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Cyprus Pledges to Probe Russia Sanction-Busting Allegations

By AFP

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Limassol, Cyprus **Sergiy Galyonkin / Flickr (CC BY 2.0)**

Cyprus vowed Tuesday to investigate new allegations by a group of international journalists that it was a hub for Russian money-laundering enabling oligarchs to bypass sanctions.

According to an investigation by the International Consortium of Investigative Journalists (ICIJ) and 67 media partners, the east Mediterranean island "plays an even bigger role than was commonly known in moving dirty money for Russian President Vladimir Putin and other brutal dictators."

Collected documents "offer a penetrating look inside the rogue financial system that has helped empower some of the West's most determined foes," said the probe, titled Cyprus Confidential.

Leaked internal records, dating from the mid-1990s to April 2022, include confidential

background checks, organizational charts, financial statements, bank account applications and email messages, ICIJ said Tuesday.

Following the ICIJ publication, President Nikos Christodoulides told reporters Tuesday: "Everything that has come to light will be investigated, and no one is above our country's reputation."

"All the information that has come to light will be investigated within a specified timeframe... The reputation of our country, the credibility of our country, you understand, is crucial," he added.

It is not the first time European Union member Cyprus has been labeled a safe haven for the illicit gains of Russian oligarchs.

Cyprus has cracked down on those named by the United States and Britain for allegedly helping Russian oligarchs bypass sanctions on Moscow because of the Ukraine war.

The east Mediterranean island is home to a large Russian diaspora. Limassol on the southern coast — often nicknamed "Moscow on the Med" — has long been a magnet for Russian speakers.

The Cypriot government says it has taken stringent action against money laundering and sanctions-busting since Russia invaded Ukraine in February 2022.

But ICIJ said the island's dependence on Russian and other foreign money carried consequences only now being realized.

The probe took eight months and explored Russia's "long-standing hegemony" over Cyprus's deeply intertwined worlds of politics and finance.

The Cyprus Central Bank has said that the authorities have closed 43,000 shell companies and 123,000 "suspicious" bank accounts in recent years.

It added that only 2.2% of all bank deposits on the island currently belong to Russians.

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