

Golden visas, EU values, corruption and crime

Some EU Member States offer citizenship and residence to applicants who bring money into the country by, for example, buying property or investing in a business. These Member State decisions can have an impact on the rest of the EU, especially in the case of citizenship, since holders of a Member State's citizenship automatically acquire EU citizenship as well, and with it, several of its rights and privileges. Parliament and the Commission have already expressed concern over this practice, and Parliament is scheduled to hold a topical debate during the May II plenary session. A Commission report on the issue is expected in the last quarter of 2018.

Background

Golden visas are programmes that some countries have to enable non-nationals to obtain citizenship or residence in the country by investing in it. The beneficiaries of such programmes often do not have to fulfil the same conditions as regular applicants, such as residency requirements or knowledge of the language. [Critics](#) of the practice complain that golden visas are unfair, because they offer opportunities to the rich that are denied to people without money. They are also considered to offer opportunities for corruption and crime, because 'second or third passports are useful tools for criminals, tax evaders and money launderers who may need new identities' and places to escape to. Selling citizenship by EU Member States has an added problem: [several critics](#) see it as free-riding on shared EU assets, because EU citizenship brings added benefits, such as freedom of movement.

At least half of the EU's Member States currently enable this practice or some form of it in their national legislation. It has generated controversy in some countries because of the lack of transparency and corruption scandals. For example, in 2009, an [Austrian politician](#) told a potential Russian investor that he could have Austrian citizenship in exchange for an investment of €5 million and a donation to his party.

The Maltese golden visa programme in particular has drawn a lot of negative attention in the past couple of years. [Described](#) as 'secretive' by its critics and presented by the Maltese Prime Minister as offering investors the opportunity to share both the 'Maltese and European journey' of Malta in the future, the programme also provoked a reaction from the EU, which resulted in [changes](#) to the original legislation in 2014. These included introducing a 'genuine link' requirement and publication of a list of new citizens.

European Parliament position

The European Parliament has already expressed its unease with golden visa programmes. Its 2014 [resolution](#) on EU citizenship for sale expressed concern that 'any national scheme that may involve the direct or indirect outright sale of EU citizenship, undermines the very concept of European citizenship'. While acknowledging that residency and citizenship are the preserve of Member States, Parliament asked the Member States to be careful and take possible side effects into account. It also called on the Commission to assess the schemes in the light of European values.

The issue of citizenship by investment has attracted significant attention from EU institutions, since citizenship of an EU Member State automatically conveys EU citizenship. Legally, Member States determine conditions for acquisition or loss of national citizenship, but this right is not entirely without limits. The 2010 ruling of the Court of Justice of the European Union in the [Rottmann case](#) established that decisions on loss of citizenship, which entail loss of EU citizenship, should be subject to a test of proportionality. In cases of naturalisation, Article 4(3) of the Treaty on European Union is [considered](#) especially relevant, because it binds Member States to loyal and sincere cooperation. This was also [mentioned](#) by Viviane Reding, then Vice-President of the European Commission, in her answer to a parliamentary question in 2014, in which she stated that the Commission expects Member States to award nationality in a spirit of sincere cooperation with other Member States and the EU. The point was [reiterated](#) by Commissioner Věra Jourová in December 2017.

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