second Evaluation Round.
8. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation vii.

9. *GRECO recommended the creation of appropriate links between the data-collection systems of the Customs and Excise Service, the Income Tax and VAT Department and the police, on the understanding, of course, that the sharing of information would be authorised by law and restricted to appropriate cases where the adverse effects of the intrusion of privacy will be counterbalanced by the gravity of the concerns about the risk of corruption.*
10. In the RC-report GRECO welcomed the developments underway to improve the sharing of information among various law enforcement bodies, in particular the Financial Intelligence Unit (FIU) and the Police, through a central government network. However, in the absence of appropriate links to facilitate the access of law enforcement authorities to fiscal information, it concluded that recommendation vii had been partly implemented.
11. The authorities of Cyprus have now reported on the ongoing process of centralisation and upgrading of the Police network, as well as the establishment of a Central Information Unit, which will be responsible for the coordination of the information flow between the different Police Departments. This is thought to facilitate data-exchange between the Police, the FIU and the Customs Service. Moreover, the Cypriot authorities have added that the size of the country and the level of centralisation allow *de facto* and on a case-by-case basis for appropriate sharing of information among the law enforcement authorities.
12. GRECO took note of the information provided and welcomes the progress reported; however, it could not change its previous conclusion concerning the absence of formalised links between the Income Tax and VAT Department and the police which would facilitate the access to fiscal information in the course of corruption-related investigations.
13. GRECO concludes that recommendation vii has been partly implemented.

Recommendation viii.

14. *GRECO recommended that the restrictions on [the] use of electronic surveillance (“metering”, telephone-tapping and other intrusions on privacy) should be relaxed to the extent permitted by Article 8 of the European Convention on Human Rights.*
15. GRECO recalls that it concluded in the RC-report that the recommendation was partly implemented as draft legislation in this particular area had not yet been adopted.
16. The authorities of Cyprus have indicated that a constitutional amendment providing for exceptions to the secrecy of correspondence and any other communication (Article 17 of the Constitution), in line with the relevant articles of the European Convention on Human Rights, is currently being discussed by Parliament. Following adoption of the constitutional amendment, a separate draft law concerning the scope and procedure to apply electronic surveillance in the investigation of serious criminal offences should be submitted to Parliament for adoption.
17. GRECO acknowledged the progress reported to implement this recommendation; however, it noted that none of the proposed amendments have been approved by Parliament as yet. Consequently, the recommendation has not been fully complied with to date.
18. GRECO concludes that recommendation viii has been partly implemented.

Recommendation ix.

19. GRECO recommended that the system of complaints against police should be put to a real test to assess whether it can provide an appropriate response to credible complaints against corruption and that the authorities should examine the possibility of creating a specialised complaints-unit within the police, which would be surrounded with all the appropriate guarantees of independence.
20. In the RC-report GRECO concluded that, pending operability of the Police Internal Affairs Office, which was subject to the enactment of the relevant internal regulations in early 2004, the recommendation was only partly implemented.
21. The authorities of Cyprus have now indicated that an amended and more comprehensive draft law on the establishment of an independent authority for the investigation of allegations and complaints within the Police, i.e., the Police Internal Affairs Office, has been prepared by the Attorney General's Office and approved by the Council of Ministers. The draft is currently pending adoption by Parliament. In addition, new laws were enacted in 2004 with respect to the internal functioning of the Police, i.e., Law No. 73(I)/2004 on Police and Law No. 113(I)/2004 on Firearms. As the Police Internal Affairs Office is still not operational, individual complaints against members of Police are dealt with, *inter alia*, by criminal investigators appointed by the Attorney General.
22. Based on this information, GRECO welcomes the ongoing progress reported and encourages Cyprus to pursue the adoption of the proposed draft legislation which would enable the establishment of a specialised complaints-unit within the Police. Although the Police Internal Affairs Office is not operative as yet, the *ad hoc* appointment by the Attorney General of criminal investigators appears to allow for appropriate guarantees of independence, thus enabling an adequate response to be given to credible complaints against corruption. GRECO therefore considers that the concerns addressed in recommendation ix have been taken care of in an appropriate way.
23. GRECO concludes that recommendation ix has been dealt with in a satisfactory manner.

III. CONCLUSION

24. In addition to the conclusions contained in the First Round Compliance Report on Cyprus and in view of the above, GRECO concludes that recommendation ii has been implemented satisfactorily and recommendation ix has been dealt with in a satisfactory manner. Recommendations vii and viii remain partly implemented. In this connection, GRECO encourages Cyprus to undertake further efforts to facilitate the role of the law enforcement bodies in the course of corruption-related investigations; in particular, with regards to their access to fiscal information and the use of electronic surveillance.
25. The adoption of the present Addendum to the Compliance Report terminates the First Evaluation Round compliance procedure in respect of Cyprus.