



Cyprus Progress Updates: Boosting Competitiveness and Addressing Challenges

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Over the past decade, the economic landscape of the Republic of Cyprus has changed substantially. The Government has undertaken a programme of robust and comprehensive reform to boost the country's competitiveness and address historical challenges.

[Learn More](#)

Banking and Financial Reforms

Cyprus has a diverse and robust economic system that is no longer reliant on a specific sector. Since 2019, confidence in the investment sector in Cyprus has risen, reflecting the success of reforms.



Strict regulatory framework
acknowledged by
international assessments

Termination of relationships with

42,728

shell companies in the last five
years

Cyprus credit rating remains

"Investment Grade"

1,600+

international companies,
including **47** multi-nationals,
registered in Cyprus in 2022

€10.2M

of fines imposed by the CBC anti-
money laundering department in
13 investigated cases



Significant number of international
banks provide correspondent banking
services to banks in Cyprus

Cyprus Investment Programme

The Cyprus Investment Programme (CIP) was terminated in November 2020. Cyprus continues to take decisive action to investigate and prosecute those who took advantage of CIP.



Commission of Inquiry appointed in
September 2020

222

passports revoked to date following
extensive investigations



**Independent Authority against
Corruption** ensures the coherence
and effectiveness of the public and
private sector's actions in matters
relating to corruption

Sanctions and Directives

Cyprus works closely with the EU to apply all sanctions, regulations, and AML/CTF directives, placing Cyprus in a robust position internationally in the fight against ML/TF. Cyprus has also engaged with international experts to implement best practices and further foster its effectiveness in the implementation of the financial sanctions regime.

Criminalised violation of UN and EU sanctions since 2016.

Total frozen assets (Dec 2023):
€1.1B in financial instruments,
€61M in CySEC entities, and
€140M in credit institutions

80 persons convicted by the Cypriot Courts for money laundering in 2022 and 2023 combined

Recognised by **the UK, US and Ukraine** for cooperation on sanctions compliance

Participation in **EU Project** for effective sanctions implementation

National Sanctions Implementation Unit, modelled after the UK's Office for Financial Sanctions Implementation (OFSI), launching in 2024

MONEYVAL (2022) recognises **progress in AML/CTF**

Collaboration with the **US FBI** in investigating sanctions evasion

Geopolitical Role

Cyprus is playing a critical geopolitical role as a stable and predictable player amid regional unrest. Cyprus's relationship with its neighbours and allies is based on trust, frankness and open co-operation.

Joint military exercises with countries such as the **US, France, and UK**



Humanitarian and evacuation hub
in the eastern Mediterranean

Recognised as a **beacon of stability**



Independent Recognition of Reforms

"In an era defined by conflict and rapidly changing geopolitical landscapes we see just how crucial Cyprus' role is as a secure pillar of stability in the Eastern Mediterranean region."

– US Ambassador to Cyprus Julie Fisher

"Banks articulated a sophisticated understanding of the sanctions evasion risk, expressing concerns about complex structures of legal persons and about activity on behalf of designated persons by associates of their customers. Consistent with this risk understanding, banks appear to apply adequate measures to mitigate sanctions evasion risk. Given the materiality of the banking sector, these findings would suggest that Cyprus is taking measures in line with the risks it faces."

– 2019 MER Report by MONEYVAL

Cyprus has also been recognised for its efforts in attracting investments and implementing financial reforms in reports by the [EU](#), [IMF](#), [ECB](#), and [fDi Intelligence](#).