



Group of States against Corruption  
Groupe d'États contre la corruption

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

Adoption: 1 December 2023

Publication: 9 January 2024

Public

Greco RC4(2023)15

## FOURTH EVALUATION ROUND

Corruption prevention in respect of members of  
parliament, judges and prosecutors

### SECOND ADDENDUM TO THE SECOND COMPLIANCE REPORT

CYPRUS

Adopted by GRECO at its 95<sup>th</sup> Plenary Meeting  
(Strasbourg, 27 Nov.-1 December 2023)

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## **I. INTRODUCTION**

1. The Second Addendum to the Second Compliance Report assesses the measures taken by the authorities of Cyprus to implement the recommendations issued in the Fourth Round Evaluation Report on Cyprus (see paragraph 2), dealing with "Corruption prevention in respect of members of parliament, judges and prosecutors".
2. The [Fourth Round Evaluation Report](#) on Cyprus was adopted at GRECO's 72<sup>nd</sup> Plenary Meeting (1 July 2016) and made public on 27 July 2016, following authorisation by Cyprus. The [Compliance Report](#) was adopted by GRECO at its 80<sup>th</sup> Plenary Meeting (22 June 2018) and made public on 6 September 2018, following authorisation by Cyprus. The [Second Compliance Report](#) was adopted by GRECO at its 86<sup>th</sup> Plenary Meeting (29 October 2020) and made public on 17 November 2020, following authorisation by Cyprus. The [Addendum to the Second Compliance Report](#) was adopted by GRECO at its 90<sup>th</sup> Plenary Meeting (25 March 2022) and made public on 8 July 2022, following authorisation by Cyprus.
3. As required by GRECO's Rules of Procedure, the authorities of Cyprus submitted a Situation Report with additional information regarding measures taken to implement the seven pending recommendations which, according to the Addendum to the Second Compliance Report, had been partly or not implemented. The Situation Report was received on 15 March 2023 and served as a basis for this Second Addendum to the Second Compliance Report.
4. GRECO selected Greece (with respect to parliamentary assemblies) and Serbia (with respect to judicial institutions) to appoint rapporteurs for the compliance procedure. The rapporteurs appointed for the current report were Mr Dimosthenis STIGAS, on behalf of Greece, and Ms Bojana SMARTEK on behalf of Serbia. They were assisted by GRECO's Secretariat in drawing up this [Second Addendum to the Second Compliance Report](#).

## **II. ANALYSIS**

5. In its Evaluation Report, GRECO addressed sixteen recommendations to Cyprus. In the Addendum to the Second Compliance Report, GRECO concluded that recommendations iii, v, ix-xii, xiv, xv and xvi had been implemented satisfactorily or dealt with in a satisfactory manner, recommendations i, ii, iv and vi-viii had been partly implemented and recommendation xiii had not been implemented. Compliance with the seven outstanding recommendations is dealt with below.

### *Corruption prevention in respect of members of parliament*

#### **Recommendation i**

6. *GRECO recommended that all forms of remuneration and benefits received (from public and private sources) by members of parliament be subject to clear rules, adequate auditing and public transparency.*
7. GRECO assessed this recommendation as partly implemented in the Addendum to the Second Compliance Report. GRECO had welcomed, with respect to public transparency, that all payments made to MPs from state funds and asset declarations covering income received from outside private activities were published online. GRECO, however, noted that a reform aimed at clarifying the income and various allowances received by MPs and at ensuring adequate, effective auditing or control, was still ongoing.

8. The authorities of Cyprus now indicate that they have no new information regarding this recommendation and reiterate their position that the current situation meets the criteria of clarity, transparency and adequate auditing.
9. GRECO notes that, in the absence of any new progress, this recommendation remains partly implemented.
10. GRECO concludes that recommendation i remains partly implemented.

#### **Recommendation ii**

11. *GRECO recommended that a code of ethics/conduct for members of parliament – including their staff as appropriate – be adopted, covering various situations of conflicts of interest (e.g. gifts and other advantages, third party contacts, lobbyists, accessory activities, post-employment situations).*
12. GRECO assessed this recommendation as partly implemented in the Addendum to the Second Compliance Report. GRECO welcomed the adoption of the Code of Principle and Rules of Ethics and Transparency for Members of Parliament (hereinafter “the Code of Ethics”) but noted that several important integrity matters (e.g. third-party contacts, lobbyists, accessory activities, post-employment situations) had not been included in this Code, as recommended.
13. The authorities of Cyprus now report that provisions regarding third-party contacts and lobbyists, including for members of parliament, ministers and other officials are included in the very comprehensive Law on the Transparency in Public Decision-Making and Related Matters (Law 20(I)/2022). The Law, which was already satisfactorily assessed in the Addendum to the Second Compliance Report, has been further developed and supplemented through implementing regulations in 2023. The main obligations of the lobbyists and the lobbied remain as set out in Law 20(I)/2022, however new Regulations on the Transparency in Public Decision-Making and Related Matters (R.A.A. 118/2023) provide for details on the Register as well as on the procedures for the collection, use, handling, publication, access, maintenance and deletion of personal data. As regards post-employment situations, the authorities state that, since there is no general rule of incompatibility of the office of an MP with the practice of any other profession and since MPs have no executive functions, it would be inappropriate to include such provisions in the Code of Ethics. Accessory activities and any other activities that may impugn an MP’s impartiality when discussing or voting on an issue are covered by the provisions relating to conflicts of interest and incompatibility that are contained in the Rules of the House of Representatives, the Code of Ethics and the Law relating to the Incompatibility in Exercising the Duties of Certain Officials of the Republic and Specific Profession and Other Relevant Activities (Law 7(I)/2008).
14. GRECO takes note of the information provided by the authorities. It welcomes the Law on the Transparency in Public Decision-Making and Related Matters (Law 20(I)/2022), and its implementing regulations, which makes provision for third-party contacts and lobbyists. This Law, taken together with the Rules of the House of Representatives, the Code of Ethics and the Law relating to the Incompatibility in Exercising the Duties of Certain Officials of the Republic and Specific Profession and Other Relevant Activities (Law 7(I)/2008) address most of the issues raised in this recommendation. That said, GRECO sees value in further adjusting the Code of Ethics to include these integrity-related matters, as recommended. GRECO notes that, generally, Codes serve as a reference guide reminding parliamentarians of the standards to which they are held. At present, some of those key standards (including on third-party contacts and restrictions on outside activities and financial interests) are not referenced in the Code. Law 20(I)/2022 provides for rules on lobbying, but

the Code of Ethics (and the practical handbook issued on its implementation – see recommendation viii) could provide further guidance on “do’s and don’ts” in the relations of parliamentarians with third parties, including in respect of informal contacts that occur outside their workplace, etc.

15. Moreover, along its Fourth (and Fifth) Evaluation Round, GRECO has repeatedly emphasised the value of codes of conduct as living documents, needing to be embraced and refined as new developments (including new obligations established by law) arise. GRECO encourages the authorities to keep these considerations in mind when they update the Code of Ethics.
16. In light of the foregoing considerations, GRECO concludes that recommendation ii remains partly implemented.

#### **Recommendation iv**

17. *GRECO recommended (i) that consistent rules be elaborated concerning the acceptance by members of parliament of gifts, hospitality and other benefits including special support provided for parliamentary work, and (ii) that internal procedures for the valuation and reporting of gifts, and return of those that are unacceptable, be developed.*
18. GRECO assessed this recommendation as partly implemented in the Addendum to the Second Compliance Report. It welcomed the clarification in the Code of Ethics of the acceptance of gifts and other benefits by MPs but asked for additional information regarding internal procedures for the valuation of gifts.
19. The authorities of Cyprus now reiterate that the content of the Code of Ethics is sufficient to address the requirements of this recommendation.
20. GRECO takes note that no new progress has been made with respect to this recommendation. GRECO recalls that while the Code of Ethics contains a procedure for the registration of gifts and the return of those that are unacceptable, there is no specific procedure for the valuation of gifts.
21. GRECO concludes that recommendation iv remains partly implemented.

#### **Recommendation vi**

22. *GRECO recommended that the existing regime of asset declarations be further developed (i) by ensuring that all forms of assets, income and liabilities above a certain threshold be declared at their appropriate value; (ii) that the declarations be made publicly available promptly after their submission to the appropriate supervisory body; and (iii) by considering widening the scope of the declarations to also include information on spouses and dependent family members (it being understood that such information would not necessarily need to be made public).*
23. GRECO assessed this recommendation as partly implemented in the Addendum to the Second Compliance Report. GRECO had welcomed that MPs’ asset declarations were made public. However, GRECO noted that the inclusion of movable property and the value of property other than immovable property and vehicles in MPs’ asset declarations as well as considering expanding declarations to dependent family members, had not been resolved.
24. The authorities of Cyprus repeat the information GRECO had received for the previous report, notably that the private Member’s Bills dealing with the MPs’ asset declaration regime submitted to Parliament by various MPs, had been unified into one bill,

submitted on behalf of the entirety of the Parliamentary Committee on Institutions, Merit and the Ombudsman. This bill is now nearing the end of the Committee scrutiny stage.

25. The authorities indicate that – for the last part of the recommendation – assets, income and liabilities of spouses and underage children must also be declared, but that this information is not published, in line with a decision of the Supreme Constitutional Court on this issue<sup>1</sup>. The reason that financial disclosure has been limited to spouses and underage children and not extended to adult dependent family members comes as a result of the conclusions reached by the Parliamentary Committee on Legal Affairs during the scrutiny of the Bill relating to the amendment to the Law on the Declaration of Assets and Audits of Property of the President the Ministers and the Members of Parliament (Law 49(I)/2004), which came into force as Law 68(I)/2017.
26. GRECO takes note of the information provided by the authorities and accepts that consideration has been paid to expanding declarations of assets to dependent family members, as requested by the last part of this recommendation, as it now includes spouses and underage children. However, the inclusion of movable property and the value of property other than immovable property and vehicles in MPs' asset declarations, has not yet been resolved.
27. GRECO therefore concludes that recommendation vi remains partly implemented.

#### **Recommendation vii**

28. *GRECO recommended that the current mechanism for monitoring declarations of assets submitted by members of parliament be subject to an in-depth evaluation with a view to establishing an independent and effective mechanism for such monitoring.*
29. GRECO assessed this recommendation as partly implemented in the Addendum to the Second Compliance Report. GRECO had welcomed the possibility for the Special House Committee on Declaration and Examination of Financial Interests to refer the accounting and financial audit of the declarations of assets to an accredited auditor. GRECO however noted that doubts remained as to the practical operation and effectiveness of the system taken as a whole (for instance, how often these external audits would be carried out, what follow-up would be given to these audits and how it could lead to sanctions).
30. The authorities of Cyprus now repeat, as for recommendation vi above, that the private Member's Bills addressing this issue, which was submitted to Parliament by various MPs had been unified into one bill, submitted on behalf of the entirety of the Parliamentary Committee on Institutions, Merit and the Ombudsman and is nearing the end of the committee scrutiny stage.
31. GRECO takes note of the information provided by the authorities. As the bill is in Parliament and the text has not yet been made available to GRECO, this recommendation can be considered no more than partly implemented.
32. GRECO concludes that recommendation vii remains partly implemented.

#### **Recommendation viii**

33. *GRECO recommended that the parliamentary authorities develop an integrity policy to prevent conflicts of interest and risks of similar deficiencies in respect of members*

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<sup>1</sup> Ref.no.10/2016, issued 29 May 2017, publication ref. (2017) 3 AΔΔ 501.

*of parliament through (i) awareness raising on an institutional level, (ii) in the form of handbooks and regular training and (iii) on an individual basis, in the form of a dedicated service providing confidential counselling.*

34. It is recalled that in the Addendum to the Second Compliance Report, GRECO considered this recommendation as partly implemented. It welcomed the dissemination of the new Code of Ethics, the publication of a handbook and the preparation of seminars for MPs and their assistants to raise awareness, *inter alia*, on the Code of Ethics, and the possibility for the Legal Service of the House of Representatives to provide confidential counselling. However, none of the planned seminars on integrity standards had taken place at the time and therefore part (ii) of the recommendation had not been fully met.
35. The authorities of Cyprus repeat their previous position on the matter, namely that the Code of Ethics developed by the MPs themselves, tackling this issue and providing for the prevention of conflicts of interest and for the behaviour of the MPs, had been disseminated both within and outside the House of Representatives and was published on the website of the House. In addition, the MPs were provided with a short handbook on the functioning of parliamentary committees and a full text of the Rules, also available on the House's website. Furthermore, the House of Representatives organises seminars for the MPs and their assistants aimed at educating them on the functioning of the House, the Rules of Procedure and the Code of Ethics, also covering integrity policy matters. These seminars are organised at the beginning of each new term of the House of Representatives and all MPs and their parliamentary associates are invited to attend.
36. GRECO takes note of the information supplied by the authorities, notably that training of MPs and their assistants on the functioning of the House of Representatives, the Rules of Procedure and the Code of Ethics, also covering integrity policy matters, has been organised in the form of seminars. However, GRECO also notes that these seminars are only organised at the beginning of each new term of the House of Representatives and that MPs are merely invited to attend. This means that each composition of the House has access to only one seminar, when the recommendation requests that there be regular training.
37. GRECO therefore concludes that recommendation viii remains partly implemented.

*Corruption prevention in respect of prosecutors*

### **Recommendation xiii**

38. *GRECO recommended that reform considerations concerning the Law Office of the Republic include means to strengthen the independence of the prosecutorial functions and the capacity of the individual law officers and prosecutors to conduct their duties in a more autonomous way, guided by the safeguards necessary under the rule of law.*
39. GRECO assessed this recommendation as not implemented in the Addendum to the Second Compliance Report. It noted that a draft bill on the independence and autonomy of prosecutors was underway but was in its very early stages.
40. The authorities of Cyprus now state that, since the publication of the Addendum to the Second Compliance Report, the bill that was prepared by the Law Office of the Republic regarding its independence, which also covers the independence and autonomy of prosecutors, had been approved by the Council of Ministers on 22 February 2023 and had been submitted to Parliament on 20 April 2023.

41. GRECO takes note of this information and welcomes the draft law on the Law Office of the Republic of 2022, a preliminary copy of which it has now received. The draft Law introduces a separation between Legal Officers and Staff - all working for the Legal Service, headed by the Attorney General. The Legal Officers are made up of Attorneys of the Republic, Officers of the Unit Combating Money Laundering (MOKAS) and Public Prosecutors – they represent and are under the instructions of the Attorney General and Deputy Attorney General. The Staff include (1) the General Manager of the Legal Service, who has the status of Controlling Officer and acts in accordance with the relevant legislative framework of the Public Service that governs his/her obligations and responsibilities; and (2) the Head of Financial Management, who serves under a service plan in accordance with the needs of the Legal Service. The draft also introduces a Prosecution Council, which has the authority, *inter alia*, over the appointment, promotion, transfer, secondment and dismissal of Legal Officers and Staff.
42. In the Evaluation Report, GRECO took note of the Law Office’s multifaceted and broad tasks (civil/criminal law, EU law, international law, human rights, drafting, legal vetting and advisory tasks etc.) and the far-reaching and discretionary powers attributed by the Constitution to the Attorney General, the highest authority to instigate and discontinue prosecutions in the country. It noted that the Law Office’s hierarchical structure taken together with the powers of the Attorney General called for checks and balances to prevent risks of undue influence over the prosecution service and formulated two recommendations, one of which had been dealt with in a satisfactory manner (recommendation xiv) and the current remaining one. GRECO encourages the authorities to deal with the planned reform of the Law Office of the Republic without delay.
43. GRECO concludes that recommendation xiii is partly implemented.

### **III. CONCLUSIONS**

44. **In view of the foregoing, GRECO concludes that Cyprus has implemented satisfactorily or dealt with in a satisfactory manner nine of the sixteen recommendations contained in the Fourth Round Evaluation Report.** Of the seven pending recommendations, all have been partly implemented.
45. More specifically, recommendations iii, v, ix-xii and xiv-xvi have been implemented satisfactorily or dealt with in a satisfactory manner. Recommendations i, ii, iv, vi-viii and xiii have been partly implemented.
46. In respect of members of parliament, GRECO values the adoption of a Code of Ethics in 2021, which is coupled with monitoring, advisory and enforcement mechanisms. GRECO encourages the authorities to see the Code as a living document which is adjusted to include new emerging integrity-related issues and risks as they arise. GRECO also welcomes the introduction, and further refinement in 2023, of rules on lobbying. There is induction training on ethics which MPs and their assistants are invited to attend, but no regular training is organised throughout the parliamentary term. Additional upgrades of the financial disclosure system are still necessary, particularly, regarding its effective supervision and enforcement. A new bill is undergoing parliamentary discussion but has not yet seen the light.
47. With regard to judges, all recommendations have been complied with (see previous reports). As for prosecutors, only one recommendation is pending, which concerns the reform of the Law Office and the independence of prosecutorial functions. GRECO welcomes the draft Law, which is currently still before Parliament. It however notes that the draft would benefit from additional refinement to ensure that individual law

officers/prosecutors are able to conduct their duties in a more autonomous way, guided by the safeguards necessary under the rule of law. GRECO calls on the authorities to deal with the planned reform of the Law Office of the Republic without delay.

48. The adoption of this Second Addendum to the Second Compliance Report terminates the Fourth-Round compliance procedure in respect of Cyprus. The authorities of Cyprus may, however, wish to inform GRECO of further developments with regard to the implementation of the outstanding recommendations.
49. Finally, GRECO invites the authorities of Cyprus to authorise, as soon as possible, the publication of this report, to translate it into the national language and to make the translation public.