



Brussels, 4.7.2024
COM(2024) 265 final

REPORT FROM THE COMMISSION TO THE COUNCIL

Twentieth report on the implementation of Council Regulation (EC) No 866/2004 of 29 April 2004 and the situation resulting from its application covering the period 1 January until 31 December 2023

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Council Regulation (EC) No 866/2004 on a regime under Article 2 of Protocol No 10 to the Act of Accession¹ (the 'Green Line Regulation') entered into force on 1 May 2004. It sets out the terms under which provisions of EU law apply to the movement of persons, goods and services across the line between the areas of the Republic of Cyprus (RoC) in which the RoC government does not exercise effective control and the areas in which it does. To ensure the effectiveness of these rules, their application has been extended to the boundary between the areas of the RoC in which the RoC government does not exercise effective control and the UK Eastern Sovereign Base Area (ESBA)².

This report covers the period 1 January to 31 December 2023.

In 2023, the Commission maintained constructive dialogue with the relevant authorities of the RoC and the Sovereign Base Area (SBA) Administration on the implementation of the Regulation, and with the Turkish Cypriot Chamber of Commerce.

1. CROSSING OF PERSONS

1.1. Crossing at authorised crossing points

The Regulation provides a legal framework for the crossings of Cypriots, other EU citizens and third country nationals who cross the Green Line ('the Line') at authorised crossing points. In 2023, there was an increase compared with the previous year in the number of crossings by both Greek Cypriots and Turkish Cypriots.

According to data from the RoC Police (CYPOL), during the reporting period, 1 609 488 crossings (previously 1 372 564) by Greek Cypriots and 1 032 029 crossings (previously 871 898) by Greek Cypriot vehicles were recorded from the areas of the RoC under the effective control of the RoC government to the areas of the RoC not under the effective control of the RoC government. In the same period, 1 373 353 crossings (previously 1 111 529) by Turkish Cypriots and 532 206 crossings (previously 453 880) by Turkish Cypriot vehicles were recorded from the areas of the RoC not under the effective control of the RoC government to the government-controlled areas³.

The number of EU citizens (other than Cypriots) and third country nationals crossing the Line also increased. During the reporting period, 1 851 465 crossings (previously 1 498 649) by EU citizens (other than Cypriots) and by third country nationals took place in both directions.

1 OJ L 161, 30.04.2004, p.128. Regulation as last amended by Council Regulation (EU) No 685/2013 of 15 July 2013, OJ L 196, 19.7.2013, p. 1.

2 See Protocol relating to the Sovereign Base Areas of the United Kingdom in Cyprus to the Agreement on the Withdrawal of the United Kingdom from the European Union.

3 The RoC authorities do not keep records on the return of Greek Cypriots to the government-controlled areas or the return of Turkish Cypriots to the northern part of Cyprus.

The CYPOL figures mentioned above do not include data on persons and vehicles crossing from the northern part of Cyprus at the Pergamos and Strovilia crossing points, which are under the authority of the UK Eastern Sovereign Base Area. For these, the ESBA reported that 825 095 crossings (previously 685 202) by Greek Cypriots and 440 158 crossings (previously 401 301) by Greek Cypriot vehicles to the northern part of Cyprus were recorded. At the same time, 606 734 crossings (previously 546 427) by Turkish Cypriots and 287 060 crossings (previously 326 400) by Turkish Cypriot vehicles in the other direction were recorded. Moreover, 802 789 EU citizens (other than Cypriots) and third country nationals crossed the Line in both directions.

In 2023, the number of CYPOL personnel working at the crossing points has increased to 89, compared with 81 in 2022.

The figures gathered by the Turkish Cypriot community in 2023 indicate an increase in the number of crossings by Greek Cypriots to 3 055 999 (previously 2 821 903) and by Greek Cypriot vehicles to 1 673 721 (previously 1 517 222) from the government-controlled areas to the northern part of Cyprus. They also indicate an increase in the number of crossings by Turkish Cypriots to 2 452 876 (previously 1 877 463) and by Turkish Cypriot vehicles to 1 098 508 (previously 881 920) in the other direction. According to the statistics provided, 2 194 347 EU citizens (other than Cypriots) and third country nationals crossed from the government-controlled areas to the northern part of Cyprus (previously 1 840 207) in 2023.

It was reported that inter alia the favourable exchange rate of the euro against the Turkish lira encouraged increasing numbers of Greek Cypriots to cross to the Turkish Cypriot community for their personal shopping.

Long queues continued to be reported at the Agios Dhometios crossing point. According to the RoC authorities, additional human resources were deployed with a view to facilitating crossing.

Turkish Cypriot buses carrying EU citizens were not permitted by the RoC authorities to cross into the government-controlled areas unless they had fully *acquis*-compliant documents issued by the RoC authorities. The RoC authorities have indicated that they have put arrangements in place to facilitate the process for Turkish Cypriots to obtain roadworthiness certificates, authorisations and professional driving licences.; the licences are granted free of charge after submission of applications (translated in Turkish).

The United Nations Peacekeeping Force in Cyprus (UNFICYP) continued to facilitate the practice of religious worship across the Green Line by both communities⁴.

1.2. Irregular migration across the Green Line and asylum

CYPOL figures for 2023 indicated a decrease in the number of migrants who irregularly crossed the Line from the areas not under the effective control of the RoC government to the government-controlled areas. In 2023, 6 793 irregular migrants crossed the Line in this way; the equivalent figures for 2022, 2021 and 2020 were 16 627, 9 812 and 4 857 respectively. The main countries of origin of irregular migrants were Syria (2 199), Nigeria (990), Afghanistan (726), Cameroon

⁴ Report of the UN Secretary-General on UNFICYP [S/2024/12] of 3 January 2024, para. 43.

(407) and the Democratic Republic of the Congo (402) Irregular migration across the Green Line continues to represent an extremely serious concern.

Of the 6 793 irregular migrants, 90% (previously 92%) applied for international protection in the Republic of Cyprus. The country of origin with the highest number of applicants was Syria.

CYPOL was able to identify these migrants by using the same methods as in previous years, primarily by examining the information included in their travel documents and by taking statements from the individuals concerned. According to this assessment, almost all the migrants apprehended in the government-controlled areas after having irregularly crossed the Line had previously arrived in the northern part of Cyprus from Turkey.

The Turkish Cypriot community noted that efforts had continued in the northern part of Cyprus to prevent irregular migration. In 2023, 7 386 individuals⁵ were prevented from entering the non-government controlled areas of Cyprus, and 1 610 individuals⁶ who had been apprehended within the northern part of Cyprus were deported.

Representatives from the two communities met within a bi-communal Technical Committee on Crime and Criminal Matters under UN auspices. As an extension to this committee, the two communities continued to use two ‘Joint Contact Rooms’ in Nicosia and Pyla, which provide a forum for exchanging information on criminal matters⁷.

CYPOL described cooperation with other relevant RoC governmental departments and the ESBA administration as very good.

Eastern Sovereign Base Area (ESBA)

Irregular migration from the non-government controlled areas of Cyprus via the ESBA decreased in 2023. In 2023, 16 migrants were apprehended after having crossed the Line irregularly⁸. A total of 5 034 individuals were not allowed to cross, of whom the greatest number (1 283) were Russian citizens. In accordance with the relevant provisions of the Protocol relating to the Sovereign Base Areas of the United Kingdom in Cyprus to the Agreement on the Withdrawal of the United Kingdom from the European Union, the ESBA authorities refused to allow foreign nationals who arrived via the northern part of Cyprus to cross the Green Line⁹. These individuals were directed to crossing points outside the ESBA to undergo checks as per RoC entry requirements.

Sovereign Base Area (SBA) officers described their cooperation with the Republic of Cyprus as very good.

Away from the crossing points, SBA police conducted risk-based, intelligence-led patrols to counter irregular migration. These patrols were supplemented with patrols by SBA customs and

5 Nationals by country: Afghanistan: 925; Nigeria: 761; Iraq: 608; Iran: 552; Pakistan: 509; other: 4 031.

6 Nationals by country; Syria: 406; Nigeria: 338; Turkey: 294; Pakistan: 74; Bangladesh: 64; other: 434.

7 Report of the UN Secretary-General on UNFICYP [S/2024/12] of 3 January 2024, paras. 29-30

8 Of the 16 irregular migrants intercepted within the ESBA, 15 applied for asylum and were handed over to the RoC authorities.

9 Third country nationals (other than UK citizens) are permitted to cross only if they are engaged in a defence-related activity or are family members of someone who is engaged in such activity.

by military personnel. During the reporting period, new night surveillance equipment was procured and deployed.

Four ‘unauthorised crossing points’ in or near the village of Pergamos, which are used by local residents and farmers, are particularly difficult to control. As mentioned in previous reports, these ‘unauthorised crossing points’ remain an area of concern and a suitable solution in line with Article 7 of the Protocol relating to the Sovereign Base Areas of the United Kingdom in Cyprus should be found. During the reporting period, the SBA authorities conducted spontaneous checks on individuals using roads linking to these crossing points.

2. CROSSING OF GOODS

2.1. Value of trade

Under Article 4 of the Green Line Regulation, goods may be introduced from non-government controlled areas into government-controlled areas, provided that they meet the criteria set out in Article 4¹⁰ and are accompanied by a document issued by the Turkish Cypriot Chamber of Commerce. In line with Article 8 of Commission Regulation (EC) No 1480/2004¹¹, the Turkish Cypriot Chamber of Commerce and the RoC authorities reported on a monthly basis on the type, volume and value of goods for which accompanying documents had been issued.

According to statistics provided by the Republic of Cyprus, the total trade value of goods with accompanying documents that actually crossed the Line increased by 9.6% in 2023 to EUR 16 046 304 (previously EUR 14 647 241).

According to statistics provided by the Turkish Cypriot Chamber of Commerce, the total value of goods for which accompanying documents had been issued amounted to EUR 17 644 400 (previously EUR 16 697 514). Compared with 2022, this is an increase of 5.7% in the overall value of goods for which accompanying documents had been issued.

Trade from the government-controlled areas to the northern part of Cyprus increased by around 82%, from EUR 711 133 in 2022 to EUR 1 294 718 in 2023, according to figures from the Cyprus Chamber of Commerce and Industry. Trade from the government-controlled areas to the northern part of Cyprus accounts for 8.1% of the trade in the opposite direction (4.9% in 2022).

The Turkish Cypriot community continued to apply a trade system that ‘mirrors’ the restrictions of the Green Line Regulation. Turkish Cypriot stakeholders identified the protection of local businesses as the main reason for this. Moreover, goods can only be traded from the government-controlled areas to the northern part of Cyprus once an ‘import permit’ has been issued. However, this trade system is not always consistently applied.

2.2. Type of goods

In 2023, the nature of traded products remained generally stable. Building and construction

10 Paragraph 1 of Article 4 sets out that the goods need to be wholly obtained in the areas not under the effective control of the Government of the RoC or need to have undergone their last, substantial, economically justified processing or working in an undertaking equipped for that purpose in the areas not under the effective control of the Government of the RoC.

11 Commission Regulation (EC) No 1480/2004 of 10 August 2004, OJ L 272, 20.8.2004, p. 3.

materials remained the most traded item, followed by furniture, plastics and mosaics and marbles¹².

New products were introduced, such as tahini, agglomerated stone and clementine mandarins.

2.3. Irregularities

The Republic of Cyprus did not bring to the Commission's attention any significant cases of irregularity that occurred during the reporting period.

2.4. Obstacles and difficulties concerning the movement of goods

Obstacles to trade across the Line continued, which, in the view of the Commission, is a key reason for the current limited level of trade. During the reporting period, Green Line trade continued to increase and efforts were made to help it reach its full potential.

As mentioned in previous reports¹³, the issue of Turkish Cypriot commercial vehicles crossing to the government-controlled areas is yet to be solved and, to date, Turkish Cypriot commercial vehicles that weigh more than 7.5 tonnes can cross the Line provided they have fully *acquis*-compliant documents issued by the Republic of Cyprus. The RoC authorities have informed the Commission that they have put in place measures to facilitate the process for Turkish Cypriots to obtain roadworthiness certificates, authorisations and professional driving licences. A solution to the issue would significantly contribute to increasing the level of trade as it would ease the transport of goods. It would also strengthen contact between Cypriot economic operators thus contributing in an important manner to enhancing trust between both communities. The Commission will continue to engage with the authorities of the RoC and with the Turkish Cypriot community to help find a solution to this issue.

During the reporting period, further progress was made on the crossing of the Line of processed food products of non-animal origin, as well as on packaging materials in contact with food. On 11 January 2023, the RoC Ministry of Health issued a circular permitting trade across the Green Line in packaging materials in contact with food provided that these goods complied with the relevant *acquis*. On 3 February 2023, the RoC Ministry of Health issued a circular permitting trade across the Green Line in two further categories of processed food, namely black and green table olives and apple, grapefruit, pineapple, cherry, peach and apricot juices, nectars and fruit drinks, provided that these goods complied with the relevant *acquis*. The Commission welcomes this progress and will continue its dialogue with the RoC authorities on enabling trade in other types of processed food of non-animal origin.

As in previous years, Turkish Cypriot traders have continued to report difficulties in having their products stocked in shops and in advertising their products and services in the government-controlled areas, which hinder trade. In addition, it was mentioned that traders from both communities are faced with several administrative problems when wishing to enter into business with the other community; for example, Turkish Cypriots trading across the Green Line encounter difficulties in opening accounts with banks in the government-controlled areas. The

12 Annex, Table IV.

13 See for instance the ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth and nineteenth annual reports on the implementation of Council Regulation EC No 866/2004 and the situation resulting from its application.

authorities of RoC are working towards the facilitation of opening bank accounts to Turkish Cypriot traders and the Commission will continue to engage with the RoC authorities to that end.

During the reporting period, the RoC authorities took steps to address this issue, notably by facilitating the opening of bank accounts by Turkish Cypriots in the government-controlled areas in conformity with the Payment Accounts Directive¹⁴. On 26 April 2023, the Central Bank of Cyprus issued a circular letter to all credit institutions clarifying that Turkish Cypriots possessing RoC passports or identity cards are entitled to open a payment account with basic features, provided that all other due diligence requirements for customer identification are satisfied. Nevertheless, individual Turkish Cypriots continued to report difficulties when trying to open accounts with commercial banks. Moreover, Turkish Cypriot businesses were unable to open bank accounts in the government-controlled areas. The Commission will continue to engage with the authorities of the RoC with a view to finding a prompt solution to this issue.

The inability to transfer funds between banks in the government-controlled areas and banks in the areas not under the effective control of the RoC government continued to hamper Green Line trade. The Commission engaged with the RoC authorities and other stakeholders on this issue.

2.5. Smuggling of goods

Smuggling of goods persisted, reflecting the difficulty to control irregular movements across the Line.

In 2023, the Republic of Cyprus made 4 212 seizures of smuggled goods (previously 3 905), an increase of 8%. Compared with previous years, there was a decrease in smuggling of agricultural products and an increase in smuggling of animal and dairy products. There was an increase in the quantity of cigarettes and a decrease in the quantity of hand-rolling tobacco seized by the RoC at the Green Line: 890 500 cigarettes and 324 596 g of hand-rolling tobacco (previously 679 354 cigarettes and 413 802 g). In addition, 323 991 electronic cigarette cartridges and 265 670 g of narghile tobacco were also seized. Smuggling of alcohol increased while smuggling of goods violating intellectual property rights decreased. Other items seized included cars, fuel, medicines and pesticides. A total of 27 prosecutions for smuggling were brought in the District Court. Cases of smuggling of small quantities of cigarettes were usually dealt with by imposing an administrative penalty and forfeiture.

The ESBA authorities also recorded an increase in the number of seizures of smuggled goods: there were 962 seizures in the ESBA in 2023 compared to 821 in 2022.

On the traditional supply of the Turkish Cypriot population of the village of Pyla, located in the buffer zone (Article 4 (10) of the Green Line Regulation), the quantities of construction materials, fish, cigarettes, etc. were monitored and recorded by the ESBA administration.

2.6. Facilitation of trade

The Commission continued to seek ways of enhancing trade across the Line.

¹⁴ Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features, OJ L 257, 28.8.2014, p. 214.

During the reporting period, the Commission continued discussions with the RoC authorities. The Commission also held discussions with the Turkish Cypriot Chamber of Commerce on Green Line trade.

During the reporting period, the Commission continued to provide technical and project assistance to Turkish Cypriot farmers and dairies to enable them to comply with the requirements for registering Halloumi/Hellim produced in the northern part of Cyprus as a Protected Designation of Origin (PDO). Bureau Veritas, which was appointed in September 2021 as the delegated body responsible for the conduct of PDO checks throughout the island, continued its inspection work. During the reporting period, Bureau Veritas certified three Turkish Cypriot Halloumi/Hellim producers as being compliant with PDO standards. The Commission's informal Working Group on Halloumi/Hellim met on 30 March, 19 June, 29 September and 18 December 2023. Minutes of the Working Group were published on the Commission's [webpage](#) on the Green Line Regulation.

On 2 March 2023, Commission Implementing Regulation (EU) 2023/455 correcting Regulation (EC) No 1480/2004 laying down specific rules on goods arriving from the areas not under the effective control of the Government of Cyprus in the areas in which the Government exercises effective control, was adopted¹⁵. The purpose of this correction was to reinstate a reference to Green Line trade in offspring of farm-saved seed potatoes.

During 2023, the Commission continued to mobilise EU Member State experts through the TAIEX instrument to provide support for trade across the Green Line, in line with the mandate set out in the Green Line Regulation. TAIEX experts were involved in carrying out regular phytosanitary inspections on fruit and vegetables (notably potatoes), taking honey samples for analysis and producing a regularly updated list of fishing vessels whose catch can be traded across the Green Line.

In November 2023, the Commission set up an 'EU One Stop Shop' to support Green Line trade and businesses. Working in cooperation with the Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce, the One Stop Shop provides information and technical assistance to businesses and individuals who are interested in trading across the Green Line, as well as raising awareness of Green Line trade and organising networking opportunities for producers and traders.

Some Turkish Cypriot consignors of fresh fish continued to report difficulties with meeting the deadlines set for veterinary inspections of fresh fish at the Agios Dhometios crossing point. The RoC expressed significant concerns at the nature of some consignments of fresh fish. The Commission is looking into these concerns.

The Commission encourages economic operators to take advantage of business opportunities and welcomes the efforts made by the Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce.

¹⁵ Commission Implementing Regulation (EU) No 2023/455 of 2 March 2023, OJ L 67, 3.3.2023, p. 41.

2.7. EU goods taken back to the areas under the effective control of the Government of the Republic of Cyprus after passing through the areas which are not under its effective control.

The RoC authorities reported that 1 602 items were taken back to the government-controlled areas after having passed through the non-government controlled areas.

3. CONCLUSIONS

In 2023, the number of Green Line crossings increased further, with crossings of Turkish Cypriots and of EU nationals (other than Cypriots) and third country nationals exceeding the numbers recorded in 2019 before the outbreak of the pandemic.

However, the number of irregular crossings decreased substantially in 2023. Nevertheless, irregular migration through the Green Line continues to be a serious concern.

In 2023, the value of trade across the Line increased by 9.6% rising from EUR 14 647 241 in 2022 to EUR 16 046 304 in 2023. The value of goods for which accompanying documents were issued increased by 5.7% from EUR 16 697 514 to EUR 17 644 400. Building and construction materials remained the most traded item, followed by furniture, plastics and mosaics and marbles.

The Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce continued to cooperate to bring economic benefits for both communities.

The RoC continued to authorise the crossing of the Green Line by Turkish Cypriot commercial vehicles weighing more than 7.5 tonnes, if they are acquis compliant. The RoC authorities state that they have put in place arrangements to facilitate the process for Turkish Cypriots to obtain roadworthiness certificates, authorisations and professional driving licences. The Commission will continue to engage with the authorities of the RoC to help find a solution to this issue.

During the reporting period, the RoC authorities allowed a further two types of processed food of non-animal origin as well as packaging materials in contact with food to be traded across the Green Line. The Commission welcomes this development and will continue its dialogue with the RoC on enabling all types of processed foods of non-animal origin to be traded across the Green Line.

Overall, while welcoming the increase in trade during the reporting period, the Commission is of the opinion that trade across the Green Line could increase still further. The Commission considers that removing the obstacles to trade mentioned in this report would help to increase trade across the Green Line and welcomes positive developments towards this direction. The Commission hopes that the work of the two Chambers to enhance contacts between the two business communities will lead to increased economic ties.

Against this background, the Commission continues to rely on the good cooperation with the Republic of Cyprus and the SBA to ensure effective implementation of Council Regulation (EC) No 866/2004. The Commission will continue to monitor the implementation of the Regulation.