

Franet National contribution to the Fundamental Rights Report 2024

Cyprus

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1. Impact of the cost-of-living crisis and rising poverty in the EU

1.1. Legal measures impacting on vulnerabilities of persons affected by the rising costs of living and energy.

1.1.1. Reduction of VAT on items used by blind persons and by persons with disabilities

In July 2023, in the framework of harmonising national VAT legislation with Council Directive 2022/542, VAT was reduced to 3% for certain goods and services and a number of items for personal use by blind persons and by persons with disabilities were included in the category of the zero VAT items.¹ The law purports to conform with Council Directive 2022/542 of 5 April 2022 as regards VAT rates, which permits, amongst others reduced rates for goods and services essential to compensate and overcome disabilities. During the parliamentary discussion that preceded the adoption of this law the Ministry of Finance stated that its aim was to support vulnerable persons including persons with disabilities as a consequence of the increased costs of goods necessary to ensure their quality of life. The Ministry of Finance declined the proposal from parliamentarians to add additional items into the list of goods with zero or reduced VAT, arguing that the proposed regulation is in line with the financial capabilities of the state.²

1.1.2. Law on temporary solidarity contribution for fossil fuel sector

In the framework of complying with Council Regulation 2022/1854 on an emergency intervention to address high energy prices, a law was adopted in December 2023 providing for a temporary contribution of 33% on surplus profits for the tax year 2023 on entities active in the sectors of extraction or production of crude oil, natural gas or coal, refining of oil or production of coking products.³

¹ Cyprus, Law on Value Added Tax (Amendment) (No. 3) Law of 2023 [[Ο περί Φόρου Προστιθέμενης Αξίας \(Τροποποιητικός\) \(Αρ. 3\) Νόμος του 2023](#)], 21 July 2023.

² Cyprus, House of Representatives (2023), '[Minutes of the House of Representatives' Seventh Parliamentary term session B, Sitting of 13 July 2023](#)'.

³ Cyprus, The Temporary Solidarity Contribution on Surplus Profits in the Crude Oil, Natural Gas, Coal and Refinery Sectors Law of 2023 ([Ο περί Προσωρινής Συνεισφοράς Αλληλεγγύης επί των Πλεοναζόντων Κερδών στους Τομείς του Αργού Πετρελαίου, του Φυσικού Αερίου, του Γαιάνθρακα και των Διυλιστηρίων Νόμος του 2023](#)), N.131(I)/2023, 8 December 2023.

1.1.3. Reduction of excise duty on fuel

In an effort to alleviate inflationary pressures on consumers and businesses following the increase in energy prices, in March 2023 the law on excise duty was amended to provide for reduced tax on fuel for the period between 3 March 2023 and 4 May 2023.⁴ The reduced tax period was subsequently extended till 30 June 2023, with a fresh amendment to the law adopted in May 2023.⁵ The tax was reinstated for the period July-November 2023, until the law was amended again in November to provide for reduced fuel tax for the period between November 2023 and March 2024.⁶ The reductions affect the excise duty payable on fuel, gas oil used for heating, fuel used for agricultural purposes, kerosene used as fuel for generators.

1.1.4. Asylum seekers excluded from the labour market for the first nine months

Following an order issued by the Minister of Labour and Social Insurance under the Refugees Law, as of 1st October 2023, asylum seekers are permitted to work only after nine months from the date they submit their asylum application. This development changed a policy that had been in place for several years which had permitted asylum seekers to access the labour market one month after submitting their asylum application.⁷ The President of the Republic has additionally declared his intention not to renew the permit for employment of asylum seekers in the hotelier and catering industries.⁸ The new measures are expected to cause significant labour shortages in several industries which rely on foreign labour,⁹ whilst asylum seekers will be faced with the choice of either working unlawfully or surviving on public benefit. The public benefit paid to asylum seekers consists of a monthly sum of €186 for food and clothing, €75 for utility bills and pocket money and €100 for rent, in case they can secure from their landlords the necessary documents in order for the Social Welfare Services to process their housing benefit applications. These amounts fall below the minimum guaranteed income paid to nationals and recognised refugees and are described as falling well below the poverty level.¹⁰ The 2023 Poverty Watch Report issued by the Cyprus Poverty

⁴ Cyprus, The Excise Duties (Amendment) Law of 2023 [[Ο περί Φόρων Κατανάλωσης \(Τροποποιητικός\) Νόμος του 2023](#)].

⁵ Cyprus, The Excise Duties (Amendment) (No 2) Law of 2023 [[Ο περί Φόρων Κατανάλωσης \(Τροποποιητικός\) \(Αρ. 2\) Νόμος του 2023](#)]

⁶ Cyprus, The Excise Duties (Amendment) (No 4) Law of 2023 [[Ο περί Φόρων Κατανάλωσης \(Τροποποιητικός\) \(Αρ.4\) Νόμος του 2023](#)].

⁷ Cyprus, Law on Refugees 2000, [Order under article 9\(a\) and \(b\)](#), Official Gazette No. 5825, Friday 29 September 2023.

⁸ Phileleftheros (2023), [‘Αλλαγές στην εργοδότηση και τα επιδόματα αιτητών ασύλου ανακοίνωσε ο Πρόεδρος’](#), 27 September 2023.

⁹ Brief (2023), [‘Πονοκέφαλος τα προσκόμματα στην απασχόληση αιτητών ασύλου’](#), 3 October 2023.

¹⁰ UNHCR Cyprus (2023), [‘Κύπρος, Υποδοχή προσφύγων’](#), Ιούνιος 2023.

Network identified a number of gaps in social policy including the fact that the amount of the minimum guaranteed income has not increased since it was introduced in 2014.¹¹

1.1.5. Amendments to the law on the minimum guaranteed income

In November 2023 the law on the minimum guaranteed income was amended so that beneficiaries of the minimum guaranteed income who are persons with disabilities will not lose this benefit as a result of a residential property owned by them or by members of their family, which is subject to a life interest for the benefit of another person. To be eligible for this exemption, the property in question must not exceed 300m² and must be inhabited by a relative of the applicant who is not a family member. The law further provides that persons with disability who were receiving the minimum guaranteed income which was cut off for the sole reason of a owning a residential property, may reapply for the minimum guaranteed income and, if approved, they will receive it retroactively from the date on which it was cut off. Same applies to persons with disability whose application for the minimum guaranteed income was rejected on the sole ground of ownership of the property by themselves or by members of their families; under this amendment, the beneficiaries may reapply for minimum guaranteed income and, if approved, will receive the allowance retroactively from the date of rejection of the application.¹² The amendment purports to address a gap in the law whereby persons with disabilities would lose eligibility to benefits once a property subject to a life interest was transferred to them or to a member of their family.

1.1.6. Bill on the extension of parental leave and personal injury allowance to include self-employed workers

The Council of Ministers adopted a bill which extends the benefits for self-employed workers to include parental leave allowance and personal injury allowance for accidents occurring during working hours. The bill will be presented to parliament for discussion in 2024.¹³ Until presently and in the absence of the proposed regulation, parental leave is paid only to persons in employment, excluding self-employed persons.¹⁴ At end of 2023, the government notified the social partners of its intention to introduce eligibility to benefits for self-employed persons including parental leave, labour accidents, and work related sickness.

¹¹ Cyprus Antipoverty Network (2023), 'Poverty Watch Report- Cyprus' 2023.

¹² Cyprus, [The regulation of the minimum guaranteed income and the social benefits in general \(Amendment\) Law of 2023](#) [Ο περί Ελάχιστου Εγγυημένου Εισοδήματος και Γενικότερα περί Κοινωνικών Παροχών (Τροποποιητικός) Νόμος του 2023], Ν.163(Ι)/2023, 20/12/2023.

¹³ Phileleftheros (2023), ['Κατώτατος μισθός: Χίλια ευρώ μεικτά μετά από 6 μήνες εργοδότηση, ανακοίνωσε ο Υπ. Εργασίας'](#), 20 December 2023.

¹⁴ Cyprus, Ministry of Labour and Social Insurance (2023), Parental leave benefit ([Επίδομα γονικής άδειας](#))

Once adopted the proposed regulation will only partly fill the gap between the self-employed and employed persons in terms of eligibility to benefits, since self-employed persons continue to be ineligible for unemployment benefit, whilst their sickness benefit starts on the tenth day of sickness as opposed to employed persons whose sickness benefit starts on the fourth day of absence from work. The justification for non-aligning the welfare eligibility of the self-employed to that of the employed persons is the fact that the self-employed pay a slightly lower rate of contributions to the social insurance fund, which was 20,5% compared to 21,5% paid by employed persons in 2023, and 21,8% compared to 22,8% payable by employed persons in 2024. The extension of the rights of self-employed persons was foreseen in the Recovery and Resilience Plan and the regulation of this issue was necessary for the payment of the next instalment under the Plan.¹⁵

1.1.7. The Council of Ministers seeks to impose a five-year minimum stay eligibility condition on beneficiaries of international protection

In November 2023 the Deputy Ministry on Welfare announced the decision of the Council of Minister to submit a bill to parliament to amend the law regulating the minimum guaranteed income, by extending to recognised refugees the eligibility criterion of five years' prior lawful residence. Presently, the five year prior residence is a pre-requisite only for Cypriots and for Union nationals. The Deputy Minister purported to justify this decision as a measure to achieve equality between Cypriots, Union nationals and recognised refugees and in order for Cyprus not to be an attractive migration destination.¹⁶ Both justifications offered are unlikely to meet the test of compliance with fundamental rights standards but, once presented in Parliament, the outcome of this bill cannot be predicted.

1.1.8. Draft law to abolish the practice of discontinuing the minimum guaranteed income to persons with disabilities once they get married

Based on the existing provisions of the law regulating the minimum guaranteed income, the income of the family members of the applicant is taken on board when calculating the income of the applicant for the minimum guaranteed income.¹⁷ This led to a practice where the minimum guaranteed income would be discontinued when the beneficiary gets married. In 2023 disability organisations collaborated with MPs to compile a draft law in order for persons with disabilities to be entitled to benefits based on their own

¹⁵ Adamou, A. (2023), [‘Επίδομα γονικής άδειας και για αυτοτελώς εργαζόμενους’](#), *Philelfttheros*, 30 November 2023.

¹⁶ Cyprus, Press and Information Office (2023), [“Τροποποίηση των περί Ελάχιστου Εγγυημένου Εισοδήματος και Γενικότερα περί Κοινωνικών Παροχών Νόμων”](#), Press release, 1 November 2023.

¹⁷ Cyprus, The regulation of the minimum guaranteed income and the social benefits in general ([Ο περί Ελάχιστου Εγγυημένου Εισοδήματος και Γενικότερα περί Κοινωνικών Παροχών](#)) Ν. 109(I)/2014, article 12.

economic criteria and not those of the spouse. As at present, the legislation takes on board the income of the household, rendering the persons with disabilities dependent on their spouses and impeding their social integration.¹⁸ The bill was not discussed in parliament by year's end.

1.2. Policy measures impacting on vulnerabilities of persons affected by the rising costs of living and energy.

1.2.1. Increase of €50 to the honorary grant for mothers of four or more children

In 2023 an increase of €50 was added to the sums payable under this scheme, to the effect that the amounts for 2023 are €250, €300 or €450, depending on the income category to which the beneficiaries belong on the basis of the previous year's income. The sums are paid once annually in a lump sum or in instalments. Beneficiaries of the scheme are mothers of at least four children whose youngest child has reached 18 years and who are not receiving Child Benefit under the Child Benefit Act. Further eligibility conditions require the applicants to have had their lawful residence in Cyprus for the past five years; be beneficiaries of the Pensioners' Assistance Scheme or the Minimum Guaranteed Income Scheme; or have an annual income not exceeding €32,667 if they are single, or €49,000 in the case of a couple.¹⁹

1.2.2. Lump sum for the year 2023 to Child Benefit beneficiaries

In an effort to support families with three or more children to address inflationary pressures and to cover part of the expenses during the summer period resulting from the three-month interruption of children's attendance at schools, the Council of Ministers granted a lump sum for the year 2023 to families entitled to child benefit on 31st December 2022 regardless of the level of income, and have three or more dependent children. The lump sum was determined as follows:

- For families with three dependent children, an amount of €70 per dependent child;
- For families with four or more dependent children, an amount of €100 per dependent child.

¹⁸ Reporter (2023), '[Κόβουν το ΕΕΕ από άτομα με αναπηρία μετά το γάμο-«Προσβλητική και άδικη αυτή η πρόνοια»](#)', 7 November 2023.

¹⁹ Cyprus, Deputy Ministry for Welfare, Welfare Management Service, 'Honorary grant to mothers with many children' ([Τμητικό Επίδομα Πολύτεκνης Μάνας](#)).

The Child Benefit, as well as the single-parent benefit, are fully indexed to the consumer price index and are therefore adjusted every 1st January according to inflation.²⁰

1.2.3. Low-income pensioners

For all low-income pensioners, a 5% increase of the low pensioners allowance was decided in 2023, starting from June 2023.²¹ The union of pensioners EKYSY stated that the assurances that had been given by the authorities was that the 5% increase would be applied on the low pension itself, which is minimum €710, but instead it will be given on the small cheque which leads to a disappointing increase of around €5.²²

1.2.4. Increase in the national minimum wage

As of 1 January 2024, following negotiations of social partners with the Minister of Labour and Social Insurance, the national minimum wage is increased from €940 gross to €1 000 gross for employees working for at least six months in the same employer. The minimum salary upon hiring is increased from €885 gross to €900. The sectors where most third country workers are employed, namely domestic work, agriculture and farming, continue to be excluded from the national minimum wage. Workers' unions expressed concern over the fact that no hourly wage is specified which exposes workers to the possibility of abuse by employers; and the fact that no automatic index-linked pay rise is foreseen.²³

1.2.5. Subsidy for nurseries or kindergartens

A scheme first introduced in 2021 for subsidising the cost of child care services for children aged 0 – 4 years old, initially implemented in September 2022 for the school year 2022-23, was extended to cover the subsequent school year 2023-2024. The scheme's criteria were broadened to include additional categories of beneficiaries. The amount of the subsidy is up to 80% of the monthly tuition fee and ranges from €50 to €350 monthly, depending on the child's age and attendance as well as the composition and income of

²⁰ Press and Information Office (2023), 'Lump sum payment to families with three or more dependent children who receive child benefit and increase in the honorary grant to mothers with many children' ([Εφάπαξ χορηγία σε οικογένειες με τρία ή περισσότερα εξαρτώμενα τέκνα που λαμβάνουν Επίδομα Τέκνου και αύξηση Τιμητικού Επιδόματος Πολύτεκνης Μάννας](#)), 18 May 2023.

²¹ Cyprus, Deputy Ministry for Social Welfare (2023), 'New scheme to help pensioners with low income' ([Νέο Σχέδιο Ενίσχυσης Συνταξιούχων με Χαμηλά Εισοδήματα](#)), 15 June 2023.

²² Stockwatch (2023), 'Union of Cypriot Pensioners: They met with the Deputy Minister on Welfare for the increase of 5% to low income pensioners' ([ΕΚΥΣΥ: Είδε Υφ. Πρόνοιας για αύξηση 5% χαμηλοσυνταξιούχων](#)), 23 June 2023.

²³ Philelefttheros (2023), 'The amount of the minimum wage is agreed, the hours and working conditions remain pending' ([Έκλεισε το ποσό του κατώτατου μισθού, εκκρεμούν ώρες και όροι εργασίας](#)), 21 December 2023.

the family. To be eligible for this benefit, the income of a family with one child must be maximum €49 000; for a family with two children the income must not exceed €59 000, for a single parent family with one or two children the income must not exceed €49 000; for a couple or single parent with three children the income must not exceed €54 000 and for a couple or a single parent with four or more children the income must not exceed €59 000 plus €5 000 for each child over three years old.

The Scheme covers all beneficiaries of the Child Benefit who have a dependent child under the age of 4 as of 31st August 2023, and the child is attending or has secured a place in a nursery or kindergarten that participates in the Scheme; at the time of writing 352 providers corresponding to about 90% of all nurseries and kindergartens are part of this scheme. The amount is paid directly from the Deputy Ministry on Welfare to the provider monthly, upon the latter certifying that the child has attended the particular school. For the first month of schooling the parents must pay the fee and thereafter only the 20% difference between the subsidy and the school fee.²⁴

1.2.6. Lump-sum for recipients of the minimum guaranteed income who receive rent or mortgage subsidy

Recipients of the minimum guaranteed income who also receive a rent or mortgage subsidy will receive a one-off amount of €300. For beneficiaries with a severe disability, the amount will be €500.²⁵

1.2.7. New set of measures announced in October 2023, introduced in November 2023

In October 2023 the government announced a new set of support measures, mostly horizontal in nature, some short term and some medium term.²⁶ The short-term measures are:

1. A graduated electricity subsidy from 1 November 2023 until 29 February 2024 for residential, commercial and industrial consumers, while for consumers who are already listed as vulnerable the subsidy covers 100% of the electricity price increase.
2. Tax reduction on motor fuel, by 8.33 cents per litre, for the months of November 2023 to February 2024. This measure partly addressed tensions resulting from increased government checks at the Green Line to locate instances of persons

²⁴ Deputy Ministry of Social Welfare (2023), 'Tuition and Feeding Subsidy Scheme for Children up to 4 years old' ([Σχέδιο Επιδότησης Διδάκτρων και Σίτισης Παιδιών ηλικίας μέχρι 4ων ετών](#)).

²⁵ Deputy Ministry of Social Welfare (2023), 'Press Release - Granting of a lump sum to ERU beneficiaries receiving a rental subsidy/housing loan interest rate subsidy' ([Δελτίο Τύπου - Παραχώρηση Εφάπαξ ποσού σε δικαιούχους ΕΕΕ που λαμβάνουν επιδότηση ενοικίων/τόκων στεγαστικού δανείου](#)), 21 November 2023.

²⁶ Press and Information Office (2023), 'Seventeen government measures of €196 million were announced for supporting Cypriot society' ([Ανακοινώθηκαν 17 κυβερνητικά μέτρα €196 εκατ. για στήριξη της κυπριακής κοινωνίας](#)), 19 October 2023.

who filled their cars with cheaper fuel from the Turkish-controlled areas in the north of the country, suggesting that the practice was illegal, until the European Commission clarified that transport of fuel across the Green Line for non-commercial use is lawful.²⁷

3. Reduction of tax on heating fuel by 6.39 cents per litre, from December 2023 to March 2024.
4. A 2% subsidy on the interest rate of mortgage loans taken out from 1 January 2022 to 31 December 2023 for the purchase and construction of a first home, for families with an annual income of €50,000.
5. The list of consumer products with zero VAT was extended to include meat and vegetables, from 1 December 2023 until the end of May 2024.
6. Rent subsidy of a one-off amount of €300, for recipients of the minimum guaranteed income who are also receiving a rent subsidy or mortgage interest subsidy. The lump sum is increased to €500 for the severely disabled beneficiaries.
7. A one-off payment of €120 to recipients of disability transport allowance.
8. Extension of the child benefit for large families to cover children until they complete their undergraduate studies for a first degree.
9. A 5% increase in the child benefit.

The medium-term measures are:

1. The installation of photovoltaic systems without the payment of capital in advance for small and medium-sized houses. The government will pay an initial grant of €1,000 and the remaining cost will be paid by the consumer in instalments, to be charged to the electricity bill. This arrangement means that consumers who default in their repayments for whatever reason will be faced with a blackout.
2. The increasing of the capacity of self-generation and self-consumption of electricity in businesses, through photovoltaics.

A set of housing policy measures were also announced, but details were yet to be provided. These include the utilization of vacant and idle housing in the rental market, the strengthening of existing planning incentives for the construction of housing units, part of which will be provided at affordable rent, tax and other incentives for construction and rental of affordable housing units, social housing through the construction of housing units on specific parcels of land, the allocation of land in the countryside for low-income families and a housing subsidy for young couples or young people up to 41 years of age by granting a one-off grant of €20 000 to €50 000, based on criteria.

The measures were received with scepticism from trade unions and the Consumers Association, who described them as short-term, horizontal and therefore unsustainable, and patchwork relief to only a small sector of society and not necessarily those in the direst need. Some of the poorest sectors of society, including asylum seekers, migrants

²⁷ Dialogos (2023), 'Is refuelling from the occupied territories illegal? What is the position of the European Commission?' ([Είναι παράνομος ο ανεφοδιασμός καυσίμων από τα κατεχόμενα ; – Ποια η θέση της Ευρωπαϊκής Επιτροπής](#)), 7 July 2023.

and others who are not eligible for the minimum guaranteed income will not benefit from most of the new subsidies. The measures were seen as an effort to improve the image of the new government which suffered under the pressure of the rising cost of living and lack of measures in previous months, citing for example the subsidies to consumers who contracted a housing loan in 2022, without taking into account the fact that consumers who contracted a loan in previous years may be paying a higher interest rate or may have a lower annual income or both.²⁸ The Consumers' Association noted that no subsidy was offered for gas which is a common form of heating for the lower income families, that persons who live in mountainous regions have to use heating for longer periods than urban residents, that in order to offer the monthly instalment facility for the photovoltaic installation the subsidy was in fact decreased from €1 500 to €1 000, adding that eight out of ten Cypriot citizens suffer from energy poverty and that Cyprus is in the 4th most disadvantaged position in Europe.²⁹

Table 1 – Promising practice

There are no promising practices to report.

Promising practice	
Title (original language)	
Title (EN)	
Organisation (original language)	
Organisation (EN)	
Government / Civil society	
Funding body	
Reference (incl. URL, where available)	
Indicate the start date of the promising practice and the finishing date if it has ceased to exist	
Type of initiative	

²⁸ FRANET consultation with the trade union Pancyprian Federation of Labour (PEO), 19 October 2023.

²⁹ ANT1 (2023), 'Consumers' Union: The new support package is a gift given by one hand and taken back by the other' ([Ένωση Καταναλωτών: «Δώρα δωρον» το νέο πακέτο στήριξης](#)), 22 October 2023.

Promising practice	
Main target group	
Indicate level of implementation: Local/Regional/National	
Brief description (max. 1000 chars)	
Highlight any element of the actions that is transferable (max. 500 chars)	
Give reasons why you consider the practice as sustainable (as opposed to 'one off activities')	
Give reasons why you consider the practice as having concrete measurable impact	
Give reasons why you consider the practice as transferable to other settings and/or Member States?	
Explain, if applicable, how the practice involves beneficiaries and stakeholders in the design, planning, evaluation, review assessment and implementation of the practice	
Explain, if applicable, how the practice provides for review and assessment	

2. Threats to democratic values - Protecting civic space, strengthening meaningful participation and the rights to freedom of association, peaceful assembly and expression

2.1. Major threats to democracy as reflected in national legal and political developments and the discourse at national level.

Table 2 – Challenges

Based on a scan of legislative and policy and other developments and the public discourse please identify **three major challenges** to democracy emerged in the course of 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
Attacks and threats to the safety of civil society organisations, human rights defenders and journalists	During public discussions on the introduction of sexual education at schools, a number of NGOs which had participated in the consultation were targeted by MPs as attempting to corrupt the youth. One particular MP made several public statements against NGOs including Accept LGBTI and the Family Planning Association calling them degenerates and paedophiles. ³⁰ No measures were taken by any institution against the MPs for homophobic hate speech. Accept LGBTI reported that its members had been subjected to on line homophobic attacks which were shared widely across social

³⁰ OmegaLive (2023), '[Απασφάλισε ο Θεμιστοκλέους: «Τα βιβλία τα έγραψε ομάδα έκφυλων οπαδών σαρκικής ηδονής για να κατεβούν τα χρόνια ηλικίας για συναίνεση σε ερωτικές πράξεις»!](#)', 15 September 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	<p>media; despite having filed three complaints to the police electronic crime division for homophobic hate speech, no action was taken.³¹ The approval of the Attorney General must be granted in order for hate speech proceedings to be launched;³² since the Framework Decision on Racism and Xenophobia was adopted, the Attorney General never approved the launching of criminal prosecutions against public persons.</p>
<p>Legal and administrative constraints, harassment, intimidation, and reprisals against civil society organisations, human rights defenders (including SLAPPs - strategic lawsuits against public participation)</p>	<p>During 2023 and whilst the Cypriot government was in the process of complying with the Moneyval recommendations on monitoring the activities of non-profit entities,³³ the Ministry of the Interior located a potential risk with a number of sports entities registered as NGOs which may have been profit making organisations using the non-profit status of NGOs to evade tax. The Moneyval report had already flagged the fact that the methodology used by the authorities in order to conduct the risk assessment contained multiple criteria that extended beyond money laundering and terrorism financing and included tax abuse, which was beyond the scope of the investigation. Rather than address the tax evasion problem at hand, the authorities gave information to the mass media depicting NGOs as money launderers, undermining their credibility and creating a hostile environment around them.³⁴ Media reports carried headlines that one in five NGOs were suspect for money laundering without presenting any data to back these allegations.³⁵ During deliberations with Interior Ministry officials, there was an admission that the figure of 25% related</p>

³¹ FRANET telephone consultation with Accept LGBTI, 20 October 2023.

³² Cyprus, The Law on Combating Certain Forms and Expressions of Racism and Xenophobia through the Criminal Law N. 134(I)/2011 ([Ο Περί της Καταπολέμησης Ορισμένων Μορφών και Εκδηλώσεων Ρατσισμού και Ξενοφοβίας μέσω του Ποινικού Δικαίου Νόμος Ν. 134\(Ι\)/2011](#)), article 10.

³³ Council of Europe, Committee of Experts on the evaluation of anti-money laundering measures and the financing of terrorism (Moneyval) (2022), '[Anti-money laundering and counter-terrorist financing measures- Cyprus: 2nd Enhanced Follow-up Report & Technical Compliance Re-Rating](#)', November 2022.

³⁴ FRANET Consultation with the NGOs Civil Society Advocates and NGO Support Center, 23 October 2023.

³⁵ Sigmalive (2023), '[Μία στις τέσσερις ΜΚΟ στην Κύπρο ενδέχεται να εμπλέκεται σε ξέπλυμα χρήματος](#)', 8 September 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	<p>to tax evasion and not money laundering or terrorism. Civil Society Advocates reported that some may be tax evading either due to ignorance or purposely, however the strict bureaucratic checks which the authorities plan on introducing, including the right of access to NGOs' bank accounts, will not address tax evasion. The NGO Support Center and Civil Society Advocates filed a complaint to the Journalistic Ethics Committee about one of these media reports which they perceived as a smear campaign intending to intimidate them. At the time of writing, they had not received a response from the self-regulating body.³⁶ Following the identification of the tax evasion risk, the Interior Ministry collected all the files of sports organisations, making it impossible for these organisations to access the necessary documents in order for their bank accounts to remain in operation and then proceeded to delete from the Registry 600 sports NGOs, when they were late in submitting documentation about their beneficial owners.³⁷</p> <p>In 2023 the Interior Ministry created an on-line platform where NGOs were required to upload the documents which were required to submit to the authorities.³⁸ Most NGOs reported technical problems in its use whilst some personal data, like dates of birth, had to be loaded on the platform and remain in public view.³⁹</p> <p>A survey carried out by Civil Society Advocates in 2023 identified administrative delays, problems with banks freezing NGO bank accounts without warning, access to funding and a deficient public consultation framework as the main problems facing NGOs,⁴⁰ all of which were related to the negative and</p>

³⁶ FRANET Consultation with the NGOs Civil Society Advocates and NGO Support Center, 23 October 2023.

³⁷ FRANET Consultation with the NGO Civil Society Advocates, 23 October 2023.

³⁸ For details, see the relevant webpage of the Ministry of the Interior, [here](#).

³⁹ FRANET Consultation with the NGO Civil Society Advocates, 23 October 2023.

⁴⁰ Civil Society Advocates (2023), '[Report – Civil Society Organisations \(CSOs\): Challenges in relation to the legal operational framework and recommendations for creating an enabling environment for CSOs in Cyprus](#)', June 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	<p>hostile environment created around NGOs.⁴¹ A parliamentary discussion on the law regulating the operation of NGOs in May 2023 raised concerns about the practice of deleting NGOs with considerable social contribution. The spokesperson for the NGOs Registrar responded that many private businesses operate as NGOs and do not pay VAT and that the Moneyval report found that that 25% of NGOs are susceptible to money laundering.⁴²</p> <p>Civil Society Advocates reported that the Interior Ministry compiled and circulated a new bill to amend the law regulating the operation of NGOs without consulting NGOs, who only found out about the process in the media.⁴³ Following two letters of complaint filed at the Ministry of the Interior by Civil Society Advocates, in December 2023 the Ministry published the bill purporting to amend the law on NGOs and invited stakeholders to a public consultation through the submission of comments by 30 January 2024.⁴⁴ In response, NGOs formed an initiative in order to compile a coordinated submission to the consultation, utilising expertise from other countries. The main concerns raised about the bill by the NGO experts concerned:</p> <ul style="list-style-type: none"> - The conflation of the term ‘NGO’ and ‘not-for-profit’ organisations which lead to chain consequences for NGOs, given that, according to the FATF Interpretive Note to its Recommendation 8,⁴⁵ countries should conduct a risk assessment of only those organisations falling within its definition of not-for profit organisations to identify the nature of TF risks posed to them; - A new provision in the bill enabling the dissolution of NGOs ‘used for money laundering’ was deemed to be far too broad and in breach of the requirement in

⁴¹ FRANET Consultation with the NGO Civil Society Advocates, 23 October 2023.

⁴² Dialogos (2023), [‘Χρήζει τροποποιήσεων ο περί Σωματείων και Ιδρυμάτων Νόμος’](#), 25 March 2023.

⁴³ FRANET Consultation with the NGO Civil Society Advocates, 23 October 2023.

⁴⁴ Cyprus, Ministry of the Interior, ‘Bill entitled "The Associations and Foundations and Other Related Matters (Amendment) Act, 2022"- Public consultation’ ([Νομοσχέδιο με Τίτλο: «Ο Περί Σωματείων και Ιδρυμάτων και για άλλα Συναφή Θέματα \(Τροποποιητικός\) Νόμος του 2022»- Δημόσια διαβούλευση](#)), 14 December 2023.

⁴⁵ For more details, see [the FATF Recommendations](#), as amended November 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	<p>Recommendation 8 for measures to be proportionate and risk-based measures, without unduly disrupting or discouraging legitimate activities, pointing out that dissolution should be the last resort measure after all efforts to rectify the situation are exhausted, because in many cases legitimate organisations are exploited without knowing it;</p> <ul style="list-style-type: none"> - A new provision in the bill for the disclosure of bank accounts whenever required by the Registrar when there are ‘suspicions’ of money laundering is far too broad and likely to be inconsistent with article 8 of the ECHR; - A new provision in the bill enabling the registrar to refuse to register a NGO when it is realised that the purpose is unlawful or its members were convicted of an offence involving dishonesty or moral turpitude, was found to infringe freedom of association safeguarded by the ECHR.⁴⁶ <p>In December 2023 the district court found the director of KISA guilty for obstructing the police in the execution of their duties.⁴⁷ KISA is a national anti-racist NGO which is vocal criticising the government, including police practices, on the discriminatory treatment of migrants. The incident in respect of which he was convicted took place in the street where a police officer was checking a young motorcyclist for violating a street sign. The director of KISA approached the motorcyclist and asked him if he was OK and whether he needed help. The police asked the KISA director to leave the scene and when he refused the police arrested him, handcuffed him and transferred him to the police station. The court reserved its decision on the sentence to be announced in 2024. KISA considers this prosecution as another episode in the ongoing endeavour of state and prosecution authorities to harass KISA and criminalise its work. The KISA director had been criminally prosecuted on</p>

⁴⁶ Cyprus NGO Initiative on Law Reform (2023), ‘1ST Draft comments on amendments by experts incorporated into law’, 10 January 2024.

⁴⁷ Cyprus, District Court of Nicosia (2023), [Nicosia Police Director v. Doros Polycarpou](#), Case No. 99/20, Case No. 99/20, 21 December 2023.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	several occasions in the past in relation to his activist work and had been acquitted in all cases. ⁴⁸
Lack of media freedom a/o media pluralism; disinformation (incl. online)	Although there are systemic problems in place, including the absence of an independent monitoring body for the media and gaps in the law that render media ownership non-transparent, there were no developments in 2023.
Foreign interference	N/A
Lack of (processes for) transparent, accountable, democratic and pluralistic participation in law and policymaking; incl. access to information	
Lack of election integrity (incl. electoral process, political campaigning and party financing)	A provision in the law on electing members of the European Parliament requires voters residing in the areas where the Government of the Republic does not exercise effective control, namely the Turkish Cypriots, on the day of the elections and upon arriving at the polling station to submit a solemn declaration in a form to be determined by the Interior Minister, stating the address of their usual place of residence in areas where the Government of the Republic does not exercise effective control. ⁴⁹ The implementation of this provision in practice led to long queues and delays at the 30 polling stations along the ceasefire line which served as a disincentive for Turkish Cypriots to cross the line in order to vote at the European Parliament elections. A bill was tabled in Parliament in order to abolish this provision so as to facilitate the voting process for all persons eligible to vote irrespective of ethnic

⁴⁸ KISA (2024), [‘Νέα επίθεση εναντίον της ΚΙΣΑ – Καταδίκη για «παρέμβαση» στο έργο της Αστυνομίας’](#), Press release, 13 January 2024.

⁴⁹ Cyprus, Law on the Election of Members of the European Parliament ([Ο περί της Εκλογής των Μελών του Ευρωπαϊκού Κοινοβουλίου Νόμος](#)) N. 10(I)/2004, article 9(1A).

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	origin; the proposed amendment was rejected by a parliamentary majority on 12 October 2023. ⁵⁰ An approximate number of 84,000 Turkish Cypriots are affected by this arrangement.
Disproportionate use of law enforcement measures (surveillance, police violence, unlawful arrest etc.)	
Corruption, including misuse of EU funds	
Lack of (effective judicial protection by) independent and impartial courts	
Threats to (the independence of) the fundamental rights institutional landscape (NHRIs, equality bodies, data protection authorities and similar bodies), incl. closure of fundamental rights bodies, legal changes, budget cuts and harassment	Background: In 2021, the GANHRI Sub-Committee on Accreditation (SCA) of NHRIS decided to defer the review of the Cypriot Ombudsperson for 18 months, ⁵¹ citing a list of issues of concern, which included: (a) the fact that the current framework for the appointment of the Ombudsperson does not require the advertisement of vacancies, does not establish clear criteria to assess the merit of eligible candidates and does not promote broad consultation in the application, screening, selection or appointment process; (b) The Ombudsperson lacks the power to investigate complaints against a number of public officials, including the President and government ministers; (c) There is no legal requirement that Ombuds staff members should be representative of the diverse segments of society, particularly as regards gender, ethnicity and minority status. In June 2022 a bill was presented to Parliament by the Ministry of Justice proposing to amend the law regulating the

⁵⁰ Dialogos (2023),

⁵¹ Global Alliance on National Human Rights Institutions (2021), '[Report and Recommendations of the Virtual Session of the Sub-Committee on Accreditation \(SCA\)](#)', 14-2402021

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	<p>ombudsperson’s appointment, by merely limiting the terms of office to a maximum of two six-yearly terms. The justification report which accompanied this bill claimed that the proposed bill would bring national law in line with the Paris and Venice Principles, failing to address the aforesaid SCA requirements.⁵² Following the adoption of this law, the Council of Ministers proceeded with the institutionalisation of the informal procedure previously in place for the selection and appointment of the person to serve as head of the Ombuds institution, namely the selection of the person by the President of the Republic without the transparent criteria and the merit-based appointment process required by the SCA, the approval of the President’s selection by the Council of Ministers and subsequently by a parliamentary majority.⁵³</p> <p>The vacancy announcement for the post of the ombudsperson was published in April 2023 only for two days and only in two newspapers; the Ombudsperson’s office did not publicise the vacancy. The criteria for appointment were three: be aged 35+, be a Cypriot citizen, be of moral character. Despite the limited publicity to the vacancy, 20 applications for the post were filed, including an application from the current ombudsman, two senior judges, senior staff members of the Ministry of Justice and senior staff members of the ombudsman’s office. Within five minutes from the opening of the cabinet session, a decision was taken by majority to re-appoint the current Ombudsperson. The parliamentary committee on institutions debated the cabinet’s proposal for the appointment of the current Ombudsperson in the presence of the current Ombudsperson. Parliamentarians asked the cabinet to produce the CVs of the other candidates and to justify the selection of the current Ombudsperson for re-appointment; the request was declined and the cabinet’s recommendation for the re-</p>

⁵² Cyprus, The Commissioner of Administration (Amendment) Law of 2022 [[Ο περί Επιτρόπου Διοικήσεως \(Τροποποιητικός\) Νόμος του 2022](#)]

⁵³ Cyprus, Press and Information Office (2022), Written statement by the Deputy Government Spokesperson on Decisions of the Council of Ministers ([Γραπτή δήλωση της Αναπληρώτριας Κυβερνητικής Εκπροσώπου κας Νιόβης Παρισινού για Αποφάσεις του Υπουργικού Συμβουλίου](#)) 28 June 2022.

Challenges	Justification/explanation: description of issue at stake and its overall relevance compared to other challenges to democracy and the civic space. Please provide examples and references.
	appointment of the current Ombudsperson was voted by a parliamentary majority.
Institutional issues linked to checks and balances (lack of parliamentary oversight, lack of implementation of final court decisions by executive, etc.)	
Other major developments threatening democratic values	On 5 th January 2024 in the early hours of the morning, the offices of anti-racist NGO KISA were attacked by an explosive device, which destroyed the front face of the office and its electronic and office equipment. KISA's press release on the attack highlighted the fact that it had been targeted by the authorities and depicted with a narrative of 'illegality' and ambiguity as to its legitimacy, following its deregistration from the registry of the Interior Ministry. KISA further reported that the police failed to investigate KISA's numerous complaints about threats received both on-line and off-line for years, which culminated with the attack. ⁵⁴ A number of other NGOs expressed solidarity with KISA and condemned the attack. ⁵⁵

⁵⁴ KISA (2024), '[Neither the smear campaigns, nor the persecution, nor yesterday's bombing will prevent us from protecting human rights](#)', Press release, 6 January 2024.

⁵⁵ Dialogos (2024), '[Η βομβιστική επίθεση στα γραφεία της ΚΙΣΑ έρχεται να επαναβεβαιώσει τα αποτελέσματα της κανονικοποίησης της ακροδεξιάς δράσης και έκφρασης](#)', 6 January 2024.

2.2. Legislative and policy measures having an impact on the freedom of assembly/association/expression of civil society actors.

Table 3 – Case law

Case law	
Deciding body (in original language)	Διοικητικό Δικαστήριο
Deciding body (in English)	Administrative Court
Case number (also European Case Law Identifier ECLI , where applicable)	Case No. 11/2021 ECLI:CY:DD:2023:175
Parties	Association “Tae Kwon Do Power Center” v Republic of Cyprus through the Registrar of Associations, Foundations and other related matters, the Permanent Secretary of the Ministry of Interior, and the Ministry of Interior
Decision date	5 April 2023
Web link to the decision (if available)	http://www.cylaw.org/cgi-bin/open.pl?file=administrative/2023/202304-11-21.html&qstring=%E1%E8%EB%E7%F4%2A%20and%20%F3%F9%EC%E1%F4%E5%E9%2A

Case law	
Which fundamental freedoms of (peaceful assembly, association and/or expression) were referred to in the case?	Freedom of association
Key facts of the case (max. 250 words)	<p>The applicant had been registered as an association in 1972 under a law annulled in 2017 and replaced with a new comprehensive legal framework governing the operation of associations. In 2018 the District Office requested the applicant to submit a new updated constitution to comply with the new law. The applicant submitted the updated constitution which did not provide for the possibility to establish and run a school, in an effort to comply with the provisions of the new law. The Interior Ministry expressed concern over a practice identified in the field whereby private businesses hide under the cover of an association in order to evade income tax, adding that the resolution of this problem became more imperative following the Moneyval report in 2019. The District Officer asked the applicant to submit a safety certificate for the premises where the athletic activities take place and, in the event that the premises are used by a private school, then to submit the identification data of the owners. The applicant did not submit the requested data. It subsequently emerged that a criminal case had been launched against the applicant for operating a private athletic school without permit, which was withdrawn once the applicant secured the necessary permit from the national athletics association.</p>
The key legal question raised by the Court	Whether the administrative act of deleting the applicant from the Registry of Associations, on the ground it is listed in the national athletics organisation as a school and therefore a business undertaking, was legitimate or not.

Case law	
Result of the case in terms of factual outcome, and in terms of assessment of the legal question raised	The Court rejected the application and upheld the administrative decision for the applicant's deletion from the Registry of Associations of the Interior Ministry. The Court added that the law regulating the operation of NGOs does not apply to athletic schools registered under the national athletics association which are covered by other regulations.
