

EN
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Answer given by Mr Brunner
On behalf of the European Commission
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EU law does not regulate conditions to grant residence permits to foreign investors based on investor residence schemes.

The Commission has taken several initiatives to address the risks of investor residence schemes for security, money-laundering, tax evasion and corruption. In its 2022 Recommendation¹, the Commission called on Member States to take measures to prevent such risks and cease the application of investor residence schemes for nationals of Russia and Belarus. In addition, the proposed recast of the Long-Term Residents Directive² includes rules to prevent third-country investors from abusively acquiring EU long-term resident status, and the Anti-Money Laundering package³ introduces strict obligations on involved actors and requires Member States running these schemes to assess and monitor risks, and to put in place mitigating measures.

According to the information available to the Commission, Hungary is not operating an investor citizenship scheme, which systematically offers citizenship in exchange for pre-determined payments or investments, without a genuine link with the Member State concerned. The Commission considers such schemes to breach EU law on Union citizenship and the principle of sincere cooperation⁴.

The Commission will continue monitoring the developments in Member States, including Hungary, taking action, in accordance with its role of guardian of the treaties, where appropriate.

¹ C(2022) 2028 final, Commission Recommendation on immediate steps in the context of the Russian invasion of Ukraine in relation to investor citizenship and investor residence schemes.

² COM(2022) 650 final.

³ In particular: Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849; Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

⁴ For this reason, on 21 March 2023, the Commission has referred Malta, the only Member State operating an investor citizenship scheme to the Court of Justice in relation to its investor citizenship scheme.