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Cyprus Enacts the EU Whistleblower Directive



On the 20 January 2022, that the Cypriot House of Representatives voted into law the bill on the protection of persons who report violations of EU and national law and in particular possible acts of corruption ('the Whistleblowing Bill') that now transposes the Directive into national law.

The Minister of Justice & Public Order stated that employees in Cyprus who file complaints to the competent authority on a case-by-case basis will enjoy full protection, and no person will be subject to retaliation, such as dismissal, harassment, and a negative change in their working conditions.

EU Whistleblowing Directive at a glance

Whistle-blowers are vital for maintaining an open and transparent society, as they expose misconduct or hidden threats. To ensure that they are better protected against negative consequences, EU Directive 2019/1937 (the 'Directive') on the protection of whistle-blowers came into force on 16 December 2019. The aims of the Directive are:

- To detect and prevent misconduct and breaches of laws and regulations,
- To improve law enforcement by establishing effective, confidential and secure reporting channels to effectively protect whistle-blowers from fear of retaliation,
- To protect and enable whistle-blowers by helping them to raise concerns confidently without fear of retaliation, by ensuring anonymity.

The Directive aims to provide employees in both private and public sector who have received information related to breach of EU laws in the workplace to proceed with reporting such breach in good faith and when they have reasonable grounds of believing that the content of the report is true

at the time of submitting such a report. Individuals are protected under the provisions of the Directive when doing so.

Scope & Affected Persons

Protection not only exists for employees who report their concerns, but also for job applicants, former employees, supporters of the whistle-blower and journalists. These persons are protected from dismissal, degradation and other forms of discrimination.

It is important to note that such protection applies only to reports of wrongdoing relating to EU law, such as tax fraud, money laundering or public procurement offences, product and road safety, environmental protection, public health and consumer and data protection.

The whistle-blower can choose whether to report a concern internally within the company or directly to the competent supervisory authority. If nothing happens in response to such a report, or if the whistle-blower has reason to believe that it is in the public interest, they can also go directly to the public. They are protected in both cases.

Companies with more than 50 employees, public sector institutions, authorities as well as municipalities with 10,000 or more inhabitants are obliged to set up suitable internal reporting channels. Companies with 250 or more employees are expected to comply within 2 years of adoption, whereas companies with employees between 50 – 250 employees have another 2 years after transposition to comply.

Conclusion

With the transposition of the Directive, Cyprus is now fully compliant, and this is a big step forward in combating corruption and is the first of three bills included in the House of Representatives agenda for creating a strong and robust framework for enhancing transparency which are the establishment and operation of the independent authority against corruption, and to the transparency in public decision-making processes, expected to be voted in law in the very near future.

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