

Revision: 26 February 2003

**BASIS FOR A COMPREHENSIVE
SETTLEMENT OF THE CYPRUS
PROBLEM**

COMMITMENT TO SUBMIT THE FOUNDATION AGREEMENT TO APPROVAL AT SEPARATE SIMULTANEOUS REFERENDA IN ORDER TO ACHIEVE A COMPREHENSIVE SETTLEMENT OF THE CYPRUS PROBLEM

We, the democratically elected leaders of the Greek Cypriots and the Turkish Cypriots, following negotiations under the auspices of the Secretary-General of the United Nations in which each side represented itself, and no-one else, as the political equal of the other, agree to put for approval in separate simultaneous referenda on 30 March 2003 the attached Foundation Agreement, dated [...] 2003, incorporating any alterations we may jointly agree on by 25 March 2003 and including its completed annexes and attachments, in particular, regarding

- (i) the flag and anthem of the United Cyprus Republic as chosen according to the procedures of the flag and anthem competitions currently being conducted;
- (ii) the List of International Treaties binding on the United Cyprus Republic and the texts of the Constitutional Laws, Cooperation Agreements, and federal laws as negotiated by the technical committees; and
- (iii) the appointees to the transitional Supreme Court and the transitional Board of the Central Bank;

with any indispensable suggestions the Secretary-General of the United Nations might make to complete these attachments should they not be completed by 25 March 2003 (or, in the case of appointees, 10 March 2003), together with a constituent state Constitution consistent with the draft Foundation Agreement and containing the following article:

- i) "constituent state laws adopted pursuant to a provision put to referendum together with the Foundation Agreement and this Constitution shall, as from entry into force of the Foundation Agreement, be applied in this constituent state with such modifications as may be necessary to bring them into conformity with the Foundation Agreement and the Constitution of this constituent state.
- ii) No provision in any such law which is contrary to or inconsistent with any provision of the Foundation Agreement or this Constitution shall so continue to be in force.
- iii) The term "modification" in the above paragraphs includes amendment, adaptation and repeal.;"

and a provision specifying those laws that shall become laws of our respective constituent state, by 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 constituent state and the

provisions as to its 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 invite the Secretary-General of the United Nations to request the Security Council to take decisions as set out in an appendix to this Document.

We welcome the willingness of the European Commission to organise an international donors’ conference and request the full support of the international community.

Done at [] this [] day of [] 2003 in four copies in the English language.

Signature
For the Greek Cypriot side

Signature
For the Turkish Cypriot side

Statement by Greece, Turkey and the United Kingdom

The Hellenic Republic, the Republic of Turkey, and the United Kingdom of Great Britain and Northern Ireland hereby confirm:

- (i) that they agree to the Foundation Agreement being so put to separate simultaneous referenda; and
- (ii) that, upon approval of the Foundation Agreement at separate simultaneous referenda, they are committed to signing together with the United Cyprus Republic the Treaty on matters related to the new state of affairs in Cyprus as annexed to the Foundation Agreement, which shall be registered as an international treaty in accordance with Article 102 of the Charter of the United Nations.

Done at [] this [] day of [] 2003 in four copies in the English language.

Signature
Hellenic Republic

Signature
United Kingdom of
Great Britain and
Northern Ireland

Signature
Republic of Turkey

Witnessed by

Kofi A. Annan
Secretary-General of the United Nations

**Appendices: Foundation Agreement
Matters to be Submitted to the United Nations
Security Council for Decision**

FOUNDATION AGREEMENT

Note on marking up: All changes where text is added or restructured are **highlighted** (with the exception of the consequential changes flowing from changes to Article 1.1 of the Constitution). Deleted text is indicated (~~struck out~~) only if it is not replaced by new text. Substantial changes are further highlighted in **bold**.

Table of Contents

MAIN ARTICLES	7
Annex I: Constitution of Cyprus	17
Attachment 1: Map of the United Cyprus Republic and its constituent states	44
Attachment 2: Flag of the United Cyprus Republic	46
Attachment 3: Anthem of the United Cyprus Republic	47
Attachment 4: Federal Property	48
Annex II: Constitutional Laws	49
Attachment 1: Constitutional Law on the elaboration and adoption of constitutional laws	50
Attachment 2: Constitutional Laws on police matters and composition and functions of the Joint Investigation Agency	51
Attachment 3: Constitutional Law on internal constituent state citizenship status and constituent state residency rights	52
Annex III: Federal Laws	56
Attachment 1: Federal Law on the anthem, flag, insignia and honours of the United Cyprus Republic (and their use)	57
Attachment 2: Federal Law on conduct of external relations	58
Attachment 3: Federal Law on conduct of European Union affairs	59
Attachment 4: Federal Law on citizenship of the United Cyprus Republic	60
Attachment 5: Federal Laws on aliens, immigration and asylum	64
Attachment 6: Federal Law on the Central Bank	68
Attachment 7: Federal Laws on taxation and finances	69
Attachment 8: Federal Law on budget	70
Attachment 9: Federal Law on international trade, customs and excise	71
Attachment 10: Federal Law on aviation and airspace management	73
Attachment 11: Federal Laws on international navigation, territorial waters, and continental shelf	74
Attachment 12: Federal Law on water resources	80
Attachment 13: Federal Law on natural resources	81
Attachment 14: Federal Laws on implementation of federal laws Law on postal services	82
Attachment 15: Federal Laws on communications	83
Attachment 16: Federal Law on meteorology	84
Attachment 17: Federal Law to provide for the establishment of standards of weights and measures based on the metric system and to provide for matters connected therewith or incidental thereto	85
Attachment 18: Federal Laws on intellectual property	86
Attachment 19: Federal Laws on antiquities	87
Attachment 20: Federal Laws on elections	88
Attachment 21: Federal Law on federal government immunities and exemptions	89
Attachment 22: Federal Laws on administration	90
Attachment 23: Federal Law on official languages	91
Attachment 24: Federal Law on federal police and Joint Investigation Agency	92
Attachment 25: Federal Law on legislative procedure and on procedure for amendments of the Constitution	93
Attachment 26: Federal Law on administration of justice	94
Attachment 27: Federal Laws on federal offences	97
Attachment 28: Federal Law on impeachment	98
Annex IV: Cooperation Agreements between the federal government and the constituent states	99
Attachment 1: Cooperation Agreement on external relations	100
Attachment 2: Cooperation Agreement on European Union affairs	101
Attachment 3: Cooperation Agreement on police matters	102
Annex V: List of International Treaties binding on the United Cyprus Republic	103
Annex VI: Territorial Arrangements	106

Attachment 1: Detailed description of the course of the boundary between the constituent states	111
Attachment 2: Maps of territorial adjustment	116
Attachment 3: Detailed description of phasing lines of territorial adjustment	119
Annex VII: Treatment of Property affected by Events since 1963.....	124
Attachment 1: Definitions.....	133
Attachment 2: The Cyprus Property Board and compensation arrangements.....	136
Attachment 3: Measures in favour of <i>current users</i>	148
Attachment 4: Property located in areas subject to territorial adjustment	151
Annex VIII: Reconciliation Commission	154
Annex IX: Coming into Being of the New State of Affairs.....	157
Attachment 1: Treaty between Cyprus, Greece, Turkey and the United Kingdom on Matters related to the new state of affairs in Cyprus	159
Attachment 2: Protocol requested to be attached to the Treaty of Accession of Cyprus to the European Union.....	176
Annex X: Calendar of Implementation	179
Annex XI: Appointees to the transitional Supreme Court and the transitional Central Bank.....	180

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*
- 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*
- ix. ~~*Welcoming the Comprehensive Settlement freely reached by our democratically elected leaders on all aspects of the Cyprus Problem, and its endorsement by Greece and Turkey, along with the United Kingdom*~~

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 ~~indispensable for the functioning of the federal government~~ 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 sign and ratify the Treaty of Accession to the European Union.
5. 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 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 co-ordinate 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 affairs 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

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. Like the citizenship status of the European Union, this status shall complement and not replace Cypriot citizenship.
3. 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. Until Turkey's accession to the European Union, a constituent state may 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 sixth year, after which limitations are permissible if the number of residents hailing from the other constituent state has reached 7% of the population of a village or municipality between the 7th and 10th years and 14% between the**

11th and 15th years and 21% of the population of the relevant constituent state thereafter. 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 and other 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 Senators from each constituent state. 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 comprise six members elected on a single list by special majority in the Senate and approved by majority in the Chamber of Deputies. 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 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 voting, provided this comprises at least one member from each constituent state.
 - c. The members of the Council shall be equal and each member shall head a department. The heads of the Departments of Foreign Affairs and European Union Affairs shall not come from the same constituent state.
 - d. The offices of President and Vice-President of the Council shall rotate every ten calendar months among members of the Council. No more than two consecutive Presidents may come from the same constituent state. The President, and in his absence or temporary incapacity, the Vice-President, shall represent the Council as Head of State and Head of Government. The President and Vice-President shall not enjoy a casting vote or otherwise increased powers within the Council.
 - e. The executive heads 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 institutions*

1. The federal institutions shall evolve during transitional periods, after which these institutions shall operate as described above.
2. Upon entry into force of this Agreement, the leaders of the two sides shall become Co-Presidents of the United Cyprus Republic for thirty

calendar months. Each Co-President shall be confirmed by their respective constituent state legislature, which may instead elect another person as Co-President, and which shall elect a replacement should the office of Co-President fall vacant. The Co-Presidents shall exercise the executive power during the first year, assisted by a Council of Ministers which they shall appoint. For the following **eighteen months**, the executive power shall be exercised by a Council of Ministers elected by Parliament, and the Co-Presidents shall together hold the office of Head of State.

3. Constituent state legislatures to be elected within 40 days of entry into force of this Agreement shall each nominate 24 delegates (reflecting the political composition of their legislature) to a transitional federal Parliament to operate for one year.
4. A transitional Supreme Court shall assume its functions upon entry into force of this 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 of **Cyprus**, 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. The Treaty of Alliance shall permit Greek and Turkish contingents, each not exceeding **6,000¹** all ranks, to be stationed under the Treaty of Alliance in the Greek Cypriot State and the Turkish Cypriot State respectively; **and that upon accession of Turkey to the European Union, all Greek and Turkish troops shall be withdrawn from Cyprus unless otherwise agreed between Cyprus, Greece and Turkey;**
 - 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

¹ **Reference:** This number may be changed if the Additional Protocol to the Treaty of Alliance is revised by agreement between Cyprus, Greece and Turkey.

- 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 cost of the operation to the United Nations shall be borne by the United Cyprus Republic.
 6. These provisions do not prejudice the provisions of the Treaty of Establishment, the Treaty of Guarantee, the Treaty of Alliance, the mandate of a United Nations peacekeeping operation and 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.²
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 no longer than three years by the Turkish Cypriot State. Administration shall be transferred under the supervision of the United Nations to the Greek Cypriot State in agreed phases, beginning 90 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.

² **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.

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. Claims by property owners dispossessed 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:
 - a. Dispossessed owners who opt for compensation or whose properties are not reinstated under the property arrangements shall receive full and effective compensation on the basis of value at the time of dispossession adjusted to reflect appreciation of property values in comparable locations;
 - b. 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;
 - c. 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;
 - d. There shall be incentives for owners to sell, lease or exchange properties to current users or other persons from the constituent state in which a property is located;
 - e. Properties not covered by the above shall be reinstated five years after entry into force of this Agreement (three years for vacant properties), provided that no more than 10% of the area and residences in either constituent state and 20%³ in any given municipality or village (other than villages specifically designated in this Agreement) shall be reinstated to owners from the other constituent 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, composed of an equal number of members

³ **Note:** These percentages are directly related to the agreed territorial adjustment.

from each constituent state, as well as non-Cypriot members. 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, which 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 Cyprus⁴ 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 law⁵, its effect shall continue following entry into force of this Agreement.⁶ 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 at 00:00 hours on the day following confirmed approval by each side at separate simultaneous referenda conducted in accordance with the Agreement.
2. Upon entry into force of this Agreement, 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 raised in accordance with the Constitution and

⁴ **Observation:** The term Cyprus here is to be understood in the sense of the island of Cyprus excluding the Sovereign Base Areas.

⁵ **Observation:** This refers to questions of substantial international law and not to any question of the legitimacy or status of the relevant authorities under international law.

⁶ **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.

relevant legislation, and the anthems of the United Cyprus Republic and of the constituent states 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 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 and reflected in the calendar of implementation.

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 CYPRUS

PART I: BASIC ARTICLES	18
PART II: GENERAL PROVISIONS	18
PART III: FUNDAMENTAL RIGHTS AND LIBERTIES	21
PART IV: THE FEDERAL GOVERNMENT AND THE CONSTITUENT STATES	23
PART V: FEDERAL INSTITUTIONS	27
Section A: The Legislature	28
Section B: The Executive	30
Section C: Independent Officers and Institutions.....	33
Section D: The Judiciary	35
PART VI: AMENDMENTS OF THIS CONSTITUTION	37
PART VII: TRANSITIONAL PROVISIONS.....	37
PART VIII: ADDITIONAL PROVISIONS	43
ATTACHMENT 1: MAP OF THE UNITED CYPRUS REPUBLIC AND ITS CONSTITUENT STATES.....	44
ATTACHMENT 2: FLAG OF THE UNITED CYPRUS REPUBLIC	46
ATTACHMENT 3: ANTHEM OF THE UNITED CYPRUS REPUBLIC.....	47
ATTACHMENT 4: FEDERAL PROPERTY	48

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, and 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 attachment 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.⁷
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 be considered an integral part of this Constitution.

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.

⁷ **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 Greece and Turkey or~~ the consent of the governments of both constituent states.
3. All weapons, except licensed sporting guns, shall be prohibited.
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 UN 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 [insert description of flag], as attached to this Constitution. **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 [insert name of anthem], 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.

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 Sundays, the following official holidays shall be observed throughout Cyprus:
 - a. 1 January (New Year's Day);
 - b. 1 May (Labour Day);
 - c. 25 December (Christmas);
 - d. Good Friday;
 - e. Easter Monday;
 - f. The first day of Ramadan/Sheker Bayram;
 - g. The first day of Kurban Bayram; and
 - h. 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.
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.

Part III: FUNDAMENTAL RIGHTS AND LIBERTIES

Article 11 *Fundamental Rights*

1. In accordance with Article 4(3) of this Constitution, 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 and the United Nations Covenant on Civil and Political Rights shall 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 parts of the Foundation Agreement or a Constitutional Law.
4. The rights of religious **and other** 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/Suleymaniyе, Xerovounos/Kurutepe **Karavostasi/Gemikonagi**, Agios Georgios/Madenliköy **and** Kokkina/Erenköy, as well as the Mesaoria villages of Pyla/**Pile**, **Skyloura/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**.

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, like the European Union citizenship 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.

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;⁸
 - b. Relations with the European Union;⁹
 - 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;
 - f. Meteorology, aviation,¹⁰ international navigation and the continental shelf and territorial waters¹¹ 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 state¹²)**;
 - 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, 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

⁸ **Reference:** Defence policy must be formulated and exercised in accordance with agreed security arrangements, and the international obligations of Cyprus.

⁹ **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 Defence (non-military matters) and Security Policy and the “closer cooperation” within the meaning of the Treaty on the European Union.

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).

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.

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.

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
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 state¹⁴ 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.

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

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

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; and natural resources, including water;
 - 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;
 - 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 <common states> 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 and cultural matters¹⁵, who shall be accredited as part of diplomatic missions of Cyprus.
4. The constituent states may also conclude agreements on commercial and cultural matters¹⁶ with authorities of States that have relations with the United Cyprus Republic, provided that such agreements do not 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 ministry of foreign affairs 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 ministry of foreign affairs 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.

¹⁵ **Observation:** Cultural matters includes the arts, education and sports.

¹⁶ **Observation:** Cultural matters includes the arts, education and sports.

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.¹⁷ 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. The establishment of other administrative structures necessary for the implementation of the *acquis communautaire* will be decided on the basis of efficiency requirements.
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 2-5 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, which require ratification by all member states of the European Union, shall be ratified by Cyprus unless this 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

¹⁷ **Observation:** Penalties, fines or damages imposed by European Union Courts shall be borne by the federal government or the relevant constituent state which fails to implement an obligation within its sphere of competence.

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.
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 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 senators from each constituent state. The people of each constituent state shall elect, on a proportional basis, 24 members of the Senate.
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 one year. The Presidents of the two Chambers shall not come from the same constituent state. 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 ratification¹⁸, 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

¹⁸ **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 well as the Treaty of Accession of Cyprus to the European Union, given these Treaties' approval in referenda, together with the Foundation Agreement.

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:
 - a. Ratification of international agreements on matters which fall within the legislative competence of the constituent states;¹⁹
 - 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 six-member Presidential Council, which shall exercise the executive power.
2. The members of the Presidential Council shall be elected by Parliament for a fixed five-year term on a single list by special majority.
3. Members of the Presidential Council shall not hold any other public office or private position.

¹⁹ **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.

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.²⁰
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 two members must hail from each constituent state.
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 voting unless otherwise stated in this Constitution. Such majority must in all cases comprise at least one member from each constituent state.
8. 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 executive heads 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, including the European Commission, the European Human Rights Court in Strasbourg, the European Court of the Communities in Luxemburg and the European Court of First Instance.

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

1. The President and Vice-President of the Council shall not hail from the same constituent state.
2. The offices of the President and Vice-President of the Council shall rotate every ten calendar months among members of the Council on the basis of time spent on the Council since last serving in either office and with no more than two consecutive Presidents to come from the same constituent state. Among members of the Council who have spent equal time on the Council without having served as President or Vice-President, a lot shall be drawn, unless the members concerned agree to an order of precedence.
3. The Vice-President of the Council shall assume the duties of the President in the absence or temporary incapacity of the President.

²⁰ **Observation:** The parties may wish to agree to more detailed rules during the finalisation period.

4. The President of the Council shall convene and chair the meetings of the Presidential Council.
5. Neither the President nor the Vice President of the Council shall have a casting vote.

Article 28 *The Departments*

1. Each member of the Presidential Council shall head a department.
2. Departments shall be attributed by decision of the Council. Where the Council is unable to reach a decision, departments shall be attributed on the basis of time spent on the Council; among members who have spent equal time, a lot shall be drawn.
3. The heads of the Departments of Foreign Affairs and European Union Affairs 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, unless the Presidential Council, deciding with separate majorities of members from each constituent state, designates another member.
- 4. The member of the Presidential Council responsible for European Union affairs shall represent the Presidential Council (in its function as Head of Government) at meetings of the European Council, and shall be assisted on such occasions by the member of the Presidential Council responsible for external relations, unless the Presidential Council, deciding with separate majorities of members from each constituent state, decides otherwise.**
5. The heads of the relevant Departments/Secretariats/Ministries 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 5 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, *inter alia*, issue currency, determine monetary policy and the prime lending rate, and regulate and supervise the banking sector.
2. The Central Bank shall be independent 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 Central Bank shall be governed by a Board of three members, one of whom shall be the Governor. At least one member shall hail from each constituent state; the third member may be a non-Cypriot. All decisions of the Board of the Central Bank shall be taken by simple majority.
5. The Governor and the other two members of Board shall be appointed by the Presidential Council for a term of seven years.
6. Within the framework of the European Union the responsibilities and powers of the Central Bank of Cyprus may be transferred to the European Union Central Bank.
7. 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 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 no longer than until 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 moneys 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 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 renewable term of office of seven 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.²¹
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.
7. The Supreme Court shall decide on the organisation of its work. If it chooses to divide itself into Chambers for the treatment of certain cases, such Chambers shall always include an equal number of judges from each constituent state.
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.**
9. **The federal government shall by special majority law create a Court of First Instance to exercise some of the functions vested by this Constitution in the Supreme Court within three years of entry into force of the Foundation Agreement.**

Part VI:

²¹ **Observation:** this includes the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms and its Additional Protocols in force for Cyprus.

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 Parliament after consultation with the constituent state governments and interested sectors of society.
2. The Basic Articles 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. No later than 40 days after entry into force of the Foundation Agreement, the constituent states shall elect the members of their legislatures and other popularly elected officials in accordance with the constituent state Constitution and legislation approved in referenda.
2. The newly elected members of the constituent state institutions shall assume office within ten days of their election.²²

Article 39 Transitional federal Parliament

1. Each newly elected constituent states legislature shall, without delay 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.
2. The transitional parliament shall exercise the constitutional functions and prerogatives of the federal Parliament during the first year after entry into force of the Foundation Agreement in accordance with the procedural provisions in this Constitution regarding the Senate.

²² **Observation:** The modalities for assuming office, including the taking of an oath, is a matter for the constituent states to regulate.

3. No later than ten calendar months after entry into force of the Foundation Agreement, the senators and deputies shall be elected in accordance with this Constitution. The newly elected Parliament shall assume its functions one year after entry into force of the Foundation Agreement.

Article 40 Transitional Head of State

1. For a transitional period of thirty calendar months, the office of the Head of State shall be vested in the Co-Presidency.
2. Upon entry into force of the Foundation Agreement, the Greek Cypriot leader and the Turkish Cypriot leader shall become Co-Presidents of the United Cyprus Republic. Each constituent state legislature, as soon as it is constituted, shall confirm the Co-President from its constituent state or elect another person to the office.
3. In case of resignation or permanent incapacity of either leader, the legislature of the relevant constituent state shall elect a replacement. If such resignation or incapacity occurs before the legislature of the relevant constituent state has been elected, the most senior judge from that constituent state selected for or appointed to the Supreme Court shall assume the role of Co-President.
4. The Co-Presidents shall alternate every calendar month in representing the Co-Presidency as Head of State.

Article 41 Transitional federal government

1. The Co-Presidents shall exercise the executive power during the first year of the transitional period in accordance with the relevant provisions for the Presidential Council. They shall act and decide by consensus.
2. The Co-Presidents shall name six Cypriot citizens to head the federal government departments during the first year of the transitional period. The heads of departments shall be confirmed by Parliament through simple majority. They shall exercise the functions of the executive, which the Co-Presidents shall delegate to them, in accordance with the procedures provided for in this Constitution for the Presidential Council.
3. One year after entry into force of the Foundation Agreement, the newly elected Parliament shall elect a Council of Ministers composed of six members. The provisions of this Constitution for the Presidential Council shall apply *mutatis mutandis* to the election, functioning and powers (other than those vested in the Head of State) of the Council of Ministers.
4. During a second phase of the transitional period, the Council of Ministers shall act as the Government of the United Cyprus Republic while the functions of Head of State shall continue to be vested in the Co-Presidency.

5. Thirty calendar months after entry into force of the Foundation Agreement, the Council of Ministers shall become the Presidential Council in accordance with the provisions of this Constitution, assuming also the function of Head of State, for a remaining three and a half years, during which time the rotation period for the offices of President and Vice-President shall be seven months.

Article 42 *Participation of executive heads of constituent states in meetings of Presidential Council*

During the first ten years after entry into force of the Foundation Agreement, the executive heads 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 *Entry into force of accession treaty to the European Union*

The referenda approving, together with the Foundation Agreement, the conditions of accession of Cyprus to the European Union, shall authorise and oblige the Co-Presidents to sign and ratify the Treaty of Accession of Cyprus to the European Union.²³

Article 44 *Transitional Board of the Central Bank*

The members of the transitional Board of the Central Bank ~~selected in accordance with Appendix B of the Comprehensive Settlement~~ shall assume their functions immediately upon entry into force of the Foundation Agreement and shall remain in office for 15 calendar months, when they shall be replaced by the Board appointed in accordance with the provisions of this Constitution by the Council of Ministers elected by the two chambers of Parliament. The transitional Board shall exercise the powers provided for the Board in the Constitution until the regularly appointed Board takes office.

Article 45 *Judges of the transitional Supreme Court*

1. The judges of the transitional Supreme Court ~~selected in accordance with Appendix B of the Comprehensive Settlement~~ shall assume their functions immediately upon entry into force of the Foundation Agreement and shall remain in office for 15 calendar months, when they shall be replaced by the judges appointed in accordance with the provisions of this Constitution by the Council of Ministers elected by the two chambers

²³ **Observation:** It is understood that given the mandate of the people expressed in separate referenda to sign and ratify the Treaty of Accession, either of the Co-Presidents is empowered to execute the common will of the people of the two constituent states on behalf of Cyprus.

of Parliament. The transitional Court shall exercise the powers provided for the Supreme Court in the Constitution until the regularly appointed Supreme Court takes office.

- 2. The Registrar, who shall be a non-Cypriot, and two Deputy Registrars of the transitional Supreme Court shall assume their functions immediately upon entry into force of the Foundation Agreement. They will remain in office for 15 calendar months, when they shall be replaced in accordance with the law.**

Article 46 Public Service

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 Constitution relating to the composition of the 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 incurred prior to the entry into force of the Foundation Agreement 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. Special majority law may provide for reimbursement of the federal government by the constituent states.**

Article 48 Treaties concluded prior to the entry into force of 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 after the signature of the “Commitment to submit the Foundation Agreement for approval through separate simultaneous referenda in order to achieve a comprehensive settlement of the Cyprus problem”, or any reservation or declaration related to such**

treaty, on grounds of incompatibility with the Foundation Agreement. Such objection shall be addressed to the Co-Presidents or the Council of Ministers.

2. Upon receipt of such objection, the Co-Presidents or Council of Ministers 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.
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 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 Co-Presidents 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. The Co-Presidents or Council of Ministers shall consider favourably a request by a constituent state during the first two years after entry into force of the Foundation Agreement, to modify a treaty concluded prior to the entry into force of the Foundation Agreement, so that it shall not apply to that constituent state, if
 - a. the scope of the treaty falls exclusively within the competence of the constituents states, and
 - b. the treaty is of a nature that would permit its application to only one of the constituent states.

If the Co-Presidents or Council of Ministers decide positively, they shall request the other High Contracting Party to modify the treaty accordingly. If the other High Contracting Party refuses such request, the treaty shall remain in force for the entire territory of the United Cyprus Republic.

7. If conditions (a) and (b) of paragraph 6 are fulfilled, and the treaty, in addition, is on commercial or cultural matters and thus is on a subject on which the constituent states may conclude agreements with authorities of States that have relations with the United Cyprus Republic, the Co-Presidents or Council of Ministers shall transmit the request of the relevant constituent state unless there are mandatory reasons with regard to foreign affairs.

Article 49 Teaching of official languages

The mandatory teaching of the official languages of the United Cyprus Republic to all secondary school students prescribed in Article 8(4) shall commence no later than three years after entry into force of the Foundation Agreement.

Article 50 State-owned property

1. Public property, other than federal property listed in an attachment to this Constitution, is the property of the constituent state in which it is located.
2. **The Co-Presidents and the executive heads 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 51 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 of the economies of the constituent states and the eradication of economic inequalities between them 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.
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 accordance with the rules and regulations of the Central Bank.**
4. **Federal authorities shall accept book-keeping by private individuals and legal persons in Euros. The Central Bank shall issue regulations, in particular on applicable exchange rates.**

Article 52 *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 53 *Missing persons*

The executive heads of the constituent states shall without delay take steps to conclusively resolve 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 H.E. Glafcos Clerides and H.E. Rauf Denktash on 31 July 1997. Each constituent state shall carry out and conclude any and all necessary inquiries, including exhumations.

Part VIII: ADDITIONAL PROVISIONS

[insert further articles]

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

[Map]

[Map]

ATTACHMENT 2:

FLAG OF THE UNITED CYPRUS REPUBLIC

[insert image of agreed flag]

ATTACHMENT 3:

ANTHEM OF THE UNITED CYPRUS REPUBLIC

[insert agreed anthem]

ATTACHMENT 4:

FEDERAL PROPERTY

[insert agreed list/description of federal property]

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**

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

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

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Law 1: Constitutional Law on Constituent State Police

Article 1 Constituent state police

Each constituent state police may not number more than 700 police personnel plus six police personnel per thousand constituent state inhabitants. constituent state police may only carry weapons appropriate for normal police civilian duties.

Law 2: Constitutional Law on the Joint Investigation Agency

Article 1 Joint Investigation Agency

There shall be a Joint Investigation Agency comprising federal and constituent state police personnel, hailing in equal numbers from each constituent state, and reporting to the federal Attorney-General. It shall combat terrorism, drug trafficking, money laundering and organised crime. It shall also investigate alleged violations of police duties by federal or constituent state police, or of Article 6(3) and (4) of the Constitution, upon request of any federal or constituent state authority.

Article 2 Cooperation

The Joint Investigation Agency and the federal police shall cooperate with each other and with the police of the constituent states pursuant to the Cooperation Agreement on police matters between the federal government and the constituent states.

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

[insert further agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Article 1 Internal constituent state citizenship status upon entry into force of the Foundation Agreement

1. Upon entry into force of the Foundation Agreement, Cypriot citizens shall hold the internal constituent state citizenship status of the constituent state which at that time administers the territory where they reside.
2. Persons residing, at the time of entry into force of the Foundation Agreement, in the Maronite villages of Agia Marina/Gürpınar, Asomatos/Özhan, Karpasha/Karpaşa and Kormakiti/Koruçam, the Mesaoria village of Pyla/Pile, Skylloura/Yilmazköy and Agios Vasilios/Türkeli, the Tillyria villages of Amadhies/Günebakan, Limnitis/Yeşilyirmak, Selemani/Suleymaniye, Xerovounos/Kurutepe, Karovostasi/Gemikonagi, Agios Georgios/Madenliköy and Kokkina/Erenköy, and the Karpas villages of Rizokarpaso/Dipkarpaz, Agialousa/Yeni Erenköy, Agia Trias/Sipahi, Melanarga/Adacay, Agios Andronikos/Yeşilköy, Agios Therisos and Leonarisso/Ziyamet may, within one year of that date, elect to have the internal constituent state citizenship status of the other constituent state.
3. Cypriot citizens residing abroad shall be afforded the internal constituent state citizenship status of the Greek Cypriot State if they or their forebears belonged to the Greek Cypriot community before 1974, or the internal constituent state citizenship status of the Turkish Cypriot State if they or their forebears belonged to the Turkish Cypriot community before 1974.

Article 2 Acquisition of internal constituent state citizenship status

1. Newborn children automatically acquire the internal constituent state citizenship status of their parents. If the parents have different internal constituent state citizenship status, the newborn child shall acquire both internal constituent state citizenship statuses, and shall choose one upon reaching the age of 18.

2. Persons acquiring Cypriot citizenship shall also acquire the internal constituent state citizenship status of the constituent state in which they reside, provided they have resided there for seven years preceding their naturalisation. If this requirement is not fulfilled, they shall acquire the internal constituent state citizenship status of the constituent state in which they have resided longer.
3. The constituent states may regulate the acquisition of their internal constituent state citizenship status by persons hailing from the other constituent state.
4. Any Cypriot citizen who has been resident in a constituent state for any seven consecutive years shall be entitled to apply to change his/her internal constituent state citizenship status to that of the constituent state where s/he resides.

Article 3 *Exercise of political rights at the constituent state level*

A constituent state may restrict, within the limits of European Union law and this Constitution, the exercise of political rights at its level to persons holding its internal constituent state citizenship status.

Cypriot citizens shall exercise political rights at the constituent state level at their place of permanent residence, regardless of their internal constituent state citizenship status. They shall be entitled to be included in the electoral rolls at such place of residency, without any discrimination, within six months of establishing permanent residence.

Article 4 *Supreme Court injunctions on entry or residence*

A constituent state may apply to the Supreme Court of Cyprus for an injunction barring a person who does not hold its internal constituent state citizenship status from entering or residing in that constituent state. The Supreme Court shall grant the injunction if the relevant person has been, or is actively engaged, in acts of violence or incitement to violence and his/her presence in that constituent state would be a danger to public safety or public order.

Article 5 *Permissible limitation on residency of non-Cypriots*

The constituent states may, within the limits of international law, European Union law and this Constitution, establish rules and regulations on establishment of residence by non-Cypriots more restrictive than federal rules and regulations.

Permissible limitation on residency of Cypriots

[.....]

Article 6 Permissible transitional limitations on establishment of residence

1. A constituent state may, **until Turkey accedes to the European Union**, limit, on a non-discriminatory basis, the establishment of residence by Cypriot citizens who do not hold the relevant internal constituent state citizenship status.
2. **Permissible limitations include a moratorium on such residence during the first six years after entry into force of the Foundation Agreement. Thereafter, there may be limitations if the number of such residents has reached 7% of the population of a village or municipality between the 7th and 10th years and 14% between the 11th and 15th years. Thereafter, there may be limitations if the number of such residents has reached 21% of the population of the relevant constituent state.**
3. Within the permissible limit, priority shall be given first to persons to whom properties have been reinstated by order of the Property Board, and their families; second to other persons who were inhabitants of the relevant municipality or village before 1963 or 1974 respectively, and their families; and third to the heirs of either category of persons.
4. **Notwithstanding the above, two years after entry into force of the Foundation Agreement, there shall be no limitations on the right of return for:**
 - a. **any former inhabitant over the age of 65 and his/her spouse or one sibling (alone), regardless of the latter's age²⁴; or**
 - b. **any former inhabitant and his/her descendant(s) in the Tillyria villages of Amadhies/Günebakan, Limnitis/Yeşilyirmak, Selemani/Suleymaniye, Xerovounos/Kurutepe Karovostasi/Gemikonagi, Kokkina/Erenköy, and Agios Georgios/Madenliköy, and the Mesaoria villages of Pyla/Pile, Skylloura/Yilmazköy and Agios Vasilios/Türkeli, and the Karpas villages of Rizokarpaso/Dipkarpaz, Agialousa/Yeni Erenköy, Agia Trias/Sipahi and Melanarga/Adacay.**
5. No later than **20** years after entry into force of this Agreement, the federal government and the constituent states shall review **this Article** in light of experience.
6. Any restrictions on residence shall not prevent the freedom of movement throughout Cyprus, including the right of any Cypriot citizen to temporarily (i.e. no more than an average of three nights a week) stay or

²⁴ **The constituent states shall favourably consider exceptional humanitarian cases such as adult children who have special needs or are otherwise dependent upon their parents.**

holiday in their own properties or any other accommodation anywhere in Cyprus.

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 (AND
THEIR USE)**

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 June 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 July 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

**ATTACHMENT 2: FEDERAL LAW ON CONDUCT OF EXTERNAL
RELATIONS**

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Article 1 Composition of diplomatic missions of Cyprus

1. The heads of **the diplomatic missions** of the United Cyprus Republic to the United Nations in New York, the United Nations in Geneva, the European Union, Greece, Turkey, the United Kingdom, France, the United States, Russia and China shall hail in equal numbers from each constituent state. **The deputy heads of these missions shall hail from the other constituent state.**
2. This Article shall be fully implemented no later than three years after entry into force of the Foundation Agreement.

ATTACHMENT 3: FEDERAL LAW ON CONDUCT OF EUROPEAN UNION AFFAIRS

[see separate document]

**ATTACHMENT 4: FEDERAL LAW ON CITIZENSHIP OF THE UNITED
CYPRUS REPUBLIC**

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Article 1 *General provisions*

This Law determines the conditions for the acquisition [and loss] of Cypriot citizenship, in accordance with the terms of the Foundation Agreement, the Constitution and international and European Union standards.

Article 2 *[Dual citizenship]*

[insert article, if any.]

Article 3 *Cypriot citizenship upon entry into force of the Foundation Agreement*

Upon entry into force of the Foundation Agreement, the following persons shall be considered citizens of the United Cyprus Republic:

- a. Any person who held Cypriot citizenship in 1963 and his or her descendants and the spouses of such citizens; and
- b. Any person whose name figures on a list handed over to the Secretary-General of the United Nations by each side no later than 25 March 2003. Each side's list may number no more than **45,000 persons**, inclusive of spouses and children, unless there are specific reasons preventing such spouses and children from being considered Cypriot citizens. The list shall contain the name of each person and the basis for their inclusion on the list, as well as, where relevant, the date of their entry into Cyprus. Applicants shall be included on the list based on the following criteria and in the following order of priority:
 - i) persons 18 years of age or older who enjoyed permanent residence in Cyprus²⁵ for at least seven years before reaching the age of 18 and for at least

²⁵ **Observation:** The term Cyprus here is to be understood in the sense of the island of Cyprus excluding the Sovereign Base Areas and in light of Main Article 12 of the Foundation Agreement.

- one year during the last five years and their minor children who enjoy permanent residence in Cyprus;
- ii) other persons who have enjoyed permanent residence in Cyprus for more than seven consecutive years, based on the length of their stay.

Should one side fail to produce a list in time, it shall be prepared by the Citizenship Board. A person living under the administration of the relevant constituent state may apply to the Citizenship Board to be included on the list within one month of publication of a notice in the federal Official Gazette, which notice shall also be published in the main newspapers of the relevant constituent state.

The lists shall be published in the federal Official Gazette. Any person who can demonstrate that s/he was wrongly omitted from a list or that someone else was wrongly included may submit a complaint with evidence to the Citizenship Board within three months of publication of the relevant Official Gazette. The Citizenship Board shall determine any such disputes without delay and be empowered to rectify the lists in accordance with the above criteria and order of priority with retroactive effect.

Article 4 Acquisition of Cypriot citizenship

Cypriot citizenship is acquired in accordance with the provisions of this law:

- a. Automatically by birth, where either parent is a Cypriot citizen;
- b. By naturalisation; or
- c. [insert additional articles, if any].

Article 5 Acquisition by naturalisation

A foreigner may submit a request for acquisition of Cypriot citizenship if s/he fulfils the following conditions:

- a. S/he has reached 18 years of age;
- b. S/he has enjoyed permanent residence in Cyprus for at least **nine** consecutive years, including for no less than four years after entry into force of the Foundation Agreement, before submitting a request **(time spent in Cyprus on the basis of a permit as a student or temporary academic staff of a university shall not be counted for the purpose of this paragraph);**
- c. S/he has **some** knowledge of one of the official languages of Cyprus;
- d. S/he is not the object of a security measure or a protective measure to remove him/her from **the territory of** the United Cyprus Republic undertaken by an authority of the federal government or the constituent states in accordance with their respective laws; and

- e. S/he was not sentenced to a term of imprisonment for a premeditated criminal act for longer than one year within seven years of the submission of the request.

Article 6 *Acquisition by facilitated naturalisation*

Cypriot citizenship may be acquired through facilitated naturalisation:

- a. Upon request, by spouses of persons who have or acquire Cypriot citizenship in accordance with these provisions, provided they have been married for at least two years; or
- b. Automatically by minor children of persons who acquire Cypriot citizenship in accordance with these provisions.

Article 7 *Loss of Cypriot citizenship*

[insert article, if any]

Article 8 *Passports*

1. The Citizenship Board shall issue passports to Cypriot citizens in accordance with these provisions.
2. During an interim period of **six months**, the Citizenship Board shall stamp travel documents of citizens issued prior to entry into force of the Foundation Agreement, testifying to the recognition of these documents by the United Cyprus Republic.

Article 9 *The Citizenship Board*

1. The Citizenship Board shall be composed of **six** persons, **three** hailing from each constituent state, and the chair shall rotate on an annual basis.
2. For the first two years of its operation, the Citizenship Board shall, in addition, comprise two non-Cypriots who are not citizens of Greece, Turkey or the United Kingdom. The non-Cypriots may simultaneously serve on the Aliens Board.
3. The members of the Citizenship Board shall be appointed by the Presidential Council and confirmed by Parliament by special majority.

Article 10 *Implementation of this law*

1. The Citizenship Board shall be entrusted with the implementation of this law and shall adopt rules and regulations for this purpose.

2. The Citizenship Board shall appoint and supervise agents who shall process requests relating to Cypriot citizenship, in accordance with this law and its rules and regulations.

Article 11 *Review of decisions on citizenship*

1. There shall be a right of appeal to the Citizenship Board from decisions by agents of the Board regarding citizenship.
2. Decisions of the Citizenship Board are subject to review by the Supreme Court.

Article 12 *Transitional rules and regulations*

Until the federal Parliament adopts detailed rules and regulations governing citizenship, the Citizenship Board shall adopt such rules and regulations in accordance with these provisions and the abovementioned international instruments, bearing in mind the obligations of Cyprus under the Treaty of Accession to the European Union.

ATTACHMENT 5: FEDERAL LAWS ON ALIENS, IMMIGRATION AND ASYLUM

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Law 1: Federal Law on Aliens and Immigration

Article 1 General provisions

This Law prescribes the conditions for residency, immigration and asylum, in accordance with the terms of the Foundation Agreement, the Constitution and international and European Union standards.

Article 2 Entry and residency rights of Greek and Turkish nationals

1. The United Cyprus Republic shall grant equal treatment to Greek and Turkish nationals with respect to entry and residency rights to the extent permissible under European Union law and the Treaty of Accession of Cyprus to the European Union.
2. Upon entry into force of the Foundation Agreement, the Aliens Board shall authorise the constituent states to grant permanent residence to nationals of Greece up to a level of 10% of the number of resident Cypriot citizens who hold the internal constituent state citizenship status of the Greek Cypriot State and to nationals of Turkey up to a level of 10% of the number of resident Cypriot citizens who hold the internal constituent state citizenship status of the Turkish Cypriot State. Such nationals who do not so receive permanent residence may apply for financial assistance to relocate to their country of origin if they have lived in Cyprus²⁶ for no less than five years. 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.²⁷

²⁶ **Observation:** The term Cyprus here is to be understood in the sense of the island of Cyprus excluding the Sovereign Base Areas and in light of Main Article 12 of the Foundation Agreement.

²⁷ **Observation:** The services of the International Organisation for Migration could be requested in this regard.

3. The Aliens Board shall not authorise further immigration of Greek nationals if the number of permanent residents who are Greek nationals has reached 5% of the number of resident Cypriot citizens who hold the internal constituent state citizenship status of the Greek Cypriot State nor shall it authorise further immigration of Turkish nationals if the number of permanent residents who are Turkish nationals has reached 5% of the number of resident Cypriot citizens who hold the internal constituent state citizenship status of the Turkish Cypriot State.²⁸
4. **Limitations on immigration of Greek and Turkish nationals shall not apply to full-time students and temporary academic staff of universities, for up to a period of seven years. The Aliens Board shall issue regulations regarding the conditions under which students may hold limited gainful employment.**

Article 3 *Asylum*

The Aliens Board shall grant asylum in accordance with the 1951 Geneva Convention on the Status of Refugees and its 1967 Protocol, the 1997 Dublin Convention on Asylum Seekers, the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms and its Additional Protocols which are in force for the United Cyprus Republic, as well as other relevant international instruments in force for the United Cyprus Republic.

Article 4 *The Aliens Board*

1. The Aliens Board shall be composed of six persons, three hailing from each constituent state, and the chair shall rotate on an annual basis.
2. For the first two years of its operation, the Aliens Board shall, in addition, comprise two non-Cypriots who are not citizens of Greece, Turkey or the United Kingdom. The non-Cypriots may simultaneously serve on the Citizenship Board.
3. The members of the Aliens Board shall be appointed by the Presidential Council and confirmed by Parliament by special majority.

Article 5 *Implementation of this law*

1. The Aliens Board shall be entrusted with the implementation of this law and shall adopt rules and regulations for this purpose.

²⁸ **Observation:** In accordance with international practice, for the purpose of this Article, persons who are citizens of both Cyprus and Greece or Turkey shall be counted as citizens of Cyprus only.

2. The Aliens Board shall appoint and supervise agents who shall process requests relating to immigration, asylum, deportation or extradition in accordance with this law and its rules and regulations.

Article 6 *Review of decisions on immigration, asylum, deportation and extradition*

1. There shall be a right of appeal to the Aliens Board from decisions by agents of the Board regarding immigration, asylum, deportation or extradition.
2. Decisions of the Aliens Board are subject to review by the Supreme Court.

Article 7 *Transitional rules and regulations*

Until the federal Parliament adopts detailed rules and regulations governing immigration, asylum, deportation and extradition, the Aliens Board shall adopt such rules and regulations in accordance with these provisions and the abovementioned international instruments, bearing in mind the obligations of Cyprus under the Treaty of Accession to the European Union.

[insert further agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 October 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 November 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

Law 2: Federal Law on Refugees

**Law 3: Federal Law on the Free Movement of Residents or the
Nationals of the Member States of the European Union and
their Families**

Law 4: Federal Law on the Extradition of Fugitives

ATTACHMENT 6: FEDERAL LAW ON THE CENTRAL BANK

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Part I: TRANSITIONAL PROVISIONS

Article 1 *Exchange of deposits of citizens and residents of Cyprus and accounts in foreign currency*

The Central Bank of Cyprus shall, upon request within three months of entry into force of the Foundation Agreement, exchange or procure exchange by local banks of deposits held by citizens and residents of Cyprus (including legal persons) in Turkish lira in banks in Cyprus on the date of entry into force of the Foundation Agreement into Cyprus pounds at the rate at which the Bank of Turkey shall credit the relevant amounts to the Bank of Cyprus in Euros, being at the Cyprus pound/Turkish Lira rate of exchange as determined by the market rate of the two currencies in terms of Euro. **Any Cypriot citizen or resident shall, in addition, be entitled to exchange up to one billion Turkish lira in cash within three months of entry into force of the Foundation Agreement.**

ATTACHMENT 7: FEDERAL LAWS ON TAXATION AND FINANCES

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Law 1: Federal Law on Value-Added Tax

Article 1 Transfer to constituent states

1. The federal government shall confer upon each constituent state, **one third** of the value-added tax collected within its boundaries.
2. The federal government shall, in addition, confer upon the constituent states, in proportion to their population, no less than **one-third** of revenue from indirect taxation which is not transferred to the European Union.
3. The federal government shall spend no less than 5% of revenue from indirect taxation which is not transferred to the European Union to finance cooperative endeavours between the constituent states or between municipalities located in different constituent states.

ATTACHMENT 8: FEDERAL LAW ON BUDGET

Article 1 Carry over of previous budget

If Parliament is unable to approve a budget before the beginning of the fiscal year, the budget of the previous year, adjusted by inflation minus 1%, shall be carried on to the next fiscal year, unless the Supreme Court in the exercise of its deadlock resolving power decides otherwise.

**ATTACHMENT 9: FEDERAL LAW ON INTERNATIONAL TRADE,
CUSTOMS AND EXCISE**

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Law 1: Federal Law on Customs

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 June 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 July 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

Law 2: Federal Law on Excise Duties

**ATTACHMENT 10: FEDERAL LAW ON AVIATION AND AIRSPACE
MANAGEMENT**

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 July 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 August 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

The text shall take into account the vital interests and legitimate concerns of neighbouring states, the geographical position of the island of Cyprus in the Eastern Mediterranean, the terms of treaties binding on the United Cyprus Republic upon entry into force of the Foundation Agreement, and the relevant principles and rules of international law]

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

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 July 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 August 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

The text shall take into account the vital interests and legitimate concerns of neighbouring states, the geographical position of the island of Cyprus in the Eastern Mediterranean, the terms of treaties binding on the United Cyprus Republic upon entry into force of the Foundation Agreement, and the relevant principles and rules of international law]

Subject A. INTERNATIONAL NAVIGATION

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

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

Law 3: Federal Law on Cyprus Ships (Prohibition of Transportations)

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, Suspensions or Cancellation of Certificates)

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

Law 9: Federal Law on Merchant Shipping (Registration of Seafarers and 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 Cyprus Admiralty Jurisdiction

Law 21: Federal Law on Emergency Powers (Control of Small Vessels)

Law 22: Federal Law on Merchant Shipping (Safety Regulations and Seamen)

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 1966 International Convention on Load Lines and its 1988 Protocol

Law 27: Federal Law on the Implementation of the 1948 International Convention for the Intergovernmental Maritime Consultative Organisation

Law 28: Federal Law on the Implementation of the 1972 Convention on International Regulations for Preventing Collisions At Sea

Law 29: Federal Law on the Implementation of the 1978 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

Law 30: Federal Law on the Implementation of the 1974 International Convention for the Safety of Life at Sea and its 1978 Protocol

Law 31: Federal Law on the Implementation of the 1969 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 Unity Of State Ships and its 1934 Additional Protocol

Law 33: Federal Law on the Implementation of the 1969 International Convention on Civil Liability for Oil Pollution Damage and its 1976 and 1992 Protocols

Law 34: Federal Law on the Implementation of the 1973 International Convention for the Prevention of the Pollution of the Sea from Ships

Law 35: Federal Law on the Implementation of the 1971 International Convention for the Establishment of an International Fund for Compensation for Oil Pollution Damage and its 1976 and 1992 Protocols

Law 36: Federal Law on the Implementation of the 1971 Special Trade Passenger Ships Agreement and the 1973 Protocol on Special Requirements for Special Trade Passenger Ships

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 of Collision of Ships

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 1972 International Convention for Unification of Certain Rules Relating to Penal Jurisdiction in Matters of Collision or other Incidents of Navigation

Law 40: Federal Law on the Implementation of the 1979 International Convention of Maritime Search and Rescue

Law 41: Federal Law on the Implementation of the (Revised) 1936 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 1976 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 for Safe Containers

Law 46: Federal Law on the Implementation of the 1988 Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation

Subject B. TERRITORIAL WATERS

**Law 47: Federal Law on the Breadth of Territorial Waters, the
Establishment of Contiguous Zone, the Exclusive Economic
Zone and other Related Matters**

Subject C. CONTINENTAL SHELF

**Law 48: Federal Law on the Exploitation of the Continental Shelf of
Cyprus and other Related Matters**

ATTACHMENT 12: FEDERAL LAW ON WATER RESOURCES

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 September 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 October 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

The text shall include provisions ensuring that the natural water resources of Cyprus shall be equitably shared between the constituent states]

ATTACHMENT 13: FEDERAL LAW ON NATURAL RESOURCES

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 September 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 October 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

**ATTACHMENT 14: FEDERAL LAWS ON IMPLEMENTATION OF
FEDERAL LAWS LAW ON POSTAL SERVICES**

Law 1: Federal Law on the Issuing of Regulations

[see separate document]

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

[see separate document]

ATTACHMENT 15: FEDERAL LAWS ON COMMUNICATIONS

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 July 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 August 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

Law 1: Federal Law on Radio Communications

Law 2: Federal Law on the Regulation of Telecommunications and Postal Services

ATTACHMENT 16: FEDERAL LAW ON METEOROLOGY

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 October 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 November 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

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

[see separate document]

ATTACHMENT 18: FEDERAL LAWS ON INTELLECTUAL PROPERTY

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 May 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 June 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

Law 1: Federal Law on Copyright

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 Designs

Law 6: Federal Law on the Designation of Origin and Geographical Indications 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

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 15 October 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 15 November 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

Law 1: Federal Law on Antiquities

Law 2: Federal Law on the Return of Cultural Objects

Law 3: Federal Law on the Extent of Cultural Objects

ATTACHMENT 20: FEDERAL LAWS ON ELECTIONS

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 August 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 September 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

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

[text shall include provisions on eligibility and incompatibility for members of federal institutions]

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

[text shall include provisions on eligibility and incompatibility for members of federal institutions]

**ATTACHMENT 21: FEDERAL LAW ON FEDERAL GOVERNMENT
IMMUNITIES AND EXEMPTIONS**

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

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

[see separate document]

Law 2: Federal Law on Pensions

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 August 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 September 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

ATTACHMENT 23: FEDERAL LAW ON OFFICIAL LANGUAGES

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 June 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 July 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

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

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Article 1 Composition

1. The Head of the federal police and the Deputy Head of the federal police and the Head of the Joint Investigation Agency and the Deputy Head of the Joint Investigation Agency shall not hail from the same constituent state.
2. All units of the federal police and the Joint Investigation Agency shall be composed of an equal number of personnel hailing from each constituent state.

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

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement. Text should include, *inter alia*, regulation of procedure for consultation of constituent state governments and other interested sectors of society.]

Article 1 Vacancy in the Presidential Council

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. The replacement shall hail from the same constituent state and the same political party as the member being replaced.

Article 2 Conciliation Mechanism

[insert provision in conformity with Article 25.3 of the Constitution]

ATTACHMENT 26: FEDERAL LAW ON ADMINISTRATION OF JUSTICE

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Article 1 Judges of the Supreme Court

1. The Supreme Court judges shall not hold any other public office in the federal government or either constituent state.
2. The judges shall not serve beyond their 75th birthday.
3. The Presidential Council shall appoint the judges from among the candidates listed by the Judiciary Board, three judges hailing from each of the constituent states and three non-Cypriot judges who shall not be citizens of Greece, Turkey or the United Kingdom.
4. In case of a vacancy, the Presidential Council shall appoint a replacement for the remainder of the term of office upon suggestion of the Judiciary Board, without altering the composition of the Court as prescribed in this Article.

Article 2 The President of the Supreme Court

The Supreme Court Judges shall elect from among their number a **President of the Supreme Court** for a renewable three-year term of office.

Article 3 Seniority of judges

The **President of the Supreme Court** shall be considered the most senior Supreme Court judge. Among the other judges, seniority shall be determined firstly by time served in office and by age in case of equal time served.

Article 4 Decisions of the Supreme Court

1. **In accordance with the Constitution, the Supreme Court shall strive to reach decisions by consensus and issue joint judgments of the court.**
2. **In the absence of consensus, a majority of the Cypriot judges may take the decision of the court and issue a joint judgment.**

3. In the absence of a majority among the Cypriot judges, the non-Cypriot judges, acting together and speaking with one voice, shall participate in the decision of the court.

Article 5 *Judiciary Board*

1. The Judiciary Board shall comprise the three most senior judges of the Supreme Court of Cyprus, each being the most senior of the group of judges from each of the constituent states and the non-Cypriot judges respectively; the federal Attorney-General and Deputy Attorney-General; and the Attorney-General, the head of the highest court and the President of the Bar Association of each constituent state.
2. If the most senior judge from any group in the transitional Supreme Court is also the head of the highest constituent state court, the second most senior judge from the relevant group shall take his/her place on the Judiciary Board.
3. The Judiciary Board shall decide on a list of names by a two-thirds majority.

Article 6 *Partial periodic renewal of the Supreme Court*

1. To ensure partial periodic renewal of the Supreme Court, the terms of office of the original members shall be as follows:
 - a. Three years for one judge from each constituent state as well as one non-Cypriot judge;
 - b. Six years for one judge from each constituent state as well as one non-Cypriot judge; and
 - c. Nine years for one judge from each constituent state as well as one non-Cypriot judge.
2. If the judges in each group cannot agree among themselves who shall hold each term of office, a lot shall be drawn among each group of judges.

Article 7 *Transitional Supreme Court*

~~The provisional Judiciary Board shall be composed of the Attorney-General, the head of the highest court and the President of the Bar Association of each constituent state.~~

1. The Cypriot judges may maintain any functions as constituent state judges during their **fifteen-month** term of office on the transitional Supreme Court to the extent that their tasks at the Supreme Court shall allow it. They shall give priority to their tasks as judges of the Supreme Court of Cyprus.

2. The non-Cypriot judges and the non-Cypriot registrar on the transitional Supreme Court shall be remunerated like the judges and the registrar of the International Court of Justice.

Article 8 *Right of Appeal to the Supreme Court*

Any individual shall have the right of appeal to the Supreme Court in all disputes on matters which involve the interpretation or an alleged violation of the Foundation Agreement, the Constitution of the United Cyprus Republic, federal laws (including federal administrative decisions) or treaties binding upon the United Cyprus Republic.

ATTACHMENT 27: FEDERAL LAWS ON FEDERAL OFFENCES

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 October 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 November 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.]

Law 1: Federal Law on Terrorism

[insert text; i.e. criminal code on terrorism]

Law 2: Federal Law on Drug Trafficking

[insert text; i.e. drug trafficking, money laundering, organised crime and offences against federal laws.]

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

ATTACHMENT 28: FEDERAL LAW ON IMPEACHMENT

[insert agreed text no later than 25 March 2003. If agreement is not reached by that date, the constituent states shall, *ad interim*, exercise the functions governed by this law, upon entry into force of the Foundation Agreement. A committee established by the Co-Presidents shall present a common draft of this law for approval by the transitional federal Parliament no later than 1 August 2003. The transitional Parliament shall resolve any outstanding issues regarding the law and adopt it no later than 1 September 2003. Should the law not be adopted by the transitional Parliament by the specified date, the Supreme Court shall decide on the unresolved issues giving due regard to the positions of both constituents and promulgate the law within six weeks of that date.

The text shall include provisions that cases alleging impeachment shall be referred to the Supreme Court; the Supreme Court shall determine the appropriate punishment]

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**

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

**ATTACHMENT 2: COOPERATION AGREEMENT ON EUROPEAN UNION
AFFAIRS**

[see separate document]

ATTACHMENT 3: COOPERATION AGREEMENT ON POLICE MATTERS

[insert agreed text by no later than 25 March 2003. If agreement is not reached on indispensable provisions of this law by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

Text should include provisions on cooperation arrangements between constituent state police, between constituent state police and federal police, and regarding joint investigation agency; these provisions should create a cooperation committee; they should, *inter alia*, address the issue of hot pursuit]

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

The following treaties bind the United Cyprus Republic and apply *mutatis mutandis* to the new state of affairs:

Multilateral Instruments

1. The Charter of the United Nations

- Amendments to Articles 23, 27 and 61 of the Charter of the United Nations.
- Amendment to Article 109 of the Charter of the United Nations.
- Amendment to Article 61 of the Charter of the United Nations.
- Declaration Recognizing as Compulsory the Jurisdiction of the International Court of Justice Under Article 36, Paragraph 2, of the Statute of the Court²⁹

2. Treaty of Establishment

- annexes A to F, schedules and detailed plans and 14 Exchanges of Notes.

3. Treaty of Guarantee

4. Treaty of Alliance

- Its Additional Protocols
- Agreement for the Application of the Treaty of Alliance.

5. European Convention for the Protection of Human Rights and Fundamental Freedoms

- Protocols 2 through 11

6. International Covenant on Civil and Political Rights.

- Optional Protocol to the International Covenant on Civil and Political Rights.
- Second Optional Protocol to the International Covenant on Civil and Political Rights, Aiming at the Abolition of the Death Penalty.

7. Framework Convention for the Protection of National Minorities

8. United Nations Convention on the Law of the Sea

9. Convention Relating to the Status of Refugees.

- Protocol in Relation to the Status of Refugees.

10. ILO Convention 58 concerning Fixing the Minimum Age for the Admission of Children to Employment at Sea

²⁹ The Declaration registered on 3 September 2002 (Declaration Recognizing as Compulsory the Jurisdiction of the International Court of Justice Under Article 36, Paragraph 2 of the Statute of the Court) shall, on the day of entry into force of the Foundation Agreement be replaced by a declaration accepting the Court's jurisdiction without reservation

11. ILO Convention 150 Concerning Labour Administration
12. ILO Convention 151 Concerning Labour Relations (Public Service)
13. ILO Convention 138 Concerning Minimum Age for Admission to Employment
14. ILO Convention 141 Concerning Organizations of Rural Workers
15. ILO Convention 142 Concerning the Development of Human Resources
16. ILO Convention 144 Concerning Tripartite consultations (International Labour Standards)
17. Agreement with United Nations concerning the Privileges and Immunities, Exemptions and Facilities to be accorded to the United Nations Mediator in Cyprus and his Staff.
18. Agreement concerning the Status of United Nations Force in Cyprus.
-Amendment to the Agreement concerning the Status of the United Nations Force in Cyprus.
19. Convention on International Liability for Damage Caused by Space Objects.
20. Convention on Registration of Objects Launched into Outer Space.
21. Convention on the Elimination of All Forms of Discrimination Against Women.
-Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women.
22. Convention on the Legal Status of Children Born out of Wedlock

Bilateral Instruments

with Greece

1. Agreement on Commercial Scheduled Air Transport
-Amendment and Corrigendum of the Agreement on Commercial Scheduled Air Transport.
2. Agreement on International Road Transport
-Amendment of Agreement on International Road Transport

with Turkey

1. Cooperation Agreement on Civilian Aviation
2. Cooperation Agreement in the Field of Air Rescue

[insert further treaties by 25 March 2003. If agreement is not reached by that date, the United Nations Secretary-General shall insert his suggestion for completing such provisions, which shall be put to referenda with the rest of the Foundation Agreement.]

In completing the list, the following guidelines shall be observed:

- Each side shall submit an exhaustive list of treaties and instruments which it suggests to be binding on the United Cyprus Republic no later than 7 March 2003. Treaties and instruments submitted later shall not be considered for inclusion in the list.
- Each side shall furthermore submit an exhaustive list of reservations and declarations to treaties and instruments so listed by 7 March 2003.
- Each party shall provide English translations of all its treaties and instruments with Greece or Turkey, no later than 14 March 2003.
- There shall be a presumption of inclusion of all multilateral instruments and all bilateral instruments, other than agreements on defence matters with Greece and Turkey; either side may raise objections with respect to a specific instrument provisionally listed on grounds of incompatibility with the Comprehensive Settlement or the Foundation Agreement.]
- Instruments with Greece and Turkey in areas not related to defence shall be examined and, unless incompatible with the Comprehensive Settlement or the Foundation Agreement, shall be included in the list;
- Instruments with Greece and Turkey on defence matters shall not be included in the list, unless otherwise agreed.]

ANNEX VI: TERRITORIAL ARRANGEMENTS

Article 1 Delineation of constituent state boundaries

1. The boundaries of the constituent states, depicted in the map attached to the Constitution, is described in detail in the attached table.
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 deviate 25 metres from the stipulated boundary to take account of ownership of properties in the area of the boundary, significant topographical 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. The Greek Cypriot State shall be entitled to construct roads under its territorial administration between Kontea and Kalopsida, south of Köprülû (Kouklia), and between Pentageia and Prastio, south of Gaziveren (Kazivera) across the territory administered by the Turkish Cypriot State and to expropriate the necessary land in exchange for full

and effective compensation, in cooperation with the Turkish Cypriot State. The constituent states shall agree on the location of any necessary underpasses or overpasses to be built at the expense of the Greek Cypriot State.

5. 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 within the agreed territorial boundaries of a constituent state which are subject to territorial adjustment, while legally part of that constituent state upon entry into force of the Foundation Agreement, shall be delegated to the other constituent state for an interim period ending no later than the time specified in this Article for the transfer of administration of the relevant area.
2. Administration shall be transferred in agreed phases from the date of entry into force of the Foundation Agreement (“A-Day”) as depicted on the attached map, and described in detail in the further attachment.
3. All areas subject to territorial adjustment shall be vacated, prior to agreed dates of transfer of administration, of any forces and armaments and no forces and armaments shall be located thereafter in those areas.³⁰
4. 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.

Article 4 *Security cooperation during period of territorial adjustment*

1. During the phasing period, the areas under the administration of the Greek Cypriot State and the Turkish Cypriot State shall be clearly marked by temporary poles with marking flags. During this period, and without prejudice to the paragraph below, there shall be no less than ten agreed crossing points along the lines of the following roads or routes: Dherinia to Famagusta road, Pyla/Pile to Beyarmudu (Pergamos) road, Athienou to Melousha road, Limpia to Akincilar

³⁰ **Observation:** This does not apply to the United Nations peacekeeping forces.

(Louroujina) road, Ledra crossing point, Astromeritis to Morphou road, Nicosia-Kaimakli to Nicosia-Omorphita, Skouriotissa to Lefke (Lefka) road, Galini to Potamos Tou Kambou road, and Kato Pyrgos to Karavostasi road.

2. For the period of territorial adjustment, there shall be a Transitional Committee, comprising five persons, including two representatives of each constituent state (of whom at least one shall be a police official) and one representative from the United Nations who shall chair the Committee. The Committee shall consider all issues regarding public order and security 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 brought to its attention by one of its members. In particular, the Committee shall determine when and for how long, for reasons of public order and security, the agreed crossing points need to be closed or changed or limits on the number of persons using the crossing points need to be temporarily imposed.
3. ~~All areas subject to territorial adjustment, shall be vacated, prior to agreed dates of transfer of administration, of any forces and armaments and no forces and armaments shall be located thereafter in those areas.~~

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 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.³¹

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 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 shall verify that alternative accommodation is ready for inhabitation before setting dates for relocation. It shall initiate arrangements with the competent authorities in the receiving municipalities to ensure that persons relocating there are assisted in establishing a livelihood in those municipalities.

³¹ **Observation:** The services of the International Organisation for Migration could be requested in this regard.

4. The Relocation Board shall also work closely with the Property Board regarding decisions on reinstatement in the areas subject to territorial adjustment and the identification of alternative accommodation. 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 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**

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° 4' 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° 19' 13.6"	35° 10' 51.2"	Meets TFCFL at Ayios Dhometios Nicosia

Nicosia - ESBA

Longitude (E)	Latitude (N)	Description
33° 22' 28.2"	35° 11' 26.9"	Starting point Omorphita, NE Nicosia 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' 28.4"	35° 5' 46.5"	ESBA marker No. 243 follows NW to
33° 54' 25.8"	35° 5' 52.7"	TP follows NE, S of road to
33° 54' 42.9"	35° 6' 3.4"	
33° 55' 18.4"	35° 6' 34.8"	
33° 55' 40.2"	35° 6' 48.1"	
33° 55' 51.2"	35° 6' 56.3"	Follows S of main road into Port area of Famagusta

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 2: MAPS OF TERRITORIAL ADJUSTMENT

Map

Map

Map

ATTACHMENT 3: DETAILED DESCRIPTION OF PHASING LINES OF TERRITORIAL ADJUSTMENT

Phase 1 – 104 days. 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 – 6 months. 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 – 1 year. 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"	38°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
32°25'3.64"	35°10'18.11"	Joining the northern edge of the BZ
32°25'43.96"	35°10'8.13"	
32°26'45.03"	35°10'13.89"	
32°28'46.70"	35°8'26.25"	Spot Height '137'
32°31'2.53"	35°8'20.49"	VIALIAS Riverbed
32°31'16.78"	35°7'34.36"	
32°30'38.10"	35°5'7.64"	
32°29'50.41"	35°4'16.18"	
32°30'21.74"	35°4'10.59"	
32°30'14.68"	35°5'56.80"	
32°29'40.77"	35°4'10.44"	
32°28'47.06"	35°3'27.67"	Joining the northern edge of the BZ

Phase 4 – 2 years. Phase 4 phase 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°57'57.298"	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"	25°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 – 2½ years. 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 – 3 years. Phase 6 is the final boundary line.

**ANNEX VII: TREATMENT OF PROPERTY AFFECTED BY
EVENTS SINCE 1963**

PART I: GENERAL ARTICLES.....	125
PART II: REGULATION OF EXERCISE OF PROPERTY RIGHTS.....	126
Section A: Compensation.....	127
Section B: <i>Reinstatement</i> into possession	129
Section C: Sale, exchange and long-term lease	130
PART III: LOSS OF USE.....	131
PART IV: JUDICIAL REVIEW.....	131
PART V: AMENDMENT	132
ATTACHMENT 1: DEFINITIONS	133
ATTACHMENT 2: THE CYPRUS PROPERTY BOARD AND COMPENSATION ARRANGEMENTS	136
Section A: Establishment, operation, powers, staff and costs of the Cyprus Property Board	136
Section B: Handling of <i>property</i> transferred to or via the Property Board	141
Section C: Decision-making and claims for <i>affected property</i>	142
Section D: Assistance with sale, exchange or lease.....	145
Section E: Compensation fund and bonds.....	146
ATTACHMENT 3: MEASURES IN FAVOUR OF <i>CURRENT USERS</i>.....	148
Section A: Extension of deadlines for vacating <i>affected property</i>	148
Section B: Preferential loans	149
Section C: Right of first refusal	150
ATTACHMENT 4: PROPERTY LOCATED IN AREAS SUBJECT TO TERRITORIAL ADJUSTEMENT	151

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. 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. The United Cyprus Republic and the constituent states shall, pursuant to Article 37 of the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms, request the European Court of Human Rights to strike out any proceedings currently before it concerning *affected property*.

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* or apply for assistance in arranging the sale, long-term lease or exchange 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 compensation bonds drawn on a compensation fund. The establishment of the Compensation Fund, issuing and use of bonds shall be regulated by the provisions in Attachment 2.³²
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 sites*, 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 Comprehensive Settlement which objectively justifies compulsory acquisition shall be transferred to the federal

³² **Observation:** expert advice is needed on questions of the issuing, use and value of compensation bonds.

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 was 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 generally eligible to be reinstated.

Article 16 *Agreed levels of reinstatement*

1. In either constituent state, no more than **10%**, and in any given municipality or village no more than **20%**,³³ of the total land area and of the number of residences shall be reinstated to persons hailing from the other constituent state.³⁴ **To this effect, the Property Board shall first decide any claims for reinstatement of residences and thereafter, claims for land³⁵ within any given municipality or village.**
2. Eligible claimants shall be awarded *reinstatement* based on priority in descending order of age, until the agreed levels are reached.
3. These limitations shall not apply to *religious sites* or to villages which were predominantly inhabited by Maronites in 1974 or the Karpas

³³ **Note:** These percentages are directly related to the agreed territorial adjustment.

³⁴ **Observation:** The limitations per municipality or village apply in accordance with municipal and village boundaries as at 1960.

³⁵ **Observation:** **The land on which a residence is built shall also be counted towards the total.**

villages of Rizokarpaso/Dipkarpaz, Agialousa/Yeni Erenköy, Agia Trias/Sipahi, and Melanarga/Adacay.

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 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: Sale, exchange and long-term lease

Article 19 *Option to sell, exchange or lease*

1. *Properties* eligible for *reinstatement* may be sold, exchanged or leased on a long-term basis (20 years or longer) to *current users* or other people hailing from the constituent state in which the *property* is located, at any time prior to the final determination on *reinstatement*, in accordance with these provisions.
2. *Dispossessed owners* and *current users* may seek the assistance of the Property Board with the sale, exchange or lease of such *properties*.

Article 20 *Incentives for dispossessed owners to sell, exchange or lease*

Dispossessed owners shall be offered incentives to sell, exchange or lease on a long-term basis their *properties* according to Article 19, including:

- a. Exemptions for such *properties* from being counted for the purposes of determining when agreed levels of *reinstatement* have been reached;
- b. Exemptions from taxes, governmental fees, charges and duties payable on signing of instruments, or on completion and registration of transfers or leases of such *properties*;
- c. Exemptions or substantial reductions in taxes on capital gains derived from transfers or from rental income under such leases;
- d. Exemptions from any incidental taxes, governmental fees, charges and duties relating to sale, exchange or lease of such *properties*;
- e. Exemptions from *property* taxes for the duration of such leases; and
- f. Such other additional incentives as the federal government and the constituent states may choose to provide.

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.

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 Property Board.
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 Property Board 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 Property Board 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 Property Board 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

1. These provisions may be amended by the executive heads 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 executive heads 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*, including through compulsory acquisition or expropriation (provided such compulsory acquisition or expropriation was carried out in accordance with international standards, including through payment of full and effective compensation). 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*³⁶ – 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 locations³⁷ 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 compensation bonds, from the date of entry into force of the Foundation Agreement until compensation bonds 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);³⁸
7. *Market rent* – the amount of rent which could be charged for a *property* on the open market, based on an assessment of *market rents* paid for comparable *properties* in comparable locations at the time of assessment.³⁹
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.⁴⁰
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*.

³⁶ **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.

³⁷ **Observation:** The calculation of the increase should be based on the hypothesis that events between 1963 and 1974 had not taken place, i.e. not take into account depreciation in values due to those events; it should if possible therefore be based on comparable locations where property prices were not negatively affected by those events.

³⁸ **Observation:** This definition is not intended to include private family corporations (whose shareholders are members of the same family), or corporations, the shareholders of which hold shares that relate to separate and self-contained tenements *used for their own purposes*.

³⁹ **Observation:** provisions defining market rent and value shall be reviewed by relevant experts in valuation.

⁴⁰ **Observation:** provisions defining market rent and value shall be reviewed by relevant experts in valuation.

10. *Property* - immovable *property*, being land and fixtures attached to land (or an ownership interest or undivided share in such a *property*).
11. *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 such *property*, including *use for his/her own purposes*.
12. *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 [insert figure] decar⁴¹ shall be considered part of the religious site.
13. *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 2001⁴², or based on a building permit issued prior to 31 December 2001, and of which the *market value* is greater than the value of the *affected property* in its *original state*. 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.
14. *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.
15. *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*.
16. *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*.

⁴¹ In the case of Apostolos Andreas monastery and the Hala Sultan Tekke, the maximum adjacent area to be considered part of the religious site shall be [insert figure] decar and [insert figure] decar respectively.

⁴² **Observation:** The Property Board shall have discretion in deciding cases of improvements which were in an advance stage as at that date and completed thereafter.

**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 Membership

1. The Property Board 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.
2. 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 Property Board.
3. The Cypriot and non-Cypriot members' remuneration shall be at the level of nine-tenths of the salary of the Cypriot and non-Cypriot judges of the Supreme Court respectively.
4. Within 30 days of entry into force of the Foundation Agreement, the Co-Presidents shall appoint by consensus the initial members of the Property Board. For subsequent appointments, the members shall be appointed by the executive heads of the constituent states acting by consensus.
5. The members shall elect from among their number a presiding member, who shall preside over the Board for a period of three years or until the end of his/her term, whichever is the sooner.
6. The members of the Property Board shall be appointed for a term of three years. At the end of each three-year term, each member shall be replaced or reappointed for a further term. Members may resign with 90 days prior notice. The Supreme Court may remove any member upon the application of the federal government or 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 45 days of notice of the vacancy or of its occurrence, whichever is the sooner.

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

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 sale, lease or exchange 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;
- 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.**

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.⁴³

⁴³ **Observation:** The Property Board shall not have to pay for such land.

Article 6 Staff

The Property Board shall employ a director who, under the supervision of the members of the Property Board, shall be responsible for the administration and management of the work of the Property Board. The director may employ staff qualified in law, valuation, land titles, records management, economics, accountancy, information technology, mediation and other forms of dispute resolution, *property* management and other technical and relevant fields, to assist and perform the work of the Property Board.

Article 7 Costs

1. The costs of establishing and running the Property Board shall be met by the federal government, which may request contributions from the guarantor states and other international donors.
2. The Property Board shall prepare an annual budget for its running costs 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 such 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.
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.
4. Should any additional task or function be assigned to the Property Board, the federal government or any 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

1. 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.
2. The Property Board may decide, by majority of five to two and subject to the approval of the executive heads 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 Property Board or by the executive heads of the constituent states acting by consensus, extend the period of operation of a specific section or sections 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.
6. At the time of winding-up of the Property Board and each of its sections, each constituent state shall purchase any *property* or assets located within that constituent state which are still held by the Property Board, and which are no longer required for the purpose of carrying out its functions or the functions of any section which continues to operate for an extended period under this Article. Purchase shall be at a price equal to *current value* at the time of sale and the proceeds shall be deposited in the Compensation Fund.

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.
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* for sale to persons hailing from the constituent state in which the *property* is located, at *current value*, including potentially in exchange for compensation bonds;
 - c. Use it as *alternative accommodation*; or
 - d. 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 supervise management of *property* transferred to it or otherwise under its control in a prudent manner and in accordance with these provisions.
 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 Property Board 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 Property Board 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:

- a. Compensation;
 - b. *Reinstatement*, or
 - c. Sale, exchange or lease.
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 Property Board 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 Property Board shall, following any necessary investigation and verification, determine whether the applicant has a sufficient interest in the *property* under these provisions.
3. If the Property Board 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 Property Board 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 Property Board 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 Property Board 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 Property Board 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 Property Board 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

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 Property Board 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 Annex VII.

2. The Property Board shall endeavour to determine the eligibility of all claims for *reinstatement* before issuing final decisions on *reinstatement*. If the determination of eligibility in some cases is delayed, because of exceptional circumstances, the Property Board may issue final decisions on *reinstatement* as soon as it has determined the eligibility of at least 90% of the claims for *reinstatement*. *Reinstatement* shall only be granted in the delayed cases if the agreed levels for *reinstatement* have not yet been reached, irrespective of the priority that the claimant might otherwise have had.
3. The Property Board shall issue final decisions on *reinstatement* of *properties* that are not subject to the agreed levels of *reinstatement* in Article 16 of Annex VII as soon as it has determined their eligibility for *reinstatement*.
4. Upon issuing a final decision on *reinstatement*, the Property Board 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 Property Board in accordance with Attachment 3 has expired, whichever is the sooner.

Section D: Assistance with sale, exchange or lease

Article 14 Assistance with sale, exchange or lease

1. A *dispossessed owner* may request the Property Board for assistance in connection with:
 - a. Sale of an interest in *affected property*;
 - b. Exchange of *affected property* for another *property* of similar value in the constituent state from where he/she hails;
 - c. Purchase of an interest in *affected property*; or
 - d. The leasing of *affected property*.
2. A *current user* or other person may request the Property Board for assistance in connection with the purchase, exchange or acquisition of a leasehold interest in a *property*, which, if available, could enable him/her to vacate the *affected property*.
3. The Property Board shall maintain a register of interested *dispossessed owners*, *current users* and others who wish to engage in sale, exchange or lease transactions and keep a record of such transactions.

4. Upon the request of a *dispossessed owner, current user*, or other person wishing to engage in a sale, exchange or lease transaction, the Property Board may:
 - a. Offer basic advice and assistance on options and implications of sale, exchange or lease transactions;
 - b. Provide services through mediation to facilitate sale, exchange or lease transactions between interested parties, on an anonymous or open disclosure basis, as preferred by the parties; or
 - c. Provide information about potential sale, exchange or lease counterparts from its sale, exchange and lease register, to other bona fide interested parties, in cases where the relevant person has given consent to disclosure of such information.

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 and bonds

Article 17 *Compensation Fund*

A Compensation Fund shall be established in the Central Bank of Cyprus and administered by 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 within 18 months of entry into force of the Foundation Agreement, and shall seek a matching contribution from international donors. If the Fund would otherwise be unable to meet its obligations, the federal**

government shall, upon request of the Property Board, make further contributions.

Article 18 Use of compensation bonds⁴⁴

1. The Property Board shall issue bonds drawn on the Compensation Fund, known as 'compensation bonds'.
2. Compensation bonds shall bear interest **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.**
3. Compensation bonds may be used by holders for the following purposes:
 - a. To purchase *affected property* from the holdings of the Property Board at *current value*; 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, who thereby acquires all entitlements of the initial holder.
4. Compensation bonds and interest thereon shall be guaranteed by the federal government.
5. **Compensation bonds shall mature 10 or 15 years after issuance and shall be redeemable for cash from the Compensation Fund. A claimant shall receive 10-year bonds for two-thirds of the compensation value and 15-year bonds for the remaining third, unless s/he elects to receive a larger share in 15-year bonds.**
6. **After the final maturity date on issued bonds**, the Compensation Fund shall be wound up and the federal government shall receive any surplus remaining in the Fund or cover its deficit, as applicable. Proceeds of any subsequent sale of *affected property* from the holdings of the Property Board shall go directly to the federal government, which shall be obliged to pay any compensation which may be awarded by the Property Board after the winding-up of the Compensation Fund.

⁴⁴ **Observation:** Expert banking advice is needed on the question of the issuing, value and use of compensation bonds

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 Property Board'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 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.
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, lease or reconstruction 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.

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.

ATTACHMENT 4: PROPERTY LOCATED IN AREAS SUBJECT TO TERRITORIAL ADJUSTEMENT

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*.⁴⁵
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 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* to Property Board. The owner of the

⁴⁵ **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.

improvement is entitled to seek compensation from the Property Board for its *market value*.

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 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 case⁴⁶.**

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.

⁴⁶ **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.

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*

The Foundation Agreement shall enter into force, and bring into being a new state of affairs, through its approval by separate simultaneous referenda 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 []”

The time of entry into force shall be 00:00 hours the day after confirmation by the Secretary-General of such approval.

Article 2 *Flag-raising ceremonies*

Upon entry into force of the Foundation Agreement, 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 Cyprus and of the constituent states shall be played.

Article 3 *Treaty between Cyprus, Greece, Turkey and the United Kingdom on Matters related to the new state of affairs in Cyprus*

Upon entry into force of the Foundation Agreement, the Co-Presidents of the United Cyprus Republic shall, on invitation and in the presence of the Secretary-General of the United Nations (or his representative), sign the attached Treaty with Greece, Turkey and the United Kingdom, which shall be registered as an international treaty in accordance with Article 102 of the Charter of the United Nations.

Article 4 *The United Nations*

Upon entry into force of the Foundation 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 accordance with the new state of affairs. The agreed flag of 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 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 to endorse the Foundation Agreement.

Article 6 *The European Union*

Upon entry into force of the Foundation Agreement, the Co-Presidents shall inform the European Union that a united Cyprus wishes to accede to the European Union in accordance with the Conclusions of the Copenhagen European Council of 12 and 13 December 2002 and shall request the European Union to endorse the Foundation Agreement, to incorporate the attached protocol in the Treaty of Accession of Cyprus to the European Union in order to accommodate the terms of the settlement, and to include the following paragraph in the conclusions of the Thessaloniki European Council:

“The European Union undertakes to adopt special measures, including financial aid, to contribute to the alignment of Turkish Cypriot legislation to the *acquis communautaire*, to the enhancement of administrative capacity in the Turkish Cypriot State, and to the narrowing of economic disparities within Cyprus.”

**ATTACHMENT 1: 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 by the approval of the Foundation Agreement through separate referenda by the Greek Cypriots and the Turkish Cypriots, and the decision for Cyprus to accede to the European Union and*
- 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*

Adopt the following provisions:

Article 1 *Approval of Foundation Agreement*

The appended 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 Foundation Agreement, and may make recommendations regarding any development which may endanger its implementation.
3. The parties commit to each other that they shall cooperate with the United Nations operation in Cyprus.

Article 3 *Additional Protocol to the Treaty of Establishment*

The appended 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 appended Additional Protocol to the Treaty of Guarantee is herewith approved and agreed, and shall enter into force together with this Treaty.

Article 5 Additional Protocol to the Treaty of Alliance

The appended 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 appended 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 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 [] 2003 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

Appendix I. FOUNDATION AGREEMENT

Appendix 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 Part 1 of the Codicil 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 or the Administration of the Sovereign Base Areas shall be subject to the provisions of Annex B, Part III of the Treaty of Establishment.

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 the Treaty of Establishment, which delimit the territorial seas between Cyprus and the Sovereign Base Areas, 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.

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 person to be designated by the Government of the United Kingdom under Section 2 of the Codicil to this Protocol.

Article 7

1. 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.

~~In witness whereof the undersigned, being duly authorised thereto, have signed this Protocol.~~

Done at [] this [] day of [] 2003 in four copies in the English language.

Signature

United Kingdom
of Great Britain
and Northern
Ireland

Signature

Signature

United Cyprus
Republic

Signature

Hellenic Republic

Signature

Republic of
Turkey

Codicil

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 Codicil.⁴⁷

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 Codicil. 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 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 relevant authorities in the United Kingdom and Cyprus upon completion of the work.

⁴⁷ **Observation:** The allocation of the relinquished areas to each of the two constituent states is indicated on the maps attached to the Constitution.

[map]

[map]

Appendix 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 [] 2003 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

Appendix 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.

Article 3

1. The Greek and Turkish contingents, each not exceeding **6,000** all ranks shall be permitted to be stationed under the Treaty of Alliance in the Greek Cypriot State and the Turkish Cypriot State respectively. The composition, equipment, locations and activities of the Greek and Turkish contingents shall be **in accordance with** the **Codicil** to this Additional Protocol.
2. **Upon accession of Turkey to the European Union, all Greek and Turkish troops shall be withdrawn from Cyprus unless otherwise agreed. This will in no way undermine the provisions of the Treaty of Alliance and its Additional Protocols, and the rights and responsibilities conferred thereby.**

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 [] 2003 in four copies in the English language.

Signature

Signature

Signature

Signature

United Cyprus Republic

Hellenic Republic

Republic of Turkey

Codicil: 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*

The contingents shall have equivalent weapons and equipment commensurate with the type and number of units. Each contingent may deploy only the following weapons and equipment up to the maximum limits stated below notably concerning armoured vehicles, heavy weapons and artillery systems and offensive weapons such as attack helicopters:

Type of Weapon/ Equipment	Maximum number	Remarks
Battle tanks (medium)	50	Up to 50 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 *Location of Designated facilities and training fields*

1. Both Greece and Turkey shall designate no more than six delineated military facilities, (headquarters or barracks⁴⁸ covering a total area of no more than [insert figure in decars]) in which troops and equipment shall be based, and no more than three training fields⁴⁹ (covering a total area of no more than [insert figure in hectares]), in consultation with the federal government of the United Cyprus Republic and the relevant constituent state.
2. The agreed 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 in the area of the Turkish Cypriot State south of the highway connecting north Nicosia and Famagusta, or within 1000 metres of the boundary between the constituent states.
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.
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.

Facilities

The designated military facilities in which troops and equipment shall be based are the following:

[.....]

⁴⁸ **Observation:** Barracks are areas for the housing of troops and equipment. Open areas adjacent to barracks shall be counted as training areas.

⁴⁹ **Observation:** Training fields refer to all ranges (including small arms, impact areas and outside gun positions, and field training areas), whether permanent or temporary.

Training fields

The designated training fields for each contingent are the following:

[.....]

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, 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. ~~A movement of troops shall be defined as more than three military transport vehicles with a capacity of thirty passengers or more in each vehicle.~~ 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.)⁴⁴

[insert additional articles as necessary]

⁴⁴ **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.

Appendix 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 timetable which shall commence no later than five months following the signature of the Treaty on matters related to the new state of affairs in Cyprus ["T day"] and shall be carried out as follows:~~

- 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 Codicil 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")): ~~which shall commence no later than five months following T day and shall be carried out as follows:~~

- 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 armaments⁵⁰ 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

⁵⁰ **Observation:** This does not apply to the United Nations peacekeeping forces.

that line, within 90 days of entry into force of the Foundation Agreement;

- b. an area subject to territorial adjustment for which administration is to be transferred and a zone extending 1,000 metres beyond it, two weeks prior to the date agreed in the Foundation Agreement for the transfer of administration.
2. The relevant forces shall be responsible for the clearance of areas that they have mined. Such clearance shall be completed prior to the date of redeployment. 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.

**ATTACHMENT 2: PROTOCOL REQUESTED TO BE ATTACHED TO THE
TREATY OF ACCESSION OF CYPRUS TO THE EUROPEAN
UNION**

- i. *Taking into account the comprehensive settlement of the Cyprus Problem through the Foundation Agreement agreed between the Greek Cypriots and the Turkish Cypriots*
- ii. *Taking into account the Treaties of Guarantee and Alliance, the Additional Protocols thereto, and the Treaty of Establishment*
- iii. *Bearing in mind and respecting the demilitarisation of Cyprus*
- iv. *Considering that the Treaty of Accession of Cyprus to the European Union 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. *Bearing in mind that Cyprus shall take all appropriate measures, whether in general or particular, to ensure the fulfillment of the obligations arising out of European Union membership, in line with the specifications of the Treaty of Accession and this Protocol, and that transitional periods agreed during the accession negotiations shall apply to the United Cyprus Republic and its two constituent states, subject to the division of powers as laid down in the Foundation Agreement*
- 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. *Recognising the need to protect the balance between Greek Cypriots and Turkish Cypriots in Cyprus, the bi-zonal character of the Cyprus and the identity of the constituent states*
- viii. *Underlining that accession to the European Union shall benefit Greek Cypriots and Turkish Cypriots alike and promote development to help reduce economic disparities*
- ix. *Recalling that, in accordance with the Presidency Conclusions of the Brussels European Council of 24 and 25 October, a programme will be established by the Council, with disbursement of 206 million euros between 2004 to 2006, in support of the economic development of the northern part of a reunited Cyprus, and that this programme shall be established in addition to the normal operation of the European Union's structural funds*

- x. *Taking into account the special relations of Greek Cypriots and Turkish Cypriots with Greece and Turkey respectively*
- xi. *Bearing in mind that, as a European Union member state, Cyprus shall apply the rules of the European Union-Customs Union with Turkey, thereby according European Union treatment to Turkey in the fields where this is provided for*
- xii. *Wishing to accord, to the extent compatible with the European Union membership of Cyprus, similar rights for Greek and Turkish nationals vis-à-vis Cyprus*

The High Contracting Parties have agreed as follows:

Article 1 Arrangements relating to property and residency rights

The provisions of the Treaty shall not preclude the application of restrictions, on a non-discriminatory basis, on:

- a. the right of natural persons who have not been resident for at least three years in the Turkish Cypriot State, and for legal persons, to purchase real property in the Turkish Cypriot State without permission of the competent authorities of the Turkish Cypriot State;
- b. the right of Cypriot citizens to reside in a constituent state of which they do not hold internal constituent state citizenship status, if
 - i) in the form of a moratorium during the first six years after entry into force of the Foundation Agreement;
 - ii) if the percentage of such residents of the total population of a municipality or village has reached 7% between the 7th and 10th years and 14% between the 11th and 15th years;
 - iii) until Turkey's accession to the European Union if the percentage of such residents of the total population of a constituent state has reached 21%.
- c. 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 State;
- d. 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 state citizenship status of the Turkish Cypriot State.

Article 2 Safeguard measures

1. Where, in exceptional circumstances, the operation of the European Union's internal market characterised by the abolition, as between Member States, of obstacles to the free movement of goods, persons, services and capital, cause, or threaten to cause, serious economic

difficulties in the Turkish Cypriot State, the competent Cypriot authorities may take the appropriate safeguard measures for a period of three years. These measures may be prolonged with the consent of the Commission. Such measures shall be proportional and shall not constitute disguised restrictions on trade.

2. If measures taken in the circumstances referred to in paragraph 1 have the effect of distorting the conditions of competition in the internal market, the Commission shall, together with Cypriot representatives, examine how these measures can be adjusted.
3. By way of derogation from the procedure laid down in Articles 226 and 227 of the Treaty establishing the European Community, the Commission or any Member State may bring the matter before the European Court of Justice if it considers that Cyprus is making improper use of the powers provided for in paragraph 1.

Article 3 *Entry and residency rights of Turkish nationals*

The European Union shall authorise Cyprus to accord equal treatment regarding entry and residency rights with respect to its territory to Greek and Turkish nationals without prejudice to policies and arrangements applying to entry and residency rights of Turkish nationals in other member states of the European Union. Rules of implementation for such entry and residency rights for Turkish citizens, **compatible with the above principle and the participation of Cyprus in the Schengen acquis**, shall be negotiated between the Commission, Cyprus and Turkey **without delay** of entry into force of the Foundation Agreement.

Article 4 *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 5 *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.

ANNEX X: CALENDAR OF IMPLEMENTATION

[insert **descriptive** calendar of implementation of obligations **created elsewhere** in the Foundation Agreement, ~~as well as in other parts of the Comprehensive Settlement.~~]

ANNEX XI: APPOINTEES TO THE TRANSITIONAL SUPREME COURT AND THE TRANSITIONAL CENTRAL BANK

Article 1 Appointees to the transitional Supreme Court

The members of the transitional Supreme Court of Cyprus shall be:

[insert names of nominees no later than 10 March 2003. If no nominees are agreed upon, the Secretary-General shall make his suggestions which shall be put to referenda with the rest of the Foundation Agreement.]

Article 2 Appointees to the transitional Central Bank

The members of the transitional Board of the Central Bank of Cyprus shall be:

[insert names of nominees no later than 10 March 2003. If no nominees are agreed upon, the Secretary-General shall make his suggestions which shall be put to referenda with the rest of the Foundation Agreement.]

MATTERS TO BE SUBMITTED TO THE UNITED NATIONS SECURITY COUNCIL FOR DECISION

By agreement of the parties to the “Commitment to submit the Foundation Agreement to approval at separate simultaneous referenda in order to achieve a comprehensive settlement of the Cyprus problem”, 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;
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 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;
 - ii) the adjustment of Greek and Turkish forces and armaments to agreed equal levels;
 - b. to monitor and verify compliance with the provisions in the Foundation Agreement pertaining to the federal and constituent states police;⁵¹

⁵¹ **Observation:** The United Nations operation would not assume direct responsibility for the enforcement of law and order.

- c. 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;
- d. to supervise the activities relating to the transfer of areas subject to territorial adjustment;
- e. 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;
- f. 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.”

INDEX

FOUNDATION AGREEMENT

MAIN ARTICLES 7

- Article 1 The new state of affairs 8
- Article 2 The **United Cyprus Republic**, its **federal government**, and its **constituent states** 8
- Article 3 Citizenship 9
- Article 4 Fundamental rights and liberties 10
- Article 5 The federal government 10
- Article 6 The Supreme Court 11
- Article 7 Transitional federal institutions 11
- Article 8 Demilitarisation 12
- Article 9 Constituent state boundaries and territorial adjustment 13
- Article 10 Property 14
- Article 11 Reconciliation Commission 15
- Article 12 Past acts 15
- Article 13 Entry into force and implementation 15
- Article 14 Annexes 16

Annex I: Constitution of Cyprus 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 20
- Article 10 Official Holidays of the United Cyprus Republic 21

Part III: Fundamental Rights and Liberties 21

- Article 11 Fundamental Rights 21
- Article 12 Citizenship 22
- Article 13 Exercise of political rights 22

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 24
- Article 17 Joint Investigation Agency 25
- Article 18 External relations 26
- Article 19 Cyprus as a member of the European Union 26

Part V: Federal Institutions 27

- Article 20 Eligibility and incompatibility and discharge of duties 28
- Article 21 Federal government immunities and exemptions 28

Section A: The Legislature 28

- Article 22 Composition and election of Parliament 28
- Article 23 Organisation 29

Article 24	Powers	29
Article 25	Procedure	30
Section B: The Executive 30		
Article 26	The Presidential Council	30
Article 27	The President and the Vice-President of the Council	31
Article 28	The Departments	32
Article 29	Representation of the Presidential Council	32
Article 30	Federal administration	33
Article 31	The federal police	33
Section C: Independent Officers and Institutions 33		
Article 32	Central Bank of Cyprus	33
Article 33	Other independent officers	34
Article 34	The office of the Attorney-General and the Deputy Attorney-General	34
Article 35	The office of the Auditor-General and the Deputy Auditor-General	35
Section D: The Judiciary 35		
Article 36	The Supreme Court of Cyprus	35
Part VI: Amendments of this Constitution 36		
Article 37	Amendments of this Constitution	37
Part VII: Transitional Provisions 37		
Article 38	Constituent state institutions	37
Article 39	Transitional federal Parliament	37
Article 40	Transitional Head of State	38
Article 41	Transitional federal government	38
Article 42	Participation of executive heads of constituent states in meetings of Presidential Council	39
Article 43	Entry into force of accession treaty to the European Union	39
Article 44	Transitional Board of the Central Bank	39
Article 45	Judges of the transitional Supreme Court	39
Article 46	Public Service	40
Article 47	Responsibility for debts incurred prior to the entry into force of the Foundation Agreement	40
Article 48	Treaties concluded prior to the entry into force of the Foundation Agreement	40
Article 49	Teaching of official languages	42
Article 50	State-owned property	42
Article 51	Economic transition and harmonisation	42
Article 52	International military operations	43
Article 53	Missing persons	43
Part VIII: Additional Provisions 43		
Attachment 1:	Map of the United Cyprus Republic and its constituent states	44
Attachment 2:	Flag of the United Cyprus Republic	46
Attachment 3:	Anthem of the United Cyprus Republic	47
Attachment 4:	Federal Property	48
Annex II: Constitutional Laws 49		
Attachment 1:	Constitutional Law on the elaboration and adoption of constitutional laws	50
Attachment 2:	Constitutional Laws on police matters and composition and functions of the Joint Investigation Agency	51
Article 1	Constituent state police	51

Article 1	Joint Investigation Agency	51
Article 2	Cooperation	51
Attachment 3:	Constitutional Law on internal constituent state citizenship status and constituent state residency rights	52
Article 1	Internal constituent state citizenship status upon entry into force of the Foundation Agreement	52
Article 2	Acquisition of internal constituent state citizenship status	52
Article 3	Exercise of political rights at the constituent state level	53
Article 4	Supreme Court injunctions on entry or residence	53
Article 5	Permissible limitation on residency of non-Cypriots	53
	Permissible limitation on residency of Cypriots	54
Article 6	Permissible transitional limitations on establishment of residence	54

Annex III: Federal Laws 56

Attachment 1: Federal	Law on the anthem, flag, insignia and honours of the United Cyprus Republic (and their use)	57
Attachment 2: Federal	Law on conduct of external relations	58
Article 1	Composition of diplomatic missions of Cyprus	58
Attachment 3: Federal	Law on conduct of European Union affairs	59
Attachment 4: Federal	Law on citizenship of the United Cyprus Republic	60
Article 1	General provisions	60
Article 2	[Dual citizenship]	60
Article 3	Cypriot citizenship upon entry into force of the Foundation Agreement	60
Article 4	Acquisition of Cypriot citizenship	61
Article 5	Acquisition by naturalisation	61
Article 6	Acquisition by facilitated naturalisation	62
Article 7	Loss of Cypriot citizenship	62
Article 8	Passports	62
Article 9	The Citizenship Board	62
Article 10	Implementation of this law	62
Article 11	Review of decisions on citizenship	63
Article 12	Transitional rules and regulations	63
Attachment 5: Federal Laws	on aliens, immigration and asylum	64
Article 1	General provisions	64
Article 2	Entry and residency rights of Greek and Turkish nationals	64
Article 3	Asylum	65
Article 4	The Aliens Board	65
Article 5	Implementation of this law	65
Article 6	Review of decisions on immigration, asylum, deportation and extradition	66
Article 7	Transitional rules and regulations	66
Attachment 6: Federal	Law on the Central Bank	68
Part I:	Transitional Provisions	68
Article 1	Exchange of deposits of citizens and residents of Cyprus and accounts in foreign currency	68
Attachment 7: Federal Laws	on taxation and finances	69
Article 1	Transfer to constituent states	69
Attachment 8: Federal Law on budget		70
Article 1	Carry over of previous budget	70
Attachment 9: Federal	Law on international trade, customs and excise	71
Attachment 10: Federal	Law on aviation and airspace management	73

- Attachment 11: Federal Laws on international navigation, territorial waters, and continental shelf 74
- Attachment 12: Federal Law on water resources 80
- Attachment 13: Federal Law on natural resources 81
- Attachment 14: Federal Laws on implementation of federal laws ~~Law on postal services~~ 82
- Attachment 15: Federal Laws on communications 83
- Attachment 16: Federal Law on meteorology 84
- Attachment 17: Federal Law to provide for the establishment of standards of weights and measures based on the metric system and to provide for matters connected therewith or incidental thereto 85
- Attachment 18: Federal Laws on intellectual property 86
- Attachment 19: Federal Laws on antiquities 87
- Attachment 20: Federal Laws on elections 88
- Attachment 21: Federal Law on federal government immunities and exemptions 89
- Attachment 22: Federal Laws on administration 90
- Attachment 23: Federal Law on official languages 91
- Attachment 24: Federal Law on federal police and Joint Investigation Agency 92
- Article 1 Composition 92
- Attachment 25: Federal Law on legislative procedure and on procedure for amendments of the Constitution 93
- Article 1 Vacancy in the Presidential Council 93
- Article 2 Conciliation Mechanism 93
- Attachment 26: Federal Law on administration of justice 94
- Article 1 Judges of the Supreme Court 94
- Article 2 The President of the Supreme Court 94
- Article 3 Seniority of judges 94
- Article 4 Decisions of the Supreme Court 94
- Article 5 Judiciary Board 95
- Article 6 Partial periodic renewal of the Supreme Court 95
- Article 7 Transitional Supreme Court 95
- Article 8 Right of Appeal to the Supreme Court 96
- Attachment 27: Federal Laws on federal offences 97
- Attachment 28: Federal Law on impeachment 98

Annex IV: Cooperation Agreements between the federal government and the constituent states 99

- Attachment 1: Cooperation Agreement on external relations 100
- Attachment 2: Cooperation Agreement on European Union affairs 101
- Attachment 3: Cooperation Agreement on police matters 102

Annex V: List of International Treaties binding on the United Cyprus Republic 103

Annex VI: Territorial Arrangements 106

- Article 1 Delineation of constituent state boundaries 106
- Article 2 Access and connecting roads 106
- Article 3 Phasing of territorial adjustment 107
- Article 4 Security cooperation during period of territorial adjustment 107
- Article 5 Current inhabitants 108
- Article 6 Monuments and memorial sites 109
- Article 7 Relocation Board 109
- Article 8 Properties 110
- Attachment 1: Detailed description of the course of the boundary between the constituent states 111
- Attachment 2: Maps of territorial adjustment 116
- Attachment 3: Detailed description of phasing lines of territorial adjustment 119

Annex VII: Treatment of Property affected by Events since 1963 124

Part I: General Articles	125
Article 1	General provisions 125
Article 2	The Cyprus Property Board 125
Article 3	Property in areas subject to territorial adjustment 125
Article 4	Religious sites 125
Part II: Regulation of Exercise of Property Rights	126
Article 5	Suspension of dealings, proceedings or alterations with respect to affected property 126
Article 6	Claims and applications 126
Article 7	Liability for damage 127
Section A: Compensation	127
Article 8	Entitlement to full and effective compensation 127
Article 9	Property owned by institutions 127
Article 10	Property used for public benefit purposes 127
Article 11	Property required for military purposes 128
Article 12	Property currently used by dispossessed owners 128
Article 13	Property currently used by subsequent purchasers from dispossessed owners 128
Article 14	Significantly improved property 129
Section B: <i>Reinstatement</i> into possession	129
Article 15	Eligibility for reinstatement 129
Article 16	Agreed levels of reinstatement 129
Article 17	Moratorium for reinstatement 130
Article 18	Improvements on reinstated property 130
Section C: Sale, exchange and long-term lease	130
Article 19	Option to sell, exchange or lease 130
Article 20	Incentives for dispossessed owners to sell, exchange or lease 131
Part III: Loss of Use	131
Article 21	Compensation for loss of use 131
Part IV: Judicial Review	131
Article 22	The Property Court 131
Part V: Amendment	132
Attachment 1: Definitions	133
Article 1	Definitions 133
Attachment 2: The Cyprus Property Board and compensation arrangements	136
Section A: Establishment, operation, powers, staff and costs of the Cyprus Property Board	136
Article 1	Establishment and conduct of the Cyprus Property Board 136
Article 2	Membership 136
Article 3	Powers 137
Article 4	Obligations of the federal government and the constituent states in respect of the Property Board 138
Article 5	Obligations of federal and constituent state courts and competent authorities 139
Article 6	Staff 140
Article 7	Costs 140
Article 8	Period of operation of the Property Board 140
Section B: Handling of <i>property</i> transferred to or via the Property Board	141

Article 9	Handling of property transferred to or via the Property Board	141
Section C:	Decision-making and claims for <i>affected property</i>	142
Article 10	Decision-making	142
Article 11	Claims procedure	142
Article 12	Determination of claims and applications	143
Article 13	Decisions on reinstatement	144
Section D:	Assistance with sale, exchange or lease	145
Article 14	Assistance with sale, exchange or lease	145
Article 15	Standard form lease	146
Article 16	Sale, exchange and lease: other assistance	146
Section E:	Compensation fund and bonds	146
Article 17	Compensation Fund	146
Article 18	Use of compensation bonds	147
Attachment 3:	Measures in favour of <i>current users</i>	148
Section A:	Extension of deadlines for vacating <i>affected property</i>	148
Article 1	Property occupied by current users with sufficient financial means	148
Article 2	Property occupied by current users without sufficient financial means	148
Article 3	Payment of rent to dispossessed owner up to reinstatement	149
Section B:	Preferential loans	149
Article 4	Preferential loans	149
Section C:	Right of first refusal	150
Article 5	Right of first refusal for current user and others in sales of affected property	150
Attachment 4:	Property located in areas subject to territorial adjustment	151
Article 1	Application of these provisions to property in areas subject to territorial adjustment	151
Article 2	Reinstatement of dispossessed owners	151
Article 3	Improved properties	151
Article 4	Owners of property in areas subject to territorial adjustment who wish to leave	152
Article 5	Current users of property in areas subject to territorial adjustment	153
Annex VIII:	Reconciliation Commission	154
Article 1	Establishment	154
Article 2	Aims	154
Article 3	Powers	154
Article 4	Composition	155
Article 5	Duration	155
Article 6	Costs	156
Article 7	Remuneration	156
Article 8	Recommendations and reports	156
Article 9	Follow-Up Procedures	156
Annex IX:	Coming into Being of the New State of Affairs	157
Article 1	Entry into force of the Foundation Agreement	157
Article 2	Flag-raising ceremonies	157

Article 3	Treaty between Cyprus, Greece, Turkey and the United Kingdom on Matters related to the new state of affairs in Cyprus	157
Article 4	The United Nations	158
Article 5	The Council of Europe	158
Article 6	The European Union	158
Attachment 1: Treaty between Cyprus, Greece, Turkey and the United Kingdom on Matters related to the new state of affairs in Cyprus 159		
Article 1	Approval of Foundation Agreement	159
Article 2	Monitoring Committee	159
Article 3	Additional Protocol to the Treaty of Establishment	159
Article 4	Additional Protocol to the Treaty of Guarantee	160
Article 5	Additional Protocol to the Treaty of Alliance	160
Article 6	Transitional Security Arrangements	160
Article 7	Entry into force	160
Article 1		162
Article 2		162
Article 3		162
Article 4		162
Article 5		163
Article 6		163
Article 7		163
Article 8		163
Article 9		164
Article 1		165
Article 2		165
Article 1		168
Article 2		168
Article 1		169
Article 2		169
Article 3		169
Article 4		170
Article 5		170
Article 1	Composition	171
Article 2	Permissible weapon and equipment holdings	171
Article 3	Activities	172
Article 4	Location of Designated facilities and training fields	172
Article 5	Movement	173
Article 6	Notice	173
Article 1	Dissolution of Greek Cypriot and Turkish Cypriot forces, including reserve units	174
Article 2	Adjustment of Greek and Turkish forces	174
Article 3	Redeployment from areas subject to territorial adjustment prior to transfer of administration	174
Attachment 2: Protocol requested to be attached to the Treaty of Accession of Cyprus to the European Union 176		
Article 1	Arrangements relating to property and residency rights	177
Article 2	Safeguard measures	177
Article 3	Entry and residency rights of Turkish nationals	178
Article 4	The European Security and Defence Policy	178
Article 5	Representation in the European Parliament	178

Annex X: Calendar of Implementation 179

Annex XI: Appointees to the transitional Supreme Court and the transitional Central Bank 180

Article 1 Appointees to the transitional Supreme Court 180

Article 2 Appointees to the transitional Central Bank 180

**MATTERS TO BE SUBMITTED TO THE UNITED NATIONS SECURITY COUNCIL
FOR DECISION 181**