Basic information

2021/2026(INL) INL - Legislative initiative procedure	Procedure completed
Citizenship and residence by investment schemes **Subject** 1 European citizenship 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 7.10 Free movement and integration of third-country nationals	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
LIBE Civil Liberties, Justice and Home Affairs	IN 'T VELD Sophia (Renew)	11/03/2021
	Shadow rapporteur BILČÍK Vladimír (EPP) YONCHEVA Elena (S&D) BRICMONT Saskia (Greens /EFA) JAKI Patryk (ECR) FEST Nicolaus (ID) ARVANITIS Konstantinos (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs (Associated committee)	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Justice and Consumers	REYNDERS Didier

Key events

Date	Event	Reference	Summary
29/04/2021	Committee referral announced in Parliament		

29/04/2021	Referral to associated committees announced in Parliament		
15/02/2022	Vote in committee		
16/02/2022	Committee report tabled for plenary	A9-0028/2022	Summary
07/03/2022	Debate in Parliament		
09/03/2022	Decision by Parliament	T9-0065/2022	Summary

Technical information	
Procedure reference	2021/2026(INL)
Procedure type	INL - Legislative initiative procedure
Procedure subtype	Request for legislative proposal
Legal basis	Rules of Procedure EP 47 Rules of Procedure EP 57_o
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	LIBE/9/05606

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE697.745	10/11/2021	
Amendments tabled in committee		PE702.999	13/12/2021	
Committee report tabled for plenary, single reading		A9-0028/2022	16/02/2022	Summary
Text adopted by Parliament, single reading		T9-0065/2022	09/03/2022	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Citizenship and residence by investment schemes

2021/2026(INL) - 16/02/2022 - Committee report tabled for plenary, single reading

The Committee on Civil Liberties, Justice and Home Affairs adopted the legislative initiative report by Sophia IN 'T VELD (Renew Europe, NL) with proposals to the Commission on citizenship and residence by investment schemes.

Several Member States operate citizenship by investment (CBI) and residence by investment (RBI) schemes that confer citizenship or resident status on third-country nationals in exchange for primarily financial considerations in the form of ‘passive’ capital investments. Such CBI/RBI schemes are characterised by having minimal to no physical presence requirements and offering a ‘fast track’ to residency or citizenship status in a Member State compared to conventional channels.

Bulgaria, Cyprus, Estonia, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal and Spain currently operate RBI schemes with minimum investment levels ranging from EUR 60 000 (Latvia) to EUR 1 250 000 (the Netherlands).

CBI and RBI schemes pose risks to different extents, including risks of corruption, money laundering, security threats, tax avoidance, macro-economic imbalances, pressure on the real estate sector, thereby diminishing access to housing, and the erosion of the integrity of the internal market.

Since 2014, Parliament has been calling for a ban of CBI/RBI schemes, but so far the Commission has not put forward any proposals. In July 2019, before her election by Parliament, Commission President Von der Leyen committed to responding to requests for legislative proposals by Parliament "with a legislative act in full respect of the proportionality, subsidiarity and better law-making principles". This legislative initiative of Parliament fully meets all those criteria.

Aims of the initiative

The comprehensive set of measures will lead to the **phasing out of golden passports**, and it will regulate RBI schemes so that they will lose their attractiveness to crooks. The proposed measures will address different aspects of the matter: screening of the applicants, residency requirements, the type of investment, risks of money laundering and tax evasion. It also foresees for the proceeds of the sale of citizenship and residency rights to benefit the Union budget, given that they are based exclusively on the benefits of Union membership.

The report stated that schemes granting nationality on the basis of a financial investment (CBI schemes), also known as 'golden passports', are objectionable from an ethical, legal and economic point of view and pose several serious security risks for Union citizens, such as those stemming from money-laundering and corruption.

Members consider that **Union citizenship is not a commodity** that can be marketed or sold and has never been conceived as such in the Treaties.

The Commission is requested to:

- submit, before the end of its current mandate, a proposal for a regulation that would comprehensively regulate various aspects of RBI schemes with the aim of harmonising standards and procedures and strengthening the fight against organised crime, money laundering, corruption and tax evasion;

- include in its proposal targeted revisions of existing Union legal acts that could help to dissuade Member States from establishing harmful RBI schemes by strengthening legal acts in the field of anti-money laundering and by strengthening relevant provisions in the Long-Term Residence Directive.

Members reminded the Commission President of her commitment to Parliament's right of initiative and of her pledge to follow Parliament's own-initiative legislative reports up with a legislative act.

The proposals annexed to the report concern:

- a Union-wide gradual phasing out of CBI schemes by 2025;

- a comprehensive regulation covering all RBI schemes in the Union;

- a new category of the Union's own resources, consisting of a 'CBI and RBI adjustment mechanism';

- a targeted revision of legal acts in the area of anti-money laundering and countering the financing of terrorism;

- a targeted revision of the Long-Term Residence Directive;

- the guarantee that third countries do not administer harmful RBI/CBI schemes.

Citizenship and residence by investment schemes

2021/2026(INL) - 09/03/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 595 votes to 12, with 74 abstentions, a resolution with proposals to the Commission on citizenship and residence by investment schemes.

Several Member States operate citizenship by investment (CBI) and residence by investment (RBI) schemes that confer citizenship or resident status on third-country nationals in exchange for primarily financial considerations in the form of 'passive' capital investments. Such CBI/RBI schemes are characterised by having minimal to no physical presence requirements and offering a 'fast track' to residency or citizenship status in a Member State compared to conventional channels.

Bulgaria, Cyprus, Estonia, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal and Spain currently operate RBI schemes with minimum investment levels ranging from EUR 60 000 (Latvia) to EUR 1 250 000 (the Netherlands).

Parliament considers that schemes granting nationality on the basis of a financial investment (CBI schemes), also known as 'golden passports', are **objectionable from an ethical, legal and economic point of view** and pose several serious security risks for Union citizens, such as those stemming from money-laundering and corruption.

The **lack of common standards and harmonised rules** governing schemes granting residence on the basis of a financial investment (RBI schemes) may also pose such security risks, affect the free movement of persons within the Schengen area and contribute to undermining the integrity of the Union.

Members welcomed the commitment announced by the Member States to take measures to limit the sale of **citizenship to Russians connected to the Russian government**. They called on all Member States to stop applying their citizenship by investment and residence by investment schemes to all Russian applicants with immediate effect.

Proposed regulation

Parliament called on the Commission to submit, before the end of its current mandate, a proposal for a regulation that would **comprehensively regulate** various aspects of RBI schemes with the aim of harmonising standards and procedures and strengthening the fight against organised crime, money laundering, corruption and tax evasion, covering, inter alia, the following elements:

- increased **due diligence and rigorous background checks** of the applicants and, where necessary, their family members, including the sources of their funds, mandatory checks against the Union large-scale justice and home affairs IT systems and vetting procedures in third countries;

- the regulation, proper certification and scrutiny of intermediaries as well as limitation of their activities and, in the case of CBI schemes, the cessation of their services;

- **harmonised rules** and obligations on Member States to report to the Commission regarding their RBI schemes and applications thereunder;

- **minimum physical residence requirements** and minimum active involvement in the investment, quality of investment, added value and contribution to the economy as conditions for acquiring residence under RBI schemes;

- a **monitoring mechanism** for the ex-post control of successful applicants' continued compliance with the legal requirements of RBI schemes.

Parliament asked the Commission to include in its proposal targeted revisions of existing Union legal acts that could help to dissuade Member States from establishing harmful RBI schemes by strengthening legal acts in the field of anti-money laundering and by strengthening relevant provisions in the Long-Term Residence Directive.

Proposals for a comprehensive legislative package

Members reminded the Commission President of her commitment to Parliament's right of initiative and of her pledge to follow Parliament's own-initiative legislative reports up with a legislative act. The proposals annexed to the report concern:

- a Union-wide gradual phasing out of CBI schemes by 2025;

- a comprehensive regulation covering all residence by investment schemes in the EU;

- a new category of EU **own resources**, consisting of a citizenship by investment and residence by investment adjustment mechanism' to compensate for the negative effects of these programmes on all Member States, through a fair contribution to the EU budget;

- a targeted revision of the legal acts in the areas of **anti-money laundering and combating the financing of terrorism** (addition of the public authorities responsible for processing applications under the residence for investment schemes to the list of obliged entities under legal acts in force; improved exchange of information on applicants; enhanced due diligence measures);

- a targeted revision of the Directive to **long-term residents** which would restrict the scope of the Directive, expressly excluding beneficiaries of residence for investment schemes;

- ensuring that **third countries** do not administer harmful residence and citizenship-by-investment schemes.