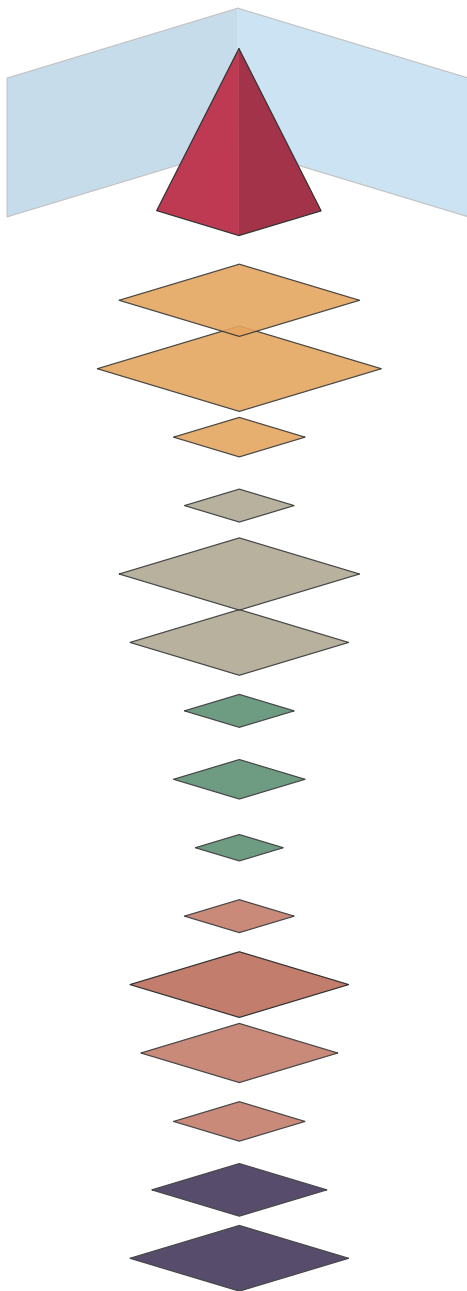




CYPRUS



4.43

CRIMINALITY SCORE

129th of 193 countries
29th of 44 European countries
6th of 8 Southern European countries



CRIMINAL MARKETS

3.97

HUMAN TRAFFICKING	5.50
HUMAN SMUGGLING	6.50
EXTORTION & PROTECTION RACKETEERING	3.00
ARMS TRAFFICKING	2.50
TRADE IN COUNTERFEIT GOODS	5.50
ILLICIT TRADE IN EXCISABLE GOODS	5.00
FLORA CRIMES	2.50
FAUNA CRIMES	3.00
NON-RENEWABLE RESOURCE CRIMES	2.00
HEROIN TRADE	2.50
COCAINE TRADE	5.00
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	3.00
CYBER-DEPENDENT CRIMES	4.00
FINANCIAL CRIMES	5.00



CRIMINAL ACTORS

4.90

MAFIA-STYLE GROUPS	3.50
CRIMINAL NETWORKS	5.00
STATE-EMBEDDED ACTORS	4.00
FOREIGN ACTORS	7.00
PRIVATE SECTOR ACTORS	5.00



4.46

RESILIENCE SCORE



Funding provided by the United States Government.

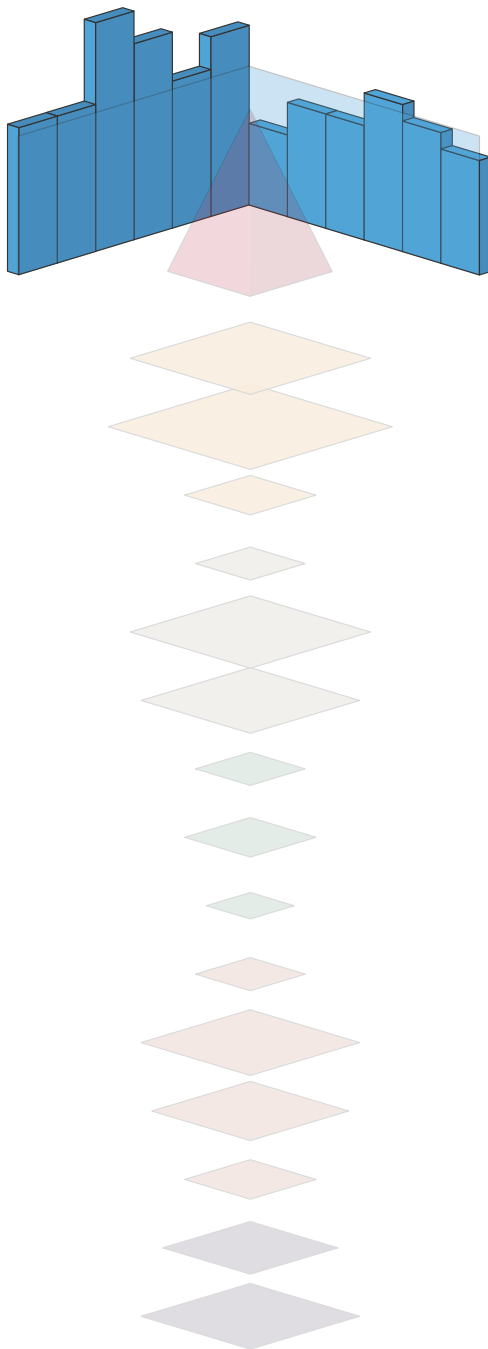


Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.



CYPRUS



4.46

RESILIENCE SCORE

117th of 193 countries

40th of 44 European countries

8th of 8 Southern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	4.50
INTERNATIONAL COOPERATION	7.00
NATIONAL POLICIES AND LAWS	6.00
JUDICIAL SYSTEM AND DETENTION	4.50
LAW ENFORCEMENT	5.50
TERRITORIAL INTEGRITY	2.50
ANTI-MONEY LAUNDERING	3.50
ECONOMIC REGULATORY CAPACITY	3.50
VICTIM AND WITNESS SUPPORT	4.50
PREVENTION	4.00
NON-STATE ACTORS	3.50



4.43

CRIMINALITY SCORE



CRIMINAL MARKETS 3.97



CRIMINAL ACTORS 4.90



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Cyprus is a significant hub in the trafficking networks that lead to Europe, with a thriving market for human trafficking. Sexual exploitation is rampant, particularly in the tourist season. Victims are coerced into sexual contact with customers while working in bars, massage parlours, hotels, private apartments and commercial sex outlets. Young women are recruited for sex trafficking through the misuse of short-term tourist visas. Exploitation of foreign workers is common in the agriculture and construction industries, with domestic workers in the service sector also at risk. Forced labour cases are often treated as mere labour disputes by the authorities, who are accused of tolerating exploitative practices.

Due to its location between Africa, Asia and Europe, and its porous borders, Cyprus is a popular destination for irregular migration and serves as both a transit and destination country for people smuggling. This is the largest criminal market in Cyprus, followed by the human and drug trafficking markets. People arrive via small boats and commercial ships, while illegally established universities in the Turkish Republic of Northern Cyprus (TRNC) offer student visas to African nationals, most of whom never attend classes. On the contrary, once they arrive in the TRNC, they are guided to cross the buffer zone and seek asylum from the Republic of Cyprus. Additionally, some people attempt to apply for political asylum through fake marriages with the help of smugglers. There has been an increase in asylum applications from unaccompanied minors and people from sub-Saharan Africa and South Asia.

Extortion by organized crime groups is widespread in nightlife establishments, especially in popular tourist locations, not only in coastal areas but on the mainland as well.

TRADE

Despite the high rate of gun ownership in Cyprus, the incidence of gun crime and deaths is relatively low due to the fact that most firearms are legally registered. While Cyprus is primarily a transit country for firearms, there are indications that it may also play a minor role as a source country. Reports suggest that much of the arms trafficking originates in the TRNC. In January 2021, the US partially lifted a 33-year arms embargo on Cyprus; in 2022, it lifted defence trade restrictions. Turkey condemned the move, warning it could start an arms race.

Counterfeit goods are a significant problem in Cyprus, with many fake goods coming from Turkey via the TRNC. The

country loses millions of euros annually due to counterfeiting and piracy. Counterfeit goods seized during recent police operations include clothing, accessories, mobile phone cases, toys, perfumes and other items.

The illicit trade of excise goods is rampant in the demilitarized UN buffer zone between Astromeritis and Nicosia. The zone is difficult to monitor, contributing to an increase in smuggling and criminal activity. The illicit trade includes large quantities of tobacco, pesticides, fireworks and other products smuggled from the TRNC.

ENVIRONMENT

The illegal flora market in Cyprus is not well documented, but illicit logging does occur in protected areas. Local demand for firewood drives the latter; there are no indications of organized crime involvement. The poaching of migratory songbirds is the most common illicit activity in Cyprus's fauna market. Nearly half of all migratory bird species from the Middle East, Africa and Europe stop to rest in Cyprus, and poaching primarily takes place on the island's military bases. Local demand for songbirds comes mainly from restaurants that serve them as a delicacy. Recent reforms that relaxed the hunting law were a significant setback to the country's efforts to combat the illegal wildlife trade. Coral seizures have also been linked to Cyprus, but there is no indication of organized crime involvement in this illegal business.

Non-renewable resource crimes are limited in the country. Despite the recent surge in fuel prices and the number of cases of illegal fuel smuggling from the TRNC, customs personnel have proved to be effective in stopping people and businesses from bringing low-cost fuel into the Republic of Cyprus through British military bases, therefore limiting the impact of these activities. The areas administered by Turkish Cypriots continue to be reportedly linked to the smuggling of Islamic State oil products from Syria to Turkey and of refined oil products from Libya to European markets. Other non-renewable resource crimes, such as copper and gold mining, sporadically occur in Cyprus.

DRUGS

The heroin trade in Cyprus is limited and mainly destined for the domestic market, with only a few small seizures reported. Most imported heroin is smuggled from Afghanistan via maritime routes, exploiting the instability in the TRNC. However, Turkey's role as a transit country and increasing consumption in neighbouring states are worrying factors that are likely to affect the heroin market in Cyprus, especially on the Turkish part of the island. The cocaine trade is one of the largest criminal markets in Cyprus. Driven

by international customers, cocaine primarily enters the country on passenger flights or airfreight originating in Latin America, Belgium or the Netherlands. Although local cocaine use is low, the highest levels are found in the touristy Ayia Napa and Paralimni areas. The criminal actors involved in the trade are mostly well-established Cypriot-dominated groups, but they do cooperate with other nationalities. The cocaine trade in Cyprus involves the use of legitimate channels, the owners of which are either directly involved or receive bribes to allow organized crime groups to operate under the radar. They often use intermediaries, including people with financial problems, who are paid handsomely to receive and transport cocaine packages.

Cannabis use among Cypriots increased during the COVID-19 lockdown, a trend that continued in the post-pandemic period. It is easily accessible and popular among both locals and tourists. Due to high demand, most of the cannabis in Cyprus is imported from Europe through networks of Cypriot nationals. Limassol is the main port of entry of cannabis into Cyprus, which is often hidden in containers on ships. Local cultivation is generally in mountainous areas and near foreign military bases, where police presence is limited.

Although an increase has been observed in the use of amphetamines, methamphetamines and ecstasy (MDMA) in Cyprus, synthetic drugs are not considered a significant problem in the country. In fact, less than 1% of young adults have reported using these drugs in recent years. In 2021-2022, an increase in the amount of methamphetamine seized during police operations was reported. Most synthetic drugs seized in Cyprus originate from continental Europe and are primarily smuggled into the country by air.

CYBER-DEPENDENT CRIMES

Cybercrime in Cyprus primarily consists of the theft of electronic data and documents as well as ransomware attacks. While the number of information technology offences reported to the authorities has gone up, the police has only been able to investigate a fraction of the cases. Regarding malware, false and misleading posts on social media containing malicious software programmes are common complaints. These crimes commonly target small- and medium-sized enterprises and have increased exponentially since the pandemic began. Lastly, complaints regarding cryptocurrency frauds suggest that there are a number of sophisticated cybercriminal and hacker groups engaged in this market in Cyprus.

FINANCIAL CRIMES

Financial crimes in Cyprus include internet-related fraud and forgery, and resolution rates remain low. Phishing attacks are a major problem in the country, with victims receiving fraudulent emails that purport to be from their bank, falsely stating that their account has been temporarily blocked. Victims have also reported activities such as tampering

with electronic communications, fraudulent websites and social media payment scams. EU budget revenue is another target of financial crime in Cyprus. Overall, despite having lost the status of tax haven, the country continues to have a lax tax system and attract suspicious money. So-called financial fixers have allegedly helped Russian oligarchs hide their assets for years. However, the most infamous case was one related to the now-defunct Cyprus Investment Programme, which allowed people to buy a Cypriot passport by investing at least €2.15 million in the country. It was later revealed that dozens of people were granted Cypriot citizenship despite reportedly being involved in criminal activities, under criminal investigation or considered to be at a high risk of corruption.

CRIMINAL ACTORS

Foreign criminal actors are prominent in Cyprus and their involvement in the country's criminal markets remains problematic. Caucasian, Eastern European and Asian organized crime groups are heavily engaged in crimes against property, as well as in money laundering, and they dominate the drug trafficking market in the TRNC. The Russian mafia exerts the most financial and economic power and is the best-connected criminal group in Cyprus. In areas not under the effective control of the Republic of Cyprus, there are a number of people wanted by INTERPOL. These foreign criminal actors collaborate closely with domestic criminals. Loose criminal networks are highly influential in the country and have a stake in the drug trafficking market, as well as in illegal gambling, trafficking of women and crimes against property. Additionally, there is evidence that the local private sector has been involved in organized crime activities, usually in bribing officials (such as by companies involved in procurement cases) or deceiving the government.

Although the political system has not been significantly penetrated by organized crime, there are indications that the police has been compromised. There do not seem to be any state-embedded actors with control over criminal markets, with the exception of sporadic instances of low-level officials working with organized crime groups. The public procurement sector is heavily criticized and at high risk of corruption. Lastly, Cyprus is home to more than a dozen organized crime groups, that allegedly operate across the country, in Nicosia, Famagusta, Paphos and Limassol. They are mostly involved in drug trafficking, tobacco smuggling, racketeering, illegal betting and match fixing. These groups are interconnected and long-lived, with a clear internal hierarchy and solid structure bound by blood relations. They usually invest their revenue in legal economic domains, such as the real estate and hospitality industries.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Although Cyprus has maintained a relatively stable political environment, the state's fragility is a significant issue. Citizens' lack of trust in state institutions and politicians has resulted in a decline in political interest and participation. Despite measures to combat corruption, including in the banking and land administration sectors, many Cypriots feel that more needs to be done. Obstacles in the fight against corruption include favouritism in political appointments, political interference and underfunding of anti-corruption bodies. In addition, the police reportedly have direct connections with organized crime actors, while a recent scandal involving golden passports for Russian oligarchs has increased the perception of corruption within the country.

Cyprus has ratified international conventions and established bilateral treaties with multiple countries to combat organized crime, terrorism and drug trafficking. However, there have been delays and inefficiencies in the judicial system that have led to failures in extraditing alleged criminals. The US' recent decision to partially lift a 33-year arms embargo on Cyprus has strengthened its relationship with Cyprus in the fields of security and defence. Cyprus has also formed a strategic partnership with China, with cooperation in areas such as economy, trade, telecommunications, transportation, clean energy and cultural and educational exchanges. Cyprus has adopted a range of laws related to organized crime, and ratified the Council of Europe Convention on Offences relating to Cultural Property. The country made some improvements in areas such as human trafficking and introduced legislation covering drugs, illegal fishing, cybercrime and money laundering. A new digital registry was also launched, obliging companies to disclose their true owners in line with EU regulations against terrorist financing and organized crime. However, the impact of these measures has yet to be seen.

CRIMINAL JUSTICE AND SECURITY

Cyprus's judiciary is independent and generally upholds due process in criminal matters. However, the country faces moderate corruption risks in its judicial system, with some cases lasting almost a decade – owing to the workload of the Supreme Court – and significant delays in enforcement caused by a lack of staff and resources. Nevertheless, ongoing government attempts to reform the judiciary are underway and there have been some successful initiatives to digitalize the judiciary, with new funds allocated to purchase and improve judiciary infrastructure. Reports suggest prison overcrowding and conditions in detention facilities continue to be a problem. The Menoyia detention centre and Nicosia central prison suffer from endemic

overcrowding, and the prison system has struggled to effectively control organized crime groups.

Despite ongoing reforms and the active participation of Cypriot police officers in several multilateral trainings, law enforcement in the country continues to be criticized. Also, persistent allegations of police ill-treatment and issues with investigations have raised concerns. Cyprus' ongoing territorial conflict has created security gaps that criminal groups have exploited, such as the UN buffer zone, which has become a friendly territory for human smugglers. The Cyprus port and marine police regularly face accusations of abuse and disproportionate actions, particularly against boats carrying asylum seekers and other vulnerable populations. The country's economic situation, coupled with numerous unfilled law enforcement positions due to a lack of resources, has negatively impacted its ability to efficiently monitor the buffer zone. Turkey's aggressive foreign policy and infringements on the Republic of Cyprus' exclusive economic zone have further highlighted the country's limited territorial integrity.

ECONOMIC AND FINANCIAL ENVIRONMENT

Cyprus has a history of association with money laundering, primarily due to the lack of transparency within its banking system. However, in recent years, the country has made progress towards improving its compliance with international anti-money laundering standards. Nevertheless, there are still areas that require further attention, such as regulations on non-profit organizations, correspondent banking, new technologies and the powers of law enforcement and investigative authorities. Furthermore, Cyprus is considered only partially compliant with new international requirements for virtual asset service providers.

While Cyprus offers a favourable economic regulatory environment for conducting business, corruption remains a significant concern, particularly in procurement processes. Most businesses believe that favouritism hinders competition in the country. Tender processes are often seen as opaque, and there are no specific mechanisms to identify potentially corrupt practices at various stages of the e-procurement process. Public funds are often diverted, with business actors confirming that bribery and abuse are common among officials awarding public tenders. Moreover, there is a general belief that political connections are necessary to succeed in business.

CIVIL SOCIETY AND SOCIAL PROTECTION

The government of the Republic of Cyprus has made efforts to improve victim protection by hiring additional social workers and implementing programmes for drug abuse treatment, including opioid substitution treatment centres. Civil society actors reported that the referral mechanism for human trafficking victims has improved, with increased coordination and implementation efforts. The passing of the whistle-blower safeguard bill, which prohibits retaliation against whistle-blowers and requires big private sector entities to introduce internal reporting channels, is also a positive step. The Cypriot police's crime prevention office coordinates a community policy programme to reduce various forms of organized crime. The government reportedly increased its prevention efforts, especially in the anti-human trafficking area.

Freedom of speech in Cyprus has faced significant setbacks due to the control and censorship of the media by the TRNC. Journalists have also faced verbal attacks and online harassment, and there have been reports of censorship in investigations linking Cyprus and Russia, as well as death and rape threats against Greek Cypriot authors. Additionally, the Orthodox Church, commercial interests and political parties have significant influence over the media. Despite the use of EU funds to support civil society organizations, proposals and lobbying efforts have lost momentum due to minimal government support. However, the EU has signed contracts with various Turkish Cypriot civil society organizations to develop a more just, equitable, democratic and inclusive society.

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