



Brussels, 29.6.2023
COM(2023) 354 final

REPORT FROM THE COMMISSION TO THE COUNCIL

Nineteenth 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 2022

REPORT FROM THE COMMISSION TO THE COUNCIL

Nineteenth 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 2022

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 defines 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. In order 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 2022.

In 2022, the Commission maintained constructive dialogue with the relevant authorities of the Republic of Cyprus 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 2022, 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 (hereinafter CYPOL), during the reporting period 1,372,564 crossings (previously 695,702) by Greek Cypriots and 871,898 crossings (previously 233,950) 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, 1,111,529 crossings (previously 513,291) by Turkish Cypriots and 453,880 crossings (previously 423,846) 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 areas.³

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 concerning the return of Greek Cypriots to the government controlled areas or the return of Turkish Cypriots to the northern part of Cyprus.

The number of EU citizens (other than Cypriots) and third country nationals crossing the Line also increased. During the reporting period, 1,498,649 crossings (previously 371,910) by EU citizens (other than Cypriots) and by third country nationals took place in both directions.

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 685,202 crossings (previously 200,625) by Greek Cypriots and 401,301 crossings (previously 119,527) by Greek Cypriot vehicles to the northern part of Cyprus were recorded. At the same time, 546,427 crossings (previously 300,643) by Turkish Cypriots and 326,400 crossings (previously 197,106) by Turkish Cypriot vehicles in the other direction were recorded. Moreover, 841,086 EU citizens (other than Cypriots) and third country nationals crossed the Line in both directions.

In 2022, the number of CYPOL personnel working at the crossing points was 81, compared with 89 in 2021.

The figures gathered by the Turkish Cypriot community in 2022 indicate an increase in the number of crossings by Greek Cypriots to 2,821,903 (previously 1,013,778) and by Greek Cypriot vehicles to 1,517,222 (previously 581,836) 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 1,877,463 (previously 893,014) and by Turkish Cypriot vehicles to 881,920 (previously 479,474) in the other direction. According to the statistics provided, 1,840,207 EU citizens (other than Cypriots) and third country nationals crossed from the government controlled areas to the northern part of Cyprus (previously 532,243) in 2022.

The increase in crossings was thought to reflect a continuing return to more normal daily life after the pandemic. Moreover, it was reported that the favourable exchange rate of the euro against the Turkish lira encouraged increasing numbers of Greek Cypriots to cross to the Turkish Cypriot community to undertake their personal shopping.

Following a recommendation of the bi-communal Technical Committee on Health on 19 April 2022, all remaining measures at crossing points concerning COVID-19 were removed by the Republic of Cyprus and the Turkish Cypriot community.

Long queues were reported at the Agios Dhometios crossing point. According to the RoC authorities, additional human resources were deployed with the view to facilitate 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 in place dispositions to facilitate the process for Turkish Cypriots to obtain roadworthiness certificates 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 communities.

1.2. Irregular migration across the Green Line and asylum

CYPOL figures for 2022 indicated an increase in the number of migrants who irregularly crossed the Line from the areas not under the effective control of the Government of the Republic of Cyprus to the government controlled areas. In 2022, 16,627 irregular migrants crossed the Line in this way; the equivalent figures for 2021, 2020 and 2019 were 9,812, 4,857 and 7,409 respectively. The main countries of origin of irregular migrants were Syria (3,197), Nigeria (2,625), Democratic Republic of the Congo (2,397), Pakistan (1,796) and Afghanistan (1,546). Irregular migration remains an extremely serious concern for the RoC authorities.

Out of the 16,627 irregular migrants, 92% (previously 87%) 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 persons by using the same criteria as in previous years, primarily through information included in their travel documents and statements by the migrants 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 2022, 5,157 persons⁴ were prevented from entering the non-government controlled areas of Cyprus, and 1,898 persons⁵ 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 a 'Joint Communications Room', which provides a forum for the exchange of information on criminal matters. On 15 April 2022, the presence of the Joint Communications Room was extended to the village of Pyla, located in the buffer zone.⁶

CYPOL described co-operation with other relevant Republic of Cyprus' governmental departments and the ESBA administration as very good.

Eastern Sovereign Base Area (ESBA)

During the reporting period, the ESBA authorities continued to mirror the health requirements put in place by the RoC concerning COVID-19 at crossings, which were lifted in April 2022.

Irregular migration from the non government controlled areas of Cyprus via the ESBA decreased in 2022. In 2022, 104 migrants were apprehended after having crossed the Line

⁴ Nationals by country: Nigeria: 1,161; DR Congo: 751; Afghanistan: 621; Pakistan: 507; Turkey: 505; other: 1,612.

⁵ Nationals by country; Syria: 812; Turkey: 318; Nigeria: 210; Bangladesh: 139; Pakistan: 67; other: 352.

⁶ Statement by the United Nations Spokesperson in Cyprus, 15 April 2022.

irregularly.⁷ 5,735 persons were not allowed to cross, of whom the greatest number (1,346) 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 Line.⁸ These persons were directed to crossing points outside the ESBA to undergo checks as per the Republic of Cyprus' entry requirements.

Sovereign Base Area (SBA) officers continued to describe their co-operation with the Republic of Cyprus as excellent.

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 by military personnel. During the reporting period, six new patrol vehicles were deployed and closed circuit television monitoring was modernised.

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 persons using roads linking to these crossing points.

1.3 Other issues

Regulation (EU) 2021/953 establishing the EU Digital COVID Certificate (the 'EU Digital COVID Certificate Regulation')⁹ sets out until June 2023 a common framework for the issue, verification and acceptance of interoperable certificates for COVID-19 vaccination, test or recovery certificates to facilitate free movement of EU citizens and their family members during the COVID-19 pandemic. The Regulation obliges Member States to issue EU Digital COVID Certificates to all persons vaccinated or recovered in that Member State, without any additional requirements, such as proving any need to hold the certificate.

However, Turkish Cypriots were initially required by the RoC to fulfil multiple conditions, including the requirement to upload a flight ticket. Following an intervention by the Commission, the RoC opened the system to all Turkish Cypriots in April 2022 without requiring proof of travel.

⁷ Out of the 104 irregular migrants intercepted within the ESBA, 95 applied for asylum and were handed over to the RoC authorities. These are added to the overall number of persons who irregularly crossed the Line whose breakdown by nationality is provided in Annex, Table VII.

⁸ 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 a person who is engaged in such activity.

⁹ Regulation (EU) 2021/953 of the European Parliament and of the Council of 14 June 2021 on a framework for the issuance, verification and acceptance of interoperable COVID-19 vaccination, test and recovery certificates (EU Digital COVID Certificate) to facilitate free movement during the COVID-19 pandemic (OJ L 211, 15.6.2021, p. 1).

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. Pursuant to 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 Turkish Cypriot Chamber of Commerce, the total value of goods for which accompanying documents had been issued amounted to EUR 16,697,514 (previously EUR 6,836,060). Compared with 2021, this is an increase of 144 % in the overall 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 138% in 2022 to EUR 14,647,241 (previously EUR 6,151,022).

Although not covered by the scope of the Green Line Regulation, trade from the government controlled areas to the northern part of Cyprus increased by around 69%, from EUR 420,253 in 2021 to EUR 711,133 in 2022, according to figures from the Cyprus Chamber of Commerce and Industry. Trade from the government controlled areas to the northern part of Cyprus represents 4.9 % of the trade in the opposite direction (6.8 % in 2021).

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 2022, the nature of traded products remained generally stable. Building and construction materials remained the most traded item, followed by furniture, plastics and mosaics and marbles.¹²

New products were introduced, such as cardboard boxes, stainless steel kitchen appliances and steel cabinets for electrical equipment.

¹⁰ Paragraph 1 of Article 4 sets out that the goods need to be wholly obtained in the areas not under effective control of the Government of the RoC or 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.

¹² Annex, Table IV.

2.3. Irregularities

The Republic of Cyprus brought to the Commission's attention one particular case of irregularity that occurred during the reporting period.

In July 2022, the Republic of Cyprus informed the Commission that tests conducted on a consignment of olive oil crossing the Green Line in June had identified the presence of oxidized compounds above the permitted limit. The Commission informed the Turkish Cypriot Chamber of Commerce.

2.4. Obstacles and difficulties concerning the movement of goods

Obstacles to trade across the Line continued, which, in the view of the Commission, form a reason for the current limited level of trade. Turkish Cypriot operators share the same view as the Commission. During the reporting period Green Line trade increased and efforts are ongoing in order to 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, no Turkish Cypriot commercial vehicles that weigh more than 7.5 tonnes can cross the Line unless 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 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 with a view to identifying a solution to this issue.

During the reporting period, progress was made concerning the crossing of the Line of processed food products of non-animal origin. On 7 June 2022, the RoC Ministry of Health issued a circular permitting trade across the Green Line in six products, namely olive oil, halva, jam, fresh orange and pomegranate juices, tahini and carob syrup, provided that these goods complied with the relevant *acquis*. The Commission welcomes this progress and will continue its dialogue with the RoC authorities on lifting the prohibition on 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. Traders continue to report on a lack of demand by Greek Cypriot consumers for Turkish Cypriot products. 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 difficulty in opening accounts with banks in the government-controlled areas.

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

The RoC authorities noted that steps were taken in the reporting period to facilitate the opening of bank accounts for Turkish Cypriots in the government-controlled areas in conformity with the Payment Accounts Directive. The Commission will continue to engage with the authorities of the RoC with a view to achieving a solution to this issue shortly.

2.5. Smuggling of goods

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

In 2022, the Republic of Cyprus made 3,905 seizures of smuggled goods (previously 1,518), an increase of 157%. 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 a very substantial increase in the quantities of cigarettes and hand-rolling tobacco seized by the RoC at the Green Line: 679,354 cigarettes and 413,802 g of hand-rolling tobacco (previously 246,460 cigarettes and 165,160 g). In addition, 211,603 electronic cigarette cartridges and 136,012 g of narghile tobacco were also seized. Smuggling of alcohol and of goods violating intellectual property rights also increased. Other items seized included cars, fuel, medicines and pesticides. Seven prosecutions for smuggling were brought in the District Court. Cases of smuggling of small quantities of cigarettes were usually dealt with through the imposition of an administrative penalty and forfeiture.

In 2022, the ESBA authorities also recorded a significant increase in the number of seizures of smuggled goods within the ESBA; there were 821 seizures compared with 516 in 2021.

As regards the traditional supply of the Turkish Cypriot population of the village of Pyla, located in the buffer zone (Art 4 (10) 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.

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

During the reporting period, the Commission provided technical and project assistance to Turkish Cypriot farmers and dairies with a view to enabling 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. The Commission created an informal Working Group on Halloumi/Hellim. The Group was composed of an equal number of members from the Greek Cypriot community and the Turkish Cypriot community who were appointed to represent common interests, such as farmers' organisations. The Group was mandated to bring about an exchange of information as well as the sharing of experience and good practices among stakeholders relating to their participation in the PDO scheme for Halloumi/Hellim and to

review the functioning of the inspection system for Halloumi/Hellim. The Group met on 23 September and 11 November 2022.

Following the adoption of both Regulation (EU) 2016/2031 on protective measures against pests of plants and Commission Implementing Regulation 2019/2072 establishing uniform conditions for the implementation of Regulation (EU) 2016/2031 (the EU plant health law), a far wider variety of fruits and vegetables required phytosanitary inspection in order to enter the European Union than had previously been the case.¹⁴ It thus became necessary to conduct equivalent phytosanitary inspections in the northern part of Cyprus to enable trade in fruit and vegetables to continue. Accordingly, on 6 July 2022, the Commission adopted Commission Implementing Regulation (EU) 2022/1166 amending Regulation (EC) No 1480/2004 laying down specific rules concerning 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. Regulation (EC) No 1480/2004 as amended provides the necessary authority for independent experts appointed by the Commission to conduct phytosanitary checks on all relevant fruit and vegetables in the northern part of Cyprus in line with the new plant health law.¹⁵

On 29 November 2022, the Commission adopted a Decision appointing (i) independent experts to carry out phytosanitary inspections in the areas of the Republic of Cyprus not under the effective control of the Government of the Republic of Cyprus and (ii) independent experts to carry out inspections and take samples to allow the movement of certain animal products across the Green Line in Cyprus.¹⁶

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

In 2022, the Commission continued to deploy EU Member State experts through the TAIEX instrument to provide support for trade across the Green Line, according to the mandate set out

Regulation (EU) 2016/2031 of the European Parliament and of the Council of 26 October 2016 on protective measures against pests of plants, amending Regulations (EU) No 228/2013, (EU) No 652/2014 and (EU) No 1143/2014 of the European Parliament and of the Council and repealing Council Directives 69/464/EEC, 74/647/EEC, 93/85/EEC, 98/57/EC, 2000/29/EC, 2006/91/EC and 2007/33/EC (OJ L 317, 23.11.2016, p. 4); Commission Implementing Regulation (EU) 2019/2072 of 28 November 2019 establishing uniform conditions for the implementation of Regulation (EU) 2016/2031 of the European Parliament and the Council, as regards protective measures against pests of plants, and repealing Commission Regulation (EC) No 690/2008 and amending Commission Implementing Regulation (EU) 2018/2019 (OJ L 319, 10.12.2019, p. 1).

¹⁵ Commission Implementing Regulation (EU) 2022/1166 of 6 July 2022 amending Regulation (EC) No 1480/2004 laying down specific rules concerning 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 (OJ L 181, 7.7.2022, p.11).

¹⁶ Commission Decision of 29.11.2022 on the appointment of independent experts to carry out phytosanitary inspections in the areas of the Republic of Cyprus not under the effective control of the Government of the Republic of Cyprus and on the appointment of independent experts to carry out inspections and take samples to allow the movement of certain animal products across the Green Line in Cyprus. C(2022) 8514 final

in the Green Line Regulation. TAIEX experts were involved in carrying out regular phytosanitary inspections of potatoes, tomatoes and citrus fruit, taking honey samples for analysis and producing an updated list of vessels whose catch can be traded across the Green Line.

2.7. Union 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 2,593 items were taken back to the government controlled areas after having passed through the non-government controlled areas.

3. CONCLUSIONS

In 2022 there was a substantial increase in crossings of persons, although numbers remained somewhat less than recorded in 2019 before the outbreak of the pandemic.

The number of persons irregularly crossing the Line increased again to a new record in 2022, except at the part of the Line which is controlled by the ESBA. Irregular migration through the Green Line continues to represent an extremely serious concern.

In 2022, the value of trade across the Line increased by 138% rising from EUR 6,151,022 in 2021 to EUR 14,647,241. The value of goods for which accompanying documents were issued increased by 144% from EUR 6,836,060 to EUR 16,697,514. 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 co-operate with a view to bringing economic benefits to both communities.

The RoC continued not to authorise the crossing of the Green Line by Turkish Cypriot commercial vehicles weighing more than 7.5 tonnes. The RoC authorities noted that they have put in place dispositions to facilitate the process for Turkish Cypriots to obtain roadworthiness certificates and professional driving licences. The Commission will continue to engage with the authorities of the RoC with a view to identifying a solution to this issue.

From 7 June 2022, the RoC authorities allowed six types of processed food of non-animal origin to be traded across the Green Line. The Commission welcomes this development and will continue its dialogue with the RoC with a view to enabling all types of processed foods of non-animal origin as well as packaging materials in contact with food to be traded across the Green Line.

Overall, while welcoming the substantial 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. 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 co-operation 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.