

[Is the Golden Visa in danger?](#)

On the 20th of October 2020, the European Commission **launched infringement proceedings against Malta and Cyprus**, by issuing formal notification letters concerning their **citizenship plans for investors**, also known as "Golden Passport" or GOLDEN VISA plans.

These countries allow a person to acquire a new nationality on the basis of an investment; very different from **residence schemes**, also called "golden visas" which allow third-country nationals to obtain a **residence permit** to live in an EU country.

The Commission considers that the granting by these Member States of their nationality in exchange for investing or paying a certain amount of money **without any real link to the Member State** is not compatible with the principle of loyal cooperation in Article 4(3) of the Treaty on the Functioning of the European Union and affects the essence of EU citizenship.

Moreover, according to the Commission, these schemes have an impact on the EU as a whole since when a person acquires the nationality of a Member State, he or she also automatically becomes a **citizen of the Union**. Consequently, **he or she will enjoy all the rights linked to this status**, such as the right to move, reside and work freely within the EU or the right to vote in municipal elections and elections to the European Parliament.

The Commission has often raised concerns about citizenship schemes for investors and **certain risks inherent in such schemes** relating in particular to security, money laundering, tax evasion and corruption.

In fact, these infringement proceedings follow the European Parliament's reviews of these citizenship schemes and the resolution adopted last July, which called on Member States to **phase out residence or citizenship by investment schemes**.

The governments of Malta and Cyprus have two months to respond to the letters of formal notice and to defend themselves. If the responses are not satisfactory, the Commission may issue a reasoned opinion on the matter, which means that the two countries may face sanctions.



The Commission is also addressing Bulgaria again to highlight its concerns regarding an investor citizenship scheme run by that Member State and to ask for further details. The Bulgarian government has one month to respond to the letter requesting further information, after which the Commission will decide on the next steps.

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