

Action brought on 21 March 2023 — European Commission v Republic of Malta**(Case C-181/23)**

(2023/C 173/37)

*Language of the case: English***Parties***Applicant:* European Commission (represented by: C. Ladenburger, E. Montaguti, J. Tomkin, Agents)*Defendant:* Republic of Malta**The applicant claims that the Court should:**

- declare that by establishing and operating an institutionalised programme, such as, the Maltese Citizenship by Naturalisation for Exceptional Services by Direct Investment based on Article 10(9) of the Maltese Citizenship Act as amended by the Maltese Citizenship (Amendment No. 2) Act, 2020, and the Granting of citizenship for Exceptional Services Regulations, 2020, that offers naturalisation in the absence of a genuine link of the applicants with the country, in exchange for pre-determined payments or investments, the Republic of Malta has failed to fulfil its obligations under Article 20 TFEU and Article 4(3) TEU;

- order the Republic of Malta to pay the costs.

Pleas in law and main arguments

Following an amendment to the Maltese Citizenship Act in November 2013, Malta introduced its first investor citizenship programme in 2014.

The 2014 Scheme was subsequently replaced in 2020 by the ‘Maltese Citizenship by Naturalisation for Exceptional Services by Direct Investment’ programme. The new scheme was established by the Maltese Citizenship (Amendment No. 2) Act, 2020 and the Granting of Citizenship for Exceptional Services Regulations, 2020.

Union law precludes national citizenship investor schemes that allow for the systematic granting of nationality of a Member State in exchange for pre-determined payments or investments in the absence of a requirement for a genuine link between the State and the individuals concerned.

The Commission considers that the Maltese Citizenship by Naturalisation for Exceptional Services by Direct Investment scheme (2020) constitutes such an unlawful citizenship investor scheme. By establishing and maintaining such a scheme, Malta compromises and undermines the essence and integrity of Union citizenship in breach of Article 20 TFEU and in violation of the principle of sincere cooperation enshrined in Article 4(3) TEU.

Action brought on 24 March 2023 — European Commission v Portuguese Republic**(Case C-191/23)**

(2023/C 173/38)

*Language of the case: Portuguese***Parties***Applicant:* European Commission (represented by: C. Hermes and L. Santiago de Albuquerque, acting as Agents)*Defendant:* Portuguese Republic