31 MARCH 2004

THE COMPREHENSIVE SETTLEMENT OF THE CYPRUS PROBLEM

The documents appended constitute the Comprehensive Settlement of the Cyprus Problem as finalised on 31 March 2004.

List of Appendices

A. Foundation Agreement

B. Constituent State Constitutions

C. Treaty on matters related to the new state of affairs in Cyprus

D. Draft Act of Adaptation of the terms of accession of the United Cyprus Republic to the European Union

E. Matters to be Submitted to the United Nations Security Council for Decision

F. Measures to be Taken During April 2004

A. FOUNDATION AGREEMENT

Table of Contents

MAIN ARTICLES **6**

Annex I: Constitution of the United Cyprus Republic **17**
Attachment 1: Map of the United Cyprus Republic and its Constituent States 46
Attachment 2: Flag of the United Cyprus Republic 48

Attachment 3: Anthem of the United Cyprus Republic **49**
Attachment 4: Federal Property 50
Attachment 5: Catalogue of Human Rights and Fundamental Freedoms 51

Annex II: Constitutional Laws **59**
Attachment 1: Constitutional Law on the Elaboration and Adoption of Constitutional Laws 60
Attachment 2: Constitutional Laws on Police Matters and Composition and Functions of the Joint Investigation Agency 60
Attachment 3: Constitutional Law on Internal Constituent State Citizenship Status and Constituent State Residency Rights 60

Annex III: Federal Laws **61**
Attachment 1: Federal Law on the Anthem, Flag, Insignia and Honours of the United Cyprus Republic 62
Attachment 2: Federal Law on Conduct of External Relations 62
Attachment 3: Federal Law on Conduct of European Union Relations 62
Attachment 4: Federal Law on the Citizenship of the United Cyprus Republic and for Matters Connected Therewith or Incidental Thereto 62
Attachment 5: Federal Laws on Aliens, Immigration and Asylum 62
Attachment 6: Federal Law on the Central Bank of Cyprus 62
Attachment 7: Federal Law on Value-Added Tax 62
Attachment 8: Federal Law on the Budget 63
Attachment 9: Federal Laws on International Trade, Customs and Excise 63
Attachment 10: Federal Law on Civil Aviation and Airspace Management 63
Attachment 11: Federal Laws on International Navigation, Territorial Waters, and Continental Shelf 63
Attachment 12: Federal Law on the Natural Water Resources of the United Cyprus Republic, for Equitable Sharing of these Resources between the Constituent States and for Purposes Connected Therewith 66
Attachment 13: Federal Law on Natural Resources 66
Attachment 14: Federal Laws on Implementation of Federal Laws 66
Attachment 15: Federal Laws on Communications 67
Attachment 16: Federal Law on the Meteorological Service of Cyprus and to Provide for its Functions and for Purposes Connected Therewith 67
Attachment 17: Federal Law on the Establishment of Standards of Weights and Measures Based on the Metric System and to Provide for Matters Connected Therewith or Incidental Thereto 67
Attachment 18: Federal Laws on Intellectual Property 67
Attachment 19: Federal Laws on Antiquities 67
Attachment 20: Federal Laws on Elections 68
Attachment 21: Federal Law on Federal Government Immunities and Exemptions 68
Attachment 22: Federal Laws on Administration 68
Attachment 23: Federal Law on the Official Languages of the United Cyprus Republic 68
Attachment 24: Federal Law on Federal Police and Joint Investigation Agency 68
Attachment 25: Federal Law on Legislative Procedure and on Procedure for Amendments of the Constitution 68
Attachment 26: Federal Laws on Administration of Justice 68
Attachment 27: Federal Law on Federal Offences 69
Attachment 28: Federal Law on Impeachment 69
Attachment 29: Federal Laws on the Award of Contracts 69
Attachment 30: Federal Law on the Protection of Personal Data 69
Attachment 31: Federal Laws on Regulation of Capital Markets 69
Attachment 32: Federal Laws on Regulation of Insurance Markets 70

Attachment 33: Federal Laws on Banking 70
Attachment 34: Federal Law on the Control of Concentrations between Undertakings for the Purposes of Effective Competition 70
Attachment 35: Federal Law on the Protection of Competition 70

Annex IV: Cooperation Agreements between the Federal Government and the Constituent States 71
Attachment 1: Cooperation Agreement on External Relations 72
Attachment 2: Cooperation Agreement on European Union Relations 72
Attachment 3: Cooperation Agreement between the Federal Government and the Constituent States on Police Matters 72

Annex V: List of International Treaties and Instruments binding on the United Cyprus Republic 73

Annex VI: Territorial Arrangements 74
Attachment 1: Detailed Description of the Course of the Boundary between the Constituent States 80
Attachment 2: Maps of Territorial Adjustment 88
Attachment 3: Detailed Description of Phasing Lines of Territorial Adjustment 91

Annex VII: Treatment of Property affected by Events since 1963 96
Attachment 1: Definitions 107
Attachment 2: The Cyprus Property Board and Compensation Arrangements 111
Attachment 3: Measures in favour of *Current Users* 126
Attachment 4: Property located in Areas Subject to Territorial Adjustment 130
Attachment 5: Letter to the President of the European Court of Human Rights 133

Annex VIII: Reconciliation Commission 134

Annex IX: Coming into Being of the New State of Affairs 137
Attachment 1: Letter to the Secretary-General of the United Nations 139
Attachment 2: Letter to the President of the European Council 140
Attachment 3: Letter to the Secretary-General of the Council of Europe 141

MAIN ARTICLES

i. Affirming that Cyprus is our common home and recalling that we were co-founders of the Republic established in 1960

ii. Resolved that the tragic events of the past shall never be repeated and renouncing forever the threat or the use of force, or any domination by or of either side

iii. Acknowledging each other's distinct identity and integrity and that our relationship is not one of majority and minority but of political equality where neither side may claim authority or jurisdiction over the other

iv. Deciding to renew our partnership on that basis and determined that this new bi-zonal partnership shall ensure a common future in friendship, peace, security and prosperity in an independent and united Cyprus

v. Underlining our commitment to international law and the principles and purposes of the United Nations

vi. Committed to respecting democratic principles, individual human rights and fundamental freedoms, as well as each other's cultural, religious, political, social and linguistic identity

vii. Determined to maintain special ties of friendship with, and to respect the balance between, Greece and Turkey, within a peaceful environment in the Eastern Mediterranean

viii. Looking forward to joining the European Union, and to the day when Turkey does likewise

We, the Greek Cypriots and the Turkish Cypriots, exercising our inherent constitutive power, by our free and democratic, separately expressed common will adopt this Foundation Agreement.

Article 1 The new state of affairs

1. This Agreement establishes a new state of affairs in Cyprus.

2. The treaties listed in this Agreement bind Cyprus and the attached legislation shall apply upon entry into force of this Agreement.

3. The Treaty of Establishment, the Treaty of Guarantee, and the Treaty of Alliance remain in force and shall apply *mutatis mutandis* to the new state of affairs. Upon entry into force of this Agreement, Cyprus shall sign a Treaty with Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus, along with additional protocols to the Treaties of Establishment, Guarantee and Alliance.

4. Cyprus shall be a full member of the European Union as of 1 May 2004.

5. Cyprus shall maintain special ties of friendship with Greece and Turkey, respecting the balance in Cyprus established by the Treaty of Guarantee and the Treaty of Alliance and this Agreement, and as a European Union member state shall support the accession of Turkey to the Union.

6. Any unilateral change to the state of affairs established by this Agreement, in particular union of Cyprus in whole or in part with any other country or any form of partition or secession, is prohibited. Nothing in this Agreement shall in any way be construed as contravening this prohibition.

Article 2 The United Cyprus Republic, its federal government, and its constituent states

1. The status and relationship of the United Cyprus Republic, its federal government, and its constituent states, is modeled on the status and relationship of Switzerland, its federal government, and its cantons. Accordingly:

    a. The United Cyprus Republic is an independent state in the form of an indissoluble partnership, with a federal government and two equal constituent states, the Greek Cypriot State and the Turkish Cypriot State. Cyprus is a member of the United Nations and has a single international legal personality and sovereignty. The United Cyprus Republic is organised under its Constitution in accordance with the basic principles of rule of law, democracy, representative republican government, political equality, bi-zonality, and the equal status of the constituent states.

    b. The federal government sovereignly exercises the powers specified in the Constitution, which shall ensure that Cyprus can speak and act with one voice internationally and in the European Union, fulfill its

obligations as a European Union member state, and protect its integrity, borders, resources and ancient heritage.

c. The constituent states are of equal status. Within the limits of the Constitution, they sovereignly exercise all powers not vested by the Constitution in the federal government, organising themselves freely under their own Constitutions.

2. The constituent states shall cooperate and coordinate with each other and with the federal government, including through Cooperation Agreements, as well as through Constitutional Laws approved by the federal Parliament and both constituent state legislatures. In particular, the constituent states shall participate in the formulation and implementation of policy in external relations and European Union relations on matters within their sphere of competence, in accordance with Cooperation Agreements modeled on the Belgian example. The constituent states may have commercial and cultural relations with the outside world in conformity with the Constitution.

3. The federal government and the constituent states shall fully respect and not infringe upon the powers and functions of each other. There shall be no hierarchy between federal and constituent state laws. Any act in contravention of the Constitution shall be null and void.

4. The Constitution of the United Cyprus Republic may be amended by separate majority of the voters of each constituent state in accordance with the specific provisions of the Constitution.

Article 3 Citizenship, residency and identity

1. There is a single Cypriot citizenship. Special majority federal law shall regulate eligibility for Cypriot citizenship.

2. All Cypriot citizens shall also enjoy internal constituent state citizenship status. This status shall complement and not replace Cypriot citizenship.

3. Other than in elections of Senators, which shall be elected by Greek Cypriots and Turkish Cypriots separately, political rights at the federal level shall be exercised based on internal constituent state citizenship status. Political rights at the constituent state and local level shall be exercised at the place of permanent residency.

4. To preserve its identity, Cyprus may adopt specified non-discriminatory safeguard measures in conformity with the *acquis communautaire* in respect of immigration of Greek and Turkish nationals.

5. In addition, for a transitional period of 19 years or until Turkey's accession to the European Union, whichever is earlier, Cyprus may limit the right of Greek nationals to reside in Cyprus if their number has reached 5% of the number of resident Cypriot citizens holding Greek Cypriot internal constituent state citizenship status, and the right of Turkish nationals to reside in Cyprus if their number has reached 5% of

the number of resident Cypriot citizens holding Turkish Cypriot internal constituent state citizenship status.

6. To preserve its identity, a constituent state may adopt specified non-discriminatory safeguard measures, in conformity with the *acquis communautaire,* in respect of the establishment of residence by persons not holding its internal constituent state citizenship status.

7. In addition, for a transitional period a constituent state may, pursuant to Constitutional Law, limit the establishment of residence by persons hailing from the other constituent state. To this effect, it may establish a moratorium until the end of the fifth year after entry into force of the Foundation Agreement, after which limitations are permissible if the number of residents hailing from the other constituent state has reached 6% of the population of a village or municipality between the 6th and 9th years and 12% between the 10th and 14th years and 18% of the population of the relevant constituent state thereafter, until the 19th year or Turkey's accession to the European Union, whichever is earlier. After the second year, no such limitations shall apply to former inhabitants over the age of 65 accompanied by a spouse or sibling, nor to former inhabitants of specified villages.

Article 4 Fundamental rights and liberties

1. Respect for human rights and fundamental freedoms shall be enshrined in the Constitution. There shall be no discrimination against any person on the basis of his or her gender, ethnic or religious identity, or internal constituent state citizenship status. Freedom of movement and freedom of residence may be limited only where expressly provided for in this Agreement.

2. Greek Cypriots and Turkish Cypriots living in specified villages in the other constituent state shall enjoy cultural, religious and educational rights and shall be represented in the constituent state legislature.

3. The rights of religious minorities, namely the Maronite, the Latin and the Armenian, shall be safeguarded in accordance with international standards, and shall include cultural, religious and educational rights as well as representation in federal Parliament and constituent state legislatures.

Article 5 The federal government

1. The federal Parliament composed of two chambers, the Senate and the Chamber of Deputies, shall exercise the legislative power:

   a. Each Chamber shall have 48 members. The Senate shall be composed of an equal number of Greek Cypriots and Turkish Cypriots. The Chamber of Deputies shall be composed in proportion to persons holding internal constituent state citizenship status of

each constituent state, provided that each constituent state shall be attributed no less than one quarter of seats.

b. Decisions of Parliament shall require the approval of both Chambers by simple majority, including one quarter of voting Senators from each constituent state. For specified matters, a special majority of two-fifths of sitting Senators from each constituent state shall be required.

2. The Office of Head of State is vested in the Presidential Council, which shall exercise the executive power:

   a. The Presidential Council shall be elected on a single list by special majority in the Senate and approved by majority in the Chamber of Deputies for a five-year term. It shall comprise six voting members, and additional non-voting members should Parliament so decide. The composition of the Presidential Council shall be proportional to the number of persons holding the internal constituent state citizenship status of each constituent state, though no less than one-third of the voting members and one-third of any non-voting members of the Council must come from each constituent state.

   b. The Presidential Council shall strive to reach decisions by consensus. Where it fails to reach consensus, it shall, unless otherwise specified, take decisions by simple majority of members present and voting, provided this comprises at least one member from each constituent state.

   c. Notwithstanding voting rights, the members of the Council shall be equal. The Council shall decide on the attribution of Departments among its members. The heads of the Departments of External Relations and European Union Relations shall not come from the same constituent state.

   d. Unless the Presidential Council decides otherwise, it shall elect two of its members not hailing from the same constituent state to rotate every twenty months in the offices of President and Vice-President of the Council. The member hailing from the more populous constituent state shall be the first President in each term. The President, and in his/her absence or temporary incapacity, the Vice-President, shall represent the Council as Head of State and Head of Government. The Vice-President shall accompany the President to meetings of the European Council. The President and Vice-President shall not enjoy a casting vote or otherwise increased powers within the Council.

   e. The heads of government of the constituent states shall be invited to participate without a vote in all meetings of the Council in the first ten years after entry into force of the Agreement, and thereafter on a periodical basis.

3. The Central Bank of Cyprus, the Office of the Attorney-General and the Office of the Auditor-General shall be independent.

Article 6 The Supreme Court

1. The Supreme Court shall uphold the Constitution and ensure its full respect.

2. It shall comprise an equal number of judges from each constituent state, and three non-Cypriot judges until otherwise provided by law.

3. The Supreme Court shall, *inter alia*, resolve disputes between the constituent states or between one or both of them and the federal government, and resolve on an interim basis deadlocks within federal institutions if this is indispensable to the proper functioning of the federal government.

Article 7 Transitional federal and constituent state institutions

1. The federal institutions shall be in place upon entry into force of the Foundation Agreement, and shall evolve in their operation during transitional periods.

2. The transitional constituent state legislatures, executives and judiciaries shall be in place upon entry into force of the Foundation Agreement in accordance with the Comprehensive Settlement of the Cyprus Problem. At the federal level, the office of Head of State shall be vested in a Co-Presidency. The federal government shall be composed of a Council of Ministers of six members (three Greek Cypriots, three Turkish Cypriots). Delegates from each constituent state parliament shall sit in the transitional federal Parliament (24 Greek Cypriots, 24 Turkish Cypriots) and in the European Parliament (four Greek Cypriots, two Turkish Cypriots).

3. There shall be general elections at constituent, federal and European Union level on 13 June 2004, after which the constituent state and federal governments shall operate regularly, though the office of President and Vice-President at the federal level shall rotate every 10 months during the first term of the Presidential Council.

4. The Supreme Court shall assume its functions upon entry into force of the Foundation Agreement.

Article 8 Demilitarisation

1. Bearing in mind that:

   a. The Treaty of Guarantee, in applying *mutatis mutandis* to the new state of affairs established in this Agreement and the Constitution, shall cover, in addition to the independence, territorial integrity, security and constitutional order of the United Cyprus Republic, the territorial integrity, security and constitutional order of the constituent states;

b. Greek and Turkish contingents shall be permitted to be stationed under the Treaty of Alliance in the Greek Cypriot State and the Turkish Cypriot State respectively as follows:
    i) each contingent not to exceed 6,000 all ranks, until 2011;
    ii) each contingent not to exceed 3,000 all ranks thereafter until 2018 or the European Union accession of Turkey, whichever is sooner; and
    iii) the Greek contingent not to exceed 950 all ranks and the Turkish contingent not to exceed 650 all ranks thereafter, subject to three-yearly review with the objective of total withdrawal;

c. Greek and Turkish forces and armaments shall be redeployed to agreed locations and adjusted to agreed levels, and any forces and armaments in excess of agreed levels shall be withdrawn;

d. There shall be a United Nations peacekeeping operation to monitor the implementation of this Agreement and use its best efforts to promote compliance with it and contribute to the maintenance of a secure environment, to remain as long as the federal government, with the concurrence of both constituent states, does not decide otherwise;

e. The supply of arms to Cyprus shall be prohibited in a manner that is legally binding on both importers and exporters; and

f. A Monitoring Committee composed of representatives of the guarantor powers, the federal government, and the constituent states, and chaired by the United Nations, shall monitor the implementation of this Agreement,

Cyprus shall be demilitarised, and all Greek Cypriot and Turkish Cypriot forces, including reserve units, shall be dissolved, and their arms removed from the island, in phases synchronized with the redeployment and adjustment of Greek and Turkish forces.

2. There shall be no paramilitary or reserve forces or military or paramilitary training of citizens. All weapons except licensed sporting guns shall be prohibited.

3. The constituent states shall prohibit violence and the incitement to violence against the United Cyprus Republic, the federal government, the constituent states, or the guarantor powers.

4. Cyprus shall not put its territory at the disposal of international military operations other than with the consent of both constituent states; until the accession of Turkey to the European Union, the consent of Greece and Turkey shall also be required.

5. The federal government and the constituent states shall cooperate with the United Nations operation. The United Cyprus Republic shall bear half the cost to the United Nations of the operation in the first three years and two-thirds thereafter. This arrangement shall be reviewed in 2010.

6. These provisions do not prejudice the provisions of the Treaty of Establishment, the Treaty of Guarantee, the Treaty of Alliance, the mandate of the United Nations peacekeeping operation or the provisions of the Constitution on federal and constituent state police and the Joint Investigation Agency.

Article 9 Constituent state boundaries and territorial adjustment

1. The territorial boundaries of the constituent states shall be as depicted in the map which forms part of this Agreement.[1]

2. Areas subject to territorial adjustment which are legally part of the Greek Cypriot State upon entry into force of this Agreement, shall be administered during an interim period by the Turkish Cypriot State. Administration shall be transferred under the supervision of the United Nations to the Greek Cypriot State in six phases over a 42 month period, with the first phase being completed no later than 104 days after entry into force of this Agreement with the transfer of administration of largely uninhabited areas contiguous with the remainder of the Greek Cypriot State. United Nations supervision of activities related to territorial transfer shall be enhanced in the last months before handover of specified areas as outlined in the Agreement.

3. Special arrangements shall safeguard the rights and interests of current inhabitants of areas subject to territorial adjustment, and provide for orderly relocation to adequate alternative accommodation in appropriate locations where adequate livelihoods may be earned.

Article 10 Property

1. The claims of persons who were dispossessed of their properties by events prior to entry into force of this Agreement shall be resolved in a comprehensive manner in accordance with international law, respect for the individual rights of dispossessed owners and current users, and the principle of bi-zonality.

2. In areas subject to territorial adjustment, properties shall be reinstated to dispossessed owners.

3. In areas not subject to territorial adjustment, the arrangements for the exercise of property rights, by way of reinstatement or compensation, shall have the following basic features:

[1] **Observation**: There are, in fact, two maps attached to the Constitution. The first map depicts the territory of the United Cyprus Republic and the territorial boundaries of the constituent states upon entry into force of the Foundation Agreement. The second map depicts the territory of the United Cyprus Republic and the territorial boundaries of the constituent states upon entry into force of the Additional Protocol to the Treaty of Establishment.

a. Dispossessed owners who opt for compensation, as well as institutions, shall receive full and effective compensation for their property on the basis of value at the time of dispossession adjusted to reflect appreciation of property values in comparable locations. Compensation shall be paid in the form of guaranteed bonds and appreciation certificates;
b. All other dispossessed owners have the right to reinstatement of one-third of the value and one-third of the area of their total property ownership, and to receive full and effective compensation for the remaining two-thirds. However, they have the right to reinstatement of a dwelling they have built, or in which they lived for at least ten years, and up to one *donum* of adjacent land, even if this is more than one-third of the total value and area of their properties;
c. Dispossessed owners may choose any of their properties for reinstatement, except for properties that have been exchanged by a current user or bought by a significant improver in accordance with the scheme. A dispossessed owner whose property cannot be reinstated, or who voluntarily defers to a current user, has the right to another property of equal size and value in the same municipality or village. S/he may also sell his/her entitlement to another dispossessed owner from the same place, who may aggregate it with his/her own entitlement;
d. Current users, being persons who have possession of properties of dispossessed owners as a result of an administrative decision, may apply for and shall receive title, if they agree in exchange to renounce their title to a property, of similar value and in the other constituent state, of which they were dispossessed;
e. Persons who own significant improvements to properties may apply for and shall receive title to such properties provided they pay for the value of the property in its original state; and
f. Current users who are Cypriot citizens and are required to vacate property to be reinstated shall not be required to do so until adequate alternative accommodation has been made available.

4. Property claims shall be received and administered by an independent, impartial Property Board, governed by an equal number of members from each constituent state, as well as non-Cypriot members. The Property Board shall be organized into branches in accordance with sound economic practice. No direct dealings between individuals shall be necessary.

Article 11 Reconciliation Commission

1. An independent, impartial Reconciliation Commission shall promote understanding, tolerance and mutual respect between Greek Cypriots and Turkish Cypriots.

2. The Commission shall be composed of men and women, in equal numbers from each constituent state, as well as at least one non-Cypriot

member, whom the Secretary-General of the United Nations is invited to appoint in consultation with the federal government and the constituent states.

Article 12 Past acts

1. Any act, whether of a legislative, executive or judicial nature, by any authority in Cyprus[2] whatsoever, prior to entry into force of this Agreement, is recognised as valid and, provided it is not inconsistent with or repugnant to any other provision of this Agreement or international law,[3] its effect shall continue following entry into force of this Agreement.[4] No-one shall be able to contest the validity of such acts by reason of what occurred prior to entry into force of this Agreement.

2. Any claims for liability or compensation arising from acts prior to this Agreement shall, insofar as they are not otherwise regulated by the provisions of this Agreement, be dealt with by the constituent state from which the claimant hails.

Article 13 Entry into force and implementation

1. This Agreement shall enter into force upon approval by each side at separate simultaneous referenda conducted in accordance with the Agreement and the signature into force by Greece, Turkey and the United Kingdom of the Treaty on matters related to the new state of affairs in Cyprus.

2. Upon entry into force of this Agreement and the Treaty on matters related to the new state of affairs in Cyprus, there shall be ceremonies throughout the island at which all flags other than those prescribed in the Constitution are lowered, the flags of the United Cyprus Republic and of the constituent states are raised in accordance with the Constitution and relevant legislation, and the anthems of the United Cyprus Republic and of the constituent states are played.

3. Upon entry into force of this Agreement, the Co-Presidents shall inform the United Nations that henceforth the membership rights and obligations of Cyprus in the United Nations shall be exercised in

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[2] **Observation**: The term Cyprus here is to be understood in the sense of the island of Cyprus excluding the Sovereign Base Areas.

[3] **Observation**: The criterion of inconsistency with or repugnance to international law refers to any act which by its nature is contrary to international law. This reference, like the whole Article, is without prejudice to the question of the legitimacy or status of the relevant authorities under international law.

[4] **Observation**: Matters of citizenship, immigration, and properties affected by events since 1963 are dealt with in a comprehensive way by this Agreement; any validity of acts prior to entry into force of this Agreement regarding these matters shall thus end unless they are in conformity with the relevant provisions of this Agreement.

accordance with the new state of affairs. The agreed flag of Cyprus shall be raised at United Nations Headquarters.

4. This Agreement shall be implemented in accordance with the binding timeframes laid down in the various parts of the Agreement.

Article 14 Annexes

The above main articles are reflected in detailed legal language in the Annexes which form an integral part of this Agreement.

ANNEX I: CONSTITUTION OF THE UNITED CYPRUS REPUBLIC

PART I: BASIC ARTICLES 18

PART II: GENERAL PROVISIONS 18

PART III: FUNDAMENTAL RIGHTS AND LIBERTIES 22

PART IV: THE FEDERAL GOVERNMENT AND THE CONSTITUENT STATES 23

PART V: FEDERAL INSTITUTIONS 28

Section A: The Legislature 29

Section B: The Executive 31

Section C: Independent Officers and Institutions 34

Section D: The Judiciary 36

PART VI: AMENDMENTS OF THIS CONSTITUTION 37

PART VII: TRANSITIONAL PROVISIONS 38

ATTACHMENT 1: MAP OF THE UNITED CYPRUS REPUBLIC AND ITS CONSTITUENT STATES 46

ATTACHMENT 2: FLAG OF THE UNITED CYPRUS REPUBLIC 48

ATTACHMENT 3: ANTHEM OF THE UNITED CYPRUS REPUBLIC 49

ATTACHMENT 4: FEDERAL PROPERTY 50

ATTACHMENT 5: CATALOGUE OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS .. 51

Part I:

BASIC ARTICLES

Article 1 The United Cyprus Republic

1. The United Cyprus Republic is an independent and sovereign state with a single international legal personality and a federal government and consists of two constituent states, namely the Greek Cypriot State and the Turkish Cypriot State.

2. The independence, territorial integrity, security, and constitutional order of the United Cyprus Republic shall be safeguarded and respected by all.

3. Union of Cyprus in whole or in part with any other country, any form of partition or secession, or any other unilateral change to the state of affairs established by the Foundation Agreement and this Constitution is prohibited.

4. The United Cyprus Republic shall be organised under this Constitution in accordance with the basic principles of rule of law, democracy, representative republican government, political equality of Greek Cypriots and Turkish Cypriots, bi-zonality and the equal status of the constituent states.

Article 2 The constituent states

1. The constituent states are of equal status. Each constituent state exercises its authority within the limits of this Constitution and its territorial boundaries as set out in the maps attached to this Constitution.

2. The identity, territorial integrity, security and constitutional order of the constituent states shall be safeguarded and respected by all.

3. The constituent states shall organise themselves freely within the limits of this Constitution and in conformity with the basic principles of rule of law, democracy, and representative republican government under their own Constitutions.

Part II: GENERAL PROVISIONS

Article 3 Constitution as supreme law

1. This Constitution, having been democratically adopted by the Greek Cypriots and the Turkish Cypriots through their separately expressed common will, is the supreme law of the land and is binding on all federal authorities and the constituent states. Any act by the federal government or either constituent state in contravention of this Constitution shall be null and void.

2. The federal government shall fully respect and not infringe upon the powers and functions of the constituent states under this Constitution. Each constituent state shall fully respect and not infringe upon the powers and functions of the federal government or the other constituent state under this Constitution. There shall be no hierarchy between federal and constituent state laws.[5]

3. The Supreme Court shall uphold this Constitution and ensure its full respect by other federal organs and the constituent states.

Article 4 Rule of law

1. The law is the basis of and limitation for all acts of government at all levels.

2. All acts of government at all levels shall conform with the principles of public interest, proportionality and good faith.

3. The federal government as well as the constituent states shall respect international law, including all treaties binding upon the United Cyprus Republic, which shall prevail over any federal or constituent state legislation.

Article 5 Secular nature of the United Cyprus Republic

1. The United Cyprus Republic, its federal government and its constituent states are secular.

2. Religious functionaries shall not hold elected or appointed political or public office.

Article 6 Demilitarisation of the United Cyprus Republic

1. The United Cyprus Republic and its constituent states shall be demilitarised. There shall be no paramilitary or reserve forces or military or paramilitary training of citizens.

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[5] **Observation:** This Constitution gives the Supreme Court power to determine the validity of any law.

2. Cyprus shall not put its territory at the disposal of international military operations other than with the consent of the governments of both constituent states.

3. All weapons, except licensed sporting guns, shall be prohibited and the supply of weapons other than in accordance with licensing law shall be an offence carrying a mandatory sentence of a minimum of three years in prison.

4. The constituent states shall prohibit by law violence and the incitement to violence against the United Cyprus Republic, the federal government, the constituent states, or the guarantor powers and shall not tolerate such acts by persons, groups or organisations operating within their boundaries.

5. The provisions of this Article are without prejudice to the provisions of the Treaty of Establishment, the Treaty of Guarantee, the Treaty of Alliance, the mandate of a United Nations peacekeeping operation in Cyprus and the provisions of this Constitution on federal and constituent state police and the Joint Investigation Agency.

Article 7 Seat of the federal government

The seat of the federal government shall be greater Nicosia.

Article 8 Flags and anthems

1. The flag of the United Cyprus Republic shall be as attached to this Constitution. It is one and a half times as long as it is high. It consists of five horizontal stripes of unequal width:
   a. the top stripe is blue (Pantone 2728 C or equivalent) and is $4/20^{th}$ of the height of the flag;
   b. the second stripe is white and $1/20^{th}$ of the height of the flag;
   c. the middle stripe is yellow (Pantone 123 C or equivalent) and is $10/20^{th}$ of the height of the flag;
   d. the fourth stripe is white and is $1/20^{th}$ of the height of the flag; and
   e. the bottom strip is red (Pantone 485 C or equivalent) and is $4/20^{th}$ of the height of the flag.

   This flag shall be flown alone or together with the flag of the European Union on federal government buildings.

2. The anthem of the United Cyprus Republic shall be as attached to this Constitution.

3. The constituent states shall have their own anthems and flags. The constituent state flag shall be flown on constituent state government buildings, along with and in the same manner as the flag of the United Cyprus Republic and, if constituent state law so provides, that of the

European Union. No other flags shall be flown on constituent state government buildings or public property.[6]

Article 9 The official languages and promulgation of official acts

1. The official languages of the United Cyprus Republic are Greek and Turkish. The use of English for official purposes shall be regulated by law.
2. Legislative, executive, administrative and judicial acts and documents of the federal government shall be drawn up in all official languages and shall, unless otherwise provided, be promulgated by publication in the official Gazette of the United Cyprus Republic in all official languages.
3. All persons shall have the right to address the federal authorities in any of the official languages and to be addressed in that same language.
4. The official languages of the United Cyprus Republic shall be taught mandatorily to all secondary school students.

Article 10 Official Holidays of the United Cyprus Republic

1. The National Holiday of the United Cyprus Republic shall be the day of the referenda on the Foundation Agreement.
2. In addition to the National Holiday and Sundays, the following official holidays shall be observed throughout Cyprus:
   a. 1 January (New Year's Day);
   b. 1 May (Labour Day);
   c. 9 May (Day of Europe);
   d. 25 December (Christmas);
   e. Good Friday;
   f. Easter Monday;
   g. The first day of Ramadan/Sheker Bayram;
   h. The first day of Kurban Bayram; and
   i. The birthday of the Prophet Mohammed.
3. Each constituent state shall determine and observe its own holidays in addition to those of the United Cyprus Republic. Such holidays shall respect the spirit of the Foundation Agreement and the new relationship between Greek Cypriots and Turkish Cypriots.
4. Federal public servants shall be entitled to observe, in addition to the above, the official holidays of either one constituent state or the other.

[6] **Clarification:** This does not prevent the flying of national flags on the occasion of official visits by foreign dignitaries.

Part III: FUNDAMENTAL RIGHTS AND LIBERTIES

Article 11 Fundamental rights

1. In accordance with Article 4.3 of this Constitution, the human rights and fundamental freedoms enshrined in the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Additional Protocols, which are in force for the United Cyprus Republic, shall be an integral part of this Constitution (catalogue attached). The International Covenant on Civil and Political Rights shall also be an integral part of this Constitution.

2. There shall be no discrimination against any person on the basis of his or her gender, ethnic or religious identity, or internal constituent state citizenship status.

3. There shall be freedom of movement and freedom of residence throughout Cyprus, except as otherwise expressly provided in this Constitution or any other part of the Foundation Agreement or a Constitutional Law.

4. The rights of religious minorities, namely the Maronite, the Latin and the Armenian, shall be safeguarded. The federal government and the constituent states shall, within their respective spheres of competence, afford minorities the status and rights foreseen in the European Framework Convention for the Protection of National Minorities, in particular the right to administer their own cultural, religious and educational affairs and to be represented in the legislature.

5. Greek Cypriots residing in the Karpas villages of Rizokarpaso/Dipkarpaz, Agialousa/Yeni Erenköy, Agia Trias/Sipahi, Melanarga/Adacay, and Turkish Cypriots residing in the Tillyria villages of Amadhies/Günebakan, Limnitis/Yeşilyirmak, Selemani/Suleymaniye, Xerovounos/Kurutepe Karovostasi/Gemikonagi, Agios Georgios/Madenliköy, Kokkina/Erenköy, Agios Georgoudi, Agios Theodoros, Alevga, Mansoura and Selladi tou Appi, as well as the Mesaoria villages of Pyla/Pile, Skylloura/Yilmazköy and Agios Vasilios/Türkeli shall, within the constituent states in which these villages are situated, enjoy the right to administer their own cultural, religious and educational affairs and to be represented in the constituent state legislature and to be consulted on matters of zoning and planning regarding their villages. Residents of the village of Kormakiti shall enjoy equal treatment to long-term residents of the Turkish Cypriot State with regard to sale and purchase of properties located within the Turkish Cypriot State and the 1960 boundaries of the village of Kormakiti.

Article 12 Citizenship

1. There is a single Cypriot citizenship.

2. All persons holding Cypriot citizenship shall also enjoy internal constituent state citizenship status as provided for by Constitutional Law. Such status is complementary to and does not replace Cypriot citizenship. Only Cypriot citizens shall enjoy internal constituent state citizenship status.

3. Where any provision of this Constitution or of the Foundation Agreement refers to the constituent state origins of a person (or where a person hails from), the criterion shall be the holding of internal constituent state citizenship status. No one may hold the internal constituent state citizenship status of both constituent states.

Article 13 Exercise of political rights

Cypriot citizens who are at least 18 years old shall enjoy political rights at the federal level and exercise them based on their internal constituent state citizenship status, unless otherwise provided in this Constitution.

Part IV: THE FEDERAL GOVERNMENT AND THE CONSTITUENT STATES

Article 14 Competences and functions of the federal government

1. The federal government shall, in accordance with this Constitution, sovereignly exercise legislative and executive competences in the following matters:
   a. External relations, including conclusion of international treaties and defence policy;[7]
   b. Relations with the European Union;[8]
   c. Central Bank functions, including issuance of currency, monetary policy and banking regulations;
   d. Federal finances, including budget and all indirect taxation (including customs and excise), and federal economic and trade policy;
   e. Natural resources, including water resources;[9]

[7] **Reference**: Defence policy must be formulated and exercised in accordance with agreed security arrangements, and the international obligations of Cyprus.
[8] **Observation**: This power authorises the federal government to take necessary measures for the participation of Cyprus in the Economic and Monetary Union, the Common European Security and Defence (non-military matters) Policy and the "enhanced cooperation" within the meaning of the Treaty on the European Union.
[9] **Observation**: Fisheries and agriculture are within the competences of the constituent states.

f. Meteorology, aviation,[10] international navigation and the continental shelf and territorial waters[11] of the United Cyprus Republic;

g. Communications (including postal, electronic and telecommunications);

h. Cypriot citizenship (including issuance of passports) and immigration (including asylum, deportation and extradition of aliens);

i. Combating terrorism, drug trafficking, money laundering and organised crime;

j. Pardons and amnesties (other than for crimes concerning only one constituent state[12]);

k. Intellectual property and weights and measures; and

l. Antiquities.

2. Incidental to the above competences and to other provisions of this Constitution, the federal government shall exercise legislative and executive competences over federal administration (including public service and federal police, as well as its independent institutions and officers); federal elections and referenda; offences against federal laws; federal administration of justice; federal property, including public works for federal facilities and expropriation; and like matters which are clearly incidental to the specified powers of the federal government.

3. The federal government shall, as appropriate, entrust the implementation of its laws, including the collection of certain forms of taxes, to constituent state authorities.

4. Obligations of the United Cyprus Republic under international treaties shall be implemented by the federal government or constituent state authority which enjoys legislative competence in the subject matter to which the treaty pertains.

5. The federal government shall confer upon the constituent states a portion of its revenue from indirect taxation as provided for by special majority law.

Article 15 Competences and functions of the constituent states

1. The constituent states shall, within the limits of this Constitution, sovereignly exercise within their territorial boundaries all competences and functions not vested by this Constitution in the federal government.[13]

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[10] **Observation**: In conformity with the principle of *eiusdem generis,* this covers all matters related to aviation, including the airspace of the United Cyprus Republic and the Flight Information Region (FIR). This is without prejudice to ownership of airports or airlines.

[11] **Observation**: In conformity with the principle of *eiusdem generis*, this includes all matters regulated by the 1982 United Nations Convention on the Law of the Sea. This is without prejudice to ownership of seaports.

[12] **Observation**: This proviso is to be understood as crimes against a constituent state's law where (all) perpetrator(s) and victim(s) hail from that constituent state.

[13] **Observation:** These include security, law and order and the administration of justice within their territorial boundaries.

2. The constituent states shall have primary criminal jurisdiction over offences against federal laws, unless such jurisdiction is reserved for the Supreme Court of Cyprus by federal legislation.

3. The police of a constituent state shall be stationed and operate exclusively within that constituent state[14] and shall be responsible for the protection and enforcement of law and order and public safety within that constituent state, including offences against federal laws, without prejudice to the functions of the federal police and the Joint Investigation Agency. A Constitutional Law shall regulate the strength and equipment of constituent state police and a Cooperation Agreement between the federal government and the constituent states shall provide for cooperation on police matters.

Article 16 Cooperation and coordination

1. Where expressly provided for in this Constitution, legislative matters may be regulated in a manner binding upon the federal government and the constituent states, through Constitutional Laws. Such laws shall be approved by the federal Parliament and both constituent state legislatures in accordance with procedures set down in a Constitutional Law and shall have precedence over any other federal or constituent state laws.

2. The constituent states may conclude agreements with each other or with the federal government. Such agreements may create common organisations and institutions on matters within the competence of the parties. Such agreements shall have the same legal standing as Constitutional Laws, provided they have been approved by the federal Parliament and both constituent state legislatures.

3. The constituent states shall strive to coordinate or harmonise their policy and legislation, including through agreements, common standards and consultations wherever appropriate, in particular on the following matters:

    a. Tourism;
    b. Protection of the environment and use and conservation of energy;
    c. Fisheries and agriculture;
    d. Industry and commerce, including insurance, consumer protection, professions and professional associations;
    e. Zoning and planning, including for overland transport;
    f. Sports and education;
    g. Health, including regulation of tobacco, alcohol and drugs, and veterinary matters;
    h. Social security and labour;

[14] **Observation**: This is without prejudice to the right of hot pursuit as agreed in the Cooperation Agreement on Police Matters.

i. Family, company and criminal law; and
j. Acceptance of validity of documents.

4. Either constituent state or any branch of the federal government may initiate the coordination or harmonisation process.

5. Agreements on such coordination or harmonisation shall be approved by the competent branch of the constituent state governments and, if federal participation is required, by the competent branch of the federal government.

6. The federal government shall support, both financially and logistically, cooperative endeavours between the constituent states or between municipalities and villages located in different constituent states.

7. The federal government and the constituent states shall accept valid documents issued by government authorities and educational, medical and other public service institutions.

Article 17 Joint Investigation Agency

There shall be a Joint Investigation Agency, comprising federal and constituent state police personnel and reporting to the federal Attorney-General. Its composition and functions, as well as the strength and equipment of the federal and constituent state police, shall be regulated by Constitutional Law.

Article 18 External relations

1. Cyprus shall maintain special ties of friendship with Greece and Turkey, respecting the balance established by the Treaty of Guarantee and the Treaty of Alliance and the Foundation Agreement, and shall by agreement on appropriate terms accord them most favoured-nation treatment to the extent that this is compatible with its obligations as a member of the European Union and under the Treaty of Establishment.

2. The constituent states shall be consulted on federal decisions on external relations that affect their competences.

3. The constituent states may appoint representatives on commercial[15] and cultural matters,[16] who shall be accredited as part of diplomatic missions of Cyprus.

4. The constituent states may also conclude agreements on commercial[17] and cultural matters[18] with authorities of States that have relations with the United Cyprus Republic, provided that such agreements do not

[15] **Observation**: Commercial matters include economic investment and financial assistance.
[16] **Observation**: Cultural matters include the arts, education and sports.
[17] **Observation**: Commercial matters include economic investment and financial assistance.
[18] **Observation**: Cultural matters include the arts, education and sports.

cause prejudice to the United Cyprus Republic, the authority of the federal government, or the other constituent state, and are compatible with the European Union membership of Cyprus.

5. In the exercise of the powers conferred by paragraphs 3 and 4 of this Article, the following procedures shall be observed:
   a. The constituent states shall use the channel of the federal department of external relations for contacts at a political level with foreign governments; and
   b. The constituent states may have direct contacts with constituent- or sub-entities or subordinate authorities of other states. In this case they shall inform the federal department of external relations upon starting negotiations on any agreement with such authorities and continue to advise on the progress and outcome of such negotiations.
6. A Cooperation Agreement between the federal government and the constituent states on external relations shall regulate the implementation of this Article.

Article 19 Cyprus as a member of the European Union

1. The United Cyprus Republic shall be a member of the European Union.
2. The governments of the constituent states shall participate in the formulation of the policy of Cyprus in the European Union.
3. Cyprus shall be represented in the European Union by the federal government in its areas of competence or where a matter predominantly concerns an area of its competence. Where a matter falls predominantly or exclusively into an area of competence of the constituent states, Cyprus may be represented either by a federal government or a constituent state representative, provided the latter is able to commit Cyprus.
4. Obligations of the United Cyprus Republic arising out of European Union membership shall be implemented by the federal or constituent state authority which enjoys legislative competence for the subject matter to which an obligation pertains.[19] Where the *acquis communautaire* prescribes the creation of single national administrative structures, such structures and the necessary regulations will be established at federal government level. Where the *acquis communautaire* prescribes the creation of coordination or cooperation bodies, such bodies shall be established by Cooperation Agreements. The establishment of other administrative structures necessary for the implementation of the *acquis communautaire* will be decided on the basis of efficiency requirements.

[19] **Observation:** Penalties, fines or damages imposed on the United Cyprus Republic by European Union institutions shall be borne by the responsible federal or constituent state authority.

5. If a constituent state fails to fulfil obligations of the United Cyprus Republic vis-à-vis the European Union within its area of competence and the United Cyprus Republic may be held responsible by the Union, the federal government shall, after notification of no less than 90 days (or a shorter period if indispensable according to European Union requirements), take necessary measures in lieu of the defaulting constituent state, to be in force until such time as that constituent state discharges its responsibilities.

6. Paragraphs 2 to 5 of this Article shall be the subject of a Cooperation Agreement between the federal government and the constituent states.

7. Any new treaty or agreement on the European Union and amendments to the treaties on which the European Union is founded or acts of accession of any applicant states to the European Union, or any agreement entered into by the European Union together with its member states, shall be ratified by Cyprus unless this is opposed by the federal Parliament and both constituent state legislatures. The President or the Vice-President of the Presidential Council shall be entitled to sign the respective instrument of ratification and thereby bind the United Cyprus Republic.

8. No provision of this Constitution shall invalidate laws, acts or measures by the federal government or the constituent states required by the obligations of European Union membership, or prevent laws, acts or measures by the European Union, or institutions thereof, from having the force of law throughout Cyprus.

Part V: FEDERAL INSTITUTIONS

Article 20 Eligibility and incompatibility and discharge of duties

1. Unless otherwise provided by this Constitution or law, a person shall be qualified to be elected or appointed to serve in the federal institutions if he or she is a citizen of the United Cyprus Republic and has reached the age of 18 years.

2. Unless otherwise provided by this Constitution or law, no person may be a member of more than one branch of the federal government or of the federal government and a constituent state government.

3. Persons elected to or appointed to serve in the federal institutions shall act in the best interests of the federal government.

Article 21 Federal government immunities and exemptions

1. Members of Parliament, the Presidential Council, the Supreme Court and the Board of Directors of the Central Bank of Cyprus, as well as the Independent Officers, shall enjoy immunity from arrest or judicial prosecution unless federal law provides otherwise.

2. Federal property used for official purposes shall be exempt from the application of constituent state legislation, including taxation. Such property shall be under the direct and sole authority of the federal government. The constituent states shall assist the federal police in assuring the safety of federal property located within their territorial boundaries.

Section A: The Legislature

Article 22 Composition and election of Parliament

1. The federal Parliament shall be composed of two Chambers: the Senate and the Chamber of Deputies.

2. Each Chamber shall have 48 members, elected for five years on the basis of proportional representation. The constituent states shall serve as electoral precincts unless special majority law provides otherwise, in which case each precinct may have no less than ten seats.

3. The Senate shall be composed of an equal number of Greek Cypriot and Turkish Cypriot senators. They shall be elected on a proportional basis by the citizens of Cyprus, voting separately as Greek Cypriots and Turkish Cypriots, in accordance with the law.

4. The Chamber of Deputies shall be composed of deputies from both constituent states, with seats attributed on the basis of the number of persons holding internal constituent state citizenship status of each constituent state; provided that each constituent state shall be attributed a minimum of one quarter of the seats.

5. The Maronite, Latin and Armenian minorities shall each be represented by no less than one deputy. Members of such minorities shall be entitled to vote for the election of such deputies irrespective of their internal constituent state citizenship status. Such deputies shall be counted against the quota of the constituent state where the majority of the members of the respective minority reside.

Article 23 Organisation

1. The law shall regulate the time and duration of the ordinary sessions of the federal Parliament. At any time, the Presidential Council or one

quarter of sitting members of either Chamber may convene Parliament for an extraordinary session.

2. Each Chamber shall elect a President and two Vice-Presidents, one from each constituent state, for a period of five years. The Presidents of the two Chambers shall not come from the same constituent state, nor shall two consecutive Presidents of either Chamber. The Vice President who does not come from the same constituent state as the President of the relevant Chamber shall be the First Vice-President of that Chamber.

3. Each Chamber shall organise its own committees in accordance with the law.

4. Each Chamber shall require the presence of a majority of sitting members in order to take decisions.

5. The law shall regulate the obligation of members of Parliament to attend meetings and the consequences of failure to do so without authorisation.

Article 24 Powers

1. Parliament shall legislate and take decisions.

2. Parliament shall approve international treaties for ratification,[20] except where it has delegated that power to the Presidential Council.

3. Parliament shall elect and oversee the functioning of the Presidential Council.

4. Parliament may by special majority refer to the Supreme Court allegations of impeachment regarding the members of the Presidential Council and of organs of the independent institutions, and independent officers, for grave violations of their duties or serious crimes.

5. Parliament shall adopt the federal budget.

Article 25 Procedure

1. Unless otherwise specified in this Constitution, decisions of Parliament need the approval of both Chambers with simple majority of members present and voting, including one quarter of senators present and voting from each constituent state.

2. A special majority comprising at least two fifths of sitting senators from each constituent state, in addition to a simple majority of deputies present and voting, shall be required for:

[20] **Observation**: This is without prejudice to the entry into force upon signature of the Treaty between Cyprus, Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus as provided for in Annex IX of the Foundation Agreement, by the Co-Presidents in accordance with Article 55 of this Constitution.

a. Ratification of international agreements on matters which fall within the legislative competence of the constituent states;[21]
b. Ratification of treaties and adoption of laws and regulations concerning the airspace, continental shelf and territorial waters of the United Cyprus Republic, including the exclusive economic zone and the contiguous zone;
c. Adoption of laws and regulations concerning citizenship, immigration, water resources and taxation;
d. Approval of the federal budget;
e. Election of the Presidential Council; and
f. Other matters which specifically require special majority approval pursuant to other provisions of this Constitution.

3. The law shall provide for a conciliation mechanism between the Chambers of Parliament.

Section B: The Executive

Article 26 The Presidential Council

1. The Office of Head of State is vested in a Presidential Council, which shall exercise the executive power. The Council shall have six voting members. Parliament may elect additional, non-voting members. Unless it decides otherwise by special majority, it shall elect three non-voting members.

2. All members of the Presidential Council shall be elected by Parliament for a fixed five-year term on a single list by special majority. The list shall specify the voting members.

3. Members of the Presidential Council shall not hold any other public office or private position.

4. The members of the Presidential Council shall continue to exercise their functions after expiry of their term in office until a new Council has been elected.

5. In the event of a vacancy in the Council, a replacement shall be elected by Parliament by special majority for the remainder of the term of office.

6. The composition of the Presidential Council shall be proportional to the numbers of persons holding the internal constituent state citizenship status of each constituent state, though at least one third of voting members and one third of non-voting members must hail from each constituent state.

[21] **Reference:** This is without prejudice to the special rules defined in Article 19.7 regarding ratification of European Union acts that require unanimity of European Union member states.

7. The Presidential Council shall strive to reach all decisions by consensus. Where it fails to reach consensus, it shall make decisions by simple majority of members present and voting unless otherwise stated in this Constitution. Such majority must in all cases comprise at least one member from each constituent state. In case of absence, a voting member may delegate his/her voting right to a non-voting member.

8. Notwithstanding voting rights, the members of the Presidential Council shall be equal. Any member of the Council shall be able to place an item on the agenda of the Council.

9. The Presidential Council may, where appropriate, invite the heads of government of the constituent states to participate without a vote in its meetings.

10. The Presidential Council shall suggest candidates or appoint members for European Union and international bodies.

Article 27 The President and the Vice-President of the Council

1. The Council shall decide on the rotation of the offices of the President and Vice-President among its members. Unless the voting members of the Council unanimously decide otherwise, the following arrangements shall apply:
   a. Two members of the Council, not hailing from the same constituent state, shall be elected by the Council on a single list; and
   b. They shall rotate in the exercise of the offices of the President and Vice-President of the Council every twenty calendar months. The first President of the Council in each term shall be the member hailing from the more populous constituent state.
2. The Vice-President of the Council shall assume the duties of the President in the absence or temporary incapacity of the President.
3. The President of the Council shall convene and chair the meetings of the Presidential Council.
4. Neither the President nor the Vice President of the Council shall have a casting vote.

Article 28 The Departments

1. The Presidential Council shall attribute the departments among its members. It may decide that some members shall be without portfolio.
2. Where the Council is unable to reach a decision on the attribution of departments, the choice shall be in order of strength of party representation in the Senate.

3. The heads of the Departments of External Relations and European Union Relations shall not hail from the same constituent state.

4. The heads of department shall prepare and execute decisions of the Presidential Council relating to their departments.

Article 29 Representation of the Presidential Council

1. The President of the Council shall represent the Presidential Council as Head of State.

2. In representing the Presidential Council as Head of State, the President shall attend official functions, sign and receive credentials of diplomatic envoys, and confer the honours of the United Cyprus Republic.

3. The President of the Council shall represent the United Cyprus Republic at meetings of heads of government.

4. The President of the Council, when representing Cyprus at meetings of the European Council, shall be accompanied by the Vice-President.

5. The heads of the relevant Departments shall represent the United Cyprus Republic at meetings of government ministers unless otherwise provided for by law or by agreement between the federal government and the constituent states.

6. Where an international meeting is likely to address vital interests of a constituent state, and the Council representative to that meeting hails from the other constituent state, the Council shall, upon special request of a majority of Council members from the interested constituent state, appoint a member from that constituent state to accompany the Council representative, provided delegations to such meetings may comprise more than one person.

7. Any representative of the United Cyprus Republic at international meetings shall be bound by decisions of the Presidential Council. Where the Council has appointed one of its members to accompany its representative in accordance with paragraph 6 of this Article, the representative of Cyprus shall exercise any discretion in concord with such member.

Article 30 Federal administration

1. A Public Service Commission composed of men and women hailing in equal numbers from each constituent state shall have authority to appoint and promote federal public servants. It shall take its decisions in accordance with the law.

2. The composition of the public service shall, where not otherwise specified in this Constitution or special majority law, be proportional to

the population of the constituent states, though at least one-third of the public servants at every level of the administration must hail from each constituent state.

3. A federal public servant may not simultaneously serve as a public servant of a constituent state.

Article 31 The federal police

There shall be a federal police composed of an equal number of personnel hailing from each constituent state. The federal police shall control Cyprus' border and protect federal officials, buildings and property, as well as foreign dignitaries and diplomatic missions.

Section C: Independent Officers and Institutions

Article 32 Central Bank of Cyprus

1. The Central Bank of Cyprus shall be the monetary authority of the United Cyprus Republic. It shall issue currency, define and implement monetary policy and regulate and supervise credit institutions.
2. The Central Bank shall be independent from other arms of the federal government and operate in accordance with European Union requirements.
3. The primary objective of the Central Bank of Cyprus shall be to maintain price stability.
4. The organs of the Central Bank shall be the Governor and the Deputy-Governor, the Board of Directors and the Monetary Policy Committee. Their composition shall be as follows:
    a. The Governor and Deputy Governor shall not hail from the same constituent state. They shall be appointed by the Presidential Council;
    b. The Board of Directors shall consist of five members, including the Governor and Deputy Governor, with at least two members hailing from each constituent state. One member may be a non-Cypriot; and
    c. The Monetary Policy Committee shall consist of seven members, including the Governor and the Deputy Governor, as well as any non-Cypriot member of the Board of Directors, with at least three members hailing from each constituent state.
5. All decisions of the Board of Directors and the Monetary Policy Committee shall be taken by simple majority. The law shall otherwise

regulate the appointment of members to the organs of the Central Bank and their decision-making procedures.

6. The Governor and Deputy Governor shall be appointed for a term of seven years. The other members of the Board of Directors shall be appointed for a term of five years, and the other members of the Monetary Policy Committee for a term of seven years.

7. Within the framework of the European Union the responsibilities and powers of the Central Bank of Cyprus may be transferred to the European Central Bank.

8. The law may provide for the establishment of branches of the Central Bank in each constituent state, and for inclusion of branch directors in the Board of Directors of the Central Bank.

Article 33 Other independent officers

1. The Attorney-General and the Deputy Attorney-General and the Auditor-General and the Deputy Auditor-General shall be independent officers and not come under any department. They shall be appointed by the Presidential Council for a non renewable term of office of nine years but shall not serve beyond their 75th birthday.

2. The Attorney-General and the Auditor-General shall not hail from the same constituent state nor shall the Attorney-General and the Deputy Attorney-General or the Auditor-General and the Deputy-Auditor General.

Article 34 The office of the Attorney-General and the Deputy Attorney-General

1. The Attorney-General and the Deputy Attorney-General shall be the Head and Deputy Head, respectively, of the Federal Law Office. They shall be appointed and hold office in the same manner and under the same terms and conditions as judges of the Supreme Court of Cyprus and shall not be removed from office except on like grounds and in the same manner as such a judge.

2. The Attorney-General, assisted by the Deputy Attorney-General, shall be the legal adviser of the federal government and shall exercise all such other powers and shall perform all such other functions and duties as are conferred or imposed on him/her by this Constitution or by law.

3. The Attorney-General shall have power, exercisable at his/her discretion in the public interest, to institute, conduct, take over and continue or discontinue any proceedings regarding offences against federal law against any person in the United Cyprus Republic.

4. The law shall regulate further aspects of the office of the Attorney-General and the Deputy Attorney-General.

Article 35 The office of the Auditor-General and the Deputy Auditor-General

1. The Auditor-General and Deputy Auditor-General shall be the Head and Deputy Head, respectively, of the Federal Audit Office. They shall be members of the federal public service and shall not be retired or removed from office except on like grounds and in like manner as judges of the Supreme Court of Cyprus.

2. The Auditor-General, assisted by the Deputy Auditor-General, shall, on behalf of the federal government, control all disbursements and receipts and audit and inspect all accounts of monies and other assets administered, and of liabilities incurred, by or under the authority of the federal government and for this purpose, shall have the right of access to all books, records and returns relating to such accounts and to places where such assets are kept.

3. The Auditor-General, assisted by the Deputy Auditor-General, shall exercise all such other powers and shall perform all such other functions and duties as are conferred or imposed on him/her by law. The Auditor-General shall submit annually a report on the exercise of his/her functions and duties under this Constitution to the Presidential Council who shall cause it to be laid before Parliament.

Section D: The Judiciary

Article 36 The Supreme Court of Cyprus

1. The Supreme Court of Cyprus shall count an equal number of judges from each constituent state among its members. The Presidential Council shall appoint the judges, for a non-renewable term of nine years, in accordance with criteria and procedures stipulated in a special majority law which shall also fix the number of judges.

2. The Supreme Court shall have exclusive jurisdiction over disputes between the constituent states, between one or both constituent states and the federal government, and between organs of the federal government.

3. The Supreme Court shall have exclusive jurisdiction to determine the validity of any federal or constituent state law under this Constitution or any question that may arise from the precedence of Constitutional laws. Upon request of constituent state courts or other federal or constituent state authorities it may do so in the form of a binding opinion.

4. The Supreme Court shall be the appeals court in all other disputes on matters which involve the interpretation or an alleged violation of the Foundation Agreement, this Constitution, federal laws (including federal administrative decisions), or treaties binding upon the United Cyprus Republic.[22]

5. The Supreme Court shall have primary jurisdiction over violations of federal law where provided by federal legislation.

6. If a deadlock arises in one of the federal institutions preventing the taking of a decision without which the federal government or its institutions could not properly function, or the absence of which would result in a substantial default on the obligations of the United Cyprus Republic as a member of the European Union, the Supreme Court may, upon application of a member of the Presidential Council, the President or Vice-President of either Chamber of Parliament, or the Attorney-General or the Deputy Attorney-General, take an *ad interim* decision on the matter, to remain in force until such time as a decision on the matter is taken by the institution in question. In so acting, the Supreme Court shall exercise appropriate restraint. The Law on the Central Bank may exempt the Central Bank from this provision.

7. The Supreme Court of Cyprus shall sit as a Constitutional Court or as a Court of Primary Federal Jurisdiction. Judges shall be appointed to serve on either the Constitutional Court or the Court of Primary Federal Jurisdiction. The law shall regulate the number of judges serving on each court, the attribution of competence to each court, the division of the two courts into chambers, and any right of appeal within either court or from the Court of Primary Federal Jurisdiction to the Constitutional Court.

8. The Supreme Court shall strive to reach its decisions by consensus and issue joint judgments of the Court. However, all decisions of the Supreme Court may be taken by simple majority as specified by law.

Part VI: AMENDMENTS OF THIS CONSTITUTION

Article 37 Amendments of this Constitution

1. Amendments of this Constitution, including the attachments which are an integral part of it, shall be considered and adopted by the federal

[22] **Observation:** This includes the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms and its Additional Protocols in force for Cyprus.

Parliament after consultation with the constituent state governments and interested sectors of society.

2. The Basic Articles, namely Articles 1 and 2, of this Constitution cannot be amended.

3. After adoption by both Chambers of Parliament, proposed amendments shall be submitted to referendum for approval by separate majority of the people in each constituent state.

4. Amendments shall enter into force 90 days after their approval, unless the amendment otherwise provides.

Part VII: TRANSITIONAL PROVISIONS

Article 38 Constituent state institutions

1. The transitional institutions of the constituent states, namely the legislature, the executive and the judiciary, shall be in place upon entry into force of the Foundation Agreement in accordance with the constituent state constitutions and the commitments in the Comprehensive Settlement of the Cyprus Problem.

2. On 13 June 2004, all popularly elected office-holders of the constituent states shall be elected simultaneously with the elections for the federal and European Parliaments.

Article 39 Transitional federal Parliament and delegates to the European Parliament

1. On the day of entry into force of the Foundation Agreement, each constituent state legislature shall designate from among its membership 24 delegates to the federal Parliament. To this effect, each group in a constituent state legislature shall designate as many delegates as corresponds to its proportional strength in the legislature. In addition, the Greek Cypriot State legislature shall designate four delegates of Cyprus to the European Parliament, and the Turkish Cypriot State legislature shall designate two delegates.

2. The transitional parliament shall exercise the constitutional functions and prerogatives of the federal Parliament in accordance with the procedural provisions in this Constitution regarding the Senate.

3. On 13 June 2004, the senators and deputies, as well as Cypriot delegates to the European Parliament, shall be elected in accordance with this Constitution and European Community law. The newly elected Parliament shall assume its functions on 1 July 2004.

Article 40 Transitional Head of State

1. Until such time as the newly elected federal Parliament shall have elected a Presidential Council, the office of the Head of State shall be vested in the Co-Presidency.

2. The Co-Presidents shall be the persons whose names are communicated to the Secretary-General of the United Nations no later than two days after successful referenda or, in the absence of such communication, the head of government of the relevant constituent state.

3. In case of resignation or permanent incapacity of either Co-President, the legislature of the relevant constituent state shall elect a replacement.

4. The Co-Presidents shall alternate every calendar month in representing the Co-Presidency as Head of State, beginning with the Co-President hailing from the more populous constituent state.

Article 41 Transitional federal government

1. Until such time as the newly elected federal Parliament shall have elected a Presidential Council, the Council of Ministers shall act as the Government of the United Cyprus Republic.

2. Upon entry into force of the Foundation Agreement, the members of the Council of Ministers shall be those persons whose names were communicated to the Secretary-General of the United Nations no later than two days after successful referenda.

3. The Greek Cypriot members of the Council of Ministers shall head the departments of European Union Relations, Finance, and Justice and Home Affairs. The Turkish Cypriot members of the Council of Ministers shall head the departments of Communications and Natural Resources, External Relations and Defence, and Trade and Economy. These departments shall be composed in accordance with the list of offices and personnel provided in accordance with Appendix F of the Comprehensive Settlement of the Cyprus Problem.

4. After the elections of 13 June 2004, the newly elected Parliament shall elect a Presidential Council in accordance with the provisions of this Constitution.

5. The first elected Presidential Council shall exercise all functions in accordance with the provisions of this Constitution. However, the office of President and Vice-President shall rotate every ten months between the two elected members.

Article 42 Participation of heads of government of constituent states in meetings of Presidential Council

During the first ten years after entry into force of the Foundation Agreement, the heads of government of the constituent states shall be invited to participate without a vote in meetings of the Council of Ministers and, later, the Presidential Council.

Article 43 Transitional independent officers

1. The transitional independent officers of the United Cyprus Republic shall serve until the Presidential Council shall have appointed the independent officers in accordance with this Constitution but no later than 31 July 2004.[23]

2. The transitional Attorney-General of the United Cyprus Republic shall be the Attorney-General of the Turkish Cypriot State and the transitional Deputy Attorney-General of the United Cyprus Republic shall be the Deputy Attorney-General of the Greek Cypriot State. In the exercise of their functions under this Constitution, they shall act in consensus.

3. The transitional Auditor-General of the United Cyprus Republic shall be the Auditor-General of the Greek Cypriot State and the transitional Deputy Auditor-General of the United Cyprus Republic shall be the Deputy Auditor-General of the Turkish Cypriot State. In the exercise of their functions under this Constitution, they shall act in consensus.

Article 44 Central Bank

1. Upon entry into force of the Foundation Agreement, the members of the Board of Directors of the Central Bank shall be those Cypriots and non-Cypriots informed by the Secretary-General prior to the entry into force of the Foundation Agreement of their prospective appointment pursuant to the Comprehensive Settlement.

2. The Governor and Deputy Governor, as well as the other members of the Board of Directors of the Central Bank shall assume their functions immediately upon entry into force of the Foundation Agreement. They shall exercise the powers provided for the Board of Directors and the Monetary Policy Committee in the Constitution until the Monetary Policy Committee takes office.

[23] **Observation**: In case of a failure of the Presidential Council to appoint the independent officers, the Supreme Court shall do so in accordance with Article 36.6.

Article 45 Judges of the Supreme Court

1. Upon entry into force of the Foundation Agreement, the judges and registrars of the Supreme Court shall be those Cypriots and non-Cypriots informed by the Secretary-General prior to the entry into force of the Foundation Agreement of their prospective appointment pursuant to the Comprehensive Settlement.

2. The judges of the Supreme Court, who shall serve as members of the Constitutional Court, shall assume their functions immediately upon entry into force of the Foundation Agreement and shall remain in office for 36 calendar months, unless the federal Parliament decides with special majority to extend their terms.

3. The Registrar, who shall be a non-Cypriot, and two Deputy Registrars of the Supreme Court shall assume their functions immediately upon entry into force of the Foundation Agreement. They will remain in office for 36 calendar months, when they shall be replaced in accordance with the law.

4. The judges who shall serve on the Court of Primary Federal Jurisdiction shall be appointed by the Presidential Council in the course of the month of July 2004. Until then, the other judges of the Supreme Court shall exercise the functions attributed to the Court of Primary Federal Jurisdiction.

Article 46 Public Service

1. Any person holding any public office whatsoever in any authority in Cyprus immediately prior to the coming into being of the new state of affairs is a member of one of the public services of the United Cyprus Republic.[24]

2. Any such person whose name is not included in the list of offices and personnel of the federal government provided in accordance with Appendix F of the Comprehensive Settlement of the Cyprus Problem shall serve in the public service of the relevant constituent state.

3. Any such person whose name is included in the list of offices and personnel of the federal government provided in accordance with Appendix F of the Comprehensive Settlement of the Cyprus Problem shall serve in the public service of the federal government.

4. The Law shall specify implementation procedures and timeframes, not exceeding three years from the entry into force of the Foundation Agreement, for the full implementation of the provisions of this

[24] **Observation**: The term Cyprus here is to be understood in the sense of the island of Cyprus excluding the Sovereign Base Areas. The phrase “authority in Cyprus” extends to any foreign posting in service of such authority.

Constitution relating to the composition of the federal public service for the different branches of that service.

Article 47 Responsibility for debts incurred prior to the entry into force of the Foundation Agreement

1. As a matter of principle, debts incurred between 1964 and the entry into force of the Foundation Agreement shall be serviced and paid by the constituent state whose population benefited from the relevant loan. If a loan was used for public works and infrastructure which, after entry into force of the Foundation Agreement, benefit the whole of Cyprus, the relevant debt shall be serviced and paid by the federal government. The same applies to debts incurred prior to 1964 and their refinancing.

2. The federal government shall however assume responsibility for all external debts other than debts to Greece or Turkey or debts from purchase of armaments, which shall be assumed by the relevant constituent state. The internal financial responsibility for servicing and repayment of such debts shall nonetheless be borne in accordance with the above paragraph.

Article 48 Treaties in the Annex to the Foundation Agreement

1. During the first two years after entry into force of the Foundation Agreement, a constituent state may object to a particular treaty having been listed in the relevant Annex to the Foundation Agreement, or any reservation or declaration related to such treaty, on grounds of incompatibility with the Foundation Agreement.[25] Such objection shall be addressed to the Council of Ministers or the Presidential Council.

2. Upon receipt of such objection, the Council of Ministers or the Presidential Council shall within two weeks decide on the compatibility of the treaty with the Foundation Agreement. If they cannot reach a decision within that time, they shall immediately refer the matter to the Supreme Court which shall decide without delay.

3. Where, in accordance with the procedure in paragraph 2, a treaty is determined to be incompatible with the Foundation Agreement, Cyprus shall denounce or otherwise terminate the treaty as soon as possible under international law.[26]

4. Where, in accordance with the procedure in paragraph 2, a determination is made that particular provisions of a treaty are incompatible with the Foundation Agreement and separable from the

[25] **Observation:** Since the Foundation Agreement provides for the membership of Cyprus in the European Union, the term "Foundation Agreement" in this Article includes obligations arising out of membership in the European Union.
[26] **Observation**: The reference to "international law" in this Article includes the 1969 Vienna Convention on the Law of Treaties.

other provisions of the treaty, Cyprus shall seek a modification of the treaty. If the other High Contracting Party does not agree to the modification, Cyprus shall denounce or otherwise terminate the treaty as soon as possible under international law.

5. Upon request of either constituent state within six months of entry into force of the Foundation Agreement, the Council of Ministers or the Presidential Council may accord a transitional period for the application of a treaty in either constituent state where this seems appropriate, and shall inform the other High Contracting Party accordingly.

6.

   a. A constituent state may ask the Council of Ministers or the Presidential Council during the first two years after entry into force of the Foundation Agreement, to transmit a request to the other High Contracting Party to a treaty listed in Annex V of the Foundation Agreement to modify that treaty, so that it shall not apply to that constituent state, if
      i) the scope of the treaty falls exclusively within the competence of the constituent states; and
      ii) the treaty is of a nature that would permit its application to only one of the constituent states.
   b. The Council of Ministers or the Presidential Council shall consider favourably the request. If they decide positively, they shall request the other High Contracting Party accordingly.
   c. If conditions (i) and (ii) of paragraph 6(a) are fulfilled, and the treaty, in addition, is on commercial or cultural matters, the Council of Ministers or the Presidential Council shall request the other High Contracting Party accordingly.
   d. If the other High Contracting Party is either Greece or Turkey, the operation of the treaty shall be suspended in the territory of the requesting constituent state.
   e. If the other High Contracting Party refuses a request made under 6 (b) or (c) above, the treaty shall remain in force for the entire territory of the United Cyprus Republic.

Article 49 Federal Laws attached to the Foundation Agreement

1. The laws and Cooperation Agreements attached to the Foundation Agreement shall have the same status as if they had been adopted in accordance with the procedures provided for in this Constitution and subsequent to the entry into force of the Main Articles of the Foundation Agreement and this Constitution. They may therefore be amended in accordance with normal procedure and their compatibility with the Main Articles of the Foundation Agreement and this Constitution is therefore subject to review by the Supreme Court.

2. The Federal Parliament shall, upon request of sixteen members from one of its Chambers, review any of the laws attached to the Foundation

Agreement with regard to their compatibility with the Main Articles of the Foundation Agreement and this Constitution.

Article 50 Teaching of official languages

The mandatory teaching of the official languages of the United Cyprus Republic to all secondary school students prescribed in Article 9.4 shall commence no later than three years after entry into force of the Foundation Agreement.

Article 51 State-owned property

1. Public property, other than federal property listed in an attachment to this Constitution or municipal property, is the property of the constituent state in which it is located.

2. The Co-Presidents and the heads of government of the constituent states shall agree on the list of federal property no later than three months after entry into force of the Foundation Agreement. Should they fail to agree, the transitional Supreme Court shall decide on this list based on representations by all interested parties. Such properties shall be considered as federal properties from the date of entry into force of the Foundation Agreement unless otherwise decided.

Article 52 Economic transition and harmonisation

1. In the first years after entry into force of the Foundation Agreement, federal economic policy shall give special attention to the harmonisation and convergence of the economies of the constituent states within the shortest possible time.

2. Without prejudice to the application of European Union law, the Foundation Agreement and the new state of affairs shall not be construed as altering rights enjoyed by businesspeople under import and/or distribution licenses prior to entry into force of the Foundation Agreement, and such licenses shall where possible be construed as licensing such persons to continue operating their businesses in their constituent state after entry into force of the Foundation Agreement.[27]

3. Persons holding bank accounts in foreign currency in Cyprus upon entry into force of the Foundation Agreement shall be allowed to maintain such accounts after entry into force of the Foundation Agreement in

[27] **Observation**: The purpose of this provision is to ensure that entry into force of the Foundation Agreement does not prevent there being two (or more) distributorships in Cyprus (e.g. one per constituent state) until European Union regulations liberalising distributorships enter into force.

accordance with the rules and regulations of the Central Bank, without prejudice to European Union requirements.

4. Federal authorities shall accept book-keeping by private individuals and legal persons in euro. The Central Bank shall issue regulations, in particular on applicable exchange rates.

Article 53 International military operations

Until the accession of Turkey to the European Union, the United Cyprus Republic shall not put its territory at the disposal of international military operations other than with the consent of Greece and Turkey, in addition to the consent of the governments of both constituent states.

Article 54 Missing persons

The heads of government of the constituent states shall without delay take steps to resolve conclusively the issue of missing persons. Both constituent states shall cooperate fully with the Committee on Missing Persons in Cyprus, in accordance with its terms of reference and keeping in mind the agreement reached between the two leaders on 31 July 1997. Each constituent state shall carry out and conclude any and all necessary inquiries, including exhumations.

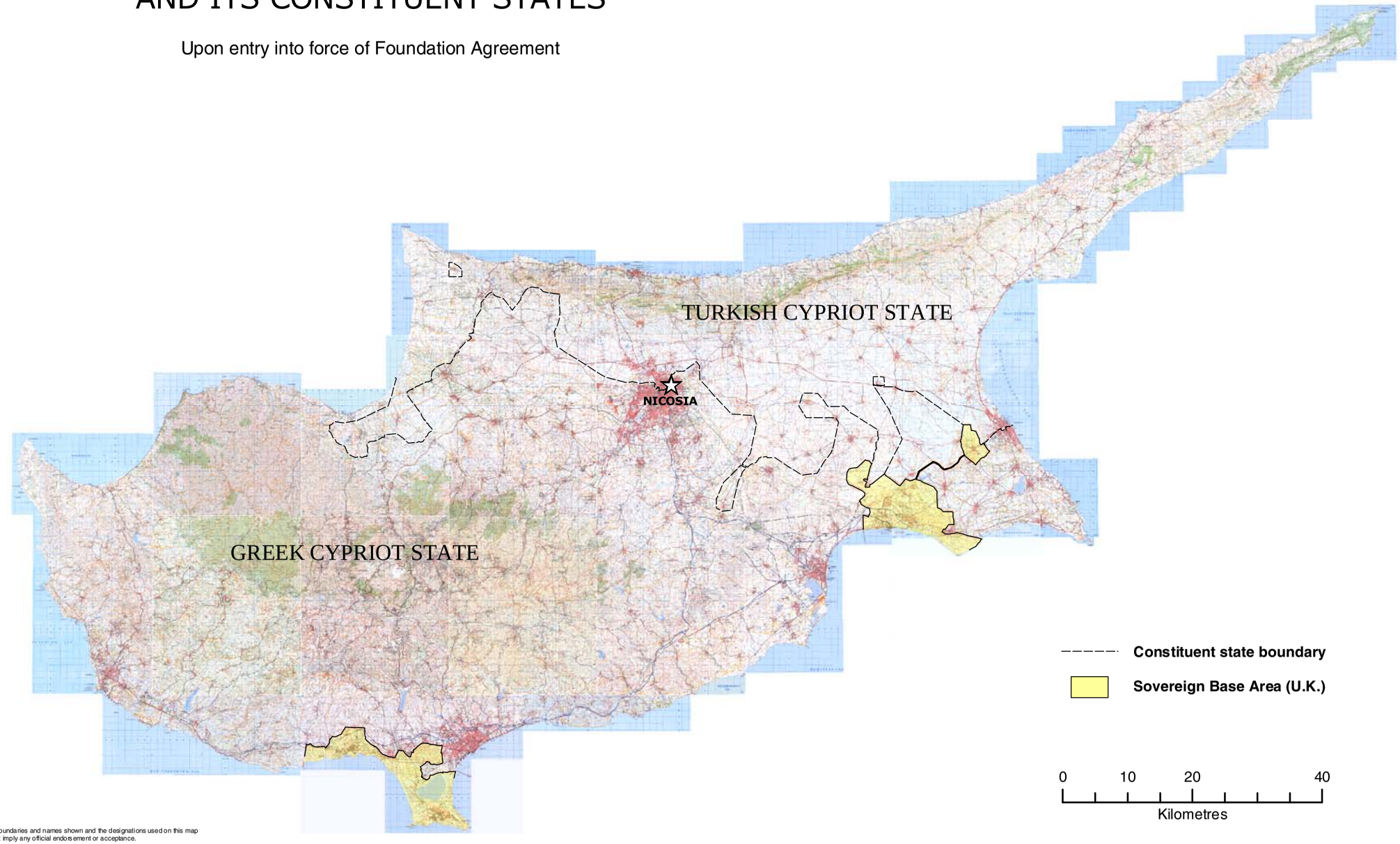
Article 55 Signature of treaty on matters related to the new state of affairs in Cyprus

The Co-Presidents are authorised and obliged to sign into force the Treaty on matters related to the new state of affairs in Cyprus as their first act.[28]

[28] **Observation**: It is understood that given the mandate of the people expressed in separate referenda to sign into force the Treaty on matters related to the new state of affairs in Cyprus, either of the Co-Presidents is empowered to execute the common will of the people of the two constituent states on behalf of Cyprus.

MAP OF THE UNITED CYPRUS REPUBLIC AND ITS CONSTITUENT STATES

Upon entry into force of Foundation Agreement

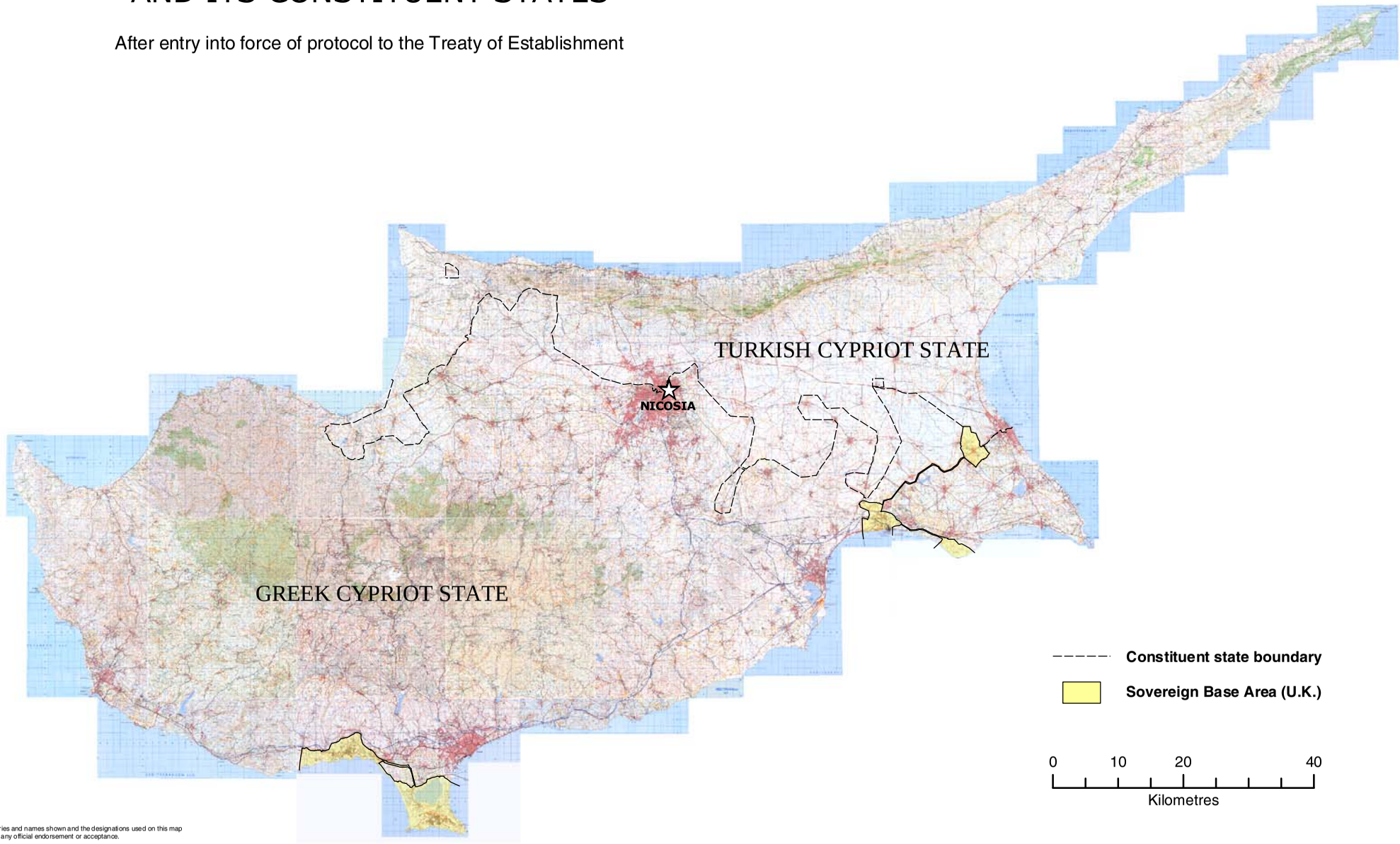


The boundaries and names shown and the designations used on this map do not imply any official endorsement or acceptance.

ATTACHMENT 1b

MAP OF THE UNITED CYPRUS REPUBLIC AND ITS CONSTITUENT STATES

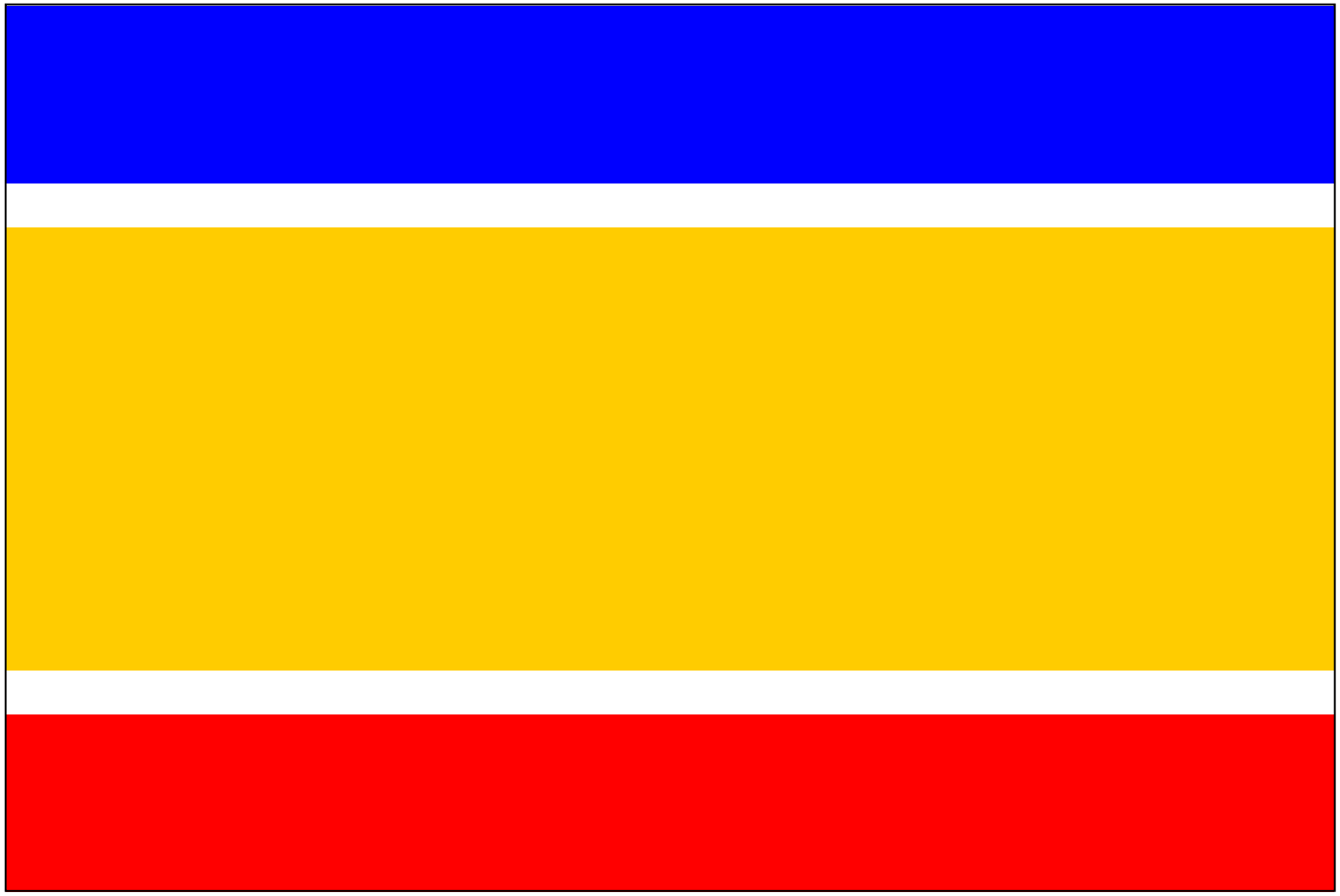
After entry into force of protocol to the Treaty of Establishment



The boundaries and names shown and the designations used on this map do not imply any official endorsement or acceptance.

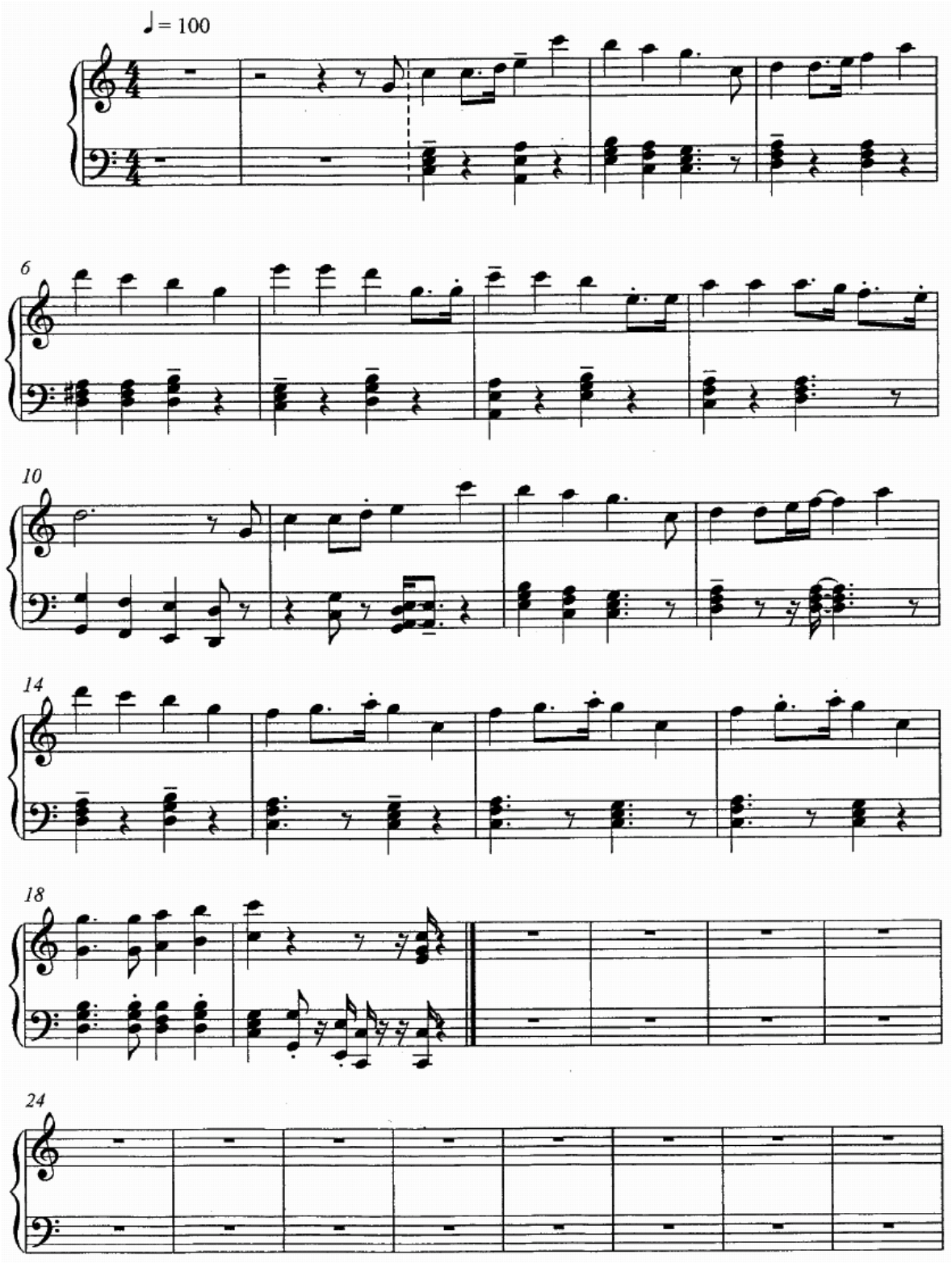
March 2004

ATTACHMENT 2: FLAG OF THE UNITED CYPRUS REPUBLIC



(Note: This is a representation and does not necessarily reflect the true colours as described in Article 8.1.)

ANTHEM OF THE UNITED CYPRUS REPUBLIC



ATTACHMENT 4: FEDERAL PROPERTY

In addition to property specified in federal law – including Ancient monuments specified in List "A" of the First Schedule to the Federal Law on Antiquities – the following shall, unless another decision is taken pursuant to Article 51.2 of the Constitution, be federal property:

1. any public property inside or outside Cyprus which at any time during the two years prior to entry into force of the Foundation Agreement was used for tasks that fall within the competence of the federal government; and

2. the publicly owned land in the area zoned in the Nicosia Master Plan as Phase A "Federal Centre" and Phase B "Federal Centre – Future Area".

ATTACHMENT 5: CATALOGUE OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

In accordance with Article 11 of the Constitution

Article 1 Right to life

1. Everyone's right to life shall be protected by law. No one shall be deprived of his/her life intentionally.
2. Deprivation of life shall not be regarded as inflicted in contravention of this Article when it results from the use of force which is no more than absolutely necessary:
   a. in defence of any person from unlawful violence;
   b. in order to effect a lawful arrest or to prevent the escape of a person lawfully detained; or
   c. in action lawfully taken for the purpose of quelling a riot or insurrection.

Article 2 Prohibition of torture

No one shall be subjected to torture or to inhuman or degrading treatment or punishment.

Article 3 Prohibition of slavery and forced labour

1. No one shall be held in slavery or servitude.
2. No one shall be required to perform forced or compulsory labour. For the purpose of this Article the term “forced or compulsory labour” shall not include:
   a. any work required to be done in the ordinary course of detention imposed according to the provisions of Article 4 of this Catalogue or during conditional release from such detention;
   b. any service of a military character or, in case of conscientious objectors in countries where they are recognised, service exacted instead of compulsory military service;
   c. any service exacted in case of an emergency or calamity threatening the life or well-being of the community; or
   d. any work or service which forms part of normal civic obligations.

Article 4 Right to liberty and security

1. Everyone has the right to liberty and security of person. No one shall be deprived of his/her liberty save in the following cases and in accordance with a procedure prescribed by law:
   a. the lawful detention of a person after conviction by a competent court;
   b. the lawful arrest or detention of a person for non-compliance with the lawful order of a court or in order to secure the fulfilment of any obligation prescribed by law;
   c. the lawful arrest or detention of a person effected for the purpose of bringing him/her before the competent legal authority on reasonable suspicion of having committed an offence or when it is reasonably considered necessary to prevent his/her committing an offence or fleeing after having done so;
   d. the detention of a minor by lawful order for the purpose of educational supervision or his/her lawful detention for the purpose of bringing him/her before the competent legal authority;
   e. the lawful detention of persons for the prevention of the spreading of infectious diseases, of persons of unsound mind, alcoholics or drug addicts or vagrants; or
   f. the lawful arrest or detention of a person to prevent his/her effecting an unauthorised entry into the country or of a person against whom action is being taken with a view to deportation or extradition.
2. Everyone who is arrested shall be informed promptly, in a language which s/he understands, of the reasons for his/her arrest and of any charge against him/her.
3. Everyone arrested or detained in accordance with the provisions of paragraph 1.c of this Article shall be brought promptly before a judge or other officer authorised by law to exercise judicial power and shall be entitled to trial within a reasonable time or to release pending trial. Release may be conditioned by guarantees to appear for trial.
4. Everyone who is deprived of his/her liberty by arrest or detention shall be entitled to take proceedings by which the lawfulness of his/her detention shall be decided speedily by a court and his/her release ordered if the detention is not lawful.
5. Everyone who has been the victim of arrest or detention in contravention of the provisions of this Article shall have an enforceable right to compensation.

Article 5 Right to a fair trial

1. In the determination of his/her civil rights and obligations or of any criminal charge against him/her, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial

tribunal established by law. Judgment shall be pronounced publicly but the press and public may be excluded from all or part of the trial in the interests of morals, public order or national security in a democratic society, where the interests of juveniles or the protection of the private life of the parties so require, or to the extent strictly necessary in the opinion of the court in special circumstances where publicity would prejudice the interests of justice.

2. Everyone charged with a criminal offence shall be presumed innocent until proved guilty according to law.

3. Everyone charged with a criminal offence has the following minimum rights:
   a. to be informed promptly, in a language which s/he understands and in detail, of the nature and cause of the accusation against him/her;
   b. to have adequate time and facilities for the preparation of his/her defence;
   c. to defend himself/herself in person or through legal assistance of his/her own choosing or, if s/he has not sufficient means to pay for legal assistance, to be given it free when the interests of justice so require;
   d. to examine or have examined witnesses against him/her and to obtain the attendance and examination of witnesses on his/her behalf under the same conditions as witnesses against him/her; and
   e. to have the free assistance of an interpreter if s/he cannot understand or speak the language used in court.

Article 6 No punishment without law

1. No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national or international law at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the criminal offence was committed.

2. This Article shall not prejudice the trial and punishment of any person for any act or omission which, at the time when it was committed, was criminal according to the general principles of law recognised by civilised nations.

Article 7 Right to respect for private and family life

1. Everyone has the right to respect for his/her private and family life, his/her home and his/her correspondence.

2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety

or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

Article 8 Freedom of thought, conscience and religion

1. Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his/her religion or belief and freedom, either alone or in community with others and in public or private, to manifest his/her religion or belief, in worship, teaching, practice and observance.

2. Freedom to manifest one's religion or beliefs shall be subject only to such limitations as are prescribed by law and are necessary in a democratic society in the interests of public safety, for the protection of public order, health or morals, or for the protection of the rights and freedoms of others.

Article 9 Freedom of expression

1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This Article shall not prevent States from requiring the licensing of broadcasting, television or cinema enterprises.

2. The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.

Article 10 Freedom of assembly and association

1. Everyone has the right to freedom of peaceful assembly and to freedom of association with others, including the right to form and to join trade unions for the protection of his/her interests.

2. No restrictions shall be placed on the exercise of these rights other than such as are prescribed by law and are necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This Article shall not prevent the imposition of lawful restrictions on the exercise of these

rights by members of the armed forces, of the police or of the administration of the State.

Article 11 Right to marry

Men and women of marriageable age have the right to marry and to found a family.

Article 12 Right to an effective remedy

Everyone whose rights and freedoms as set forth in this Catalogue are violated shall have an effective remedy before a national authority notwithstanding that the violation has been committed by persons acting in an official capacity.

Article 13 Prohibition of discrimination

1. The enjoyment of any right set forth by law shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.
2. No one shall be discriminated against by any public authority on any ground such as those mentioned in paragraph 1.

Article 14 Protection of property

1. Every natural or legal person is entitled to the peaceful enjoyment of his/her possessions. No one shall be deprived of his/her possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
2. The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

Article 15 Right to education

No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching in conformity with their own religious and philosophical convictions.

Article 16 Right to free elections

The United Cyprus Republic shall hold free elections at reasonable intervals by secret ballot, under conditions which will ensure the free expression of the opinion of the people in the choice of the legislature.

Article 17 Prohibition of imprisonment for debt

No one shall be deprived of his/her liberty merely on the ground of inability to fulfil a contractual obligation.

Article 18 Freedom of movement

1. Without prejudice to the relevant constitutional law, everyone lawfully within the territory of the United Cyprus Republic shall, within that territory, have the right to liberty of movement and freedom to choose his/her residence.
2. Everyone shall be free to leave the United Cyprus Republic. No restrictions shall be placed on the exercise of these rights other than such as are in accordance with law and are necessary in a democratic society in the interests of national security or public safety, for the maintenance of order public, for the prevention of crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.
3. The rights set forth in paragraph 1 may also be subject, in particular areas, to restrictions imposed in accordance with law and justified by the public interest in a democratic society.

Article 19 Prohibition of expulsion of nationals

1. No citizen of the United Cyprus Republic shall be expelled, by means either of an individual or of a collective measure, from the territory of the United Cyprus Republic.
2. No citizen of the United Cyprus Republic shall be deprived of the right to enter its territory.

Article 20 Prohibition of collective expulsion of aliens

Collective expulsion of aliens is prohibited.

Article 21 Abolition of the death penalty

The death penalty shall be abolished. No-one shall be condemned to such penalty or executed.

Article 22 Procedural safeguards relating to expulsion of aliens

1. An alien lawfully resident in the territory of the United Cyprus Republic shall not be expelled therefrom except in pursuance of a decision reached in accordance with law and shall be allowed:
   a. to submit reasons against his/her expulsion;
   b. to have his/her case reviewed; and
   c. to be represented for these purposes before the competent authority or a person or persons designated by that authority.
2. An alien may be expelled before the exercise of his/her rights under paragraph 1.a, b and c of this Article, when such expulsion is necessary in the interests of public order or is grounded on reasons of national security.

Article 23 Right of appeal in criminal matters

1. Everyone convicted of a criminal offence by a tribunal shall have the right to have his/her conviction or sentence reviewed by a higher tribunal. The exercise of this right, including the grounds on which it may be exercised, shall be governed by law.
2. This right may be subject to exceptions in regard to offences of a minor character, as prescribed by law, or in cases in which the person concerned was tried in the first instance by the highest tribunal or was convicted following an appeal against acquittal.

Article 24 Compensation for wrongful conviction

When a person has by a final decision been convicted of a criminal offence and when subsequently his/her conviction has been reversed, or s/he has been pardoned, on the ground that a new or newly discovered fact shows conclusively that there has been a miscarriage of justice, the person who has suffered punishment as a result of such conviction shall be compensated according to the law or the practice of the United Cyprus Republic, unless it is proved that the non-disclosure of the unknown fact in time is wholly or partly attributable to him/her.

Article 25 Right not to be tried or punished twice

1. No one shall be liable to be tried or punished again in criminal proceedings for an offence for which s/he has already been finally acquitted or convicted.
2. The provisions of the preceding paragraph shall not prevent the reopening of the case in accordance with the law and penal procedure, if there is evidence of new or newly discovered facts, or if there has been a

fundamental defect in the previous proceedings, which could affect the outcome of the case.

Article 26 Equality between spouses

Spouses shall enjoy equality of rights and responsibilities of a private law character between them, and in their relations with their children, as to marriage, during marriage and in the event of its dissolution. This Article shall not prevent the United Cyprus Republic from taking such measures as are necessary in the interests of the children.

ANNEX II: CONSTITUTIONAL LAWS

The attachments of this Annex shall be Constitutional Laws upon entry into force of the Foundation Agreement, able to be amended in accordance with the Constitution.

ATTACHMENT 1: CONSTITUTIONAL LAW ON THE ELABORATION AND ADOPTION OF CONSTITUTIONAL LAWS

ATTACHMENT 2: CONSTITUTIONAL LAWS ON POLICE MATTERS AND COMPOSITION AND FUNCTIONS OF THE JOINT INVESTIGATION AGENCY

Law 1: Constitutional Law on the strength and equipment of the constituent state police forces

Law 2: Constitutional Law on the composition and functions of the Joint Investigation Agency

ATTACHMENT 3: CONSTITUTIONAL LAW ON INTERNAL CONSTITUENT STATE CITIZENSHIP STATUS AND CONSTITUENT STATE RESIDENCY RIGHTS

ANNEX III: FEDERAL LAWS

The attachments to this Annex shall be federal legislation upon entry into force of the Foundation Agreement, able to be amended in accordance with the Constitution.

ATTACHMENT 1: FEDERAL LAW ON THE ANTHEM, FLAG, INSIGNIA AND HONOURS OF THE UNITED CYPRUS REPUBLIC

ATTACHMENT 2: FEDERAL LAW ON CONDUCT OF EXTERNAL RELATIONS

ATTACHMENT 3: FEDERAL LAW ON CONDUCT OF EUROPEAN UNION RELATIONS

Law 1: Federal Law on Conduct of European Union Relations

Law 2: Federal Law on the Application of Certain Federal Laws Transposing the European Union *Acquis*

ATTACHMENT 4: FEDERAL LAW ON THE CITIZENSHIP OF THE UNITED CYPRUS REPUBLIC AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO

ATTACHMENT 5: FEDERAL LAWS ON ALIENS, IMMIGRATION AND ASYLUM

Law 1: Federal Law on Aliens and Immigration

Law 2: Federal Law on the International Protection of Aliens and the Implementation of the 1951 Geneva Convention on the Status of Refugees and the 1967 Protocol Relating to the Status of Refugees

Law 3: Federal Law on the Freedom of Movement and Residence of European Union Citizens and Members of their Families

Law 4: Federal Law on the Extradition of Fugitives

Law 5: Federal Law on the European Arrest Warrant and the Surrender Procedures between Member States of the European Union

ATTACHMENT 6: FEDERAL LAW ON THE CENTRAL BANK OF CYPRUS

ATTACHMENT 7: FEDERAL LAW ON VALUE-ADDED TAX

ATTACHMENT 8: FEDERAL LAW ON THE BUDGET

ATTACHMENT 9: FEDERAL LAWS ON INTERNATIONAL TRADE, CUSTOMS AND EXCISE

Law 1: Federal Law on Trade

Law 2: Federal Law on Customs Code

Law 3: Federal Law on Excise Duties

Law 4: Federal Law on Mutual Assistance for the Recovery of Claims Relating to Certain Levies, Duties, Taxes and other Measures (and Regulations)

ATTACHMENT 10: FEDERAL LAW ON CIVIL AVIATION AND AIRSPACE MANAGEMENT

ATTACHMENT 11: FEDERAL LAWS ON INTERNATIONAL NAVIGATION, TERRITORIAL WATERS, AND CONTINENTAL SHELF

Law 1: Federal Law on Merchant Shipping (Registration of Ships, Sales and Mortgages)

Law 1A: Federal Law on Merchant Shipping (Directorate of Maritime Affairs)

Law 2: Federal Law on Merchant Shipping (Masters and Seamen)

Law 3: Federal Law on Cyprus Ships (Prohibition on Certain Transportation)

Law 4: Federal Law on Merchant Shipping (Fees and Taxing Provisions)

Law 5: Federal Law on High Speed Small Vessels

Law 6: Federal Law on Merchant Shipping (Safe Manning, Hours of Work and Watchkeeping)

Law 7: Federal Law on Merchant Shipping (Criminal and Disciplinary Liability of Seafarers, Suspension or Cancellation of Certificates)

Law 8: Federal Law on Merchant Shipping (Medical Examination of Seafarers and the Issue of Medical Fitness Certificates)

Law 9: Federal Law on Merchant Shipping (Registration of Seafarers and the Seafarers Register)

Law 10: Federal Law on Merchant Shipping (Issue and Recognition of Certificates and Marine Training)

Law 11: Federal Law on Merchant Shipping (Recognition and Authorisation of Organisations)

Law 12: Federal Law on Merchant Shipping (Port State Control)

Law 13: Federal Law on Merchant Shipping (Marine Equipment)

Law 14: Federal Law on Merchant Shipping (Harmonised Safety Regime for Fishing Vessels of 24 Metres and over)

Law 15: Federal Law on Merchant Shipping (Registration of Persons Sailing on Board Passenger Ships)

Law 16: Federal Law on Merchant Shipping (Safety Rules and Standards for Passenger Ships)

Law 17: Federal Law on Merchant Shipping (Mandatory Surveys for the Safe Operation of Regular Ro-Ro Ferry and High-Speed Passenger Craft Services)

Law 18: Federal Law on Merchant Shipping (Minimum Safety and Health Requirements for Work on Board Cyprus Fishing Vessels)

Law 19: Federal Law on Merchant Shipping (Minimum Requirements for Medical Treatment on Board Vessels)

Law 20: Federal Law on Admiralty Jurisdiction (including Admiralty Rules)

Law 21: Federal Law on Recording and Control of Small Vessels

Law 22: Federal Law on Merchant Shipping (Safety of Non-Convention Ships)

Law 23: Federal Law on the Carriage of Goods by Sea

Law 24: Federal Law on Wrecks

Law 25: Federal Law on Shipwrecked Passengers

Law 26: Federal Law on the Implementation of the International Convention on Load Lines, 1966

Law 27: Federal Law on the Implementation of the International Convention on the International Maritime Organisation

Law 28: Federal Law on the Implementation of the Convention on the International Regulations for Preventing Collisions At Sea

Law 29: Federal Law on the Implementation of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

Law 30: Federal Law on the Implementation of the International Convention for the Safety of Life at Sea

Law 31: Federal Law on the Implementation of the International Convention on Tonnage Measurement of Ships

Law 32: Federal Law on the Implementation of the 1926 International Convention for the Unification of Certain Rules Concerning the Immunity of State Owned Ships

Law 33: Federal Law on the Implementation of the International Convention on Civil Liability for Oil Pollution Damage

Law 34: Federal Law on the Implementation of the International Convention for the Prevention of Pollution of the Sea from Ships

Law 35: Federal Law on the Implementation of the International Convention for the Establishment of an International Fund for Compensation for Oil Pollution Damage

Law 36: Federal Law on the Implementation of the Special Trade Passenger Ships Agreement-

Law 37: Federal Law on the Implementation of the International Convention for the Prevention of Pollution of the Sea by Dumping of Waste and other Matters

Law 38: Federal Law on the Implementation of the International Convention for the Unification of Certain Rules Concerning Civil Jurisdiction in Matters of Collision of Ships

Law 39: Federal Law on the Implementation of the International Convention for the Unification of Certain Rules Relating to Penal Jurisdiction in Matters of Collision of Ships

Law 40: Federal Law Implementing the International Convention on Maritime Search and Rescue

Law 41: Federal Law on the Implementation of the Convention fixing the Minimum Age for the Admission of Children to Employment at Sea

Law 42: Federal Law on the Implementation of the Convention concerning the Repatriation of Seamen

Law 43: Federal Law on the Implementation of the ILO Convention Concerning Minimum Standards in Merchant Ships

Law 44: Federal Law on the Implementation of the Convention concerning Crew Accommodation on Board Ships

Law 45: Federal Law on the Implementation of the International Convention on Safe Containers

Law 46: Federal Law on the Implementation of the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation

Law 47: Federal Law on the Maritime Areas of Cyprus

Law 48: Federal Law on the Continental Shelf of Cyprus

Law 49: Federal Law on Merchant Shipping (Organisation of Working Time of Seafarers)

ATTACHMENT 12: FEDERAL LAW ON THE NATURAL WATER RESOURCES OF THE UNITED CYPRUS REPUBLIC, FOR EQUITABLE SHARING OF THESE RESOURCES BETWEEN THE CONSTITUENT STATES AND FOR PURPOSES CONNECTED THEREWITH

ATTACHMENT 13: FEDERAL LAW ON NATURAL RESOURCES

Law 1: Federal Law on the Prospecting, Exploration and Exploitation of Hydrocarbons

Law 2: Federal Law on Mines and Quarries

ATTACHMENT 14: FEDERAL LAWS ON IMPLEMENTATION OF FEDERAL LAWS

Law 1: Federal Law on the Issuing of Regulations

Law 2: Federal Law on Implementation of Federal Laws by Constituent State Authorities

ATTACHMENT 15: FEDERAL LAWS ON COMMUNICATIONS

Law 1: Federal Law on the Legislative Framework governing the Radiocommunications Sector

Law 2: Federal Law on the Regulation of Electronic Communication and Postal Services

ATTACHMENT 16: FEDERAL LAW ON THE METEOROLOGICAL SERVICE OF CYPRUS AND TO PROVIDE FOR ITS FUNCTIONS AND FOR PURPOSES CONNECTED THEREWITH

ATTACHMENT 17: FEDERAL LAW ON THE ESTABLISHMENT OF STANDARDS OF WEIGHTS AND MEASURES BASED ON THE METRIC SYSTEM AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO

ATTACHMENT 18: FEDERAL LAWS ON INTELLECTUAL PROPERTY

Law 1: Federal Law on the Legal Protection of Copyright and Neighbouring Rights

Law 2: Federal Law on the Legal Protection of Topographies of Semiconductor Products

Law 3: Federal Law on Trade Marks

Law 4: Federal Law on Patents

Law 5: Federal Law on the Legal Protection of Industrial Designs and Models

Law 6: Federal Law on the Registration and Protection of Geographical Indications and Designations of Origin of Agricultural Products and Foodstuffs

Law 7: Federal Law on the Control of Movement of Goods which Infringe Intellectual Property Rights

ATTACHMENT 19: FEDERAL LAWS ON ANTIQUITIES

Law 1: Federal Law on Antiquities

Law 2: Federal Law on the Return of Cultural Objects

Law 3: Federal Law on the Export of Cultural Objects

ATTACHMENT 20: FEDERAL LAWS ON ELECTIONS

Law 1: Federal Law on the Election of the Members of Parliament (Senate and the Chamber of Deputies) (Transitional Provisions)

Law 2: Federal Law on the Election of the Members of Parliament (Senate and the Chamber of Deputies)

Law 3: Federal Law on Elections to the European Parliament

ATTACHMENT 21: FEDERAL LAW ON FEDERAL GOVERNMENT IMMUNITIES AND EXEMPTIONS

ATTACHMENT 22: FEDERAL LAWS ON ADMINISTRATION

Law 1: Federal Law on the Functioning of the Public Service Commission, for the Appointment, Promotion and Retirement of Public Officers, and for Conditions of Service, Disciplinary Proceedings and other Matters relating to the Public Service

Law 2: Federal Law on Pensions

ATTACHMENT 23: FEDERAL LAW ON THE OFFICIAL LANGUAGES OF THE UNITED CYPRUS REPUBLIC

ATTACHMENT 24: FEDERAL LAW ON FEDERAL POLICE AND JOINT INVESTIGATION AGENCY

Law 1: Federal Law on the organisation, discipline, powers and duties of the Federal Police and for matters incidental thereto

Law 2: Federal Law on Joint Investigation Agency

ATTACHMENT 25: FEDERAL LAW ON LEGISLATIVE PROCEDURE AND ON PROCEDURE FOR AMENDMENTS OF THE CONSTITUTION

ATTACHMENT 26: FEDERAL LAWS ON ADMINISTRATION OF JUSTICE

Law 1: Federal Law on Administration of Justice

Law 2: Federal Law on Civil Procedure

Law 3: Federal Law on Criminal Procedure

Law 4: Federal Law on Evidence

ATTACHMENT 27: FEDERAL LAW ON FEDERAL OFFENCES

Law 1: Federal Law on Terrorism

Law 2: Federal Law on Drug Trafficking

Law 3: Federal Law on the Prevention and Suppression of Money Laundering

Law 4: Federal Law on the General Principles of Criminal Law

Law 5: Federal Law on Organised Crime

ATTACHMENT 28: FEDERAL LAW ON IMPEACHMENT

ATTACHMENT 29: FEDERAL LAWS ON THE AWARD OF CONTRACTS

Law 1: Federal Law on the Award of Public Contracts (Supply, Works and Services)

Law 2: Federal Law on the Award of Public Contracts (Supply, Works and Services) of Entities Operating in the Water, Energy, Transport and Telecommunications Sectors and for Other Related Matters

ATTACHMENT 30: FEDERAL LAW ON THE PROTECTION OF PERSONAL DATA

ATTACHMENT 31: FEDERAL LAWS ON REGULATION OF CAPITAL MARKETS

Law 1: Federal Law on Insider Dealing, Market Manipulation (Market Abuse) and Related Issues

Law 2: Federal Law on Prospectus to be Published when Securities are Offered to the Public or Admitted to Trading in a Regulated Market

Law 3: Federal Law on the Operation of Investment Advisory Firms, and other Related Issues

Law 4: Federal Law on Public Offering for the acquisition or purchase of securities and mergers of listed companies

Law 5: Federal Law on Cyprus Securities and Exchange Commission

Law 6: Federal Law on Settlement Finality in Payment Systems and Security Settlement Systems

Law 7: Federal Law on Investment Firms

Law 8: Federal Law on the Open-ended Undertakings for Collective Investment in Transferable Securities (UCITS) and Related Issues

ATTACHMENT 32: FEDERAL LAWS ON REGULATION OF INSURANCE MARKETS

Law 1: Federal Law on Insurance Services

Law 2: Federal Law on Third Party Insurance for Motor Vehicles

Law 3: Federal Law on Compulsory Insurance for Employers' Liability

ATTACHMENT 33: FEDERAL LAWS ON BANKING

ATTACHMENT 34: FEDERAL LAW ON THE CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS FOR THE PURPOSES OF EFFECTIVE COMPETITION

ATTACHMENT 35: FEDERAL LAW ON THE PROTECTION OF COMPETITION

ANNEX IV: COOPERATION AGREEMENTS BETWEEN THE FEDERAL GOVERNMENT AND THE CONSTITUENT STATES

The attachments to this Annex shall be Cooperation Agreements between the federal government and the constituent states upon entry into force of the Foundation Agreement. These agreements may be amended by agreement of the federal government and both constituent states.

ATTACHMENT 1: COOPERATION AGREEMENT ON EXTERNAL RELATIONS

ATTACHMENT 2: COOPERATION AGREEMENT ON EUROPEAN UNION RELATIONS

ATTACHMENT 3: COOPERATION AGREEMENT BETWEEN THE FEDERAL GOVERNMENT AND THE CONSTITUENT STATES ON POLICE MATTERS

ANNEX V: LIST OF INTERNATIONAL TREATIES AND INSTRUMENTS BINDING ON THE UNITED CYPRUS REPUBLIC

[separately submitted]

ANNEX VI: TERRITORIAL ARRANGEMENTS

Article 1 Delineation of constituent state boundaries

1. The boundaries of the constituent states, depicted in the maps attached to the Constitution, are described in detail in the attached table. All areas falling within these boundaries are legally part of the constituent state of which they form part from the moment of entry into force of the Foundation Agreement, regardless of whether their administration is entrusted for an interim period in accordance with this Agreement.

2. There shall be a Boundary Committee comprising three representatives of each constituent state and at least one non-Cypriot. The Committee shall be appointed upon entry into force of the Foundation Agreement, and shall demarcate the boundary on the ground.

3. The demarcation by the Committee may by agreement deviate from the stipulated boundary to take account of ownership of properties in the area of the boundary and significant topographical and other features such as graveyards and pre-existing paths. In towns (namely Nicosia and Famagusta) and built up areas in general, the final boundary shall be demarcated in such a way as to take into account as an overriding concern ownership of properties in the area of the boundary. Functionality of street use and administration shall also be a consideration. Any inconsistency between the above description of the course of the agreed boundary and the map shall be decided by consensus by the Committee, or, where it is unable to reach consensus, by the Supreme Court of Cyprus.

Article 2 Access and connecting roads

1. Civilian traffic on direct connecting roads between the main part of a constituent state and a non-contiguous part, as well as on direct connecting roads through a non-contiguous part of a constituent state, may only be restricted pursuant to an injunction of the Supreme Court.

2. The highway connecting north Nicosia and Famagusta is under the territorial administration of the Turkish Cypriot State for its entire length. The Greek Cypriot State shall be entitled to construct an underpass or overpass for access to Pyrga.

3. The road connecting Pyrogi and Athienou is under the territorial administration of the Greek Cypriot State for its entire length. The Turkish Cypriot State shall be entitled to construct an underpass or overpass for access to Akincilar (Louroujina).

4. After entry into force of the Additional Protocol to the Treaty of Establishment, the Turkish Cypriot State shall be entitled to construct a road under its territorial administration between Beyarmudu (Pergamos) and the Dhekelia Sovereign Base Area, across the territory administered by the Greek Cypriot State and to expropriate the necessary land in exchange for full and effective compensation, in cooperation with the Greek Cypriot State. The constituent states shall agree on the location of any necessary underpasses or overpasses to be built at the expense of the Turkish Cypriot State.

Article 3 Phasing of territorial adjustment

1. Administration of areas subject to territorial adjustment (other than the United Nations Buffer Zone) is entrusted by the constituent state of which they are legally part ("the entitled constituent state") to the authorities of the other constituent state ("the entrusted authorities") for specified periods from the day of entry into force of the Foundation Agreement. The entrustment of administration shall end, and the area shall be transferred to the entitled constituent state, in six phases as depicted in the attached map and specified in a further attachment to this Annex.

2. The constituent states shall render full cooperation to the United Nations which, in conformity with its mandate, shall supervise activities relating to the transfer of areas subject to territorial adjustment and contribute to the maintenance of a secure environment.

3. During the last months of phases three to six, when supervision by the United Nations of the activities relating to the transfer of areas subject to territorial adjustment shall be enhanced in the relevant areas, the United Nations shall assume territorial responsibility for those areas, without prejudice to the administration of the daily lives of the local population by the entrusted authorities. The United Nations may issue directives to local officials, and, should it be necessary, preclude a local official from duty in the area; United Nations police shall have full powers in the area and the right to give operational instructions to local police. However, the United Nations shall not assume responsibility for local finances or personnel.

4. Areas subject to territorial adjustment shall be vacated of any forces and armaments no later than two weeks prior to:

   a. the specified date for transfer to the entitled constituent state (in phases one and two); or
   b. the specified date for assumption of territorial responsibility by the United Nations (in phases three to six);

   and no forces and armaments, except those of the United Nations, shall be located thereafter in that area or within 1000 metres of it.

Article 4 Security cooperation during period of territorial adjustment

1. During the phasing period, the areas under the administration of the constituent states shall be clearly marked by temporary poles with marking flags, as directed by the Transitional Committee referred to in paragraph 2. During this period, and without prejudice to the paragraph below, there shall be no less than twelve agreed crossing points along the lines of the following roads or routes: Dherinia to Famagusta road, Strovilia/Akyar crossing point, Pyla/Pile to Beyarmudu (Pergamos) road, Athienou to Melousha road, Limpia to Akincilar (Louroujina) road, Nicosia-Kaimakli to Nicosia-Omorphita, Ledra crossing point, Agios Dhometios/Metehan crossing point, Astromeritis to Morphou road, Skouriotissa to Lefke (Lefka) road, Galini to Potamos Tou Kambou road, and Kato Pyrgos to Karavostasi road.[29]

2. For the period of territorial adjustment, there shall be a Transitional Committee, comprising a representative of each constituent state and of the United Nations, with the latter chairing. The Committee shall consider any issues that relate to the territorial adjustment or the presence in a constituent state of persons holding the internal constituent state citizenship status of the other constituent state, as may be brought to its attention by one of its members. In particular, the Committee shall consider matters relating to public order and security and shall determine when and for how long, for such reasons, the agreed crossing points need to be closed or changed, or limits temporarily imposed on the number of persons using them.

Article 5 Current inhabitants

1. The following special arrangements shall safeguard the rights and interests of current inhabitants of areas subject to territorial adjustment, and provide for orderly relocation to adequate alternative accommodation (in accordance with Annex VII) in appropriate locations where adequate livelihoods may be earned:
   a. persons to be relocated shall be registered by household, including details of their current occupation or means of livelihood;
   b. communities may request to be relocated as a community;
   c. persons with sufficient financial means shall vacate properties no later than one month prior to the agreed date of transfer of administration of the relevant area, unless the Relocation Board exceptionally decides otherwise;
   d. persons without sufficient financial means shall receive no less than three months' notice of the date for relocation once alternative

[29] **Clarification**: There shall be no crossing points limiting freedom of movement after completion of the transfer of administration. The existence of crossing points during this period does not necessarily require the control of identity documents at those crossing points. This is a separate issue to be dealt with on the basis of security requirements.

accommodation has been identified; during this time they may access this alternative accommodation to prepare it for their arrival;

e. persons to be relocated who do not have sufficient financial means shall be provided with transport for the members of their household and their belongings, as necessary; and

f. special arrangements shall be made for families with young children, the elderly and the disabled.

2. Persons other than Cypriot citizens who, on the date of entry into force of the Foundation Agreement, reside in areas subject to territorial adjustment and have lived in Cyprus for no less than five years, may apply for financial assistance to relocate to their country of origin. Such assistance shall be in the form of cash grants payable on their arrival in their country of origin, within five years of entry into force of the Foundation Agreement. The amount of the grant shall be in accordance with a scale, based on a figure of no less than 10,000 Euros for a household of four.[30]

Article 6 Monuments and memorial sites

Any Turkish Cypriot monument or other memorial site connected to the events between 1963 and 1974 which is located in an area subject to territorial adjustment shall, upon transfer of such area, come under the administration of the Reconciliation Commission which shall determine the final status and management arrangements (including, where appropriate, care and maintenance) for such monument or site, which shall be respected by any person or body with an interest in the site or surrounding property. For this purpose, the Reconciliation Commission may create or nominate a particular trust or foundation, which shall be entitled to access the monument or site under such arrangements.

Article 7 Relocation Board

1. Relocation pursuant to Article 5 shall be managed by a Relocation Board, comprising five persons, including one representative of each constituent state and three non-Cypriots who are not citizens of Greece, Turkey or the United Kingdom and of whom one shall be a United Nations representative. The latter is invited to chair the Board. The Secretary-General of the United Nations is invited to appoint the non-Cypriot members of the Board.

2. The constituent states shall each nominate a representative of their authority competent for housing and property issues, their authority competent for employment/economic issues, their constituent state police and each of the local authorities for the areas subject to territorial

[30] **Observation**: The services of the International Organisation for Migration could be requested in this regard.

adjustment, to cooperate and liaise with the Relocation Board and attend extended planning meetings at the request of the Board.

3. Among other responsibilities the Relocation Board will, in cooperation with international agencies, work with the constituent states to develop and support the implementation of a comprehensive resettlement plan based on a social assessment survey of households that will be affected by relocation and a land use plan for areas to receive relocated households. The resettlement plan shall be finalised by 31 August 2004. It shall be presented to the Presidential Council which shall ensure that appropriate provisions regarding the cost of resettlement, including international financial assistance committed to the resettlement plan, are included in the budget for 2005.

4. Based on the results of the survey, the Relocation Board shall identify options to help persons affected by relocation to secure alternative accommodation, including targeted financial assistance, as well as public and low-cost social housing. When planning the construction of alternative accommodation, special consideration shall be given to requests of communities wishing to relocate as a community.

5. The Relocation Board shall also work with the constituent state authorities to ensure a smooth transition to restored or new forms of livelihood for relocated families. With the expertise and support of international organisations and public-private partnerships, the Relocation Board shall assist the constituent state governments in developing and implementing programmes for the rapid restoration of livelihood of relocated households. These programmes shall include, but not be limited to, active labour market programmes, training and retraining for job skills focusing on key growth areas, credits and matching grants for development of new small and medium size enterprises, promoting availability of financing for small businesses, development of community infrastructure and improved targeting of social benefits as needed.

6. The Relocation Board shall work closely with the Property Board regarding decisions on reinstatement in the areas subject to territorial adjustment and the identification of alternative accommodation. It shall verify that adequate alternative accommodation is ready for inhabitation before setting dates for relocation. It shall also initiate the necessary arrangements with the competent authorities in the receiving municipalities to ensure that persons relocating there are assisted in establishing a livelihood in those municipalities.

7. The Relocation Board shall adopt rules and regulations in accordance with these provisions. The constituent states shall fully respect and implement the decisions of the Relocation Board in a timely manner, and adopt any necessary legislation or regulations to ensure their enforcement.

Article 8 Properties

Properties located in areas subject to territorial adjustment shall be handled in accordance with the provisions of Attachment 4 of Annex VII.

ATTACHMENT 1: DETAILED DESCRIPTION OF THE COURSE OF THE BOUNDARY BETWEEN THE CONSTITUENT STATES

Note: The geographical coordinates listed in the following tables were extracted from a digital copy of the United Kingdom Ministry of Defence Series K717 1:50,000 scale maps.

West Cost – Nicosia (Walled City)

Longitude (E)	Latitude (N)	Description
32° 54' 32.3"	35° 11' 33.3"	Starting point on West (W) coastline north (N) of Ghaziveran follows track south-east (SE) to
32° 54' 40.4"	35° 11' 28.4"	Turning point (TP) N of Ghaziveran follows south (S) to
32° 53' 52.5"	35° 9' 12.0"	TP east (E) of Pedayia follows south-west (SW) to
32° 50' 45.3"	35° 7' 59.2"	TP hilltop "48" SE of Karovostasi follows west (W) to
32° 49' 23.5"	35° 7' 46.1"	TP hilltop "76" SW of Karovostasi follows west (W) to
32° 48' 23.7"	35° 7' 51.8"	TP follows SW to
32° 48' 5.2"	35° 7' 39.0"	TP of junction of road N of Ambelikou follows road to
32° 47' 54.7"	35° 7' 20.7"	TP hilltop "393" follows SW to
32° 47' 45.4"	35° 7' 10.1"	TP on current Turkish Forces Ceasefire Line (TFCFL) W of Ambelikou
32° 48' 1.0"	35° 6' 56.4"	Follows current TFCFL through points:
32° 48' 12.5"	35° 6' 33.9"	
32° 48' 26.9"	35° 6' 21.7"	
32° 48' 35.6"	35° 6' 7.6"	
32° 48' 45.6"	35° 6' 3.8"	
32° 48' 55.8"	35° 5' 57.6"	
32° 49' 6.9"	35° 5' 56.0"	
32° 49' 21.5"	35° 5' 50.0"	
32° 49' 27.7"	35° 5' 43.7"	
32° 49' 37.9"	35° 5' 20.9"	
32° 50' 3.6"	35° 5' 1.2"	
32° 50' 28.7"	35° 4' 53.4"	Dry river bed
32° 50' 39.8"	35° 4' 53.9"	
32° 50' 49.6"	35° 4' 57.9"	
32° 50' 59.8"	35° 4' 56.2"	
32° 51' 6.8"	35° 4' 53.1"	
32° 51' 16.8"	35° 4' 53.6"	
32° 51' 23.9"	35° 4' 57.5"	
32° 51' 38.9"	35° 4' 58.6"	Turns N
32° 51' 41.1"	35° 5' 3.9"	
32° 51' 47.3"	35° 5' 18.1"	
32° 51' 43.3"	35° 5' 25.1"	W of Skouriotissa

32° 51’ 46.1”	35° 5’ 42.5”	
32° 51’ 40.5”	35° 5’ 50.0”	
32° 51’ 41.3”	35° 6’ 2.0”	SW of Lefka
32° 51’ 55.3”	35° 6’ 11.0”	
32° 52’ 5.5”	35° 6’ 14.4”	
32° 52’ 34.1”	35° 6’ 16.5”	Crosses power line
32° 52’ 59.1”	35° 6’ 25.9”	Crosses riverbed
32° 53’ 16”	35° 6’ 33.7”	Between road (N) and church (S) follows E to
32° 53’ 26.8”	35° 6’ 34.2”	TP follows N to
32° 53’ 29.6”	35° 6’ 47.5”	Hilltop “216” NE of Kalokhorio follows E to
32° 54’ 43.3”	35° 6’ 52.4”	Hilltop 19 N of Petra follows SE to
32° 55’ 53.2”	35° 6’ 4.4”	TP follows current TFCFL E through
32° 56’ 29.7”	35° 6’ 7.5”	
32° 56’ 39.1”	35° 6’ 7.5”	
32° 56’ 53.7”	35° 6’ 10.8”	
32° 57’ 9.3”	35° 6’ 10.7”	
32° 57’ 20.4”	35° 6’ 13.4”	
32° 57’ 38.9”	35° 6’ 35.5”	
32° 57’ 49.5”	35° 6’ 44.3”	
32° 58’ 0.9”	35° 6’ 59.1”	
32° 58’ 19.9”	35° 7’ 9.6”	TP N of Kato Kourtraphas follows NE away from TFCFL along riverbed through
32° 58’ 15.2”	35° 7’ 18.4”	
32° 57’ 51.8”	35° 7’ 42.6”	
32° 57’ 43.8”	35° 7’ 46.3”	
32° 57’ 32.9”	35° 8’ 1.4”	Crosses road
32° 57’ 14.6”	35° 8’ 21.9”	Crosses minor road
32° 57’ 6.2”	35° 8’ 38.5”	Vatha Laxia
32° 56’ 34.5”	35° 9’ 13.0”	Crosses two roads and river
32° 55’ 47.8”	35° 10’ 7.5”	TP SW of Prastion follows N to
32° 55’ 45.5”	35° 10’ 22.2”	TP between Ghaziveran and Prastion, follows S of road NW through
32° 56’ 1.4”	35° 10’ 31.5”	
32° 56’ 15.3”	35° 10’ 34.8”	
32° 56’ 19.2”	35° 10’ 37.7”	
32° 56’ 30.3”	35° 10’ 39.7”	
32° 56’ 42.0”	35° 10’ 48.9”	
32° 57’ 43.4”	35° 11’ 12.3”	
32° 57’ 52.1”	35° 11’ 10.8”	
32° 58’ 17.4”	35° 11’ 21.8”	Turns N to skirt Morphou through
32° 58’ 11.6”	35° 11’ 31.4”	
32° 58’ 18.8”	35° 12’ 2.5”	
32° 58’ 34.0”	35° 12’ 18.9”	
32° 58’ 54.9”	35° 12’ 30.6”	
32° 59’ 34.2”	35° 12’ 44.8”	
32° 59’ 56.0”	35° 12’ 41.9”	
33° 0’ 12.2”	35° 12’ 45.5”	TP N of Morphou follows NE along E of main road through
33° 0’ 46.2”	35° 13’ 36.9”	E of buildings
33° 0’ 57.1”	35° 13’ 37.2”	
33° 1’ 1.4”	35° 13’ 41.0”	
33° 1’ 6.3”	35° 13’ 57.7”	Back to E of main road
33° 1’ 48.1 “	35° 14’ 36.0”	Follows E of road to

33° 2’ 39.9”	35° 16’ 14.9”	
33° 2’ 41.8”	35° 16’ 29.3”	TP E of Dhiorios forest follows NE to
33° 3’ 17.6”	35° 17’ 17.3”	TP follows N to
33° 3’ 17.9”	35° 17’ 49.7”	TP S of Dhiorios follows NE to
33° 4’ 4.3”	35° 18’ 33.1”	Spot height “269” N of Myrthou follows NE to
33° 4’ 26.3”	35° 18’ 43.2”	TP S of road junction follows SE to
33° 4’ 38.6”	35° 18’ 23.6”	TP E of Myrthou follows E to
33° 5’ 32.7”	35° 18’ 8.7”	Trig point “298” W of Kambyli follows SE to
33° 6’ 28.8”	35° 17’ 11.6”	Spot height “234” N of Asomatos follows NE to
33° 7’ 20.2”	35° 18’ 4.2”	
33° 7’ 26.6”	35° 18’ 23.5”	Spot height “188” follows NE to
33° 7’ 52.4”	35° 18’ 52.7”	Road W of Larnaca
33° 8’ 24.5”	35° 19’ 7.3”	
33° 8’ 48.1”	35° 19’ 4.1”	Spot height “581”
33° 9’ 14.5”	35° 19’ 1.1”	
33° 9’ 37.5”	35° 18’ 43.8”	
33° 11’ 20.6”	35° 18’ 29.9”	TP NE of Sisklipos follows S to
33° 11’ 14.3”	35° 18’ 4.1”	Spot height “471”
33° 11’ 21.2”	35° 16’ 59.1”	Spot height “311” E of Ayios Ermolaos
33° 11’ 14.6”	35° 16’ 20.8”	
33° 11’ 3.3”	35° 15’ 51.4”	
33° 10’ 43.5"	35° 15’ 22.4”	
33° 11’ 2.5”	35° 14’ 6.6”	TP W of Skyllouria follows SE to
33° 15’ 50.4”	35° 11’ 37.6”	Spot height “164” N of Yerolakkos
33° 18’ 1.5”	35° 11’ 7.2”	
33° 18’ 43.3”	35° 11’ 10.9”	
33° 19’ 27.0”	35° 11’ 3.5”	
33° 20’ 10.6”	35° 11’ 7.9”	
33° 20’ 27.1”	35° 11’ 7.9”	
33° 20’ 50.1”	35° 11’ 6.3”	S of Rifle Range
33° 20’ 55.5”	35° 11’ 4.6”	
33° 21’ 1.0”	35° 10’ 59.2”	TP at road follows S to
33° 20’ 59.6”	35° 10’ 56.3”	Follows river S through
33° 20’ 59.3”	35° 10’ 54.5”	
33° 20’ 57.7”	35° 10’ 51.6”	
33° 20’ 55.8”	35° 10’ 45.7”	
33° 20’ 58.1”	35° 10’ 44.8”	
33° 20’ 58.6”	35° 10’ 40.8”	
33° 20’ 59.1”	35° 10’ 36.0”	
33° 21’ 2.4”	35° 10’ 33.1”	TP follows E to
33° 21’ 5.6”	35° 10’ 33.2”	
33° 21’ 5.9”	35° 10’ 35.0”	
33° 21’ 6.7”	35° 10’ 35.1”	
33° 21’ 7.0”	35° 10’ 37.6”	
33° 21’ 10.8”	35° 10’ 38.7”	
33° 21’ 12.7”	35° 10’ 36.89”	
33° 21’ 14.8”	35° 10’ 38.0”	Area of Ledra Palace Hotel
33° 21’ 12.9”	35° 10’ 40.7”	
33° 21’ 14.6”	35° 10’ 41.2”	
33° 21’ 13.7”	35° 10’ 43.2”	
33° 21’ 16.5”	35° 10’ 44.0”	
33° 21’ 17.3”	35° 10’ 42.4”	
33° 21’ 19.6”	35° 10’ 43.1”	

33° 21’ 21.9”	35° 10’ 42.9”	Tip of Mula Bastion. Follows top of bastion/city wall S, around Roccas Bastion to
33° 21’ 23.8”	35° 10’ 26.3”	Area of Paphos Gate

Nicosia (Walled City)

Longitude (E)	Latitude (N)	Description
33° 21’ 23.8”	35° 10’ 26.3”	Area of Paphos Gate follow E through
33° 21’ 26.8”	35° 10’ 26.9”	
33° 21’ 27.1”	35° 10’ 28.2”	
33° 21’ 28.3”	35° 10’ 28.4”	
33° 21’ 33.5”	35° 10’ 27.1”	
33° 21’ 36.5”	35° 10’ 28.9”	
33° 21’ 38.3”	35° 10’ 28.7”	
33° 21’ 38.1”	35° 10’ 29.4”	
33° 21’ 43.1”	35° 10’ 29.1”	
33° 21’ 44.7”	35° 10’ 28.5”	
33° 21’ 46.4”	35° 10’ 28.6”	
33° 21’ 49.4”	35° 10’ 28.3”	
33° 21’ 51.1”	35° 10’ 27.9”	
33° 21’ 53.08”	35° 10’ 28.7”	
33° 21’ 59.6”	35° 10’ 30.7”	
33° 21’ 59.9”	35° 10’ 31.1”	
33° 22’ 3.7”	35° 10’ 32.7”	
33° 22’ 3.5”	35° 10’ 34.2”	
33° 22’ 4.5”	35° 10’ 36.5”	
33° 22’ 5.9”	35° 10’ 37.8”	
33° 22’ 6.3”	35° 10’ 39.4”	
33° 22’ 7.2”	35° 10’ 39.2”	
33° 22’ 8.2”	35° 10’ 42.6”	
33° 22’ 12.0”	35° 10’ 41.8”	
33° 22’ 15.2”	35° 10’ 41.8”	
33° 22’ 15.1”	35° 10’ 43.0”	City wall just N of Flatro Bastion

Nicosia (Walled City) - ESBA

Longitude (E)	Latitude (N)	Description
33° 22’ 15.1”	35° 10’ 43.0”	City wall just N of Flatro Bastion
33° 22’ 14.9”	35° 10’ 44.2”	
33° 22’ 17.01”	35° 10’ 44.5”	
33° 22’ 19.8”	35° 10’ 44.9”	TP follows W edge at road N through
33° 22’ 20.3”	35° 10’ 57.3”	
33° 22’ 20.8”	35° 11’ 7.5”	
33° 22’ 19.6”	35° 11’ 9.9”	
33° 22’ 21.4”	35° 11’ 11.4”	
33° 22’ 23.6”	35° 11’ 16.9”	
33° 22’ 28.6”	35° 11’ 16.7”	
33° 22’ 28.9”	35° 11’ 17.6”	
33° 22’ 25.6”	35° 11’ 19.9”	
33° 22’ 28.2”	35° 11’ 26.9”	Follows TFCFL through
33° 22’ 35.7”	35° 11’ 34.3”	
33° 22’ 37.6”	35° 11’ 42.1”	
33° 22’ 42.8”	35° 11’ 45.7”	

33° 22’ 54.9”	35° 11’ 51.7”	
33° 23’ 9.8”	35° 12’ 4.9”	Crosses power line
33° 23’ 17.7”	35° 12’ 1.8”	
33° 23’ 56.4”	35° 12’ 1.9”	TP follows NE to
33° 25’ 11.7”	35° 12’ 49.3”	Crosses road north (N) of Mia Milea follows SE to
33° 25’ 30.2”	35° 12’ 29.9”	
33° 25’ 34.2”	35° 11’ 20.6”	Road junction W of Filtration Beds follows SE to
33° 27’ 2.0”	35° 9’ 58.7”	Spot height ‘126”
33° 28’ 47.2”	35° 8’ 26.0”	Spot height “137” follows E to
33° 31’ 2.7”	35° 8’ 19.8”	TP at Yialias River, NE of Tymvou follows south (S) to
33° 31’ 16.7”	35° 7’ 33.9”	Ayios Eliag
33° 30’ 38.8”	35° 5’ 7.4”	
33° 29’ 51.1”	35° 4’ 14.5”	North of road SE of Pyroi follows SE to
33° 30’ 21.7”	35° 4’ 1.3”	TP north of road follows NE to
33° 30’ 40.9”	35° 4’ 13.4”	TP at road follows TFCFL through:
33° 30’ 48.9”	35° 4’ 16.9”	Power line
33° 31’ 15.2”	35° 4’ 25.6”	
33° 31’ 18.5”	35° 4’ 31.0”	
33° 31’ 27.1”	35° 4’ 38.6”	
33° 31’ 31.4”	35° 4’ 44.9”	
33° 31’ 46.8”	35° 4’ 50.9”	
33° 32’ 1.6”	35° 4’ 52.4”	
33° 32’ 13.1”	35° 4’ 53.5”	
33° 32’ 24.8”	35° 4’ 47.8”	Road N of Athienou follows E to
33° 33’ 10.5”	35° 4’ 46.5”	Follows SE to
33° 35’ 53.0”	35° 3’ 20.2”	Spot height “300” follows E to
33° 35’ 53.8”	35° 3’ 20.0”	Spot height “200” follows NE to
33° 38’ 1.5”	35° 4’ 16.9”	Spot height “136”
33° 38’ 52.5”	35° 5’ 11.6”	Spot height “139” E of Arsos
33° 39’ 8.1”	35° 5’ 47.9”	Spot height “124”
33° 39’ 38.1”	35° 7’ 44.1”	Road S of Vatili
33° 39’ 18.3”	35° 8’ 6.4”	TP in Vatili follows W to
33° 36’ 20.8”	35° 8’ 7.4”	TP follows NW to
33° 35’ 37.4”	35° 9’ 5.4”	TP SE of Asha
33° 36’ 2.1”	35° 10’ 9.7”	TP NE of Asha
33° 37’ 35.2”	35° 10’ 7.9”	TP NW of Asha
33° 38’ 34.7”	35° 9’ 2.3”	TP E of Asha
33° 40’ 11.6”	35° 9’ 2.7”	
33° 40’ 50.6”	35° 8’ 31.4”	
33° 43’ 31.1”	35° 7’ 7.3”	TP at road N of Kondea follows S to
33° 43’ 37.2”	35° 6’ 45.3”	Following W of road
33° 43’ 39.9”	35° 6’ 23.4”	
33° 43’ 26.6”	35° 5’ 59.6”	
33° 43’ 27.3”	35° 5’ 28.4”	
33° 42’ 59.1”	35° 4’ 13.6”	Joins ESBA

ESBA – Ayios Nikolaos

Longitude (E)	Latitude (N)	Description
33° 44’ 15.9”	35° 3’ 22.2”	Follows N to
33° 46’ 5.8”	35° 6’ 15.7”	Road E of Kouklia
33° 44’ 46.9”	35° 8’ 43.0”	Crosses road at Sigouris Castle

33° 43’ 12.2”	35° 10’ 47.9”	TP road S of Pygra follows road E through:
33° 43’ 53.9”	35° 10’ 43.4”	
33° 44’ 19.3”	35° 10’ 37.9”	
33° 45’ 10.8”	35° 10’ 40.1”	
33° 45’ 25.4”	35° 10’ 36.7”	S of X roads in Prastio
33° 46’ 14.8”	35° 10’ 19.4”	
33° 47’ 17.4”	35° 10’ 14.4”	Road N of Gaidhouras
33° 47’ 35.5”	35° 10’ 15.4”	TP NE of Gaidhouras
33° 52’ 20.0”	35° 7’ 25.2”	ESBA marker No. 204 Ayios Nikolaos

ESBA (AyNik) – Famagusta

Longitude (E)	Latitude (N)	Description
33° 54’ 28.8”	35° 5’ 45.9”	ESBA marker No.243 follows NW to
33° 54’ 25.6”	35° 5’ 52.5”	TP follows NE, S of road through
33° 54’ 40.9”	35° 6’ 2.0”	
33° 54’ 43.7”	35° 6’ 2.8”	
33° 54’ 43.7”	35° 6’ 4.1”	
33° 55’ 18.5”	35° 6’ 34.7”	
33° 55’ 25.9”	35° 6’ 39.2”	
33° 55’ 25.0”	35° 6’ 40.5”	
33° 55’ 29.2”	35° 6’ 42.7”	
33° 55’ 29.6”	35° 6’ 42.1”	
33° 55’ 35.7”	35° 6’ 46.3”	
33° 55’ 44.6”	35° 6’ 52.4”	
33° 55’ 45.3”	35° 6’ 52.1”	
33° 55’ 51.0”	35° 6’ 56.5”	
33° 55’ 50.6”	35° 6’ 57.4”	
33° 56’ 7.9”	35° 7’ 5.8”	TP follows S, SE around Moslem cemetery and town hall through
33° 56’ 10.9”	35° 7’ 2.9”	
33° 56’ 10.5”	35° 6’ 57.4”	
33° 56’ 19.2”	35° 6’ 55.3”	
33° 56’ 30.4”	35° 6’ 58.5”	
33° 56’ 43.3”	35° 6’ 55.1”	
33° 56’ 43.9”	35° 6’ 55.5”	
33° 56’ 41.2”	35° 7’ 0.6”	
33° 56’ 37.8”	35° 7’ 4.0”	
33° 56’ 38.2”	35° 7’ 4.6”	
33° 56’ 38.0”	35° 7’ 5.4”	
33° 56’ 38.3”	35° 7’ 8.1”	
33° 56’ 37.2”	35° 7’ 9.3”	
33° 56’ 37.1”	35° 7’ 11.7”	
33° 56’ 38.8”	35° 7’ 11.5”	
33° 56’ 41.8”	35° 7’ 11.2”	
33° 56’ 42.3”	35° 7’ 11.8”	
33° 56’ 44.0”	35° 7’ 12.1”	
33° 56’ 44.4”	35° 7’ 13.3”	
33° 57’ 5.4”	35° 7’ 15.4”	
33° 57’ 10.8”	35° 7’ 15.2”	
33° 57’ 13.6”	35° 7’ 16.8”	
33° 57’ 15.3”	35° 7’ 17.6”	Causway to Nisi Tou Jieri
33° 57’ 17.3”	35° 7’ 19.9”	

33° 57’ 17.3”	35° 7’ 20.7”	East coastline on Nisi Tou Jieri

Pyrga Pocket

Longitude (E)	Latitude (N)	Description
33° 43’ 11.5”	35° 10’ 51.7”	SW corner
33° 43’ 11.6”	35° 11’ 30.34”	NW corner
33° 44’ 18.5”	35° 11’ 28.1”	NE corner
33° 44’ 19.9”	35° 10’ 46.1”	SE corner

Kormakiti – clockwise from NW corner

Longitude (E)	Latitude (N)	Description
33° 0’ 0.2”	35° 21’ 10.6”	
33° 0’ 21.2”	35° 21’ 10.6”	Spot height “250”
33° 0’ 58.5”	35° 20’ 52.8”	Spot height “281”
33° 1’ 19.3”	35° 20’ 34.6”	
33° 1’ 19.1”	35° 19’ 59.8”	
33° 0’ 0.2”	35° 19’ 59.8”	Closes to point
33° 0’ 0.2”	35° 21’ 10.6”	

Louroujina Pocket – clockwise from NE corner

Longitude (E)	Latitude (N)	Description
33° 30’ 14.5”	35° 3’ 56.1”	
33° 29’ 48.2”	35° 3’ 32.9”	
33° 29’ 42.2”	35° 3’ 18.1”	
33° 29’ 25.7”	35° 2’ 50.2”	
33° 28’ 43.2”	35° 0’ 26.1”	SE corner
33° 27’ 46.9”	35° 0’ 20.6”	S of Louroujina
33° 27’ 10.4”	35° 0’ 36.9”	SW corner
33° 27’ 11.9”	35° 1’ 23.7”	
33° 27’ 54.4”	35° 2’ 44.7”	
33° 29’ 17.9”	35° 3’ 49.7”	
33° 29’ 27.3”	35° 3’ 59.9”	
33° 29’ 41.1”	35° 4’ 9.8”	NW corner
33° 30’ 14.5”	35° 3’ 56.1”	Close at NW corner

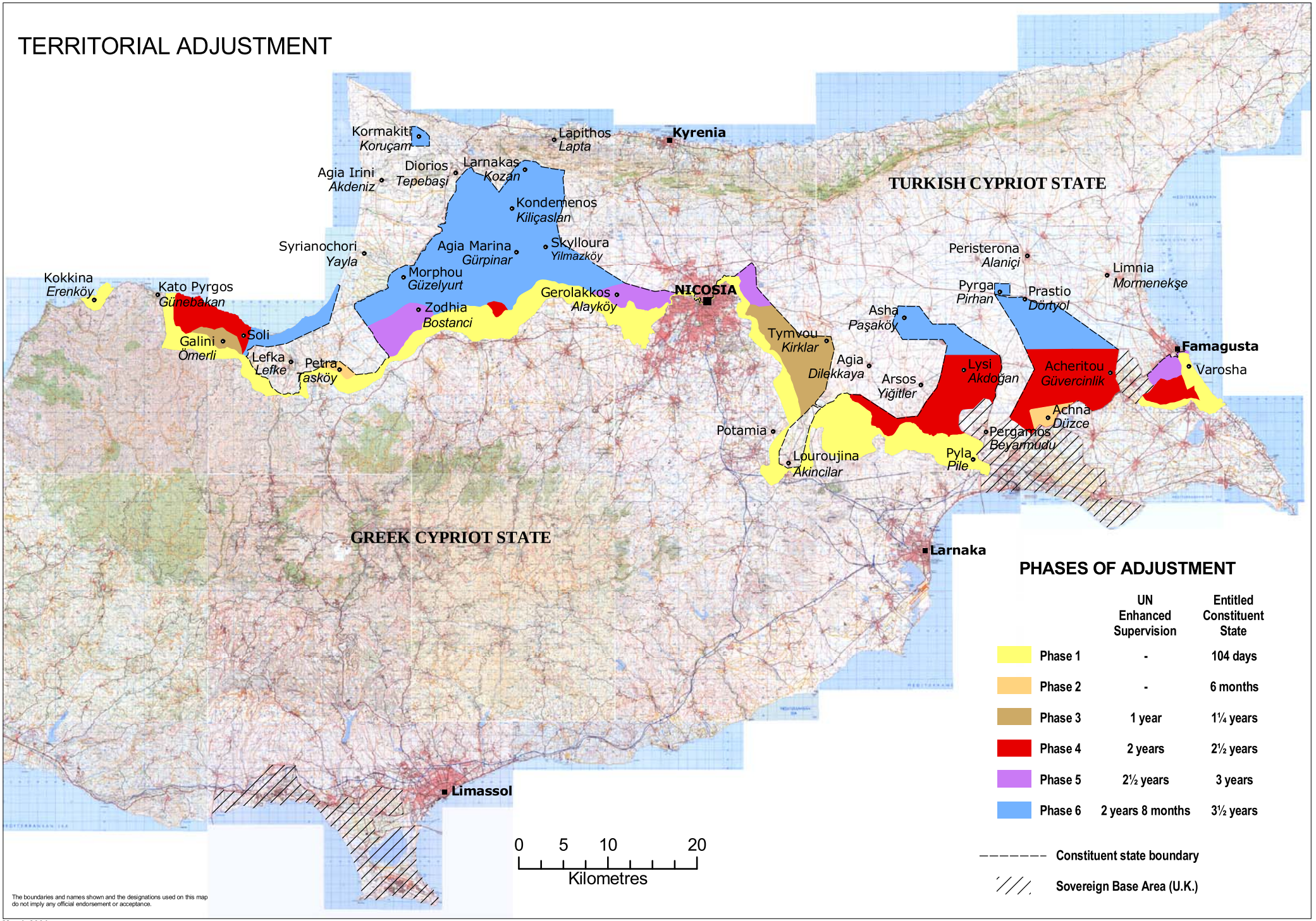
Addition to Border after SBA change

Longitude (E)	Latitude (N)	Description
33° 42’ 58.7”	35° 4’ 11.7”	ESBA marker No. 71 follows W of road S to
33° 42’ 41.6”	35° 3’ 33.6”	TP follows W along old Larnaca/Famagusta District boundary through:
33° 42’ 29.5”	35° 3’ 34.6”	
33° 41’ 32.7”	35° 3’ 40.1”	
33° 41’ 13.8”	35° 3’ 40.2”	
33° 40’ 29.1”	35° 3’ 33.2”	Join ESBA boundary just N of marker No 57 follows ESBA boundary S to
33° 42’ 15.2”	35° 1’ 36.61”	ESBA boundary marker No. 35 follows E to
33° 42’ 19.3”	35° 1’ 35.9”	N of road
33° 42’ 23.7”	35° 1’ 34.8”	
33° 42’ 31.5”	35° 1’ 30.2”	TP follows NE to

33° 42’ 41.0”	35° 1’ 36.5”	
33° 43’ 13.9”	35° 2’ 13.6”	
33° 43’ 32.9”	35° 2’ 22.9”	
33° 43’ 43.1”	35° 2’ 42.9”	
33° 44’ 15.8”	35° 3’ 22.0”	ESBA boundary marker No. 111

ATTACHMENT 2a

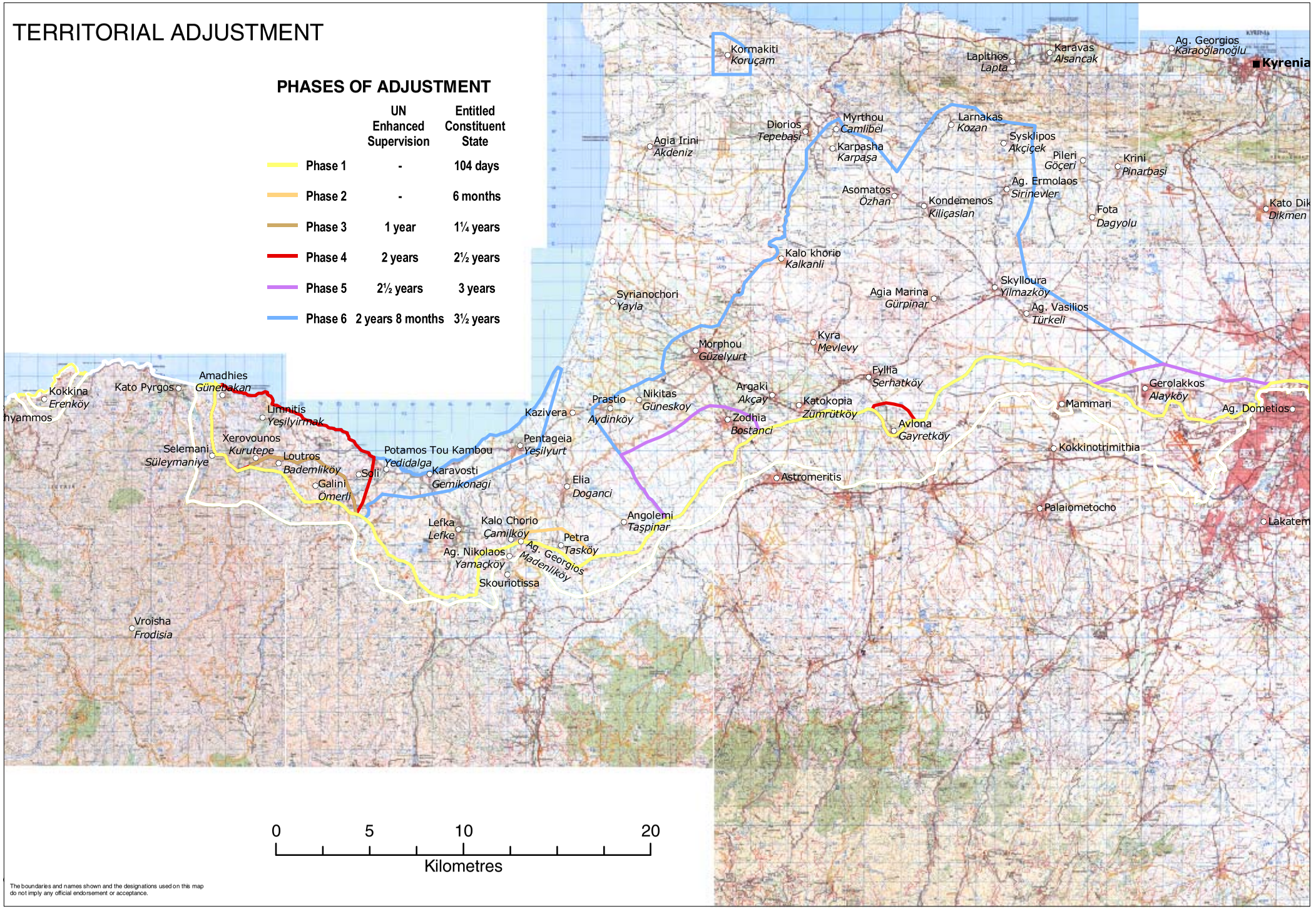
TERRITORIAL ADJUSTMENT



March 2004

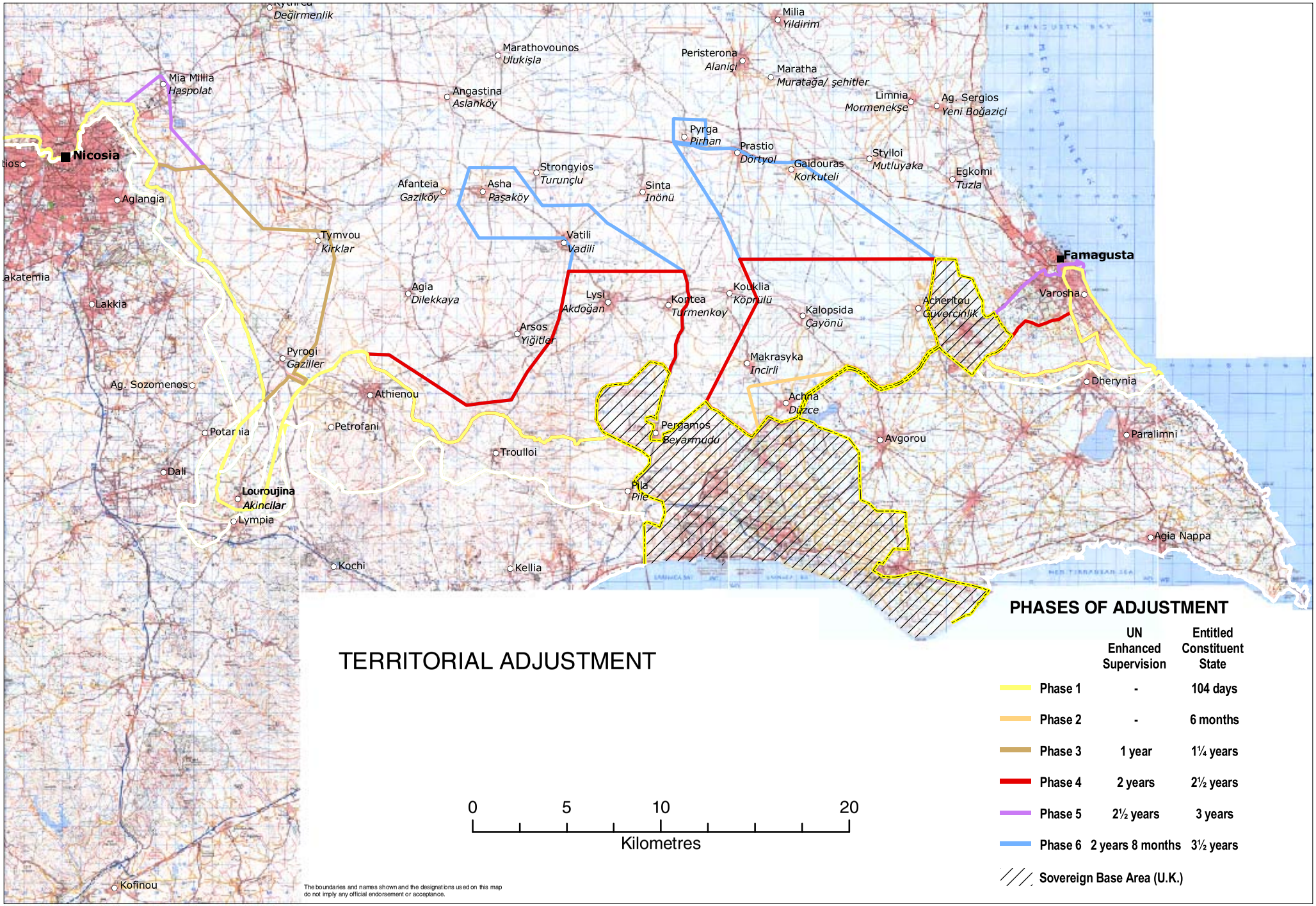
ATTACHMENT 2b

TERRITORIAL ADJUSTMENT



March 2004

ATTACHMENT 2c



March 2004

ATTACHMENT 3: DETAILED DESCRIPTION OF PHASING LINES OF TERRITORIAL ADJUSTMENT

Note: The geographical coordinates listed in the following tables were extracted from a digital copy of the United Kingdom Ministry of Defence Series K717 1:50,000 scale maps.

Phase 1 – Handover to the Greek Cypriot State no later than 104 days after the day of entry into force of the Foundation Agreement: Phase 1 includes UNFICYP relinquishing authority over the Buffer Zone (BZ) and the handover of Varosha and Kokkina. This Phase boundary generally follows the northern edge of the BZ with the exception of the Kokkina pocket which is handed over and Varosha detailed below:

Varosha

Longitude (E)	Latitude (N)	Description
33° 59' 57.90"	35° 4' 13.46"	Along Coast to
33° 57' 28.40	35° 7' 4.05"	Then along Fence line
33° 57' 9.25"	35° 7' 8.36"	
33° 56' 52.06"	35° 7' 8.08"	
33° 56' 47.34"	35° 6' 52.75"	
33° 57' 3.20"	35° 6' 26.06"	
33° 57' 1.40"	35° 6' 1.99"	
33° 57' 3.31"	35° 5' 52.43"	
33° 57' 24.42"	35° 5' 0.36"	
33° 57' 56.92	35° 5' 15.05"	
33° 58' 0.24"	35° 4' 56.34"	
33° 58' 22.99"	35° 4' 15.47"	Joining the northern edge of the BZ

Phase 2 – Handover to the Greek Cypriot State no later than 6 months after the day of entry into force of the Foundation Agreement: Phase 2 phase boundary line is the same as Phase 1 with the addition of the handover areas of Achna and Petra detailed below:

Achna

Longitude (E)	Latitude (N)	Description
33° 48' 54.81"	35° 4' 12.51"	At SBA Boundary
33° 45' 48.74"	35° 3' 48.46"	
33° 45' 43.46"	35° 3' 44.49"	
33° 46' 5.29"	35° 2' 35.35"	At SBA Boundary

Petra

Longitude (E)	Latitude (N)	Description
32° 55' 53.22"	35° 6' 4.79"	Joining the northern edge of the BZ
32° 55' 21.12"	35° 6' 29.86"	
32° 54' 42.81"	35° 6' 52.79"	
32° 53' 29.86"	35° 6' 47.63"	
32° 53' 25.74"	35° 6' 37.85"	

32° 53’ 27.29”	35° 6’ 35.72”	
32° 53’ 25.74”	35° 6’ 34.01”	
32° 53’ 13.84”	35° 6’ 34.01”	
32° 53’ 4.02”	35° 6’ 28.05”	Joining the northern edge of the BZ

Phase 3 – Handover to the Greek Cypriot State no later than 1 year and 3 months after the day of entry into force of the Foundation Agreement, with enhanced United Nations supervision in the last three months:
Phase 3 phase boundary line is the same as Phase 2 with the addition of the handover areas of Loutros/Gallini and Tymvou detailed below:

Loutros/Gallini

Longitude (E)	Latitude (N)	Description
32° 47’ 26.31”	35° 7’ 24.11”	Joining the northern edge of the BZ
32° 47’ 22.82”	35° 7’ 40.69”	
32° 47’ 3.01”	35° 8’ 21.93”	
32° 46’ 17.63”	35° 8’ 42.89”	
32° 46’ 2.32”	35° 8’ 53.79”	
32° 45’ 54.44”	35° 8’ 54.99”	
32° 45’ 46.07”	35° 8’ 53.75”	
32° 45’ 23.43”	35° 8’ 45.62”	
32° 45’ 11.10”	35° 8’ 50.04”	
32° 44’ 44.97”	35° 8’ 54.85”	
32° 44’ 35.12”	35° 8’ 54.82”	
32° 44’ 25.75”	35° 8’ 56.83”	
32° 43’ 44.91”	35° 8’ 40.55”	
32° 43’ 43.93”	35° 8’ 38.53”	Joining the northern edge of the BZ

Tymvou

Longitude (E)	Latitude (N)	Description
33° 25’ 3.64”	35° 10’ 18.11”	Joining the northern edge of the BZ
33° 25’ 43.96”	35° 10’ 8.13”	
33° 26’ 45.03”	35° 10’ 13.89”	
33° 28’ 46.70”	35° 8’ 26.25”	Spot Height ‘137’
33° 31’ 2.53”	35° 8’ 20.49”	Vialias Riverbed
33° 31’ 16.78”	35° 7’ 34.36”	
33° 30’ 38.10”	35° 5’ 7.64”	
33° 29’ 50.41”	35° 4’ 16.18”	
33° 30’ 21.74”	35° 4’ 1059”	
33° 30’ 14.68”	35° 5’ 56.80”	
33° 29’ 40.77”	35° 4’ 10.44”	
33° 28’ 47.06”	35° 3’ 27.67”	Joining the northern edge of the BZ

Phase 4 – Handover to the Greek Cypriot State no later than 2 years and 6 months after the day of entry into force of the Foundation Agreement, with enhanced United Nations supervision in the last 6 months: Phase 4 boundary line is the same as Phase 3 with the addition of the handover areas of south Famagusta, Kalopsida/Acheritou, Lysi/Kontea, Avlona and Lymnitis/Soli detailed below:

South Famagusta

Longitude (E)	Latitude (N)	Description
33° 57' 2.98"	35° 5' 51.42"	Joining the Varosha line Following minor rd. to
33° 55' 55.77"	35° 5' 28.55"	
33° 55' 26.85"	35° 5' 37.49"	
33° 54' 58.10"	35° 5' 11.11"	At corner of SBA boundary

Kalopsida/Acheritou

Longitude (E)	Latitude (N)	Description
33° 52' 19.71"	35° 7' 24.71"	At SBA boundary
33° 45' 27.93"	35° 7' 27.48"	Then follows final boundary to
33° 44' 15.26"	35° 3' 22.52"	At SBA boundary

Kontea/Lysi

Longitude (E)	Latitude (N)	Description
33° 43' 0.34"	35° 4' 11.89"	At SBA boundary Following final boundary to
33° 43' 31.64"	35° 7' 6.99"	
33° 39' 28.55"	35° 7' 9.19"	At final boundary Following final boundary to
33° 32' 26.68"	35° 4' 47.4"	

Avlona

Longitude (E)	Latitude (N)	Description
33° 7' 6.00"	35° 10' 1.03"	Joining the northern edge of the BZ
33° 6' 51.78"	35° 10' 17.46"	
33° 6' 39.61"	35° 10' 25.59"	
33° 6' 5.14"	35° 10' 31.09"	
33° 5' 40.32"	35° 10' 29.20"	
33° 5' 36.18"	35° 10' 19.98"	Joining the northern edge of the BZ

Limnitis/Soli

Longitude (E)	Latitude (N)	Description
32° 47’ 30.75”	35° 7’ 22.33”	Joining the northern edge of the BZ
32° 47’ 42.35”	35° 7’ 37.65”	
32° 47’ 59.71”	35° 8’ 24.08”	
32° 48’ 5.45”	35° 8’ 55.67”	Joining the coast

Phase 5 – Handover to the Greek Cypriot State no later than 3 years after the day of entry into force of the Foundation Agreement, with enhanced United Nations supervision in the last 6 months: Phase 5 phase boundary line is the same as Phase 4 with the addition of the handover areas of Famagusta, Mia Milia, Gerolakkos, and Zodhia detailed below:

Famagusta

Longitude (E)	Latitude (N)	Description
33° 57’ 11.28”	35° 7’ 15.01”	At the coast Following final boundary to
33° 54’ 21.16”	35° 5’ 51.76”	At SBA boundary

Mia Milia

Longitude (E)	Latitude (N)	Description
33° 26’ 44.57”	35° 10’ 13.87”	At Phase 3 boundary Following final boundary to
33° 23’ 58.58”	35° 12’ 3.58”	

Gerolakkos

Longitude (E)	Latitude (N)	Description
33° 19’ 12.48”	35° 10’ 51.85”	At the final boundary line Following final boundary to
33° 15” 49.58”	35° 11’ 37.29”	At the final boundary line Following phase line
33° 14’ 54.21”	35° 11’ 27.11”	
33° 13’ 20.59”	35° 11’ 2.00”	Joining the northern edge of the BZ

Zodhia

Longitude (E)	Latitude (N)	Description
33° 1’ 38.42”	35° 9’ 38.43”	Joining the northern edge of the BZ
33° 1’ 30.36”	35° 9’ 58.77”	
33° 1’ 20.59”	35° 10’ 6.80”	
33° 0’ 58.62”	35° 10’ 16.24”	
33° 0’ 24.38”	35° 10’ 24.07”	
32° 59’ 53.09”	35° 10’ 26.08”	
32° 59’ 32.07”	35° 10’ 18.05”	
32° 58’ 8.99”	35° 9’ 31.27”	
32° 56’ 45.69”	35° 9’ 0.34”	At the final boundary line Following final boundary to
32° 58’ 20.28”	35° 7’ 9.79”	Joining the northern edge of the BZ

Phase 6 – Handover to the Greek Cypriot State no later than 3 years and 6 months after the day of entry into force of the Foundation Agreement, with enhanced United Nations supervision in the last 10 months: Phase 6 is the final boundary line.

ANNEX VII: TREATMENT OF PROPERTY AFFECTED BY EVENTS SINCE 1963

PART I: GENERAL ARTICLES 97

PART II: REGULATION OF EXERCISE OF PROPERTY RIGHTS 98

Section A: Compensation 99

Section B: *Reinstatement* into possession 101

Section C: Sale, exchange and long-term lease 104

PART III: LOSS OF USE 104

PART IV: JUDICIAL REVIEW 105

PART V: AMENDMENT 105

ATTACHMENT 1: DEFINITIONS 107

ATTACHMENT 2: THE CYPRUS PROPERTY BOARD AND COMPENSATION ARRANGEMENTS 111

Section A: Establishment, operation, powers, staff and costs of the Cyprus Property Board 111

Section B: Handling of *property* transferred to or via the Property Board 120

Section C: Decision-making and claims for *affected property* 121

Section D: Assistance with lease 123

Section E: Compensation fund, bonds and property appreciation certificates 124

ATTACHMENT 3: MEASURES IN FAVOUR OF *CURRENT USERS* 126

Section A: Extension of deadlines for vacating *affected property* 126

Section B: Preferential loans 127

Section C: Right of first refusal 128

ATTACHMENT 4: PROPERTY LOCATED IN AREAS SUBJECT TO TERRITORIAL ADJUSTMENT 130

ATTACHMENT 5: LETTER TO THE PRESIDENT OF THE EUROPEAN COURT OF HUMAN RIGHTS 133

Part I: GENERAL ARTICLES

Article 1 General provisions

1. The provisions in this Annex and its attachments deal with *properties* which were affected as a consequence of intercommunal strife, military action or the unresolved division of the island between December 1963 and entry into force of the Foundation Agreement and introduces an extraordinary regime to deal with these *properties*. The provisions in this Annex and its attachments will continue to apply to such *properties* until all matters covered by these provisions have been closed by the Property Board or the Supreme Court.
2. Terms used in this Annex and its attachments are defined in Attachment 1.
3. Provisions of this Annex and its attachments shall be referred to hereinafter as 'these provisions'.

Article 2 The Cyprus Property Board

These provisions, unless otherwise stated, shall be implemented by the Cyprus Property Board and its divisions: the Claims Bureau, the Cyprus Housing Bureau and the Compensation Bureau. Its composition, powers and procedures, as well as the obligations of the federal government and the constituent states in relation to it, are further regulated in Attachment 2.

Article 3 Property in areas subject to territorial adjustment

Property located in areas subject to territorial adjustment is regulated by Attachment 4. Where there are no specific provisions in Attachment 4, the other provisions of this Annex shall apply.

Article 4 Religious sites

1. The Churches and Evkaf shall be entitled, without exception and within three years of entry into force of the Foundation Agreement, to *reinstatement* of any *affected property* owned by them which was used as a *religious site* in 1963 or 1974.
2. This Article shall not limit the right of Churches and Evkaf to claim compensation in lieu of *reinstatement* for any *affected property* under these provisions.

Part II: REGULATION OF EXERCISE OF PROPERTY RIGHTS

Article 5 Suspension of dealings, proceedings or alterations with respect to affected property

1. Any transaction, dealing, or any proceeding in any court or legal or administrative body in Cyprus, or any physical alterations (apart from minor or emergency maintenance), with respect to any *affected property* shall be suspended or prohibited upon entry into force of the Foundation Agreement, until the Property Board:
   a. Authorises such dealing, proceeding or physical alteration to continue or occur;
   b. Refers the dealing or proceeding to another competent court or authority; or
   c. Makes a final determination in relation to the *property*.
2. Bearing in mind that the Foundation Agreement provides a domestic remedy for the solution of all matters related to *affected property*, the United Cyprus Republic shall, pursuant to Article 37 of the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms, and invoking the fact that the Foundation Agreement is providing a domestic remedy for the solution of all questions related to *affected property*, inform the European Court of Human Rights through the letter in Attachment 5 that the United Cyprus Republic shall therefore be the sole responsible State Party and request the Court to strike out any proceedings currently before it concerning *affected property*, in order to allow the domestic mechanism agreed to solve these cases to proceed.

Article 6 Claims and applications

1. A *dispossessed owner* shall be entitled to claim compensation for his/her title to *property* or the *reinstatement* of his/her *property*.
2. *Current users* of affected *properties* who are themselves *dispossessed owners* or persons who own *significant improvements* to affected *properties* may apply to receive title to such *properties*.
3. *Current users* of *properties* to be reinstated may apply to benefit from the special measures detailed in Attachment 3.
4. All such claims and applications shall be made to the Property Board within the time limit specified and shall be processed and determined in accordance with these provisions.
5. All payments required as a condition for the transfer of title or *reinstatement* shall be made to the Property Board within three years of the relevant decision of the Property Board, unless the decision specifies

an earlier date. Transfer of title or *reinstatement* shall not take effect until all stipulated payments are made in full. Failure to make payments within the specified period may result in loss of or modifications to rights with respect to the *property*.

Article 7 Liability for damage

Persons responsible for serious damage to or destruction of *properties* after 11 November 2002 shall be liable to the *dispossessed owner* and/or the Property Board for the cost of the damage up to the *market value* of the *property*. In addition, the Property Board may fine such persons and take other punitive measures, including modifying decisions previously made in their favour.

Section A: Compensation

Article 8 Entitlement to full and effective compensation

1. Any *dispossessed owner* shall be entitled to claim full and effective compensation as determined by the Property Board in accordance with international standards (hereinafter referred to as "compensation") in exchange for transfer of title to the *affected property* to the Property Board.
2. Entitlements to compensation shall be assessed and paid by the Property Board at *current value,* unless otherwise specified in these provisions.
3. Compensation shall be paid in the form of both compensation bonds and property appreciation certificates drawn on a compensation fund. The establishment of the Compensation Fund, issuing and use of bonds and property appreciation certificates shall be regulated by the provisions in Attachment 2.
4. *Dispossessed owners* of *properties* which, according to the following provisions, are not reinstated shall be entitled to compensation.

Article 9 Property owned by institutions

Title to affected *properties*, other than *religious site*s, which are owned by *institutions* shall be transferred to the Property Board in exchange for compensation.

Article 10 Property used for public benefit purposes

Title to an *affected property* which is being used for a purpose in the public benefit upon entry into force of the Foundation Agreement which objectively justifies compulsory acquisition shall be transferred to the federal government or the relevant constituent state in exchange for payment of the *current value* by the relevant authority to the Property Board.

Article 11 Property required for military purposes

Title to any *affected property* which is specified in the Additional Protocols to the Treaty of Alliance, or any attachment thereto, as being required for military purposes shall be transferred to the constituent state in which it is located, in exchange for payment of the *current value* by the relevant constituent state to the Property Board.

Article 12 Property currently used by dispossessed owners

1. A *dispossessed owner* who is the *current user* of an *affected property* of similar *current value* to a *property* of which s/he was dispossessed and has been using the *affected property* on a continuous basis for at least ten years, may apply to the Property Board to receive title to that *property* in exchange for title to the *property* of which s/he was dispossessed.

2. The application shall be granted if the *current value* of the *affected property* is no greater than 50% more than the *current value* of the *property* of which s/he was dispossessed.

3. If the *current value* of the *affected property* is more than 50% greater than the *current value* of the *property* of which the *current user* was dispossessed, the Property Board shall assist the *dispossessed owner* and the *current user* to reach an amicable agreement. If this fails, the Property Board may grant or refuse the exchange, taking into account the arguments of both sides, or partition the *property* as appropriate.

4. If the *current value* of the *affected property* is less than that of the *property* of which the *current user* was dispossessed, s/he may claim compensation for the difference in value.

5. If the *current value* of the *affected property* is more than the *current value* of the *property* of which the *current user* was dispossessed, s/he shall pay the difference to the Property Board prior to the transfer of title.

Article 13 Property currently used by subsequent purchasers from dispossessed owners

1. Any purchaser (or his/her successors in title) of an *affected property*, which was assigned to a *dispossessed owner* (hereinafter "the vendor") and is of a similar *current value* to a *property* of which the vendor was dispossessed, shall have the same rights and obligations as the vendor would have had according to Article 12 with respect to the *affected property*, provided that s/he and the vendor and any predecessors in title have collectively been *current users* of the *affected property* on a continuous basis for at least ten years. Title to the *property* of which the vendor was originally dispossessed shall be transferred to the Property Board. If the *current value* of the *affected property* is less than that of the *property* of which the vendor was originally dispossessed, the vendor may claim the difference in compensation.

2. The above provision does not apply if the Property Board cannot obtain title to the *property* of which the vendor was dispossessed because the vendor has already legally disposed of it.

Article 14 Significantly improved property

The owner of a *significant improvement* to an *affected property* may apply to receive title to that *property*, in exchange for payment of the *current value* of the *affected property* without the improvement. The Property Board shall order transfer of title after payment of compensation to the *dispossessed owner* at the *current value* for his/her interest in the *property*.

Section B: *Reinstatement* into possession

Article 15 Eligibility for reinstatement

Affected *properties* which do not fall into the above categories shall be eligible to be reinstated.

Article 16 Agreed levels of reinstatement

1. Any *dispossessed owner* (other than an *institution*) is entitled to *reinstatement* of his/her *affected property* within the limits of his/her *reinstatement entitlement*. To this effect, s/he may elect any of his/her *affected property* which is eligible for *reinstatement*.

2. If the *reinstatement entitlement* is not sufficient to permit the *dispossessed owner* to be reinstated in a dwelling which s/he owned when it was built or in which s/he lived for at least ten years, the

dispossessed owner will be entitled to *reinstatement* of the dwelling and up to one *donum* of the adjacent land area of which s/he was dispossessed. If the *affected property* of a *dispossessed owner* has been distributed or sub-divided since dispossession, this special rule only applies to the aggregated *reinstatement entitlements* of all the successors in title as though a single claim was being made by the original *dispossessed owner*. Should such *dispossessed owner* voluntarily or mandatorily defer to a *current user*, s/he shall be entitled to the options under paragraph 4 for the same size and value of *property* to which s/he could have been reinstated under this paragraph.

3. If the *dispossessed owner* elects to be reinstated to a dwelling which s/he has not built and in which s/he did not live for a period of at least ten years and which has been used by the same *current user* for the last ten years, the Property Board shall use its discretion, taking into account all relevant factors, in deciding whether to grant *reinstatement*. Should the Property Board not grant *reinstatement* of such a dwelling, the *dispossessed owner* shall choose another of his/her affected properties *eligible for reinstatement*. In the absence of such *eligible property*, the following paragraph shall apply.

4. If *the reinstatement entitlement* is larger than the area or the value of a *dispossessed owner's affected property* which is *eligible for reinstatement*, or if the *dispossessed owner* who would be eligible for *reinstatement* under paragraphs 1, 2 or 3 of this Article voluntarily defers to the *current user*, such owner may:

   a. sell his/her *reinstatement entitlement* to another *dispossessed owner* from the same municipality or village;
   b. exchange his/her *reinstatement entitlement* for a *property* in the same village or municipality of his/her choosing from among the holdings of the Property Board, or if no equivalent *property* is available, in a neighbouring village or municipality; or
   c. receive compensation and buy *property* of equivalent size and value in the same village or municipality, provided s/he was displaced after his/her 10th birthday.

5. Agricultural land shall not be reinstated if this warrants a sub-division into plots of less than five *donums*, or less than two *donums* for irrigable land. The Property Board shall regulate and decide the minimum size for *reinstatement* of other plots of land.[31]

6. If the *reinstatement entitlement* does not allow the *reinstatement* of a dwelling or the minimum size of agricultural plots, the *dispossessed owner* may sell his/her *reinstatement entitlement* to another *dispossessed owner* from the same municipality or village or may elect to receive compensation for it.

[31] **Observation:** Buildings which have a single owner, other than corporations, the shareholders of which hold shares that related to separate and self-contained tenements *used for their own purposes*, shall not be subdivided for the purposes of reinstatement.

7. Purchased *reinstatement entitlements* can be aggregated with other *reinstatement entitlements* from the same municipality or village and used to obtain *reinstatement* of *property* in that municipality or village.

8. These limitations shall not apply to *reinstatement* of *religious site*s, or to *properties eligible for reinstatement* located in the villages specified in this Article which belong to *dispossessed owners* who, within six years of entry into force of the Foundation Agreement, make use of their unlimited right of return and establishment of residence in villages which were predominantly inhabited by Maronites in 1974 or the Karpas villages of Rizokarpaso/Dipkarpaz, Agialousa/Yeni Erenköy, Agia Trias/Sipahi, and Melanarga/Adacay or the Tillyria villages of Agios Georgoudi, Agios Theodoros, Alevga, Kokkina/ Erenköy, Mansoura and Selladi tou Appi. To this effect, the Property Board shall not dispose in any permanent way of relevant properties during the first six years after entry into force of the Foundation Agreement.

Article 17 Moratorium for reinstatement

No order of the Property Board shall require *reinstatement* of *affected property* to a *dispossessed owner* before a date which is:

a. Three years after the Foundation Agreement enters into force, for *property* which is *vacant* at that date; or
b. Five years after the Foundation Agreement enters into force, in all other cases.

Article 18 Improvements on reinstated property

1. The owner of any improvement with a *market value* of more than 10% of the *current value* of a *property* to be reinstated, or 3,000 Cyprus pounds, whichever is the lower, may apply for compensation for his/her interest in the *property.*

2. The *dispossessed owner* shall be entitled to retain any improvement on the *affected property* after *reinstatement*, provided s/he pays the *market value* of the improvement to the Property Board.

3. The *dispossessed owner* shall not be required to make such a payment if s/he satisfies the Property Board that the improvement is inappropriate for or irrelevant for his/her intended future *use of the property for his/her own purposes*, provided the intended future use is more or less similar to its use prior to dispossession. If the Property Board subsequently finds that the *dispossessed owner* or any successor in title makes use of the improvement, the Property Board may pursue him/her to recover the amount of compensation paid to the owner of the improvement under paragraph 1 of this Article.

Section C: Long-term lease

Article 19 Lease requirement

1. A *dispossessed owner* who is reinstated more than 100 *donums* according to the above provisions shall offer the amount of land in excess of 100 *donums* for lease, for a minimum period of twenty years, to any person holding the internal constituent state citizenship status of the constituent state where the land is located. Such leases shall only be for *use for own purposes* and shall be arranged through the Property Board at *market value*.[32]

2. The *current user* shall have a right of first refusal to be exercised within 30 days.

Article 20 Tax exemptions for leases

1. Leases in accordance with Article 19 shall be exempted from any taxes, governmental fees, charges and duties payable on signing of instruments, or on completion and registration of leases of such *properties,* and the relevant land shall not be subject to property taxes for the duration of the lease.

2. The same exemptions shall apply to any other lease of reinstated *property* to a person holding the internal constituent state citizenship status of the state where the *property* is located, which is concluded within one year of *reinstatement*.

Part III: LOSS OF USE

Article 21 Compensation for loss of use

Any claims for compensation for loss of use of an *affected property* for any period commencing with dispossession shall be considered by the constituent state from which the claimant hails, taking into account:

a. Benefits previously enjoyed by the *dispossessed owner* on the grounds of his/her displacement; and
b. Any entitlements received by or payable to the *dispossessed owner*, whether before or after the Foundation Agreement, for the period of lost use.

[32] **Clarification**: The owner shall have free use of the reinstated property if the Property Board is unable to arrange a lease.

Part IV: JUDICIAL REVIEW

Article 22 The Property Court

1. A Property Court shall be established with power to conduct final judicial review of decisions of the Claims Panel.

2. The Property Court shall be composed of an uneven number of judges. This number shall be specified by the President of the Supreme Court after consultation with members of the Supreme Court, and shall include an equal number of judges from each of the constituent states and no less than three non-Cypriot judges who are not citizens of Greece, Turkey or the United Kingdom. The President and judges of the Property Court shall be chosen in the same manner and for the same term of office as judges of the Supreme Court, unless the Supreme Court decides otherwise.

3. Decisions of the Claims Panel shall not be subject to appeal or challenge in any constituent state court or otherwise, except by way of judicial review by the Property Court in accordance with the law and these provisions.

4. Decisions of the Property Court shall not be subject to further review or appeal to the Supreme Court.

5. An application for judicial review of a Claims Panel decision may be made to the Property Court by any party with a legal interest in the decision or the *property* in question, within 60 days of publication of the decision by the Claims Panel in accordance with its rules.

6. The Property Court shall have power to levy fees upon parties for procedural steps in initiating and contesting matters before it.

7. The Property Court shall continue in operation until such time as the Supreme Court may decide to assume its functions.

Part V: AMENDMENT

Article 23 Amendment

1. These provisions may be amended by the heads of government of the constituent states acting by consensus and with the approval of the legislatures of both constituent states.

2. The text of any proposed amendment shall be agreed between the heads of government of the constituent states and submitted in identical

form to each constituent state legislature. It shall come into force 30 days after its approval by both legislatures.

ATTACHMENT 1: DEFINITIONS

Article 1 Definitions

In Annex VII and its attachments, the following terms are defined as:

1. *Affected property* – immovable *property* in Cyprus which the owner, being a natural or legal person, left or of which s/he lost use and control as a consequence of intercommunal strife, military action or the unresolved division of the island between December 1963 and entry into force of the Foundation Agreement, and which has not since been reinstated to the owner (or his/her heir, personal representative or successor in title), and over which s/he has not regained use and control. *Affected property* shall not include any *property* which was voluntarily sold, transferred or otherwise permanently disposed of by the owner, to a natural or legal person who was able to gain effective control over the *property*, or for which compensation due to compulsory acquisition has been accepted. The onus of proof of any such voluntary transfer or lawful expropriation shall lie with the transferee or his/her successor in title. In the absence of evidence to the contrary for the individual case in question, dispossession shall be presumed to have been unlawful and/or involuntary. People who are successors in title of *dispossessed owners* and have not been able to gain effective control over the relevant *affected property* shall be treated in the same manner as the *dispossessed owners* themselves would be.

2. *Alternative accommodation* – residential housing for people affected by the return and *reinstatement* of owners, who satisfy eligibility requirements. Such accommodation shall at least be of a level which is comfortable by reasonable modern standards (including being connected to public utilities where available, such as water and electricity); provides a reasonable ratio of living space for the number of household members which it must accommodate; is no less than 70 square metres for a household of up to two persons, 100 square metres for three persons, 120 square metres for four to five persons and 140 square metres for larger households; and, where practicable, is comparable to the residence which the recipient is vacating or which s/he possessed prior to his/her displacement (up to a maximum standard to be defined in regulations of the Property Board).

3. *Current user* – a person who has been granted a form of right to use or occupy *property* by an authority under a legal or administrative process established to deal with *property* belonging to *dispossessed owners*, or any member of his/her family who has a derivative right to use or occupy such *property*, or his/her heir or successor in title. The definition does not include any person who occupies or uses a *property* without any legal, administrative or formal basis, nor any person using or occupying

property under a lease contract from a private person, nor any military force, body or authority.

4. *Current value*[33] – value of a *property* at time of dispossession, plus an adjustment to reflect appreciation based among other things on increase in average sale prices of *properties* in Cyprus in comparable locations[34] in the intervening period up to the date of entry into force of the Foundation Agreement. The *current value* of *property* shall be assessed as at the date of entry into force of the Foundation Agreement. This value shall bear interest, at the same rate as interest on medium-term government bonds, from the date of entry into force of the Foundation Agreement until compensation bonds and property appreciation certificates are issued.

5. *Dispossessed owner* - a natural or legal person who, at the time of dispossession, held a legal interest in the *affected property* as owner or part owner, his/her legal heir, personal representative or successor in title, including by gift.

6. *Institutions* – entities other than natural persons, including privately or publicly-owned or controlled bodies, such as public or private trusts, religious institutions; military forces and companies (other than sole corporations).[35]

7. *Market rent* – the amount of rent which could be charged for a *property* on the open market, based on an assessment of *market rent*s paid for comparable *properties* in comparable locations at the time of assessment.[36]

8. *Market value* - the amount for which a *property* could be sold on the open market, based on an assessment of purchase prices or amounts paid for comparable properties in comparable locations at the time of assessment.[37]

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[33] **Observation:** Expert advice shall be sought from quantity surveyors, economists and/or specialists in property valuation on the final formulation of provisions relating to assessment of value.

[34] **Observation:** The value at the time of dispossession and the calculation of the increase should be based on the hypothesis that events between 1963 and 1974 had not taken place, i.e. they should not take into account alteration in values due to those events; it should if possible therefore be based on comparable locations where property prices were not positively or negatively affected by those events.

[35] **Observation**: This definition is not intended to include private family corporations or companies, meaning any corporate or unincorporated association of persons, shareholders or members of which are spouses and their respective relatives, up to and including the third degree or generally persons related between themselves up to and including the third degree (as such degree of relation is defined by the 1960 Cyprus law), as well as their successors, testate or intestate, if they by virtue of succession become shareholders or otherwise members of such entities which continue as going concerns or are of continued good standing or corporations, the shareholders of which hold shares that relate to separate and self-contained tenements *used for their own purposes*.

[36] **Observation:** provisions defining *market rent* and *value* shall be reviewed by relevant experts in valuation.

[37] **Observation:** provisions defining *market rent* and *value* shall be reviewed by relevant experts in valuation.

9. *Original state* - the state or condition of *affected property* at the time of dispossession of the *dispossessed owner*, not including improvements subsequently made by any party, assessed at *current value*.

10. *Property* - immovable *property*, being land and fixtures attached to land (or an ownership interest or undivided share in such a *property*).

11. *Property eligible for reinstatement* – Any *affected property* for which title has not been given to:

    a. a *current user* in exchange for his/her *affected property* in the other constituent state (in accordance with Article 12 of the main provisions);
    b. a subsequent purchaser from such a *current user* (in accordance with Article 13 of the main provisions); or
    c. the *owner of a significant improvement* in exchange for payment of the *current value* of the *property* without the improvement (in accordance with Article 14 of the main provisions);

    and which is not owned by *institutions* nor used for military or public benefit purposes (Articles 9, 10 and 11 of the main provisions respectively).

12. *Reinstatement* – restitution through the award of legal and physical possession to the *dispossessed owner*, so as to enable him/her to exercise effective control over the *property* from which s/he was dispossessed, including *use for his/her own purposes*.

13. *Reinstatement entitlement* – The reinstatement entitlement is one third of the land area and one third of the *current value* of the *property* (whichever first applies) of the aggregated *affected property* of a *dispossessed owner*, who is not an *institution*.

14. *Religious site* – a mosque, church, chapel, cemetery, monastery, shrine, tomb or other place of worship. In exceptional cases, where living quarters, contiguous gardens or other land and buildings owned by the Church or Evkaf form an inseparable unit with the *religious site*, such property up to a maximum of 2 *donum*[38] shall be considered part of the *religious site*.

15. *Significant improvement* – an improvement (including any new construction on *vacant* land) to an *affected property*, which was made between the time of dispossession and 31 December 2002,[39] or based on a building certificate (proof of engineering approval for construction) issued prior to 31 December 2002, or any later improvement which has been deemed admissible for this purpose pursuant to regulations of the

[38] In the case of Apostolos Andreas monastery and the Hala Sultan Tekke, the maximum adjacent area to be considered part of each *religious site* shall be 165 *donums* (namely the area included within the donkey fence surrounding the complex of buildings of the monastery) and 45 *donums* (namely the area including the mosque, mausoleum, the garden area between the road and the lake, as well as the adjacent Islamic cemetery) respectively.

[39] **Observation**: The Property Board shall have discretion in deciding cases of improvements which were in an advanced stage as at that date and completed thereafter.

Property Board and of which the *market value* is greater than the value of the *affected property* in its *original state*. If the *property* was damaged after the time of dispossession but during the events of 1963 to 1974, the *market value* of the improvement shall be compared to the value of the *property* in its state at the time the improvement was made. For the purposes of determining the ownership of the improvement, it shall not be considered as having attached to the land; the owner of the improvement is the natural or legal person who paid for the improvement or his/her heir, personal representative or successor in title. The burden of proof concerning the value, ownership and date of construction of any improvement lies on the owner of the improvement.

16. *Sufficient financial means* – income (taxable or otherwise) of more than X (X being the amount required to meet mortgage payments) or wealth of more than Y (Y being the amount required to purchase the currently-used *property* or *alternative accommodation*). Entitlements and interests in *affected property* shall be taken into account for the purposes of calculating wealth. The Property Board shall determine the amounts of X and Y and revise the amounts annually, based on market figures and expert input.

17. *Use for own purposes* – use and enjoyment of *affected property* by a person, his/her family member, employee or representative (other than a tenant) through regular personal use (not necessarily as a permanent residence). *Use for own purposes* shall not include selling, renting, transferring by gift or otherwise disposing of an interest in *affected property*.

18. *Vacant* - not used or occupied by a *current user* or any member of his/her family or successor in title who has a derivative right to use or occupy such *property*.

ATTACHMENT 2: THE CYPRUS PROPERTY BOARD AND COMPENSATION ARRANGEMENTS

Section A: Establishment, operation, powers, staff and costs of the Cyprus Property Board

Article 1 Establishment and conduct of the Cyprus Property Board

1. There shall be an independent, impartial, administrative body known as the Cyprus Property Board (hereafter the 'Property Board').

2. The Property Board shall act in accordance with the principles and terms of the Foundation Agreement and in particular with these provisions.

Article 2 Operation of the Property Board

1. The structure of the Property Board shall reflect the distinct functions it provides. It shall consist of the Governing Council and three separate divisions:
   a. the Claims Bureau, dealing with the claims process;
   b. the Cyprus Housing Bureau, dealing with arrangements for *current users* and persons affected by the property regime; and
   c. the Compensation Bureau, dealing with compensation issues and property portfolio management.
2. The Governing Council shall be composed of a total of seven members, being two members hailing from each constituent state and three non-Cypriot members who are not citizens of Cyprus, Greece, Turkey or the United Kingdom. Members shall be professionally qualified and of high moral and professional standing. At least two members shall also be legally qualified. Members shall be prohibited from holding any other federal or constituent state office during their membership of the Governing Council. Membership of the Council shall be part-time.
3. The Claims Bureau shall be headed by a panel of seven members, being two members hailing from each constituent state and three non-Cypriot members who are not citizens of Cyprus, Greece, Turkey or the United Kingdom. Members shall be legally qualified and of high moral and professional standing. Members shall be prohibited from holding any other federal or constituent state office during their membership of the Claims Bureau.

4. The Claims Panel shall work independently. The Governing Council shall only have budgetary powers over the Claims Bureau and shall have no authority over the decision-making process of the Panel.

5. The remuneration of the Cypriot and non-Cypriot members of the Governing Council, the Claims Panel and the executive directorship of the Cyprus Housing Bureau and the Compensation Bureau shall be at the level of nine-tenths of the salary of the Cypriot and non-Cypriot judges of the Supreme Court respectively, although for the Governing Council it shall be on a pro-rata basis based on time actually served.

6. Within 30 days of entry into force of the Foundation Agreement, the Council of Ministers shall appoint by consensus one Cypriot member hailing from each constituent state and the three non-Cypriot members of the Governing Council. The remaining two members shall be appointed by the heads of government of the constituent states. For subsequent appointments, the members shall be appointed by the heads of government of the constituent states acting by consensus. Within sixty days of entry into force of the Foundation Agreement, the Governing Council shall appoint by consensus the members of the Claims Panel.

7. If there is failure to agree on the appointment of any member of the Governing Council in the time specified under these provisions, the Secretary-General of the United Nations or his/her representative is invited to appoint a replacement member to hold office for a minimum of eighteen calendar months.

8. The members of the Governing Council and the Claims Bureau shall each elect from among their number a presiding member, who shall perform this role for a period of three years or until the end of his/her term, whichever is the sooner.

9. To ensure continuity of the Governing Council, the terms of office of the initial members shall be as follows: two members shall be appointed for an initial term of five years; two for an initial term of four years and three for an initial term of three years. All subsequent appointments will be for three-year terms. At the end of each term, each member shall be replaced or reappointed for a further three-year term. A similar approach shall be adopted for the members of the Claims Panel.

10. Members of the Governing Council and Claims Panel may resign with 90 days prior notice. The Supreme Court may remove any member upon the application of the federal government of either constituent state in case of misconduct or grave breach of the member's duties. In case of any vacancy, a new member shall be appointed within 90 days of notice of the vacancy or of its occurrence, whichever is the sooner.

11. Five years after entry into force of the Foundation Agreement, the Compensation Bureau will become an independent legal entity named the Cyprus Compensation Trust. Three members of the Governing Council, including one member hailing from each of the constituent states and one non-Cypriot member (none being the presiding member),

shall serve as members of the non-executive Directors Board of the Cyprus Compensation Trust. Two additional members shall be appointed by the Governing Council, based on their professional qualifications.

12. Two members of the Directors Board of the Cyprus Compensation Trust shall be appointed for an initial term of five years; two for an initial term of four years; and one for an initial term of three years. All subsequent appointments will be for three-year terms. At the end of each term, each member shall be replaced or reappointed for a further term. New members shall be selected by the Directors Board, and confirmed by the annual meeting of property certificate- and bond-holders.

13. The members of the Directors Board of the Cyprus Compensation Trust shall elect from among their members a presiding member, who shall perform this role for a period of three years or until the end of his/her term, whichever is the sooner. The Directors Board may propose candidates for the executive directorship of the Trust, who shall be confirmed by the annual certificate holders meeting.

14. The remuneration of the members of the Directors Board shall be in line with international standards regarding non-executive directors of corporations and institutions of comparable magnitude as the Cyprus Compensation Trust and shall be confirmed by the annual certificate- and bond-holders meeting. The remuneration of the executives of the Cyprus Compensation Trust shall be in line with the same international standards and linked to their performance.

15. The members of the Governing Council and the Claims Panel and the executive directors of the Cyprus Housing Bureau, and, for the first five years of its operation, the Compensation Bureau shall be granted immunity from any and all legal and administrative proceedings brought against them regarding the exercise of their official duties in good faith.

Article 3 Powers

The Property Board shall have the power to:

a. Receive and rule on claims for *affected property*;
b. Decide any question or dispute before it regarding claims, entitlements of *dispossessed owners*, *current users* or owners of improvements, allegations of sale under duress, *property* valuation, right of first refusal or title to or other rights in respect of *affected property*;
c. Decide in individual cases on, and set and revise scales and values for the purposes of calculating compensation for *affected property* and improvements; rent, sale and purchase amounts; entitlements to *alternative accommodation* and other amounts under these provisions;

d. Demand and receive prompt, full and unhindered access to any and all records, archives, databases or other information regarding *property* in Cyprus, and to any and all *property* in Cyprus for the purpose of inspection, valuation and assessment related to its tasks and operation, and to receive copies or extracts of information, without fee, tax or other charge;
e. Order or procure the registration of interests in *affected property* or correction of entries in the relevant Land Titles Register or other records, based on entitlements under these provisions or other applicable law;
f. Refer any question arising in respect of an *affected property* to another competent court or authority, as appropriate and for finalisation or any interim or other ruling;
g. Order the suspension of any proceeding in any court or other authority, or any physical alterations (other than minor or emergency maintenance) with respect to *affected property*;
h. Order or procure the completion of any steps as required to transfer interests in *affected property* or, where necessary, partition *affected property*, under these provisions or other applicable law;
i. Issue legally binding orders to competent federal or constituent state bodies as required to implement its decisions;
j. Acquire and deal with *affected property* in a responsible manner under these provisions, including the administration and disposal of *affected property* transferred to it or coming under its control;
k. Facilitate the provision and allocation of *alternative accommodation*;
l. Assist persons, upon their request, in the lease of *affected property*;
m. Collect damages from and issue fines against any persons found responsible for damaging or destroying *affected property*;
n. Administer and/or supervise a preferential loans scheme under these provisions and coordinate with the Central Bank and the federal government on any possibly needed regulations or provisions regarding implementation of the scheme, including mortgage default and enforcement mechanisms;
o. Adopt such rules, regulations, procedures, forms and other instruments as required for the performance of its functions;
p. Consult and seek recommendations from qualified experts to assist in the performance of its functions, including experts in valuation, economics, law, property markets, quantity and land surveying, registration, mapping and others; and
q. Perform other tasks, including those which may be assigned to it by the federal government or either constituent state, or which are incidental or related to the performance of its functions.

Article 4 Obligations of the federal government and the constituent states in respect of the Property Board

1. The federal government and the constituent states shall take all steps as required to implement these provisions in good faith and in a timely manner.

2. In order to fulfil their obligations under these provisions, the federal government and the constituent states shall, among other things:

   a. Cooperate fully with the Property Board, and respect, recognise and comply with its decisions in accordance with their legally binding nature, including by officially publishing its decisions at the request of the Property Board;
   b. Implement the decisions of the Property Board fully and promptly;
   c. Cooperate with other relevant *institutions* dealing with *affected property* under these provisions;
   d. Provide the Property Board with prompt, full and unhindered access to any and all records, archives, databases or other information regarding *property* in Cyprus, and to any and all *property* in Cyprus for the purpose of inspection, valuation and assessment related to its tasks and operation, and to provide copies or extracts of information, without fee, tax or other charge;
   e. Adopt special measures, including at the request of the Property Board, to ensure the physical protection of *property* from damage or destruction; and
   f. Act otherwise as necessary to respect *property* rights.

3. The federal government and the constituent states shall adopt and enforce any legislation, regulations, procedures, orders, instructions, practice notes and other legislative instruments as necessary or appropriate to acknowledge the binding force of Property Board decisions, and ensure their enforcement and implementation, including as necessary through local administrative bodies, police or other agents. Such legislative instruments shall be drafted in consultation with the Property Board.

4. In case the federal government or a constituent state fails within one year after entry into force of the Foundation Agreement to adopt laws for enforcement and implementation of decisions of the Property Board, the Property Board shall issue rules providing for enforcement and implementation of its decisions, which shall come into force as binding legal instruments of the federal government or the relevant constituent state, and which shall remain in force until the federal government or the relevant constituent state enacts effective laws in fulfilment of its obligations under these provisions.

5. The federal government and the constituent states shall adopt legislation in accordance with any guidelines provided by the Property Board on the treatment of loans which are still outstanding and which were incurred

prior to July 1974 for the purchase of *affected property* and on unresolved dealings in *affected property*.

6. In case of mortgage default on a preferential loan granted in accordance with these provisions, the mortgage lender shall have a lien on the mortgaged property and shall be exempt from any restriction on the acquisition of *property* in constituent state legislation that could otherwise prevent this. The mortgage lender shall then dispose of the *property* within the following three years.

Article 5 Obligations of federal and constituent state courts and competent authorities

1. The courts, administrative bodies and other authorities of the federal government and the constituent states shall cooperate with the Property Board and acknowledge the legally binding force of its decisions, and shall take any steps as necessary to implement and enforce its decisions.

2. If the Property Board refers a question to a court or other competent authority, such court or authority shall hear and determine the claim on its merits and shall not reject or refuse to decide the claim solely on the grounds that the claim is out of time or that any applicable limitation period has expired.

3. The constituent states shall put land for *alternative accommodation* at the disposal of the Property Board, including, where necessary, through expropriation (against full and effective compensation). In allocating such land, the constituent states shall take into account the need for relocating persons, in particular those from areas subject to territorial adjustment, to be able adequately to earn their livelihood.[40]

Article 6 Staff

1. Within sixty days of entry into force of the Foundation Agreement, the Governing Council shall employ a director who, under the supervision of the members of the Governing Council, shall be responsible for the coordination, administration and overall management of the work of the Property Board. In consultation with the Governing Council, the director shall employ three deputy directors to be responsible for the administration and management of the Claims Bureau, the Cyprus Housing Bureau and the Compensation Bureau respectively. The director and the deputy directors may employ staff in line with the overall responsibility of the office, including international expertise as needed. In particular,

[40] **Observation**: The Property Board shall not have to pay for such land.

a. The Claims Bureau shall include staff qualified in law, valuation, land titles, records management, economics, accountancy, information technology, mediation and other forms of dispute resolution, and in other technical and relevant fields;
b. The Cyprus Housing Bureau shall include staff qualified in housing development, architecture, construction, surveying, economics and finance, information technology, and in other technical and relevant fields; and
c. The Compensation Bureau shall include staff qualified in property portfolio management and valuation, property acquisition and disposition, law, economics and finance, accountancy, information technology, and in other technical and relevant fields.

2. When staffing the Claims Bureau and the Cyprus Housing Bureau, the director and relevant deputy directors shall strive to employ persons hailing from the Greek Cypriot constituent state and the Turkish Cypriot constituent state in similar numbers. When staffing and managing the Compensation Bureau and subsequently the Cyprus Compensation Trust, the director and relevant deputy director shall be guided by the commercial objective of the Bureau and Trust to maximise shareholder value.

Article 7 Costs and accounting

1. During the first five years after entry into force of the Foundation Agreement, the costs of establishing and running the Property Board and its divisions shall be met by the federal government, in accordance with the following provisions. The federal government may request contributions from the guarantor states and international donors for this purpose. After that period, the operational costs of the Compensation Bureau will be met by the income resulting from sales and rental of the properties in its portfolio. The operational costs of the Claims Bureau and the Housing Bureau shall continue to be met by the federal government, until these divisions are wound up.

2. During the first five years after entry into force of the Foundation Agreement, the Property Board shall prepare separate annual budgets for the running costs of its overall directorate and its divisions in accordance with the relevant public service scales of remuneration and, in the case of non-Cypriot employees, United Nations guidelines. The federal government shall pay the budgeted amount for the running costs to the Property Board before the beginning of each financial year. Any surplus funds at the end of each financial year shall be repaid to the federal government, and any shortfall shall be met by the federal government. Five years after entry into force of the Foundation Agreement, the budget for the running costs of the Compensation Bureau will no longer fall under the responsibility of the Property Board.

3. The Property Board shall submit its running costs and other accounts to independent audit each financial year, and the audit report shall be publicly available.

   a. During the first five years after entry into force of the Foundation Agreement, the Property Board Directorate and all its divisions shall have public reporting standards in line with Cyprus' and international standards for government agencies and in line with the objectives of the Directorate and the divisions.
   b. Beginning five years after entry into force of the Foundation Agreement, the Cyprus Compensation Trust shall have financial reporting obligations in line with international standards for property companies. The financial reporting obligations for the remainder of the Property Board shall remain unchanged.
   c. The Cyprus Compensation Trust shall publish an annual report containing a financial report in line with international standards for property companies and shall present it to the annual certificate- and bond-holders meeting.
   d. The Cyprus Compensation Trust shall be subject to financial auditing according to international standards for property companies, performed by a professional accounting firm of international repute, chosen by its Directors Board and confirmed by the annual certificate- and bond-holders meeting.
   e. The Cyprus Compensation Trust shall be subject to an annual assessment of the *market value* of the properties in its portfolio in line with international standards for property companies. The assessment shall be performed by a property valuation firm of international repute, chosen by its Directors Board and confirmed by the annual certificate- and bond-holders meeting.

4. Should any additional task or function be assigned to the Property Board, the federal government or the constituent state which assigns such task or function shall provide or procure the provision of resources to enable the Property Board to perform the task or function.

Article 8 Period of operation of the Property Board and Cyprus Compensation Bureau and Trust

1. Without prejudice to the provisions concerning the Cyprus Compensation Bureau, ten years after entry into force of the Foundation Agreement, the Property Board shall be wound up. If the Property Board by that date has not completed determination of all claims or any other task before it, the Supreme Court may extend the period of operation of the Property Board for one year at a time. In case of such an extension, the Supreme Court may order retention by the Property Board of specified assets to enable it to continue its work in accordance with these provisions. The Compensation Trust shall have no predetermined duration and shall be wound up only after having disposed of all properties in its portfolio, unless the Supreme Court determines otherwise. When the rest of the

Property Board has been wound up, its financial and property assets shall be transferred to the Compensation Trust. Until all the compensation bonds have been redeemed, the Supreme Court shall review the situation every five years to determine if the Cyprus Compensation Trust should remain in operation. After that, it may behave as any private company and shall no longer be subject to Court review.

2. The Governing Council may decide, by majority of five to two and subject to the approval of the heads of government of the constituent states acting by consensus, to wind itself up on a date earlier than ten years after commencement of its operations, provided that its work has been completed or appropriate provision has been made for transfer to a competent body of any outstanding functions or matters.

3. The Supreme Court may, upon application by the Governing Council or by the heads of government of the constituent states acting by consensus, extend the period of operation of a specific division or divisions of the Property Board for one year at a time, in order to enable completion of a specified function, and may order retention by that section or sections of specified assets to enable the continuation of work. Notwithstanding any such limited extension of operation of a particular section or sections, the Property Board shall be considered to be wound up for the purposes of these provisions, unless the Supreme Court orders otherwise.

4. For the purposes of hearing and determining disputes over claims, entitlements of *dispossessed owners*, *current users* or owners of improvements, *property* valuation, right of first refusal, or title to or other rights in respect of *property*, the relevant section of the Property Board shall continue in operation for as long as the Supreme Court deems fit.

5. Prior to its winding-up, the Property Board shall make arrangements for the completion of any tasks or functions assigned to it under these provisions, including any claims or disputes which are pending or which may arise in future. For this purpose, it may refer or request the Supreme Court to assign specified claims or cases to other competent bodies or courts or to a section of the Property Board, which will continue in operation by order of the Supreme Court. The obligation to ensure or make arrangements for completion of any tasks or functions under these provisions shall also apply to any section of the Property Board which continues in operation for any extended period.

Section B: Handling of *property* transferred to or via the Property Board

Article 9 Handling of property transferred to or via the Property Board

1. The Property Board shall receive transfer of title to *affected property* which is:
   a. Not claimed by a *dispossessed owner* within the time period set by these provisions for submission of claims;
   b. Owned by a *dispossessed owner* who receives compensation from the Property Board or title to another *property* in exchange for his/her title; or
   c. Owned by a *dispossessed owner* who disposed of his/her interest in an *affected property* of which s/he was the *current user*, in exchange for transfer of title to such *affected property* to the subsequent purchaser (or his/her successors in title) in accordance with Article 13 of the main provisions.
2. In disposing of *property* transferred to it under these provisions, the Property Board shall, in this sequence:
   a. Offer the *property* for sale to the *current user* at *current value*;
   b. Offer the *property* to *dispossessed owners* from the same or neighbouring municipality or village in exchange for a *reinstatement entitlement*, in accordance with Article 16.4 of the main provisions;
   c. Offer the *property* for sale to persons hailing from the constituent state in which the *property* is located, at *market value*, including in exchange for compensation bonds and property appreciation certificates at their market value;
   d. Use it as *alternative accommodation*; or
   e. Otherwise dispose of it in a prudent manner, at *market value*, to generate funds for compensation purposes.
3. In all cases and at all times, the Property Board shall manage *property* transferred to it or otherwise under its control in a prudent manner and in accordance with these provisions. The Claims Bureau shall retain title to all properties in the Property Board's portfolio until the Bureau is would up, while the Compensation Bureau shall manage the portfolio. Before selling any *property* from the portfolio, the Compensation Bureau shall seek approval from the Claims Bureau.
4. All funds generated from the sale or use of *affected property* held by the Property Board shall be deposited into the Compensation Fund.

Section C: Decision-making and claims for *affected property*

Article 10 Decision-making

1. The Claims Bureau shall aim to reach all decisions by consensus. If the members are unable to reach consensus on a decision, the decision shall be taken by majority vote.

2. The Claims Bureau shall consider any relevant material or evidence put before it in respect of any claim for *affected property* or any other matter which is within its jurisdiction or decision-making power.

Article 11 Claims procedure

1. A *dispossessed owner* shall be entitled to file a claim with the Property Board for recognition of his/her interest in or title to *affected property*. In filing a claim for recognition of an interest or title, a claimant shall also specify how s/he seeks to exercise his/her *property* rights, namely by way of compensation or *reinstatement*.

2. A *current user* of an *affected property* who is also a *dispossessed owner*, or a person who owns a *significant improvement* to an *affected property* may apply to receive title to such properties.

3. Claims or applications for transfer of title must be filed within a period of one year, commencing on a date to be determined by the Property Board which shall be no later than one year after entry into force of the Foundation Agreement. The decision fixing the relevant date shall be published in the Official Gazettes of the federal government and the constituent states, in the most widely circulated newspaper of each constituent state and in any other such appropriate manner as determined by the Property Board.

4. A claim or application shall be filed together with certified copies of any available evidence of the claimant's or applicant's interest in or title to the *affected property*.

5. Holders of a part interest in or title to an *affected property* shall, wherever possible, file joint claims.

6. A *dispossessed owner* who does not file a claim within the stipulated period and can show good cause why s/he did not or was not able to do so, is entitled to compensation.

7. Further detailed requirements for the filing and determination of claims and applications in respect of *affected property* shall be set out in rules, regulations, procedures, forms, evidence and any other instruments adopted by the Property Board in accordance with these provisions.

Article 12 Determination of claims and applications

1. Upon receipt of any claim for *affected property*, the Claims Bureau shall, following any necessary investigation and verification, determine whether the claimant has a lawful interest in the *property*.

2. Upon receipt of any application with respect to *affected property*, the Claims Bureau shall, following any necessary investigation and verification, determine whether the applicant has a sufficient interest in the *property* under these provisions.

3. If the Claims Bureau determines that the claimant or applicant is not the sole *dispossessed owner* or person with an interest in the *affected property*, it shall make reasonable efforts to contact the other interested parties, including the *current user*, before deciding the claim or application.

4. The Claims Bureau shall then determine whether the claimant or applicant is entitled to exercise his/her rights in the manner requested in the claim or otherwise under these provisions.

5. In its decision, the Claims Bureau shall, if possible, state the name and interest of any other holder of a lawful interest in the *property*. Where it has been unable to locate or contact such persons before deciding the claim or application, it shall publish its decision in an appropriate manner.

6. In its decision, the Claims Bureau shall also indicate the steps necessary for the execution or implementation of the decision and, where appropriate, shall order that they be taken within specified time frames.

7. If the Claims Bureau decides that a claimant or applicant has no legal interest in the claimed *affected property*, it shall reject the claim or application. At the same time, it may decide on the interests of the other parties to the proceedings and issue orders with respect to the *property* as appropriate.

8. The Claims Bureau shall deal, in the following order of priority, with:

    a. claims regarding *affected property* of *dispossessed owners* currently living in areas subject to territorial adjustment and the claims of the *current users* of those properties;

    b. claims or applications of:

        i) *dispossessed owners* for compensation;

        ii) *current users* for transfer of title to the properties they are currently using in exchange for transfer of title to the Property Board of *properties* of which they were dispossessed; and

        iii) persons who own *significant improvements* to *affected properties* in exchange for payment of the *current value* of the *properties* without the improvement;

c. claims of *dispossessed owners* of *affected properties* in areas subject to territorial adjustment; and

d. any other claims and applications.

In doing so, it shall further prioritise decisions which shall have a positive economic impact.

Article 13 Decisions on reinstatement

1. Upon determination that a *property* is eligible to be reinstated, the Claims Bureau shall inform the claimant of its decision. It shall hold the case as pending until all claims for *reinstatement* have been reviewed, in order to determine the priority for *reinstatement* in accordance with Article 16 of the main provisions.

2. The Claims Bureau shall endeavour to determine the eligibility of all claims for *reinstatement* before issuing final decisions on *reinstatement*.

3. The Claims Bureau shall issue final decisions on *reinstatement* of *properties* that are not subject to the agreed levels of *reinstatement* in Article 16 of the main provisions as soon as it has determined their eligibility for *reinstatement*.

4. Upon issuing a final decision on *reinstatement*, the Claims Bureau shall inform the *current user* of the *affected property* of the decision, of his/her obligation to vacate the *affected property* and of his/her rights to *alternative accommodation*; it may also inform the authorities of the relevant constituent state responsible for enforcement and implementation of the decision.

5. *Reinstatement* shall only occur after the *current user* has been provided with *alternative accommodation* or the final deadline for vacating the *property* as determined by the Claims Bureau in accordance with Attachment 3 has expired, whichever is the sooner.

Section D: Assistance with lease

Article 14 Assistance with lease

1. In accordance with Article 19 of the main provisions, the Property Board shall assist *dispossessed owners* who are reinstated to more than 100 *donums* with the arrangement of a long-term lease.

2. Any Cypriot citizen may request the Property Board for assistance in connection with finding a long-term leasehold interest in his/her constituent state and with arranging the lease.

3. The Property Board shall keep a record of such transactions.

Article 15 Standard form lease

The Property Board shall provide on request a standard form of lease agreement.

Article 16 Sale, exchange and lease: other assistance

1. The Property Board shall refer any interested party on request to a list of real estate agents of a high professional standard, who are acting in one or both constituent states and who can assist persons seeking advice regarding sale, exchange or lease transactions in one or both constituent states.

2. Subject to these provisions, the Property Board's involvement in a sale, exchange or lease transaction shall be limited to conveying information between the counterparts to the potential transaction. The Property Board shall not be responsible for negotiation or completion of contractual arrangements, nor any resulting dispute or loss.

Section E: Compensation fund, bonds and property appreciation certificates

Article 17 Compensation Fund

A Compensation Fund shall be established in the Central Bank of Cyprus and administered by the Compensation Bureau of the Property Board. The Fund shall receive all proceeds from the use or disposal of *property* that has been transferred to the Property Board. In addition, the federal government shall provide a first contribution of 100 million Cyprus pounds towards the initial capital of the Fund no later than 18 months, and if financially possible, 9 months, after entry into force of the Foundation Agreement, and shall seek a contribution from international donors. This contribution shall be returned to the federal government after the compensation bonds have been redeemed.

Article 18 Compensation bonds and property appreciation certificates[41]

1. Successful claimants for compensation shall first receive claim receipts, indicating the *current value* of their holding in the Property Board's portfolio. Claim receipts may be exchanged for compensation bonds and property appreciation certificates, five years after entry into force of the Foundation Agreement. The ratio of the nominal value of bonds to total

[41] **Observation:** Expert banking advice is needed on the question of the issuing, value and use of compensation bonds.

current value of all properties in the portfolio of the Compensation Trust shall be fixed at 33.3% as of the date of entry into force of the Foundation Agreement.

2. Compensation bonds shall be interest-bearing from the date of issue at a rate per annum equal to or greater than that applying to federal government bonds of equal maturation periods at the time of issuance of the bonds. Certificates shall be entitled to dividend if payable. For claims still pending five years after entry into force of the Foundation Agreement, interest on one third of the *current value* and dividend (if payable) on the remaining two thirds of the *current value* of the *affected property* will start accruing from year six.

3. Compensation bonds and property appreciation certificates may be used at their market value on the day of the transaction by holders for the following purposes:

   a. To purchase *affected property* from the holdings of the Property Board at *market value*[42]; or

   b. To procure the payment by the Property Board of a deposit for purchase of *alternative accommodation* on the open market; or

   c. For sale to any person or institution, who thereby acquires all entitlements of the initial holder, provided that this person or institution or any representative thereof does not own a combined total of more than 10% of the outstanding bonds and property appreciation certificates. Persons and institutions shall have a duty to report their holdings to the Central Bank once these have exceeded a combined total of more than 5% of outstanding bonds and property appreciation certificates.

4. The nominal value of compensation bonds at maturity shall be guaranteed by the federal government.

5. Compensation bonds shall mature 25 years after issuance and shall be redeemable for cash from the Compensation Trust. The bonds shall become callable at the discretion of the Compensation Trust at nominal value five years after they are issued.

6. After the final maturity date on issued bonds, the certificate holders shall receive all proceeds of any subsequent sale or lease of *affected property* from the holdings of the Compensation Trust.

[42] **Observation:** Unless these provisions give a *dispossessed owner* the right to purchase property from the holdings of the Property Board in the constituent state where his/her *affected property* is located (e.g. Article 16), restrictions on purchases of property by non-residents may apply.

ATTACHMENT 3: MEASURES IN FAVOUR OF *CURRENT USERS*

Section A: Extension of deadlines for vacating *affected property*

Article 1 Property occupied by current users with sufficient financial means

1. A *current user* of a *property* designated for *reinstatement*, with *sufficient financial means*, may apply to the Property Board for an extension to enable him/her to continue to *use the property for his/her own purposes* for up to three years after the Claims Bureau's decision.

2. An application for an extension shall be granted by the Property Board unless and up to the time when it is found that the *current user* is not *using the property for his/her own purposes*, or that the *current user* has immediate access to *alternative accommodation*.

3. The Property Board may extend the time limit under this Article in cases of urgent humanitarian need, as determined by the Property Board.

4. The *current user* shall pay *market rent* to the Property Board for the period of continued use of the *affected property* from the date of the Property Board's decision on *eligibility for reinstatement*.

5. At the end of the period fixed by the Property Board, the *current user* shall vacate the *affected property*.

Article 2 Property occupied by current users without sufficient financial means

1. A *current user* of a *property* designated for *reinstatement*, without *sufficient financial means*, who is a Cypriot citizen and is *using the property for his/her own purposes*, shall not be required to vacate the *property* until *alternative accommodation* is made available for them or until they are able, including through the provision of preferential loans or other assistance, to buy or lease on the market a *property* which meets the standard of *alternative accommodation*.

2. Such *current users* may apply to the Property Board for:
   a. Assistance to purchase or lease *alternative accommodation*, in the form of preferential loans under these provisions; or
   b. In cases of urgent humanitarian need and where not eligible for preferential loans, the allocation of low-cost or cost-free *alternative accommodation* from the holdings of the Property Board. The

Property Board shall grant such applications to persons meeting its criteria, provided that *alternative accommodation* is available in its holdings.

3. *Current users* of *properties* designated for *reinstatement*, without *sufficient financial means*, who are not citizens of Cyprus but enjoy permanent residence and are *using the property for their own purposes*, may apply for social housing or other housing assistance, or for financial assistance from the constituent state in which they enjoy permanent residence. Such *current users* shall not be required to vacate the *property* until such housing or financial assistance is available, up to a maximum of two years after the Property Board's decision on *eligibility for reinstatement*.

4. The Property Board shall charge rent to any *current user* without *sufficient financial means*, up to the maximum amount possible based on his/her income and wealth.

Article 3 Payment of rent to dispossessed owner up to reinstatement

The Property Board shall pay *market rent* to the *dispossessed owner*, effective from the date of the decision of the Property Board that the *property* is *eligible for reinstatement* up to the date on which *reinstatement* occurs.

Section B: Preferential loans

Article 4 Preferential loans

1. The Property Board shall oversee and administer a preferential loans scheme, including mortgage guarantee and mortgage subsidy systems, with the assistance of international and local banks, the federal government, the constituent states and other donors. The federal government shall provide funds from its budget to support the scheme. A separate branch, the Cyprus Mortgage Bureau, shall be established within the Cyprus Housing Bureau to administer the scheme. This bureau shall have separate accounts and reporting from the Housing Bureau.

2. Under this scheme, preferential loans shall be made available on favourable terms for *dispossessed owners*, *current users* of *affected property* and owners of *significant improvements* to *affected property* who are Cypriot citizens and who are without *sufficient financial means*, in order to facilitate the purchase or construction of *property* (including the purchase of significantly improved *property*) or make payments required under these provisions.

3. Loans under this scheme will be made available to people who meet the criteria on condition that they agree to a 20-year moratorium on sale of any *property* which they purchased or reconstructed or for which they received title after making a payment to the Property Board with preferential loan funds. This moratorium period may be shortened or waived with the authorisation of the Property Board.

4. The Mortgage Bureau shall determine criteria for mortgage guarantee applications. Criteria shall include a maximum property purchase price or construction cost of 40,000 Cyprus pounds. Applications will be processed by the bank providing the loan. In case of default, the Mortgage Bureau shall pay the loss on the loan to the bank providing the loan, up to 30% of the loan amount, after which it shall receive title to 30% of the value of the mortgaged property. The Mortgage Bureau shall build up a guarantee fund to cover the default risk. The fund shall be based on an initial endowment provided by international donors or, if such funding is not available, by the federal government. The capital of the guarantee fund shall be invested in government bonds and shall earn interest at a compound annual rate. The federal government shall guarantee the fund and seek ultimate backing by international public financial institutions.

5. The Mortgage Bureau shall also determine criteria for mortgage interest subsidy applications. The criteria shall include a maximum home purchase price or construction cost of 30,000 Cyprus pounds (which should grow at an annual rate of 6%), a household wealth ceiling of 6,000 Cyprus pounds, and a household income ceiling of 15,000 Cyprus pounds. The amount of the annual subsidy on the outstanding loan amount for which a household will be eligible will depend on household income and will vary between 1% and 3% of the outstanding loan amount.

6. The mortgage interest subsidy shall only apply for loans provided within five years after entry into force of the Foundation Agreement and shall have a maximum duration of eight years. Applications will be processed by the bank providing the loan. The federal government shall seek grants or low-interest loans from international donors for these subsidies.

Section C: Right of first refusal

Article 5 Right of first refusal for current user and others in sales of affected property

1. For a transitional period of 20 years after entry into force of the Foundation Agreement, any sale of an *affected property* to a person who has not enjoyed permanent residence for at least three years in the constituent state in which such *property* is located, is subject to a right of

first refusal by a *current user*, who is a Cypriot citizen, at the proposed contract price. Such right shall apply:

a. For as long as the *current user* continues to use such *property;* and
b. For five years thereafter, if the *current user* has vacated it to allow *reinstatement* of the *dispossessed owner*.

2. If the *current user* does not exercise the right of first refusal under the previous paragraph, any other person hailing from the constituent state in which the relevant *property* is located shall have a secondary right of first refusal, at the contract price.

3. Rights of first refusal under this Article may be exercised within 45 days after the *dispossessed owner* signs a sales contract with a potential purchaser, and at the same price as stated in any such contract.

4. Any dispute regarding rights of first refusal shall be referred to the Property Board. The constituent states shall enact harmonised legislation as required to regulate and ensure enforcement of contracts concluded under these provisions for rights of first refusal, and otherwise between *current users* and persons hailing from different constituent states.

Article 6 Arrangements for recovering proceeds, goods or crops produced on affected property

The Property Board shall make adequate and fair provision for *current users* of and owners of *significant improvements* to *affected property* that is currently being used for income generating purposes to allow them to recover the proceeds, goods or crops generated after *reinstatement* of the *property*, where the relevant production began one year before the date fixed for *reinstatement* and the nature of these proceeds, goods or crops does not allow them to be handed over immediately prior to *reinstatement*.

ATTACHMENT 4: PROPERTY LOCATED IN AREAS SUBJECT TO TERRITORIAL ADJUSTMENT

Article 1 Application of these provisions to property in areas subject to territorial adjustment

The Articles in this Attachment shall prevail over the other provisions of Annex VII and its other attachments in relation to *affected property* and other *property* in areas subject to territorial adjustment. Where there are no specific provisions in this Attachment, the other provisions of Annex VII and its other attachments shall apply.

Article 2 Reinstatement of dispossessed owners

1. Subject to the modalities and conditions established in this Attachment, any *dispossessed owner* of a *property* in areas subject to territorial adjustment shall be entitled to *reinstatement*.[43]

2. The Property Board shall issue final decisions on *reinstatement* of *properties* located in areas subject to territorial adjustment, as soon as it has determined that *property* is *eligible for reinstatement* and shall order that such *reinstatement* take place as soon as the *current user* has been relocated, but no later than three and a half years after entry into force of the Foundation Agreement.

3. The general moratorium and agreed maximum levels on *reinstatement* under Annex VII shall not apply to areas subject to territorial adjustment nor shall provisions permitting transfer of *properties* to a *current user* or a subsequent purchaser.

4. The Property Board shall deal with claims regarding *affected property* of *dispossessed owners* currently living in areas subject to territorial adjustment, the claims of the *current users* of those properties and the claims of *dispossessed owners* of *affected properties* in areas subject to territorial adjustment, in that order of priority.

Article 3 Improved properties

1. The *dispossessed owner* of any improved *property* shall pay the *market value* of any improvement worth more than 10% of the *value* of the *property* in its *original state,* or any improvement worth 3,000 Cyprus

[43] **Observation**: It is understood that a *dispossessed owner* of an *affected property* in an area subject to territorial adjustment whose *property* can be reinstated shall not have the option of claiming compensation.

pounds, whichever is the lower, to Property Board. The owner of the improvement is entitled to seek compensation from the Property Board for its *market value* or actual cost (if worth more than 3,000 Cyprus pounds).

2. If the *dispossessed owner* satisfies the Property Board that an improvement worth less than the *value* of the *property* in its *original state* is inappropriate for his/her intended use of the *property* which is similar to the use prior to dispossession, the *dispossessed owner* shall not be required to pay for the improvement. The Property Board may recover from the *dispossessed owner* any compensation paid to the improver if it subsequently finds that the *dispossessed owner* makes use of the improvement.

3. Where the *market value* of the improvement is greater than the *value* of the *property* in its *original state* and the *dispossessed owner* is not prepared to pay for it, the owner of the improvement may apply to receive title to the *property* in exchange for payment of the *value* of the *property* in its *original state*. The *dispossessed owner* shall retain a right of first refusal for a period of 20 years after entry into force of the Foundation Agreement, for any contract for sale, exchange or long-term lease of the *property*, at the proposed contract price.

4. Where the *market value* of the improvement is greater than the *value* of the *property* in its *original state* and both the *dispossessed owner* and the owner of the *significant improvement* seek title to the *property* in exchange for the value of the *significant improvement* or the value of the *affected property* without the improvement, respectively, the Property Board shall facilitate an amicable solution between the *dispossessed owner* and the owner of the *significant improvement* regarding title and/or future use of the improvement. If no amicable solution can be reached, the Property Board shall decide whether immediately to grant *reinstatement* to the *dispossessed owner* or to first grant a lease of one to twenty years to the owner of the *significant improvement*, as appropriate in the particular circumstances of the case.[44]

Article 4 Owners of property in areas subject to territorial adjustment who wish to leave

An owner of *property* in an area subject to territorial adjustment who vacates such *property* after entry into force of the Foundation Agreement may claim compensation from the Property Board for such *property* at *current value* in exchange for his/her title to such *property*, provided s/he can produce evidence of ownership before 1974 or of *bona fide* transfer from the 1974 owner.

[44] **Observation**: The use of the *significant improvement* for income generation shall be an important consideration in such a decision.

Article 5 Current users of property in areas subject to territorial adjustment

1. A *current user* of *property* in an area subject to territorial adjustment who is a Cypriot citizen may choose to:
   a. Remain in that area and purchase *property* there;
   b. Receive *alternative accommodation* in that area, if entitled under these provisions (see Attachment 3);
   c. Claim *reinstatement* of his/her own *affected property*; or
   d. Be relocated in the other constituent state and purchase *property* or receive *alternative accommodation* there, if entitled under these provisions (see Annex VI).
2. A *current user* who is not a Cypriot citizen may seek housing or financial assistance from the constituent state in which s/he enjoys permanent residence or apply for assistance according to Annex VI.

ATTACHMENT 5: LETTER TO THE PRESIDENT OF THE EUROPEAN COURT OF HUMAN RIGHTS

[to be sent upon entry into force of Foundation Agreement]

Excellency,

We wish to inform you that, having been approved at separate simultaneous referenda, the Foundation Agreement between the Greek Cypriots and the Turkish Cypriots has entered into force, and a new state of affairs has come into being in Cyprus. Accordingly, the United Cyprus Republic is an independent and sovereign state with a single international legal personality and a federal government and consists of two constituent states, namely the Greek Cypriot State and the Turkish Cypriot State. The European Convention for the Protection of Human Rights and Fundamental Freedoms and its Additional Protocols, are in force for the United Cyprus Republic.

The Foundation Agreement resolves in a comprehensive manner all issues that have divided Greek Cypriots and Turkish Cypriots in the past, including all property questions. We would like to bring to your attention the fact that the Foundation Agreement provides a domestic remedy for the solution of all questions related to affected property in Cyprus, and to inform you that the United Cyprus Republic shall be the sole responsible State Party concerning such matters. Moreover, pursuant to Article 37 of the European Convention for the Protection of Human Rights and Fundamental Freedoms and Rule 43 of the Rules of Court, we request the Court to strike out any proceedings currently before it concerning affected property in Cyprus, in order to allow the domestic mechanism established to solve these cases to proceed.

We would be grateful if you could bring this request to the attention of the members of the Court.

Please accept, Excellency, the assurances of our highest consideration.

Co-President Co-President

ANNEX VIII: RECONCILIATION COMMISSION

Article 1 Establishment

1. There shall be an independent, impartial Reconciliation Commission.
2. The authorities of the federal government and the constituent states shall render the Commission full cooperation and shall issue instructions to that effect to all concerned.

Article 2 Aims

With the objective of promoting understanding, tolerance and mutual respect between Greek Cypriots and Turkish Cypriots, the Reconciliation Commission shall, *inter alia*:

a. Promote a dispassionate dialogue between Greek Cypriots and Turkish Cypriots regarding the past, by addressing, *inter alia*, historical perspectives, experiences, and memories;
b. Prepare a comprehensive report on the history of the Cyprus Problem as experienced and interpreted by Greek Cypriots and Turkish Cypriots;
c. Make specific recommendations for action by the federal government and the constituent states aimed at promoting reconciliation, including guidelines for publications and school textbooks so as to promote mutual understanding of different perspectives on the past;
d. Make recommendations for the implementation of the requirement in the Constitution for the teaching of the official languages to all secondary school students; and
e. Make recommendations on guidelines for the observance of secular public holidays by the constituent states.

Article 3 Powers

1. In furtherance of these aims the Reconciliation Commission may, among other things:
    a. Convene public or private hearings and set up research groups or committees to discuss and/or inquire into questions, facts, events and time periods related to its work;
    b. Receive information from varied sources, from parties, governments or individuals inside or outside Cyprus;

c. Request a person attending a hearing of the Commission to give their statement or answer under oath or affirmation, and administer such oath or affirmation;
d. Consult experts in relevant fields;
e. Request and receive prompt, full and unhindered access to any and all records, archives or information;
f. Administer and determine the final status and management arrangements for monuments and memorial sites connected to the events of or between 1963 and 1974, that are located in areas subject to territorial adjustment;
g. Prepare and publish interim reports, findings and recommendations;
h. Adopt and publish rules, regulations and procedures required for the performance of its functions; and
i. Perform other tasks which may be incidental or related to the performance of its functions.

2. The Commission shall have no prosecutorial or other criminal legal function or powers.

3. The Commission may decide to protect the confidentiality of its sources and proceedings.

4. The work, proceedings, reports and recommendations of the Commission shall be without prejudice to the work of other existing bodies or committees, including the Committee on Missing Persons in Cyprus.

Article 4 Composition

1. The Reconciliation Commission shall be composed of seven men and women, including at least one non-Cypriot member, committed to reconciliation in Cyprus and possessing appropriate integrity, credibility and expertise. The Cypriot members shall hail in equal numbers from each constituent state.

2. The Secretary-General is invited to appoint the members of the Commission, after consultation with the federal government and the constituent states and the public, and to appoint any replacements in the same way.

3. The Commission shall be assisted by a group of qualified staff.

Article 5 Duration

1. The process of consultation for appointment of the members of the Reconciliation Commission shall commence no later than 90 days after entry into force of the Foundation Agreement. The Commission

members shall be appointed within a further 60 days and be inaugurated within a further two weeks.

2. Unless the Secretary-General, in consultation with the federal government, the constituent states and the members of the Commission, decides to grant an extension of up to one year, the Commission shall submit its final report on its conclusions and recommendations no later than three years after the constitution of the Commission.

Article 6 Costs

The costs of establishing and running the Reconciliation Commission shall be met by the federal government, which may request contributions from the guarantor powers and other international donors.

Article 7 Remuneration

The remuneration of the non-Cypriot members of the Reconciliation Commission shall be at the level of the salary of the non-Cypriot members of the Property Board.

Article 8 Recommendations and reports

1. The Reconciliation Commission shall submit its reports and recommendations to the Secretary-General of the United Nations, the federal government and the constituent states.

2. The final report and all recommendations by the Reconciliation Commission shall be given wide dissemination by the constituent states. The final report shall be published in English, Greek and Turkish. The findings of the final report shall be reflected in relevant school textbooks.

Article 9 Follow-up procedures

1. After the submission of the Commission's final report, a follow-up committee, appointed by the Presidential Council after consultation with the constituent states, shall monitor the implementation of the Commission's recommendations.

2. The authorities of the federal government and each constituent state shall be required to submit reports every 120 days to the committee on the implementation of recommendations. Such reports shall explain the reasons for failure to implement specific recommendations.

ANNEX IX: COMING INTO BEING OF THE NEW STATE OF AFFAIRS

Article 1 Entry into force of the Foundation Agreement

1. The Foundation Agreement shall enter into force, and bring into being a new state of affairs, following its approval by separate simultaneous referenda on 24 April 2004 asking the following question:

> "Do you approve the Foundation Agreement with all its Annexes, as well as the constitution of the Greek Cypriot/Turkish Cypriot State and the provisions as to the laws to be in force, to bring into being a new state of affairs in which Cyprus joins the European Union united?
>
> Yes [ ]
>
> No [ ]"

   and the signature into force[45] by Greece, Turkey and the United Kingdom no later than 29 April of the Treaty on matters related to the new state of affairs in Cyprus at a signing ceremony in the presence of the Secretary-General of the United Nations (or his representative).

2. Should the Foundation Agreement not be approved at the separate simultaneous referenda, or any guarantor fail to sign into force the Treaty on matters related to the new state of affairs in Cyprus by 29 April 2004, it shall be null and void, and have no legal effect.

Article 2 Entry into force of the Treaty between Cyprus, Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus

Immediately upon entry into force of the Foundation Agreement, the Co-Presidents of the United Cyprus Republic shall sign into force the Treaty with Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus, which shall be registered as an international treaty in accordance with Article 102 of the Charter of the United Nations.

Article 3 Flag-raising ceremonies

1. After the Secretary-General or his representative has signed the Treaty as a witness, the flags of the United Cyprus Republic and the constituent

[45] **Clarification**: It is understood that "sign into force" means the deposit of an instrument of ratification or acceptance and that all necessary internal requirements, including any promulgation of any relevant act of Parliament, have been completed prior to the signature.

states shall be raised alongside those of the three guarantors and the United Nations at the place of the signing ceremony, and the anthems of Cyprus and of the constituent states shall be played.

2. Simultaneously, there shall be ceremonies throughout the island at which all flags other than those prescribed in the Constitution shall be lowered, the flags of the United Cyprus Republic and of the constituent states shall be raised in accordance with the Constitution of the United Cyprus Republic and relevant legislation, and the anthems of the United Cyprus Republic and of the constituent states shall be played.

Article 4 The United Nations

Upon entry into force of the Foundation Agreement, the Co-Presidents shall through the attached letter inform the United Nations that henceforth the membership rights and obligations of Cyprus in the United Nations shall be exercised in accordance with the new state of affairs. The agreed flag of the United Cyprus Republic shall be raised at United Nations Headquarters.

Article 5 The Council of Europe

Upon entry into force of the Foundation Agreement, the Co-Presidents shall through the attached letter inform the Council of Europe that henceforth the membership rights and obligations of Cyprus in the Council of Europe shall be exercised in accordance with the new state of affairs and shall request the Parliamentary Assembly and the Committee of Ministers to endorse the Foundation Agreement.

Article 6 The European Union

Upon entry into force of the Foundation Agreement, the Co-Presidents shall through the attached letter inform the European Union of the coming into being of the new state of affairs and the commitment of the United Cyprus Republic to assume all rights and obligations arising from the Treaty of Accession. The Co-Presidents shall also request the European Union to endorse the Foundation Agreement and to accommodate its terms in line with the principles on which the European Union is founded and adopt special measures for the Turkish Cypriot State. They shall furthermore request that the final outcomes will result in the adaptation of primary law and ensure legal certainty and security within the European Union legal system for all concerned.

ATTACHMENT 1: LETTER TO THE SECRETARY-GENERAL OF THE UNITED NATIONS

[to be sent upon entry into force of the Foundation Agreement]

Excellency,

We wish to inform you that, having been approved at separate simultaneous referenda by Greek Cypriots and Turkish Cypriots exercising their inherent constitutive power, the Foundation Agreement and all its annexes between the Greek Cypriots and the Turkish Cypriots has entered into force, and a new state of affairs has come into being in Cyprus. Accordingly, the United Cyprus Republic is an independent and sovereign state with a single international legal personality and a federal government and consists of two equal constituent states, namely the Greek Cypriot State and the Turkish Cypriot State.

We solemnly declare that henceforth, the membership rights and obligations of Cyprus in the United Nations shall be exercised in accordance with the new state of affairs and the Foundation Agreement and all its annexes.

We should be grateful if this letter were circulated to the Member States of the United Nations.

Please accept, Excellency, the assurances of our highest consideration.

Co-President Co-President

ATTACHMENT 2: LETTER TO THE PRESIDENT OF THE EUROPEAN COUNCIL

[to be sent upon entry into force of the Foundation Agreement]

Mr. President,

We wish to inform you that, having been approved at separate simultaneous referenda, the Foundation Agreement between the Greek Cypriots and the Turkish Cypriots has entered into force, and a new state of affairs has come into being in Cyprus. Accordingly, the United Cyprus Republic is an independent and sovereign state with a single international legal personality and a federal government and consists of two constituent states, namely the Greek Cypriot State and the Turkish Cypriot State.

We solemnly declare that the United Cyprus Republic is ready to assume all rights and obligations arising from the Treaty of Accession of 16 April 2003.

Referring to the special powers delegated to the Council under Article 4 of Protocol 10 of that treaty and to the conclusions of the European Council of 12 December 2003, and bearing in mind that the Foundation Agreement is in line with the principles on which the European Union is founded, we wish to request the European Union to endorse the Foundation Agreement and to accommodate its terms by adapting the terms of Accession before 1 May 2004 in a way that results in the adaptation of primary law and ensures the legal certainty and security of the Foundation Agreement within European Union's legal system for all concerned.

We furthermore request the Council of the European Union to take appropriate measures regarding the application of the *acquis communautaire* in the Turkish Cypriot State in phases that are aligned to the level of harmonisation and administrative capacity, and to adopt special measures, including financial assistance, for the development of the Turkish Cypriot State.

Please accept, Excellency, the assurances of our highest consideration.

Co-President Co-President

ATTACHMENT 3: LETTER TO THE SECRETARY-GENERAL OF THE COUNCIL OF EUROPE

[to be sent upon entry into force of Foundation Agreement]

Excellency,

We wish to inform you that, having been approved at separate simultaneous referenda, the Foundation Agreement between the Greek Cypriots and the Turkish Cypriots has entered into force, and a new state of affairs has come into being in Cyprus. Accordingly, the United Cyprus Republic is an independent and sovereign state with a single international legal personality and a federal government and consists of two constituent states, namely the Greek Cypriot State and the Turkish Cypriot State. The European Convention for the Protection of Human Rights and Fundamental Freedoms and its Additional Protocols are in force for the United Cyprus Republic.

We solemnly declare that henceforth, the membership rights and obligations of Cyprus in the Council of Europe shall be exercised in accordance with the new state of affairs.

We also wish to inform you that the Foundation Agreement resolves in a comprehensive manner all issues that have divided Greek Cypriots and Turkish Cypriots in the past, including all property questions. We would like to bring to your attention the fact that the Foundation Agreement provides a domestic remedy for the solution of all questions related to *affected property* in Cyprus, and to inform you that the United Cyprus Republic shall be the sole responsible State Party concerning such matters. Moreover, pursuant to Article 37 of the European Convention for the Protection of Human Rights and Fundamental Freedoms and Rule 43 of the Rules of Court, we request the Court to strike out any proceedings currently before it concerning *affected property* in Cyprus, in order to allow the domestic mechanism established to solve these cases to proceed.

We would be grateful if you would bring this letter to the attention of the Parliamentary Assembly and the Committee of Ministers of the Council of Europe, and we request that the Parliamentary Assembly and the Committee of Ministers endorse the Foundation Agreement.

Please accept, Excellency, the assurances of our highest consideration.

Co-President Co-President

B. CONSTITUENT STATE CONSTITUTIONS

ANNEX I: CONSTITUTION OF THE GREEK CYPRIOT STATE

[separately submitted]

ANNEX II: CONSTITUTION OF THE TURKISH CYPRIOT STATE

[separately submitted]

C. TREATY ON MATTERS RELATED TO THE NEW STATE OF AFFAIRS IN CYPRUS

TREATY BETWEEN CYPRUS, GREECE, TURKEY AND THE UNITED KINGDOM ON MATTERS RELATED TO THE NEW STATE OF AFFAIRS IN CYPRUS

The United Cyprus Republic, the Hellenic Republic, the Republic of Turkey and the United Kingdom of Great Britain and Northern Ireland,

i. Welcoming the comprehensive settlement of the Cyprus problem and the approval of the Foundation Agreement through separate referenda by the Greek Cypriots and the Turkish Cypriots, and the forthcoming accession of Cyprus to the European Union

ii. Desiring to contribute to a peaceful and harmonious future for Cyprus and for Cyprus to be a bridge of friendship between Greece and Turkey within a peaceful environment in the Eastern Mediterranean and

iii. Committed to international law and the Principles of the United Nations Charter

Adopt the following provisions:

Article 1 Approval of Foundation Agreement

The annexed Foundation Agreement is herewith approved and agreed and shall be considered an integral part of this Treaty.

Article 2 Monitoring Committee

1. The parties agree on the creation of a Monitoring Committee composed of one representative of each guarantor power, two representatives of the federal government (one hailing from each constituent state), one representative of each constituent state and, pursuant to a decision of the United Nations Security Council, one representative of the United Nations who shall chair the committee.
2. The Monitoring Committee shall monitor the implementation of the Settlement, and may make recommendations regarding any development which may endanger their implementation
3. The parties undertake to cooperate with the United Nations operation in Cyprus and to act in good faith on the recommendations of the Monitoring Committee.
4. The Monitoring Committee shall request the United Nations to bring to its attention any significant change the United Nations may wish to make in its peacekeeping operation.

Article 3 Additional Protocol to the Treaty of Establishment

The annexed Additional Protocol to the Treaty of Establishment is herewith approved, and shall enter into force on the day following that on which the United Kingdom has notified the other parties of the completion of its constitutional requirements for the implementation of the Protocol.

Article 4 Additional Protocol to the Treaty of Guarantee

The annexed Additional Protocol to the Treaty of Guarantee is herewith approved and agreed, and shall enter into force upon signature together with this Treaty.

Article 5 Additional Protocol to the Treaty of Alliance

The annexed Additional Protocol to the Treaty of Alliance is herewith approved and agreed by the parties concerned, and shall enter into force for them upon signature together with this Treaty.

Article 6 Transitional Security Arrangements

The annexed Transitional Security Arrangements are herewith approved and agreed by the parties concerned, and shall enter into force for them upon signature together with this Treaty.

Article 7 Other treaties between Greece, Turkey and Cyprus

Greece and Turkey agree not to exercise their right to refuse a request from the United Cyprus Republic, referred to in Article 48.6 of the Constitution, that a treaty binding on the United Cyprus Republic shall be modified so that it will only apply in the territory of one constituent state.

Article 8 Reservations and declarations to international instruments

The parties to this Treaty shall withdraw or rectify any declarations or reservations which they have made to international treaties in so far as such declarations or reservations arose out of their position regarding the Cyprus problem.

Article 9 Entry into force

1. This treaty shall enter into force upon signature.

2. The parties shall proceed as soon as possible to the registration of this Treaty with the Secretariat of the United Nations, in accordance with Article 102 of the Charter of the United Nations.

Done at [ ] this [ ] day of [ ] 2004 in four copies in the English language.

Signature	*Signature*	*Signature*	*Signature*
Signature			
United Cyprus Republic	Hellenic Republic	Republic of Turkey	United Kingdom of Great Britain and Northern Ireland

Witnessed by

Kofi A. Annan (or his representative)
Secretary-General of the United Nations (or his representative)

ANNEX I: FOUNDATION AGREEMENT

ANNEX II: ADDITIONAL PROTOCOL TO THE TREATY OF ESTABLISHMENT

The United Kingdom of Great Britain and Northern Ireland, Cyprus, Greece and Turkey

Desiring to make provision to give effect to the intention of the Government of the United Kingdom to relinquish sovereignty over parts of the Akrotiri Sovereign Base Area and Dhekelia Sovereign Base Area,

Have agreed as follows

Article 1

The areas in respect of which the United Kingdom relinquishes its sovereignty are described in the Appendix to this Protocol. Those areas are in this Protocol referred to as the relinquished areas.

Article 2

1. All international obligations and responsibilities of the United Kingdom in relation to the relinquished areas shall henceforth, insofar as they may be held to have application to the Akrotiri Sovereign Base Area or the Dhekelia Sovereign Base Area, be assumed by the United Cyprus Republic.
2. All international rights and benefits heretofore enjoyed by the United Kingdom by virtue of their application to the relinquished areas shall henceforth be enjoyed by the United Cyprus Republic.

Article 3

All legal liabilities and obligations incurred by or on behalf of the Administration of the Sovereign Base Areas or the Government of the United Kingdom in relation to the relinquished areas and subsisting immediately before the date of entry into force of this Protocol shall have the effect as from that date as if they were incurred by or on behalf of Cyprus.

Article 4

Immovable property in the relinquished areas held by the Government of the United Kingdom shall be subject to the provisions of Annex B, Part III of the Treaty of Establishment. Other immovable property in the relinquished areas which became the property of the Sovereign Base Areas Administration pursuant to paragraph 2 of Section 1 of Annex E to the Treaty of

Establishment shall on the date of entry into force of this Protocol become the property of Cyprus.

Article 5

1. Section 3 of Annex A to the Treaty of Establishment shall be replaced by the following:

   "Section 3

   Cyprus shall not claim, as part of its territorial sea, waters lying between the lines described in the report referred to in the Additional Protocol to this Treaty."

2. The lines referred to in Section 3, as amended, of Annex A to the Treaty of Establishment, which delimit the waters adjacent to the Sovereign Base Areas that the United Cyprus Republic shall not claim as part of its territorial sea, shall be set out in a report to be prepared by a duly qualified person to be designated by the Government of the United Kingdom. S/he shall begin the work not later than one month after the entry into force of this Protocol and complete it as soon as possible and in any event within a period of nine months. The designated person may appoint technical advisers to assist him/her. S/he shall report to the appropriate authorities of the United Kingdom and Cyprus upon completion of the work.

3. The United Kingdom shall continue to enjoy complete and unimpeded access for any purpose whatsoever to the waters lying between the waters which the United Cyprus Republic shall not claim adjacent to the eastern part of the Dhekelia Sovereign Base Area adjoining the sea (which part is marked on Map A with an area of 16.10 sq. km), and the waters which the United Cyprus Republic shall not claim adjacent to the western part of the Dhekelia Sovereign Base Area adjoining the sea (which is marked on Map A with an area of 5.01 sq km).

Article 6

The Sotira locality, in which minor routine training is permitted pursuant to paragraph 2 of Section 3 of Part IV of Annex B to the Treaty of Establishment, shall be extended south of Sotira, Sterakovou and Paramali, the additional area comprising land north of the Limassol-Paphos highway. The new boundaries of the Sotira locality shall be defined and marked on maps by the persons to be designated by the Governments of the United Cyprus Republic and the United Kingdom under Article 2 of the Appendix to this Protocol.

Article 7

The United Kingdom and Cyprus may conclude an Exchange of Notes with respect to:

a. arrangements concerning rights of access to power cables and pipelines by the Administration of the Sovereign Base Areas or a United Kingdom authority; and
b. arrangements with regard to the nationality of persons affected by the relinquishment of the relinquished areas.

Article 8

Any dispute about the interpretation or application of this Protocol shall be resolved by consultations and shall not be referred to any international tribunal or third party for settlement.

Article 9

This Protocol shall enter into force on the day following that on which the United Kingdom notifies the other parties that it has completed its constitutional requirements for the implementation of this Protocol.

Done at [ ] this [ ] day of [ ] 2004 in four copies in the English language.

Signature	*Signature*	*Signature*	*Signature*
	Signature		
United Kingdom of Great Britain and Northern Ireland	United Cyprus Republic	Hellenic Republic	Republic of Turkey

Appendix

Article 1

The relinquished areas shall comprise the areas which are indicated in blue and red on Map A and Map B which are an integral part of this Appendix.[46]

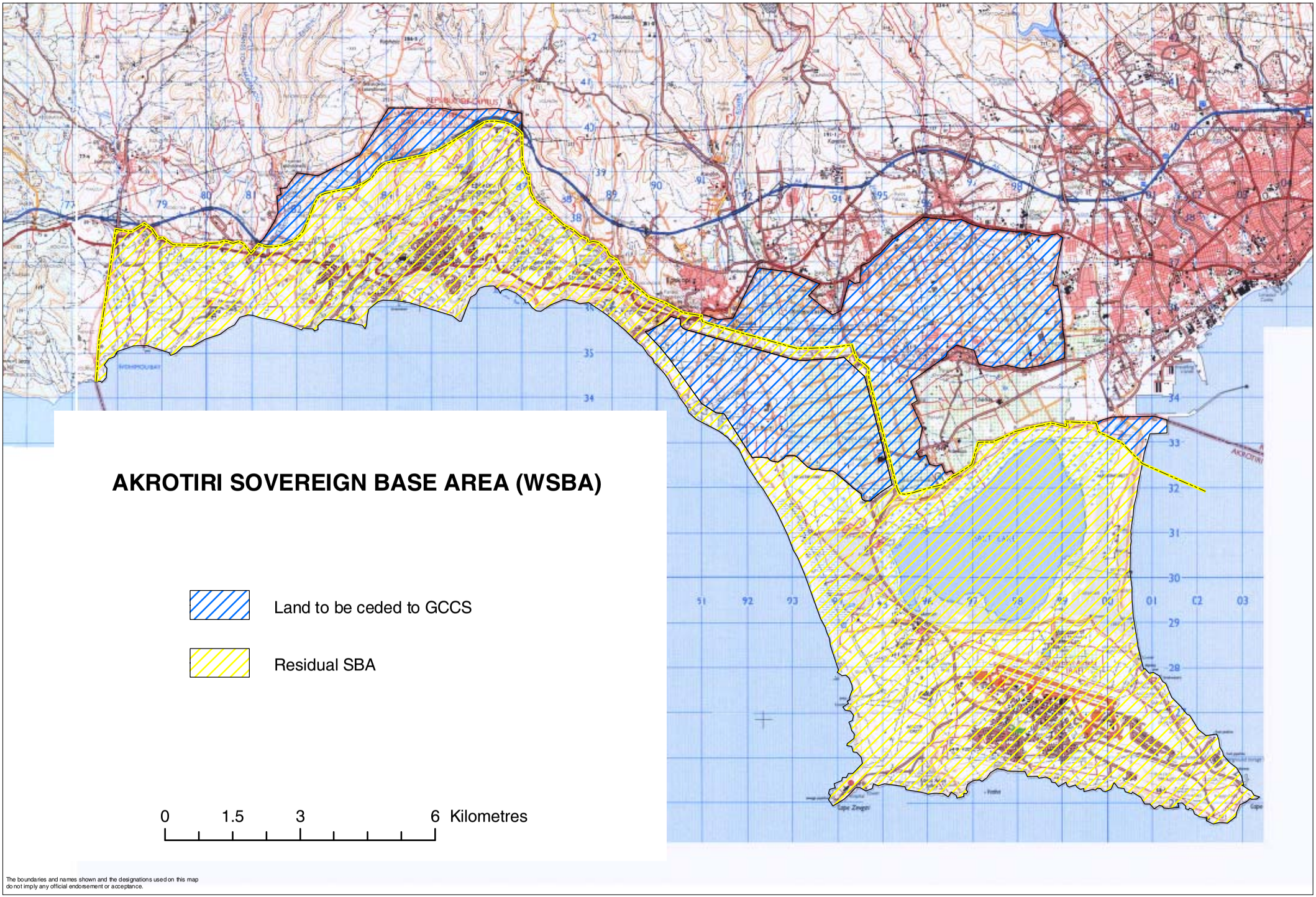
The Akrotiri Sovereign Base Area and the Dhekelia Sovereign Base Area shall comprise the two areas which are indicated in yellow on Map A and Map B attached to this Appendix. The references to those Areas in the Treaty of Establishment and the accompanying Exchanges of Notes and other documents shall be read accordingly.

Article 2

The land boundaries of the Akrotiri Sovereign Base Area and of the Dhekelia Sovereign Base Area shall be marked clearly and effectively on the ground by two duly qualified persons to be designated by the Governments of the United Cyprus Republic and of the United Kingdom. They shall begin the work not later than one month after the entry into force of this Protocol and complete it as soon as possible and in any event within a period of nine months. The designated persons may appoint technical advisers to assist them. They shall report to the relevant authorities in the United Kingdom and Cyprus upon completion of the work.

[46] **Observation**: The allocation of the relinquished areas to each of the two constituent states is indicated on the maps attached to the Constitution.

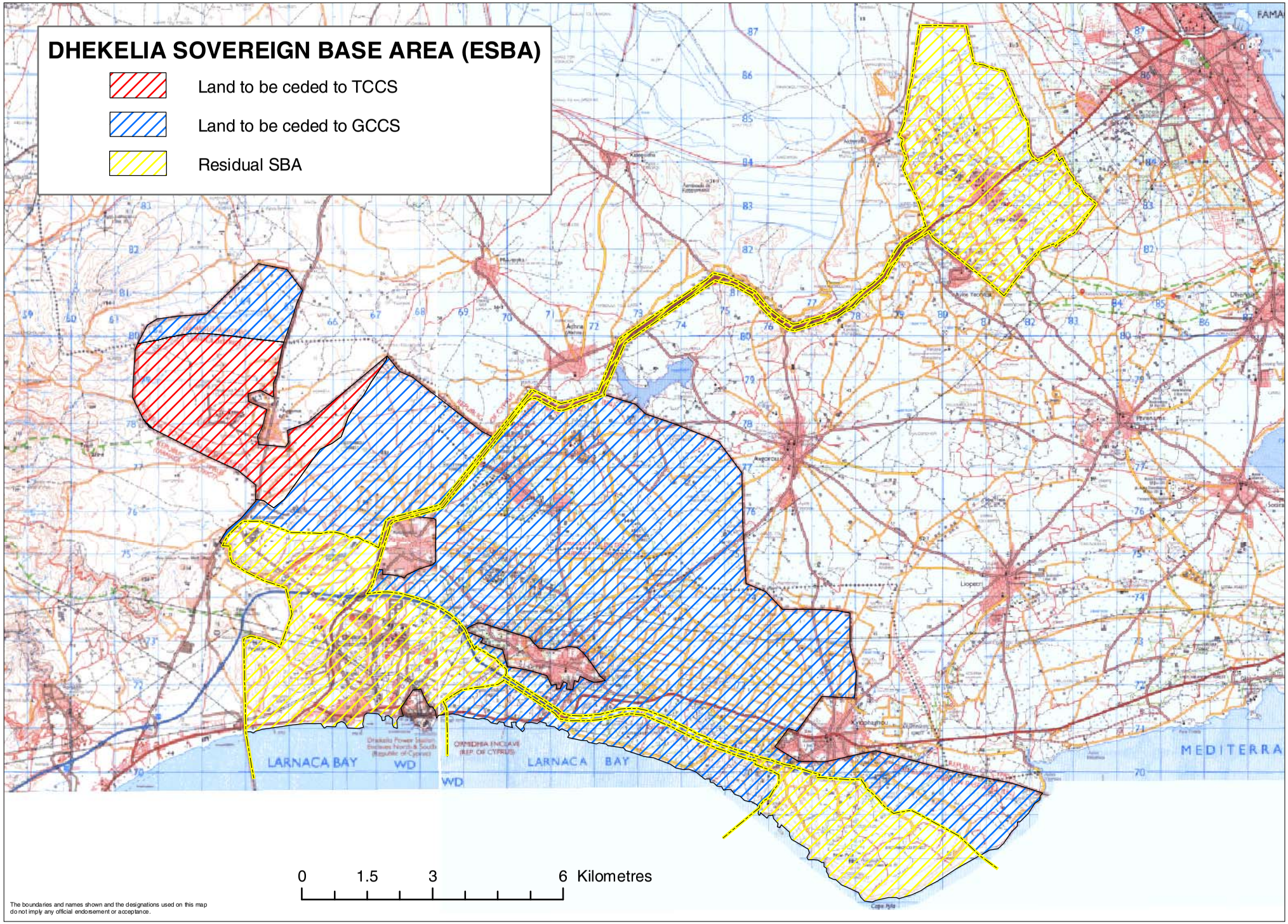
SOVEREIGN BASE AREA MAP A



The boundaries and names shown and the designations used on this map do not imply any official endorsement or acceptance.

March 2004

SOVEREIGN BASE AREA MAP B



The boundaries and names shown and the designations used on this map do not imply any official endorsement or acceptance.

March 2004

ANNEX III: ADDITIONAL PROTOCOL TO THE TREATY OF GUARANTEE

Cyprus, Greece, Turkey and the United Kingdom of Great Britain and Northern Ireland have agreed as follows:

Article 1

1. The Treaty of Guarantee shall apply *mutatis mutandis* to the new state of affairs established in the Foundation Agreement and the Constitution of the United Cyprus Republic, thereby covering, in addition to the independence, territorial integrity, security and constitutional order of the United Cyprus Republic, the territorial integrity, security and constitutional order of its constituent states.

2. "Constitutional order" shall mean the Constitution of the United Cyprus Republic and, as the case may be, the Constitution of each constituent state, including any amendments to any of them in accordance with the provisions for amendment laid down in the relevant constitution.

Article 2

This Protocol shall enter into force upon signature.

Done at [ ] this [ ] day of [ ] 2004 in four copies in the English language.

Signature	*Signature*	*Signature*	*Signature*
Signature			
United Cyprus Republic	Hellenic Republic	Republic of Turkey	United Kingdom of Great Britain and Northern Ireland

ANNEX IV: ADDITIONAL PROTOCOL TO THE TREATY OF ALLIANCE

Cyprus, Greece and Turkey

i. Bearing in mind that in accordance with the Foundation Agreement and its Constitution, Cyprus shall be demilitarised

ii. Reaffirming their pledge to resist any attack or aggression against the independence or the territorial integrity of Cyprus

Have agreed as follows

Article 1

The Treaty of Alliance shall apply and operate *mutatis mutandis* in accordance with the new state of affairs established in the Foundation Agreement and the Constitution of the United Cyprus Republic, taking into account in particular the demilitarisation of Cyprus.

Article 2

There shall be no Tripartite Headquarters. The provisions of the Treaty of Alliance shall apply *mutatis mutandis* to the commanders of the Greek and Turkish contingents, who shall consult and cooperate in the performance of their functions pursuant to the Treaty. They shall exchange liaison officers, conduct exchange visits, and invite each other to observe military exercises.

Article 3

1. The Greek and Turkish contingents shall be permitted to be stationed under the Treaty of Alliance in the Greek Cypriot State and the Turkish Cypriot State respectively.

2. Without prejudice to the relevant provisions in Additional Protocol I to the Treaty of Alliance, the Greek and Turkish contingents shall, for a transitional period, not exceed 6,000 all ranks until 1 January 2011, and 3,000 all ranks thereafter until 1 January 2018 or Turkey's accession to the European Union, whichever is sooner.

3. Thereafter, Cyprus, Greece and Turkey shall review troop levels every three years with the objective of total withdrawal. This will in no way undermine the provisions of the Treaty of Alliance and its Additional Protocols, and the rights and responsibilities conferred thereby.

4. The composition, equipment, locations and activities of the Greek and Turkish contingents shall be in accordance with the Appendix to this Additional Protocol, and equipment levels shall be reduced appropriately with the reductions in troop levels referred to in paragraph 2.

Article 4

Cyprus, Greece and Turkey shall review this Protocol and, in particular, the permissible number of troops to be stationed under the Treaty of Alliance no later than 1 June 2010.

Article 5

This Protocol shall enter into force upon signature and shall have precedence over other provisions of the Treaty of Alliance.

Done at [ ] this [ ] day of [ ] 2004 in four copies in the English language.

Signature	*Signature*	*Signature*	*Signature*
United Cyprus Republic	Hellenic Republic	Republic of Turkey	

Appendix: Composition, equipment, locations and activities of Greek and Turkish contingents

Article 1 Composition

1. Each contingent may be structured to include the following capabilities within the permissible numbers and the overall limitations placed on weapons and equipment: a headquarters element, armour, reconnaissance, infantry, field engineers, artillery, signals, aviation, air defence, logistic, administrative and medical support.

2. In the interests of transparency and mutual confidence, Greece and Turkey shall inform Cyprus, each other and the United Nations of the detailed organisation, structure, weapons and equipment of their contingents.

Article 2 Permissible weapon and equipment holdings

Each contingent may station only the following weapons and equipment up to the maximum limits stated below:

Type of Weapon/ Equipment	**Maximum number**	**Remarks**
Battle tanks (medium)	50	Up to 55 tonnes
Infantry fighting vehicles (with main gun up to 25 mm)	180	Includes armoured personnel carriers
Towed artillery pieces (up to 155 mm caliber)	18	
Air defence missiles (short range up to 7000m)	18	
Transport helicopters	6	Utility type, unarmed – up to 12 passengers
Light helicopters	4	Light observation/liaison type, unarmed – up to 6 passengers
Light armoured vehicles	17	Reconnaissance type – main gun up to 90 mm
Air defence cannons (up to 45 mm caliber)	16	

Article 3 Activities

The contingents shall be restricted to typical peacetime activities for formed military units, mainly encompassing training within the compounds and

military quarters, maintenance of equipment and material, ceremonies and parades and training in designated training fields.

Article 4 Designated facilities and training fields

1. Both Greece and Turkey shall designate no more than six delineated military facilities on state land in which troops and equipment shall be based, [47] and no more than three training fields[48] on state land, in consultation with the federal government of the United Cyprus Republic and the relevant constituent state.

2. The designated military facilities and training fields shall in any case not be in areas which prior to entry into force of the Foundation Agreement were within the buffer zone, or in areas of the Greek Cypriot State which, pursuant to the Foundation Agreement, are or have been subject to territorial adjustment, or within 1000 metres of the boundary between the constituent states, or in the area of the Turkish Cypriot State south of the highway connecting north Nicosia and Famagusta, the highway being defined by the following map references:[49]

Point	Longitude (E)	Latitude (N)	Description
SP	33º 19’ 21.3”	35º 12’ 37.7”	Roundabout
1	33º 19’ 54.8”	35º 12’ 46.4”	
2	33º 21’ 05.9”	35º 12’ 32.8”	
3	33º 25’ 00.3”	35º 13’ 03.1”	North of Mia Milea
4	33º 26’ 45.3”	35º 12’ 48.7”	
5	33º 27’ 31.0”	35º 13’ 05.8”	
6	33º 29’ 00.9”	35º 13’ 20.8”	South of Trakhoni/Demirhan
7	33º 31’ 25.9”	35º 12’ 44.6”	South of Exometokhi/Düzova
8	33º 35’ 38.2”	35º 12’ 27.6”	North of Angastina/Aslanköy
9	33º 37’ 59.0”	35º 11’ 15.8”	
10	33º 45’ 26.4”	35º 10’ 39.7”	Through Prastio
11	33º 49’ 02.6”	35º 10’ 13.2”	
12	33º 50’ 38.4”	35º 09’ 15.9”	South of Styllos/Mutluyaka
13	33º 54’ 23.3”	35º 08’ 29.1”	
FP	33º 56’ 17.2”	35º 07’ 14.5”	Roundabout

3. Within three months of entry into force of the Foundation Agreement, Greece and Turkey shall inform Cyprus, each other, and the United Nations of the precise location and size of their respective training fields and designated military facilities, as well as the number of troops to be deployed in each facility. They shall further inform Cyprus, each other, and the United Nations, in advance, of any changes to the deployment thereafter.

[47] **Observation**: Open areas adjacent to barracks shall be counted as training areas.
[48] **Observation**: Training fields refer to all ranges (including small arms, impact areas and outside gun positions, and field training areas), whether permanent or temporary.
[49] **Note:** The geographic references in this description were extracted from scanned copies of UK produced series K719, 1:50 000 maps with WGS84 datum.

4. Without prejudice to the Treaty of Establishment, any existing military facilities not designated in accordance with this Article shall be dismantled or converted for exclusive civilian use, unless otherwise agreed between Cyprus, Greece and Turkey or made available to the United Nations' peacekeeping operation.

Article 5 Movement

The contingents shall move troops in the constituent state in which they are located by the most direct route between points of embarkation, garrisons and training areas and shall not approach the boundary between the constituent states, or enter areas which prior to entry into force of the Foundation Agreement were within the buffer zone, or the areas of the Greek Cypriot State which, pursuant to the Foundation Agreement, are or have been subject to territorial adjustment, or the area of the Turkish Cypriot State south of the highway connecting north Nicosia and Famagusta, as defined in Article 4, unless the existing road and port infrastructure necessitates otherwise.

Article 6 Notice

In the interest of transparency and mutual confidence, the contingents shall inform each other and the United Nations in writing at least 48 hours in advance of the timing, location and purpose of any significant ground, air or maritime movement of troops, including for field training. This shall apply to movements of four or more military vehicles, three or more military aircraft flying together in a single movement, one or more military vessels, or 100 or more troops for whatever reason by any means of transportation. When the purpose of the movement is for field exercises, the notice shall be given at least 72 hours in advance and shall include other relevant information about the main activities and purpose of the exercise (e.g. live fire training, movement of tanks or artillery pieces, maneuvers of infantry, etc.).[50]

[50] **Observation**: This requirement to inform the United Nations does not imply a hierarchy since it is a commitment of Greece and Turkey to each other, in the interest of transparency, contained in a treaty to which the United Nations is not a party.

ANNEX V: TRANSITIONAL SECURITY ARRANGEMENTS

Article 1 Dissolution of Greek Cypriot and Turkish Cypriot forces, including reserve units

All Greek Cypriot and Turkish Cypriot forces, including reserve units, shall be dissolved, and their arms removed from the territory of the United Cyprus Republic, in accordance with the following timetable (based on the day of entry into force of the Foundation Agreement ("A-Day"):

a. From A-Day + 150 to A-Day + 270: 20 per cent; (4 months)
b. From A-Day + 271 to A-Day + 450: 25 per cent; (6 months)
c. From A-Day + 451 to A-Day + 630: 25 per cent; (6 months)
d. From A-Day + 631 to A-Day + 870: 30 per cent. (8 months)

Article 2 Adjustment of Greek and Turkish forces

Greek and Turkish forces and armaments shall be redeployed to the locations and facilities designated in accordance with the Appendix to the Additional Protocol to the Treaty of Alliance and adjusted to agreed levels. Any excess forces and armaments shall be withdrawn, in accordance with the following timetable (based on the day of entry into force of the Foundation Agreement ("A-Day"):

a. From A-Day + 150 to A-Day + 270: 20 per cent; (4 months)
b. From A-Day + 271 to A-Day + 450: 25 per cent; (6 months)
c. From A-Day + 451 to A-Day + 630: 25 per cent; (6 months)
d. From A-Day + 631 to A-Day + 870: 30 per cent. (8 months)

Article 3 Redeployment from areas subject to territorial adjustment prior to transfer of administration

1. Notwithstanding the above, any forces and armaments other than United Nations peacekeeping forces shall be redeployed so as to vacate:
   a. a zone extending 1,000 metres from either side of the August 1974 cease-fire lines, in an initial disengagement of forces deployed along that line, within 90 days of entry into force of the Foundation Agreement; and
   b. an area subject to territorial adjustment of any forces and armaments no later than two weeks prior to the date agreed in the Foundation Agreement for handover to the entitled constituent state or the assumption of territorial responsibility by the United Nations.

2. The relevant forces shall be responsible for the clearance of areas that they have mined. All mine clearance shall be conducted in consultation and cooperation with the United Nations. To the extent possible, clearance of mines in the 1000 metre zone shall be completed prior to the date of redeployment. All remaining mined areas shall be fully marked and fenced before that date. Upon redeployment, all relevant records, technical information and maps concerning such mined areas shall be handed over to the United Nations in conformity with the technical annex of Amended Protocol II of the Convention on Certain Conventional Weapons.

D. DRAFT ACT OF ADAPTATION TO THE TERMS OF ACCESSION OF THE UNITED CYPRUS REPUBLIC TO THE EUROPEAN UNION

DRAFT ACT OF ADAPTATION OF THE TERMS OF ACCESSION OF THE UNITED CYPRUS REPUBLIC TO THE EUROPEAN UNION

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Protocol No. 10 of the Act of Accession 2003, and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

i. Taking into account the approval of the Foundation Agreement by the Greek Cypriots and the Turkish Cypriots on 24 April 2004

ii. Taking into account the Treaties of Guarantee and Alliance, the Additional Protocol thereto, and the Treaty of Establishment

iii. Bearing in mind and respecting the demilitarisation of Cyprus

iv. Considering that the Act of Accession shall not prevent the implementation of the Foundation Agreement, and shall accommodate its terms in line with the principles on which the European Union is founded

v. Recalling that the European Union's mission is peaceful cooperation of states and citizens, founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law, principles which are common to the Member States and which have found their expression in the Foundation Agreement which introduces a new state of affairs in Cyprus and allows its peaceful integration into the Union

vi. Underlining that the political equality of Greek Cypriots and Turkish Cypriots, the equal status of the two constituent states, and the prohibition on any unilateral change to the state of affairs established by the Foundation Agreement, fall within the terms of Article 6(1) of the Treaty of the European Union

vii. Recognizing the particular national identity of Cyprus, and the need to protect the balance between Greek Cypriots and Turkish Cypriots in Cyprus, the bi-zonal character of the United Cyprus Republic and the distinct identity and integrity of the constituent states, which require certain safeguards and temporary restrictions on the right of residence of Cypriot citizens as well as citizens of Greece and Turkey

viii. Considering that the Main Articles of the Foundation Agreement form part of the national identity of the United Cyprus Republic, which the European Union shall respect

ix. Bearing in mind that the United Cyprus Republic shall take all appropriate measures, whether in general or in particular, to ensure the fulfilment of the obligations arising out of European Union membership, in line with the specifications of the Act of Accession and this Act

x. Underlining that accession to the European Union shall benefit Greek Cypriots and Turkish Cypriots alike and promote development to help reduce economic disparities

xi. Recalling that, in accordance with the Presidency Conclusions the Brussels European Council of 12 December 2003, the Union is ready to provide financial assistance for the development of the northern part of Cyprus following a settlement

xii. Being convinced that the economic disparities between the Turkish Cypriot constituent state and European Union Member States as well as between the two constituent states necessitate authorisation procedures for the acquisition of property in the Turkish Cypriot constituent state in order to avoid unacceptable sudden price increases and large scale buy-out of land

xiii. Being further convinced that the economic situation in the Turkish Cypriot constituent state may also necessitate the adoption of special safeguard measures for a limited period of time in order to protect certain sectors of its economy

xiv. Taking into account the special relations and strong ties of Greek Cypriots and Turkish Cypriots with Greece and Turkey respectively

xv. Bearing in mind that, as a European Union Member State, Cyprus shall fulfil its obligations arising from the Association Agreement between Turkey and the European Communities of 1963, its additional Protocol and the decisions taken by the Association organs including the decision establishing a Customs Union between Turkey and the European Union, thereby according European Union treatment to Turkey in the fields where this is provided for

xvi. Wishing to accord, to the extent possible with the European Union membership of Cyprus, similar rights to Greek and Turkish nationals vis-à-vis Cyprus

xvii. Considering that the Foundation Agreement foresees equivalent entry and resident rights for Greek and Turkish nationals vis-à-vis Cyprus. The implementation of this principle requires derogations from Community law in the case of Cyprus. Unlimited immigration

can, however, not be accorded to either Greek or Turkish nationals in the interest of the internal balance of population in Cyprus

xviii. Underlining that all necessary preparations should start immediately so that Turkish shall become and operate as an official and working language of the European Union as soon as possible

HAS ADOPTED THIS ACT OF ADAPTATION OF THE TERMS OF ACCESSION

Article 1 Property

1. Notwithstanding existing provisions of Community law, the application of restrictions, on a non-discriminatory basis, on the right of natural persons who have not been permanent residents for at least three years in the Turkish Cypriot constituent state, and of legal persons, to purchase immovable property in the Turkish Cypriot constituent state without permission of the competent authority of that constituent state, for fifteen years or for as long as the gross domestic product per capita in that constituent state does not reach the level of 85% of the gross domestic product per capita in the Greek Cypriot state, whichever is the earlier, shall not be precluded.

2. The authorisation procedure for the acquisition of immovable property applied by the competent authorities of the Turkish Cypriot constituent state shall be based on published, objective, stable and transparent criteria and shall be applied in a non-discriminatory manner.

3. The Commission shall report every five years to the European Parliament and the Council on the application of the provisions of paragraphs 1 and 2. The Commission may at that time recommend to the Turkish Cypriot constituent state to abolish in total or in part the restrictions, if it considers that the political, economic and social conditions in Cyprus so allow.

Article 2 Residence of Cypriot citizens

1. Notwithstanding existing provisions of Community law, the application of restrictions, on a non-discriminatory basis, on the right of a Cypriot citizen to reside in a constituent state of which s/he does not hold the internal constituent state citizenship status shall not be precluded,

   a. in the form of a moratorium, during the first five years following the date of the entry into force of this Act;

   b. if the percentage of such residents of the total population of a municipality or village has reached 6% between the 6^{th} and 9^{th} years and 12% between the 10^{th} and 14^{th} years following the date of entry into force of this Act; and

c. if the percentage of such residents of the total population of a constituent state has reached 18 % for a period of up to 19 years following the entry into force of this Act or until Turkey joins the European Union, whichever is the earlier.

2. Thereafter, either constituent state may, with a view to protecting its identity, take safeguard measures to ensure that no less than two-thirds of its Cypriot permanent residents speak its official language as their mother tongue.

Article 3 Residence of Greek and Turkish nationals

1. Notwithstanding existing provisions of Community law, the application of restrictions, on a non-discriminatory basis, on:

   a. the right of Greek nationals to reside in Cyprus, if the number of resident Greek nationals has reached 5% of the number of resident Cypriot citizens who hold the internal constituent state citizenship status of the Greek Cypriot constituent State and who are not dual nationals; and

   b. the right of Turkish nationals to reside in Cyprus, if the number of resident Turkish nationals has reached 5% of the number of resident Cypriot citizens who hold the internal constituent citizenship status of the Turkish Cypriot constituent State and who are not dual nationals;

   shall not be precluded for a transitional period of up to 19 years after the entry into force of this Act or until Turkey joins the European Union, whichever is the earlier.

2. Thereafter, the United Cyprus Republic, in consultation with the Commission, may take safeguard measures to ensure that the demographic ratio between Cyprus' permanent residents speaking either Greek or Turkish as mother tongue is not substantially altered.

Article 4 Safeguard measures

1. Without prejudice to Articles 37 and 38 of the Act of Accession, if until the end of a period of up to six years after the entry into force of this Act, the operation of the European Union's internal market causes, or threatens to cause, difficulties which are serious and likely to persist in any sector of the economy, or which could bring a serious deterioration in the economic situation in the Turkish Cypriot constituent state, the competent Cypriot authorities may take appropriate safeguard measures which shall be applicable for a period of three months. These measures shall be proportional and shall not constitute disguised restrictions on trade and shall take account of the interests of all parties concerned.

2. On request, the Commission may prolong these measures, in total or in part, or adopt different measures of which it shall determine the time of application within the six-year period set out in paragraph 1.

Article 5 Equivalent rights of Greek and Turkish nationals

Without prejudice to the restrictions applied under Articles 1 to 3 and rules applying to entry and residency rights of Turkish nationals in other Member States, Cyprus is authorised to accord to Turkish nationals equivalent treatment with Greek nationals regarding entry and residency rights. Rules of implementation for such entry and residency rights for Turkish citizens, compatible with the above principles and the participation of Cyprus in the Schengen area, shall be negotiated between the European Community and Turkey within six months.

Article 6 The European Security and Defence Policy

The participation of Cyprus in the European Security and Defence Policy shall fully respect the provisions of the Foundation Agreement and the provisions of the Treaties of Guarantee and Alliance and the Additional Protocols thereto, and in no sense undermine those provisions.

Article 7 Representation in the European Parliament

Cyprus will be represented in the European Parliament according to proportional representation, provided that each constituent state is attributed no less than one third of the Cypriot seats in the European Parliament.

Article 8 Turkish as official language of the European Union

1. Turkish shall be an official and working language of the institutions of the European Union.

2. The Council shall decide on the effective application of paragraph 1 upon fulfilment of the necessary personnel and technical requirements. In the period preceding this decision, the Turkish language may be used in European Council and Council meetings.

3. The texts of the acts of the institutions and the European Central Bank, adopted before paragraph 1 takes effect, and drawn by the Council, the Commission or the European Central Bank, in Turkish shall, from that date be authentic under the same conditions as the texts drawn in the other official languages. They shall be published in the Official Journal of the European Union if the texts in the other official languages were so published.

Article 9 Application

This Act shall be published in the Official Journal of the European Union upon entry into force of the Foundation Agreement and become applicable the same day.

E. MATTERS TO BE SUBMITTED TO THE UNITED NATIONS SECURITY COUNCIL FOR DECISION

MATTERS TO BE SUBMITTED TO THE UNITED NATIONS SECURITY COUNCIL FOR DECISION

By agreement of the parties, the Security Council is requested to take decisions to enter into force simultaneously with the Foundation Agreement, in which the Security Council would:

1. endorse the Foundation Agreement and, in particular;
    a. take formal note that any unilateral change to the state of affairs established by the Foundation Agreement, in particular union of Cyprus in whole or in part with any other country or any form of partition or secession, is prohibited; and
    b. acknowledge the political equality and distinct identity of Greek Cypriots and Turkish Cypriots and the equal status of their constituent states in the United Cyprus Republic; and
2. prohibit the supply of arms to Cyprus in a manner that is legally binding on both importers and exporters; and
3. decide to maintain a United Nations peacekeeping operation in Cyprus, which shall remain so long as the federal government, with the concurrence of both constituent states, does not decide otherwise, and shall be authorised to deploy and operate freely throughout Cyprus with the following mandate:

    "to monitor the implementation of the Foundation Agreement and use its best efforts to promote compliance with it and contribute to the maintenance of a secure environment; and in particular:

    a. to monitor political developments related to implementation and provide advice and good offices as required;

    b. to monitor and verify compliance with the security provisions in the Foundation Agreement, including:
        i) the dissolution of all Greek Cypriot and Turkish Cypriot forces, including reserve units, and the removal of their arms from the island; and
        ii) the adjustment of Greek and Turkish forces and armaments to agreed levels;
    c. to monitor and verify compliance with the provisions in the Foundation Agreement pertaining to federal and constituent state police;[51]

[51] **Observation**: The United Nations operation would not assume direct responsibility for the enforcement of law and order.

d. to use its best efforts to ensure the fair and equal treatment under the law of persons from one constituent state by the authorities of the other;

e. to supervise the activities relating to the transfer of areas subject to territorial adjustment, including through assumption of territorial responsibility for agreed areas and time periods prior to transfer, without prejudice to local administration of the population;

f. to chair, and provide administrative support to, the Monitoring Committee to be established under the Treaty between Cyprus, Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus; and

g. to implement its mandate through, for example, conducting patrols and establishing positions and roadblocks, as well as receiving complaints, making inquiries, presenting facts, giving formal advice and making representations to the authorities."

F. MEASURES TO BE TAKEN DURING APRIL 2004

MEASURES TO BE TAKEN DURING APRIL 2004

During the month of April, the parties shall agree on and take the following measures, in close cooperation with the Secretary-General or his representative, and shall accept any indispensable suggestions of the Secretary-General or his representative where foreseen in this list.

- Refurbish and prepare the buildings agreed/suggested by the Secretary-General on 31 March 2004 no later than two days prior to the referenda, with work overseen by the federal buildings committee established by the leaders and chaired by the United Nations.

- Finalise by 8 April 2004 a list of initial federal property, and otherwise accept any indispensable suggestions of the Secretary-General or his representative.

- Inform the Secretary-General by 8 April 2004 of the proposed Members of the Board of Directors of the Central Bank, and otherwise accept any indispensable suggestions of the Secretary-General or his representative.

- Hand over by 10 April 2004 to the Secretary-General the list numbering no more than 45,000 persons as specified in the proposed Federal Law on Citizenship of the United Cyprus Republic (failing which the Citizenship Board shall, after entry into force of the Foundation Agreement, prepare the list in accordance with that law).

- Finalise by 16 April 2004 the structure and staffing of the federal government upon entry into force of the Foundation Agreement, and otherwise accept any indispensable suggestions of the Secretary-General or his representative.

- Identify and allocate by 18 April 2004 the buildings in which the federal public service shall be located upon entry into force of the Foundation Agreement, on the basis of the suitability and accessibility of the premises and bearing in mind the objective of having around one-third of federal public servants who work in Nicosia located in the Turkish Cypriot State, and refurbish and prepare such buildings on their side, with work overseen by the federal buildings committee established by the leaders and chaired by the United Nations, and otherwise accept any indispensable suggestions of the Secretary-General or his representative.

- Provide for a mechanism to be in place that allows for the constituent state institutions, namely the legislature, the executive and the judiciary, to be in place upon entry into force of the Foundation Agreement. They shall do so through lists to be submitted at the separate simultaneous referenda or to the Secretary-General, and

through election and appointment of office holders no later than two days after successful referenda by the designated constituent state assembly members.

- Provide to the Secretary-General no later than two days after successful referenda the names of the transitional Co-Presidents, the transitional Council of Ministers, and the Cypriot members of the Supreme Court, and otherwise accept any indispensable suggestions of the Secretary-General or his representative.

INDEX

LIST OF APPENDICES **2**

A. FOUNDATION AGREEMENT **3**

TABLE OF CONTENTS **4**

MAIN ARTICLES **6**

Article 1 The new state of affairs 7
Article 2 The United Cyprus Republic, its federal government, and its constituent states 7
Article 3 Citizenship, residency and identity 8
Article 4 Fundamental rights and liberties 9
Article 5 The federal government 9
Article 6 The Supreme Court 11
Article 7 Transitional federal and constituent state institutions 11
Article 8 Demilitarisation 11
Article 9 Constituent state boundaries and territorial adjustment 13
Article 10 Property 13
Article 11 Reconciliation Commission 14
Article 12 Past acts 15
Article 13 Entry into force and implementation 15
Article 14 Annexes 16

Annex I: Constitution of the United Cyprus Republic **17**

Part I: Basic Articles 18
Article 1 The United Cyprus Republic 18
Article 2 The constituent states 18
Part II: General Provisions 18
Article 3 Constitution as supreme law 19
Article 4 Rule of law 19
Article 5 Secular nature of the United Cyprus Republic 19
Article 6 Demilitarisation of the United Cyprus Republic 19
Article 7 Seat of the federal government 20
Article 8 Flags and anthems 20
Article 9 The official languages and promulgation of official acts 21
Article 10 Official Holidays of the United Cyprus Republic 21
Part III: Fundamental Rights and Liberties 22
Article 11 Fundamental rights 22
Article 12 Citizenship 23
Article 13 Exercise of political rights 23
Part IV: The Federal Government and the Constituent States 23
Article 14 Competences and functions of the federal government 23
Article 15 Competences and functions of the constituent states 24
Article 16 Cooperation and coordination 25
Article 17 Joint Investigation Agency 26
Article 18 External relations 26
Article 19 Cyprus as a member of the European Union 27
Part V: Federal Institutions 28
Article 20 Eligibility and incompatibility and discharge of duties 28

Article 21 Federal government immunities and exemptions 29
Article 22 Composition and election of Parliament 29
Article 23 Organisation 29
Article 24 Powers 30
Article 25 Procedure 30
Article 26 The Presidential Council 31
Article 27 The President and the Vice-President of the Council 32
Article 28 The Departments 32
Article 29 Representation of the Presidential Council 33
Article 30 Federal administration 33
Article 31 The federal police 34
Article 32 Central Bank of Cyprus 34
Article 33 Other independent officers 35
Article 34 The office of the Attorney-General and the Deputy Attorney-General 35
Article 35 The office of the Auditor-General and the Deputy Auditor-General 36
Article 36 The Supreme Court of Cyprus 36
Part VI: Amendments of this Constitution 37
Article 37 Amendments of this Constitution 37
Part VII: Transitional Provisions 38
Article 38 Constituent state institutions 38
Article 39 Transitional federal Parliament and delegates to the European Parliament 38
Article 40 Transitional Head of State 39
Article 41 Transitional federal government 39
Article 42 Participation of heads of government of constituent states in meetings of Presidential Council 40
Article 43 Transitional independent officers 40
Article 44 Central Bank 40
Article 45 Judges of the Supreme Court 41
Article 46 Public Service 41
Article 47 Responsibility for debts incurred prior to the entry into force of the Foundation Agreement 42
Article 48 Treaties in the Annex to the Foundation Agreement 42
Article 49 Federal Laws attached to the Foundation Agreement 43
Article 50 Teaching of official languages 44
Article 51 State-owned property 44
Article 52 Economic transition and harmonisation 44
Article 53 International military operations 45
Article 54 Missing persons 45
Article 55 Signature of treaty on matters related to the new state of affairs in Cyprus 45
Attachment 1: Map of the United Cyprus Republic and its Constituent States 46
Attachment 2: Flag of the United Cyprus Republic 48
Attachment 3: Anthem of the United Cyprus Republic 49
Attachment 4: Federal Property 50
Attachment 5: Catalogue of Human Rights and Fundamental Freedoms 51
Article 1 Right to life 51
Article 2 Prohibition of torture 51
Article 3 Prohibition of slavery and forced labour 51

Article 4 Right to liberty and security....52
Article 5 Right to a fair trial....52
Article 6 No punishment without law....53
Article 7 Right to respect for private and family life....53
Article 8 Freedom of thought, conscience and religion....54
Article 9 Freedom of expression....54
Article 10 Freedom of assembly and association....54
Article 11 Right to marry....55
Article 12 Right to an effective remedy....55
Article 13 Prohibition of discrimination....55
Article 14 Protection of property....55
Article 15 Right to education....55
Article 16 Right to free elections....56
Article 17 Prohibition of imprisonment for debt....56
Article 18 Freedom of movement....56
Article 19 Prohibition of expulsion of nationals....56
Article 20 Prohibition of collective expulsion of aliens....56
Article 21 Abolition of the death penalty....56
Article 22 Procedural safeguards relating to expulsion of aliens....57
Article 23 Right of appeal in criminal matters....57
Article 24 Compensation for wrongful conviction....57
Article 25 Right not to be tried or punished twice....57
Article 26 Equality between spouses....58

Annex II: Constitutional Laws....59
Attachment 1: Constitutional Law on the Elaboration and Adoption of Constitutional Laws....60
Attachment 2: Constitutional Laws on Police Matters and Composition and Functions of the Joint Investigation Agency....60
Attachment 3: Constitutional Law on Internal Constituent State Citizenship Status and Constituent State Residency Rights....60

Annex III: Federal Laws....61
Attachment 1: Federal Law on the Anthem, Flag, Insignia and Honours of the United Cyprus Republic....62
Attachment 2: Federal Law on Conduct of External Relations....62
Attachment 3: Federal Law on Conduct of European Union Relations....62
Attachment 4: Federal Law on the Citizenship of the United Cyprus Republic and for Matters Connected Therewith or Incidental Thereto....62
Attachment 5: Federal Laws on Aliens, Immigration and Asylum....62
Attachment 6: Federal Law on the Central Bank of Cyprus....62
Attachment 7: Federal Law on Value-Added Tax....62
Attachment 8: Federal Law on the Budget....63
Attachment 9: Federal Laws on International Trade, Customs and Excise....63
Attachment 10: Federal Law on Civil Aviation and Airspace Management....63
Attachment 11: Federal Laws on International Navigation, Territorial Waters, and Continental Shelf....63
Attachment 12: Federal Law on the Natural Water Resources of the United Cyprus Republic, for Equitable Sharing of these Resources between the Constituent States and for Purposes Connected Therewith....66
Attachment 13: Federal Law on Natural Resources....66
Attachment 14: Federal Laws on Implementation of Federal Laws....66
Attachment 15: Federal Laws on Communications....67
Attachment 16: Federal Law on the Meteorological Service of Cyprus and to Provide for its Functions and for Purposes Connected Therewith....67

Attachment 17: Federal Law on the Establishment of Standards of Weights and Measures Based on the Metric System and to Provide for Matters Connected Therewith or Incidental Thereto 67
Attachment 18: Federal Laws on Intellectual Property 67
Attachment 19: Federal Laws on Antiquities 67
Attachment 20: Federal Laws on Elections 68
Attachment 21: Federal Law on Federal Government Immunities and Exemptions 68
Attachment 22: Federal Laws on Administration 68
Attachment 23: Federal Law on the Official Languages of the United Cyprus Republic 68
Attachment 24: Federal Law on Federal Police and Joint Investigation Agency 68
Attachment 25: Federal Law on Legislative Procedure and on Procedure for Amendments of the Constitution 68
Attachment 26: Federal Laws on Administration of Justice 68
Attachment 27: Federal Law on Federal Offences 69
Attachment 28: Federal Law on Impeachment 69
Attachment 29: Federal Laws on the Award of Contracts 69
Attachment 30: Federal Law on the Protection of Personal Data 69
Attachment 31: Federal Laws on Regulation of Capital Markets 69
Attachment 32: Federal Laws on Regulation of Insurance Markets 70
Attachment 33: Federal Laws on Banking 70
Attachment 34: Federal Law on the Control of Concentrations between Undertakings for the Purposes of Effective Competition 70
Attachment 35: Federal Law on the Protection of Competition 70

Annex IV: Cooperation Agreements between the Federal Government and the Constituent States 71
Attachment 1: Cooperation Agreement on External Relations 72
Attachment 2: Cooperation Agreement on European Union Relations 72
Attachment 3: Cooperation Agreement between the Federal Government and the Constituent States on Police Matters 72

Annex V: List of International Treaties and Instruments binding on the United Cyprus Republic 73

Annex VI: Territorial Arrangements 74
Article 1 Delineation of constituent state boundaries 74
Article 2 Access and connecting roads 74
Article 3 Phasing of territorial adjustment 75
Article 4 Security cooperation during period of territorial adjustment. 76
Article 5 Current inhabitants 76
Article 6 Monuments and memorial sites 77
Article 7 Relocation Board 77
Article 8 Properties 79
Attachment 1: Detailed Description of the Course of the Boundary between the Constituent States 80
Attachment 2: Maps of Territorial Adjustment 88
Attachment 3: Detailed Description of Phasing Lines of Territorial Adjustment 91

Annex VII: Treatment of Property affected by Events since 1963 96
Part I: General Articles 97
Article 1 General provisions 97
Article 2 The Cyprus Property Board 97
Article 3 Property in areas subject to territorial adjustment 97
Article 4 Religious sites 97
Part II: Regulation of Exercise of Property Rights 98
Article 5 Suspension of dealings, proceedings or alterations with respect to affected property 98
Article 6 Claims and applications 98

Article 7 Liability for damage....99
Article 8 Entitlement to full and effective compensation....99
Article 9 Property owned by institutions....99
Article 10 Property used for public benefit purposes....100
Article 11 Property required for military purposes....100
Article 12 Property currently used by dispossessed owners....100
Article 13 Property currently used by subsequent purchasers from dispossessed owners....101
Article 14 Significantly improved property....101
Article 15 Eligibility for reinstatement....101
Article 16 Agreed levels of reinstatement....101
Article 17 Moratorium for reinstatement....103
Article 18 Improvements on reinstated property....103
Article 19 Lease requirement....104
Article 20 Tax exemptions for leases....104
Part III: Loss of Use....104
Article 21 Compensation for loss of use....104
Part IV: Judicial Review....105
Article 22 The Property Court....105
Part V: Amendment....105
Article 23 Amendment....105
Attachment 1: Definitions....107
Article 1 Definitions....107
Attachment 2: The Cyprus Property Board and Compensation Arrangements....111
Article 1 Establishment and conduct of the Cyprus Property Board..111
Article 2 Operation of the Property Board....111
Article 3 Powers....113
Article 4 Obligations of the federal government and the constituent states in respect of the Property Board....115
Article 5 Obligations of federal and constituent state courts and competent authorities....116
Article 6 Staff....116
Article 7 Costs and accounting....117
Article 8 Period of operation of the Property Board and Cyprus Compensation Bureau and Trust....118
Article 9 Handling of property transferred to or via the Property Board 120
Article 10 Decision-making....121
Article 11 Claims procedure....121
Article 12 Determination of claims and applications....122
Article 13 Decisions on reinstatement....123
Article 14 Assistance with lease....123
Article 15 Standard form lease....124
Article 16 Sale, exchange and lease: other assistance....124
Article 17 Compensation Fund....124
Article 18 Compensation bonds and property appreciation certificates 124
Attachment 3: Measures in favour of Current Users....126
Article 1 Property occupied by current users with sufficient financial means 126

Article 2 Property occupied by current users without sufficient financial means 126
Article 3 Payment of rent to dispossessed owner up to reinstatement 127
Article 4 Preferential loans 127
Article 5 Right of first refusal for current user and others in sales of affected property 128
Article 6 Arrangements for recovering proceeds, goods or crops produced on affected property 129
Attachment 4: Property located in Areas Subject to Territorial Adjustment 130
Article 1 Application of these provisions to property in areas subject to territorial adjustment 130
Article 2 Reinstatement of dispossessed owners 130
Article 3 Improved properties 130
Article 4 Owners of property in areas subject to territorial adjustment who wish to leave 131
Article 5 Current users of property in areas subject to territorial adjustment 132
Attachment 5: Letter to the President of the European Court of Human Rights 133

Annex VIII: Reconciliation Commission 134
Article 1 Establishment 134
Article 2 Aims 134
Article 3 Powers 134
Article 4 Composition 135
Article 5 Duration 135
Article 6 Costs 136
Article 7 Remuneration 136
Article 8 Recommendations and reports 136
Article 9 Follow-up procedures 136

Annex IX: Coming into Being of the New State of Affairs 137
Article 1 Entry into force of the Foundation Agreement 137
Article 2 Entry into force of the Treaty between Cyprus, Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus 137
Article 3 Flag-raising ceremonies 137
Article 4 The United Nations 138
Article 5 The Council of Europe 138
Article 6 The European Union 138
Attachment 1: Letter to the Secretary-General of the United Nations 139
Attachment 2: Letter to the President of the European Council 140
Attachment 3: Letter to the Secretary-General of the Council of Europe 141

B. CONSTITUENT STATE CONSTITUTIONS 142

Annex I: Constitution of the Greek Cypriot State 143

Annex II: Constitution of the Turkish Cypriot State 144

C. TREATY ON MATTERS RELATED TO THE NEW STATE OF AFFAIRS IN CYPRUS 145
Article 1 Approval of Foundation Agreement 146
Article 2 Monitoring Committee 146
Article 3 Additional Protocol to the Treaty of Establishment 147

Article 4 Additional Protocol to the Treaty of Guarantee....147
Article 5 Additional Protocol to the Treaty of Alliance....147
Article 6 Transitional Security Arrangements....147
Article 7 Other treaties between Greece, Turkey and Cyprus....147
Article 8 Reservations and declarations to international instruments.147
Article 9 Entry into force....148

Annex I: Foundation Agreement....149

Annex II: Additional Protocol to the Treaty of Establishment....150
Article 1....150
Article 2....150
Article 3....150
Article 4....150
Article 5....151
Article 6....151
Article 7....152
Article 8....152
Article 9....152
Appendix....153
Article 1....153
Article 2....153

Annex III: Additional Protocol to the Treaty of Guarantee....156
Article 1....156
Article 2....156

Annex IV: Additional Protocol to the Treaty of Alliance....157
Article 1....157
Article 2....157
Article 3....157
Article 4....158
Article 5....158
Appendix: Composition, equipment, locations and activities of Greek and Turkish contingents....159
Article 1 Composition....159
Article 2 Permissible weapon and equipment holdings....159
Article 3 Activities....159
Article 4 Designated facilities and training fields....160
Article 5 Movement....161
Article 6 Notice....161

Annex V: Transitional Security Arrangements....162
Article 1 Dissolution of Greek Cypriot and Turkish Cypriot forces, including reserve units....162
Article 2 Adjustment of Greek and Turkish forces....162
Article 3 Redeployment from areas subject to territorial adjustment prior to transfer of administration....162

D. DRAFT ACT OF ADAPTATION TO THE TERMS OF ACCESSION OF THE UNITED CYPRUS REPUBLIC TO THE EUROPEAN UNION 164
Article 1 Property....167
Article 2 Residence of Cypriot citizens....167
Article 3 Residence of Greek and Turkish nationals....168

Article 4 Safeguard measures 168
Article 5 Equivalent rights of Greek and Turkish nationals 169
Article 6 The European Security and Defence Policy 169
Article 7 Representation in the European Parliament 169
Article 8 Turkish as official language of the European Union 169
Article 9 Application 169

E. MATTERS TO BE SUBMITTED TO THE UNITED NATIONS SECURITY COUNCIL FOR DECISION 170

F. MEASURES TO BE TAKEN DURING APRIL 2004 173

INDEX 176