



BRIEFING PAPER

WHISTLEBLOWER PROTECTION IN THE EU

Whistleblower Protection in Cyprus

Introduction

Although Cyprus does not have a specific law to shield whistleblowers from retaliation and provide them with proper reporting channels, several regulations may offer some protections for public and private sector employees who report wrongdoing. In the wake of high-profile cases, recent initiatives suggest a mood for improvement.

Retaliating against a whistleblower is a crime in Cyprus, and victimized employees are entitled to compensation if they suffer financial or emotional harm. Some prominent cases have shown that these provisions can offer certain protections to whistleblowers.

As of mid-2016, officials in Cyprus were reviewing a proposal for a comprehensive whistleblower law.

Laws, Institutions and Procedures

Public employees ostensibly are protected from retaliation under the Public Service Law and the Code of Ethics of the Public Services, which require them to report instances of corruption to their supervisors.

Employees of private companies enjoy weaker protections. Internal whistleblowing is possible, and reporting a felony theoretically outweighs a company's interests. However, private sector employees who suffer retaliation must rely on labor courts to exert their rights, mostly based on the labor law provision on unfair dismissal. In cases where an employee was shown to have acted in good faith, and their disclosure led to the uncovering of wrongdoing in the public interest, courts have tended to rule in the whistleblower's favor.

In order to comply with the EU Civil Law Convention on Corruption, Cyprus in 2004 passed a law to criminalize retaliating against a whistleblower. Violators can be fined or sent to prison. This provision, however, does not cover protection after the disclosure, or cases in which supervisors fail to follow up or are themselves part of the problem.

As an indication of areas that could be strengthened, Cyprus' Unfair Dismissal Law lacks any specific mention of whistleblowing. And there is no government institution assigned to receive and investigate disclosures.

Recent or Ongoing Initiatives and Trends

While political efforts to strengthen whistleblower rights have been meager in recent years, one major tragedy has sparked a lasting debate on the issue.



On July 11, 2011, **98 containers of explosives that were exposed to direct sunlight for more than two years self-detonated at the Evangelos Florakis Naval Base**. Thirteen people including the Commander of the Navy were killed, 62 others were injured, and two out of the three electricity supply stations as well as all water desalination units were shut down, leaving the largest part of the country without electricity and drinking water. **Then-Environment Commissioner Charalampos Theopemptou** called for a dedicated whistleblower law, arguing the disaster could have been averted if there were avenues for problems to be reported and investigated.

Draft legislation proposed by the Ministry of Finance and written in cooperation with Transparency International Cyprus was presented to the Attorney General's Office in 2015. It was pending as of mid-2016.

Whistleblower Cases

From 2009 to 2012 a whistleblower case with a scandalous outcome attracted the attention of the public and the media. A senior public official alleged that staffers in the Ministry of Agriculture, Natural Resources and Environment were hired based on party loyalty and manipulated test results. Minister Michalis Polynikis was directly accused of being involved. Two staff members were charged with nepotism and fined in 2012, marking the first such convictions in the country's history.

Celebrated by the media and public officials, the whistleblower received a promotion for his actions. The two convicted staff members were promoted. Polynikis was permitted to remain in office.

Data and Statistics

Because Cyprus has no government agency that tracks whistleblower cases, the number of cases filed each year and their outcomes are not known.

Public Perception of Whistleblowing

Due in part to the country's tightly knit society, the media and the general public in Cyprus tend to examine a whistleblower's political motivation for reporting crime or corruption. This can place whistleblowers at the center of the political arena, while also jeopardizing objective debates on the practical implications of cases and the issue of whistleblowing itself.

Following Cyprus' financial crisis 2012-13, caused largely by the exposure of banks to over-leveraged property companies, more citizens began demanding enhanced transparency and accountability in government and the financial industry.

Capacities and Knowledge Centers

The Cyprus chapter of Transparency International assisted with developing a draft whistleblower law in 2015. Under the slogan "I demand transparency", the organization opened an Advocacy and Legal Advice Center to receive reports from victims and witnesses of corruption. The center includes an anti-graft hotline.