

Commission's Recommendation on Investor Schemes Following the Russian Invasion of Ukraine

News

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On 23. March 2022, the Commission issued a [recommendation](#) on immediate steps to be taken by Member States - in the context of the Russian invasion of Ukraine - in relation to investor citizenship schemes and investor residence schemes. The Commission noted that it had already issued a [report](#) on investor citizenship and residence schemes highlighting the inherent risks of such schemes on 23 January 2019 (e.g. risks involving security, money laundering, tax evasion, and corruption, etc.). The current context of the Russian aggression against Ukraine once again highlights these risks.

The Commission stressed that investor citizenship schemes, under which nationality is granted in exchange for a predetermined payment or investment and without a genuine link to the Member States concerned, have an affect on all Member States and the European Union. Every person holding the nationality of a Member State is at the same time a citizen of the Union and is therefore endowed with rights (right of free movement, right of access to the internal market to exercise economic activities, and the right to vote and stand as a candidate in local and EU elections). Investor residence schemes, under which a residence permit is granted in exchange for a predetermined payment or investment, also have implications for other Member States, and a valid EU residence permit grants certain rights to third-country nationals, including the right to travel freely in the Schengen area.

As a number of Russian and Belarusian nationals, who are subject to sanctions or are significantly supporting the war in Ukraine, might have acquired EU citizenship or privileged access to the EU under these schemes, the Commission recommends that the Member States do the following:

- Terminate investor citizenship schemes immediately if they are still being operated, as such schemes are neither compatible with the principle of sincere cooperation nor with the concept of EU citizenship enshrined in the EU treaties;
- Carry out assessments in order to determine whether citizenship previously granted to Russian and Belarusian nationals, who are subject to sanctions or significantly supporting the war in Ukraine, should be withdrawn;
- Take all necessary measures to prevent investor residence schemes from posing security risks, tax evasion risks, corruption risks, and risks of money laundering;
- Following an assessment, immediately withdraw or refuse the renewal of residence permits granted under an investor residence scheme to Russian and Belarusian nationals who are subject to EU sanctions in connection to the war in Ukraine;

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- Suspend the issuance of residence permits under investor residence schemes to all Russian and Belarusian nationals.

The Commission highlighted that all of these measures need to be applied in compliance with the principle of proportionality, with fundamental rights, and with Member States' national law. The Commission stressed that the recommendation should be without prejudice to the admission and residence of Russian and Belarusian nationals in the EU on other grounds, such as humanitarian admission or international protection.

This recommendation is only one element of the Commission's overall policy to take determined action on both citizenship and residence investor schemes in this regard. The Commission pointed out that it may take additional action in the future if required. It will keep the European Parliament and the Council informed about the implementation of the recommendation by Member States.

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