



## Cyprus

- Population: 1.2 million
- GDP per capita (in US dollars): 27,194
- Presidential regime
- Human Development Index (HDI): 0.850 (32<sup>nd</sup> rank among 187 countries)
- Gender Inequality index (GII): 0,124 (22<sup>nd</sup> rank among 147 countries)
- Corruption Perceptions Index (CPI): Score of 61 on a scale from 0 (highly corrupt) to 100 (very clean)
- Member of the Union European since 2004.
- No official national statistics on prostitution or sexual exploitation.
- Prostitution is legal. The Cyprus Penal Code, for reasons of public order and morality, prohibits brothels and procuring.
- 9 convicted traffickers in 2014 (2 in 2013). 24 cases involving 35 defendants suspected of trafficking were carried out in 2014 (compared to 15 cases with 33 suspects in 2013) (*U.S. Department of State*, 2015). During the first months of 2015, 64 people were arrested for trafficking (*SigmaLive*, June 25<sup>th</sup>, 2015).
- Between 2014 and 2015, Cyprus was removed from the Tier 2 Watch List in the U.S. Department of State Report on Trafficking in Persons.
- Country of transit and destination for trafficking for sexual exploitation. Transit country between Eastern and Western Europe and to a lesser extent, from Eastern Europe and the Gulf countries.
- Victims of trafficking for sexual exploitation are from Eastern Europe (Ukraine, Moldova, Russian Federation), Southeast Asia (Philippines, India, Vietnam), and sub-Saharan Africa (Nigeria).

### **Ambiguous Legislation on Prostitution**

While Cyprus government has recently taken measures to legislate on prostitution and sexual exploitation, this legal system remains very vague. The exchange of money for sexual services is not prohibited or regulated by law. This ‘transaction’ has not been recognized as immoral and is sometimes considered a gift. Sexual services must be issued voluntarily,

otherwise it is considered a crime of rape. A permit is necessary to practice prostitution. Prostituted persons are required to have regular medical examinations and can only work independently and not employ another person. Non-citizens are not allowed to obtain this license in Cyprus, though it is common knowledge that many foreign women are sexually exploited while acting as waitresses or dancers. Laws also prohibit and penalize procuring, brothels, and renting a house for prostitution activity. To prevent the opening of more brothels, activities of prostitution are not allowed to take place in the same building where a prostituted person lives.

The method that law enforcement uses to detect prostitution may seem strange. So as to arrest women practicing prostitution in apartments, they use traced banknotes and after completing a transaction, arrest the person for unlicensed prostitution. It is forbidden to obtain services from victims of trafficking (Law 60 (I)/2014). This law is a step towards criminalizing clients but it is difficult to apply. In March 2015, the debate about the legal uncertainty surrounding prostitution was revived by Rikkos Mappourides, a Conservative MP. At a conference on trafficking, he confessed to being a client of prostitution and called for regulation of prostitution, trivializing it as a 'profession'. However, he has taken care to condemn the use of services from a victim of trafficking. His statements caused uproar from NGOs and the leftist parties, emphasizing that 65% of trafficking victims are sexually exploited and 96% of them are women. The purchase of sexual services is not as faultless as R. Mappourides would like people to believe. The biggest challenge in Cyprus is changing the mentalities of deputies who act the spokespersons for this issue. Studies on the perceptions and behavior of men have shown that often view prostituted persons as objects, whether they are victims of trafficking or not. The purchase of sexual services is seen as a trivial offense and completely acceptable (*Cyprus Mail*, March 24<sup>th</sup>, 2015).

### **Positive Results for Cyprus in the Fight against Human Trafficking in 2014**

In 2014, the political community demonstrated a genuine commitment to the fight against trafficking in human beings. These efforts have not gone unnoticed by the U.S. Department of State, as Cyprus is no longer on the Watch List of its latest report on human trafficking (*U.S. Department of State*, 2015).

Although Cyprus signed the Convention of the Council of Europe on the Protection of Children Against Sexual Exploitation and Sexual Abuse (Lanzarote Convention) in 2007, a sex scandal took place in 2014 which shook the country. This helped accelerate the ratification and implementation of national law. Two Cypriot businessmen were the first in the country's history to be sentenced to 10 and 12 years in prison for the sexual exploitation of minors in June 2014. Both men admitted to exploiting two young girls aged 14 and 15. This led to Cyprus ratifying the Lanzarote Convention on February 12 2015 (effective June 1<sup>st</sup>, 2015) so as to align the national legislation with the European standard.

Cyprus tightened and clarified its legislation on trafficking by passing on Law 60(I)/2014 on April 15<sup>th</sup>, 2014. This law revised the legal framework for the prevention, protection of victims, and fight against trafficking and exploitation of persons. This replaced the law adopted in 2007 and provides for sentences of up to 10 years of imprisonment when the

victim is an adult and 20 if the victim is a minor. It also penalizes the use of sexual services from a trafficked person.

The confiscation of identity documents is punishable by 5 years in prison and/or a fine of 18,412 US\$ (17,000 €). Bribing a public official is punishable by 5 years in prison and/or a fine of 21,662 US\$ (20,000 €). Corrupt officials are liable to the same penalty. Fines and other sanctions are applied to businesses that launder earnings from trafficking.

This law also provides for the appointment of a National Coordinator. The National Coordinator acts under the authority of the Ministry of the Interior to improve the quality of the dialogue and the cooperation between governmental bodies, NGOs, various other state actors involved in the fight against human trafficking, and governments of origin countries.

The Council of Ministers set up a National Action Plan for 2013-2015, reinforcing cooperation between the National Police, Europol, Eurojust, and Interpol. Additional police personnel were assigned to fight against trafficking. 86 policemen were trained to identify victims (*U.S. Department of State*, 2015). Social workers, medical personnel, and labor law professionals have also benefited from training. A school curriculum has been developed for high school students to increase awareness of this problem.

These legislative efforts and the effectiveness of the police work has impacted the number of identified victims and trafficking offenders. In 2014, 24 cases involving 35 suspects were carried out, resulting in nine convictions for trafficking with prison sentences ranging from three months to 12 years. In comparison, in 2013, 15 cases involving 33 suspected were investigated, with two convictions.

In August 2015, 13 people were sentenced to between nine months and three years of imprisonment for trafficking and sexual exploitation in connection to a case dating back to 2009 of forced prostitution in a cabaret.

In 2014, Cyprus identified 46 trafficking victims (25 in 2013). Of these 46, 19 were sexually exploited (16 women and 3 children), and 5 women were both sexually exploited and subject to forced labor.

Despite budgetary restrictions which have decreased funding for victims (327,167 US\$/302,066 € compared to 499,456 US\$/461,136 € in 2013), the government has extended its efforts to host victims in government homes and guarantee protection and legal assistance during trials (*U.S. Department of State*, 2015).

### **Further Efforts to Eliminate Trafficking are Necessary**

As noted by the U.S. Department of State Report on Trafficking in Persons, Cyprus still does not meet all criteria for eliminating human trafficking, despite its considerable efforts. These efforts are relatively new and still need time to bear results. Although prosecutions have increased, they are still very low in comparison to the magnitude of the phenomenon in Cyprus. Collaboration between the state and NGOs remains so inadequate that the lack of dialogue between them is anti-productive. There is almost no cooperation with countries of origin and there is still much to be done to train officials more effectively to identify victims and apprehend their exploiters.

The state refuses to modify the system that allows for-profit independent agencies to organize the arrival, documentation, housing, and employment of migrants. These

intermediaries charge immigration candidates between 3,250 € and 16,246 US\$ (3,000 € and 15,000 €), causing some to find themselves in debt before they even arrive (*KISA*, June 20<sup>th</sup>, 2013). The private economic actors are often criticized by NGOs for their involvement in trafficking networks. Some collaborate with traffickers from migrant communities in Cyprus or directly with individuals in the countries of origin.

Another challenge in Cyprus is police corruption and corrupt authorities in relation to immigration. Three senior officials, including one in retirement, were prosecuted in 2015 for soliciting sex from trafficking victims. This case was dismissed because the Court judged the testimony from the victim as unreliable. Another case created public outrage at the corruption and laxity of law enforcement: a senior police assigned to the immigration service who was prosecuted for his involvement in a trafficking network was later acquitted in 2012. According to NGOs, he benefitted from friends in high places and was reassigned as the head of the immigration service of an airport.

### **The Gradual Disappearance of the Cabaret System as a Place for Sexual Exploitation**

There are many places of prostitution in Cyprus: hotels, apartments, streets, bars, nightclubs, and cabarets. The landscape for prostitution and sexual exploitation in Cyprus has completely changed since 2009 with the implementation of the law regulating “artist” visas. Previously, a loophole allowed cabaret employers to import women with these visas without any proven qualifications in the arts. Many trafficked women arrived on the island to become sex slaves in these facilities. The government remedied this problem in 2009 by requiring the “artist” visa to be backed up by a diploma or professional experience, to the great displeasure of the managers of these establishments who even demonstrated in front of the Ministry of the Interior. Consequently, 400 women are still employed in 20 cabarets in Cyprus in 2014, compared to 6,000 women in 108 establishments in 2007 (*Cyprus Mail*, April 10<sup>th</sup>, 2015).

### **Domestic Workers are Highly Vulnerable to Sexual Violence**

For women exposed to both sexual exploitation and forced labor, there are many cases (most undocumented) of violence from the men that employ them. There are approximately 30,000 employees, of which the vast majority are women, who work in slave-like conditions with wages averaging only 314 € (340 US\$) per month (*Cyprus Mail*, September 27<sup>th</sup>, 2014). They often become destitute, facing situations of abuse from employers.

In Cyprus, the Ministry of Labour issues visas for a period of four years, provided that the owner maintains the same job with the same employer for the entire time. A woman who leaves her job because of violence can lose her residence permit if she does not file a complaint with the authorities within 15 days of her depart. This results in a quasi-feudal situation: foreign workers depend on their employer. They are afraid to denounce them for fear of being deported without pay. If they decide to denounce them, they are not allowed to change employers during the investigation, under penalty of expulsion.

Furthermore, if the employer is a woman of the household, but the violence is inflicted by the husband or another male family member, the Ministry of Labour will not intervene or consider a request for change of employer. Finally, NGOs have reported that authorities tend

to consider complaints of forced labor and abuse as mere employer/employee conflicts and not crimes.

If sexual violence against domestic workers is not considered sexual exploitation, it closely resembles it, as the victims are often in such a vulnerable position that they cannot stop it.

Paradoxically, because of the massive use of domestic workers from Southeast Asia, Cypriot women have been able to gradually gain access to the labor market over the last 20 years. In a patriarchal society where domestic work is strictly attributed to the woman of a household, the social structures dedicated to young children, the elderly, disabled, and ill have become insufficient. Their care is now entrusted to domestic workers, allowing Cypriot women to work outside the home. However this emancipation is at the expense of others.

### **Cyprus, complicit in trafficking through its activity as a tax haven?**

Through its complacent attitude towards questionable accounts in the banking system, Cyprus acts as an accomplice to trafficking and sexual exploitation taking place outside its territory. Even though it is impossible to quantify this problem, it is undeniable. For example, Interpol, Europol, and the Greek police dismantled a large mafia network in 2008 thanks to the “White Bread” operation. 23 people were arrested for trafficking in human beings and sexual exploitation of women from Eastern European countries. This organization was working in Greece, laundering money from its activities through a chain string of bakeries attached to an offshore front company based in Cyprus. This allowed the operation to avoid attracting the attention of local authorities (*Ekathimerimi*, March 30<sup>th</sup>, 2015). 273,000 companies are listed on the Register of Cypriot enterprises, while the country has a population of 839,000 (*The New York Times*, February 17<sup>th</sup>, 2014). Tax haven activity is one of the main sources of income on the island, along with selling of flags of convenience and tourism. Banking secrecy is well protected in Cyprus and no information on legal persons can be given to the fiscal authorities. About 31 billion US\$ (28,6 billion €) in Cypriot banks belong to Russian nationals (*BBC News*, March 18<sup>th</sup>, 2014). A large Russian community lives in luxury in Cyprus, closed off from the harsh reality of Cypriots whose unemployment rate among young people is 40%. The financial crisis, which hit the island in 2012-2013, did not hamper this phenomenon since, only in January 2014, 1,454 new companies were registered in Cyprus. The vast majority of these are front companies whose only goal is to shelter capital (*The New York Times*, February 17<sup>th</sup>, 2014).

Following a leak concerning one of the largest Cypriot banks, international media revealed that 60% of clients were strongly suspected of laundering money through these accounts. One third of the cases concerning customers involve errors and inconsistencies (*EUobserver*, May 20<sup>th</sup>, 2013).

### **The Turkish Republic of Northern Cyprus, a Zone of Impunity for Sexual Exploitation**

The Turkish Republic of Northern Cyprus, declared in 1983, is not recognized by the international community. Sexual exploitation is one the main sources of income for this small territory which suffers from an international embargo. The U.S. Department of State Report

on Trafficking in Persons has asserted that this state, if it was recognized as such, would be in the lowest ranking, alongside Zimbabwe, North Korea, and Thailand because of its lack of efforts to fight against human trafficking. This stems from the decision made by Turkey in 1998 to prohibit casinos, but to encourage them to relocate in this new territory to boost tourism. These establishments thus settled on the island, surrounded by nightclubs which quickly became covers for prostitution activity. This is illegal in theory, punishable by two years in prison and a 500 US\$ (462 €) fine.

Trips to this region are organized in Turkey, making up 65% of the tourists. Clients from hotels and casinos are found in nightclubs where they are complicit in sexual exploitation of women by renting women for between 150 and 300 US\$ (138 and 277 €) (*Al-Monitor*, October 9<sup>th</sup>, 2013). The majority of these women come from Eastern Europe (Moldova, Ukraine, Romania), but an increasing number is coming from Africa and the Central Asian Republics. Though some arrive knowing that they will be prostituted persons, most believe they have come to be waitresses, babysitters, or dancers. Upon arrival, police retain the passports from women working with a “konsomatris” (hostess) visa. This is supposed to protect them from abuse from their employers, but in practice it prevents them from moving to the Greek part of the island, ensuring their inability to claim their rights.

These women are often abused or raped by their employers to whom they are indebted for paying for their travel expenses and visas. Accommodation can cost 150 US\$ (138 €) a week, and added to all other charges this makes them dependent. In theory, the law prohibits clubs from hosting their employees on site, but between April 2014 and January 2015, the authorities issued more than 1,168 hostess visas and most were forced to stay with their employer (*Le Point/AFP*, August 23<sup>rd</sup>, 2015).

In 2014, the authorities deported 395 women after terminating their contracts, regardless of whether or not they were victims of sexual exploitation. Nightclub owners pay between 8 and 12 million US\$ (7.38 and 11 million €) in taxes to the Administration, along with about 2,000 US\$ (1,846 €) for each woman employed at the establishment (*U.S. Department of State*, 2015).

There is other obvious evidence of the duplicity of the authorities in this territory: women employed as “hostesses” are required to visit the hospital twice a month to get tested for sexually transmitted infections. This shows that although prostitution is illegal in theory, it has been legitimized through the constraint of the public authorities. Prostituted persons are often accompanied by bodyguards in nightclubs, to ensure that they do not attempt to ask for help. According to a former social services official, the authorities in this territory serve as “intermediaries and henchmen” for clients in cabarets. Prostitution is an important source of income for this part of the island and financially supports a number of corrupt local politicians.

Dogus Derya, a feminist MP, took advantage of the reform of the Turkish Cypriot Penal Code that was voted on in January 2014 under pressure from the European Court of Human Rights. This included a series of amendments to make sex trafficking a crime. Forcing someone into prostitution is now punishable by seven years in prison. But in practice, when police have raided nightclubs, they arrest foreign victims of exploitation and prosecute them for prostitution. These cases often end with a court agreement - the victim of sexual exploitation withdraws her complaint against the owner of the establishment and, in

exchange, has the charges against her dropped. The conclusion is rather pessimistic because international pressure has had very little impact on the unrecognized state, as it is not party to any international treaty on human rights.

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