

MAIN ARTICLES

- i. Affirming that Cyprus is our common home and recalling that we were co-founders of the Republic established in 1960*
- ii. Resolved that the tragic events of the past shall never be repeated and renouncing forever the threat or the use of force, or any domination by or of either side*
- iii. Acknowledging each other's distinct identity and integrity and that our relationship is not one of majority and minority but of political equality where neither side may claim authority or jurisdiction over the other*
- iv. Deciding to renew our partnership on that basis and determined that this new bi-zonal partnership shall ensure a common future in friendship, peace, security and prosperity in an independent and united Cyprus*
- v. Underlining our commitment to international law and the principles and purposes of the United Nations*
- vi. Committed to respecting democratic principles, individual human rights and fundamental freedoms, as well as each other's cultural, religious, political, social and linguistic identity*
- vii. Determined to maintain special ties of friendship with, and to respect the balance between, Greece and Turkey, within a peaceful environment in the Eastern Mediterranean*
- viii. Looking forward to joining the European Union, and to the day when Turkey does likewise*

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

Article 1 *The new state of affairs*

1. This Agreement establishes a new state of affairs in Cyprus.
2. The treaties listed in this Agreement bind Cyprus and the attached legislation shall apply upon entry into force of this Agreement.
3. The Treaty of Establishment, the Treaty of Guarantee, and the Treaty of Alliance remain in force and shall apply *mutatis mutandis* to the new state of affairs. Upon entry into force of this Agreement, Cyprus shall sign a Treaty with Greece, Turkey and the United Kingdom on matters related to the new state of affairs in Cyprus, along with additional protocols to the Treaties of Establishment, Guarantee and Alliance.
4. Cyprus shall be a full member of the European Union as of 1 May 2004.
5. Cyprus shall maintain special ties of friendship with Greece and Turkey, respecting the balance in Cyprus established by the Treaty of Guarantee and the Treaty of Alliance and this Agreement, and as a European Union member state shall support the accession of Turkey to the Union.
6. Any unilateral change to the state of affairs established by this Agreement, in particular union of Cyprus in whole or in part with any other country or any form of partition or secession, is prohibited. Nothing in this Agreement shall in any way be construed as contravening this prohibition.

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

1. The status and relationship of the United Cyprus Republic, its federal government, and its constituent states, is modeled on the status and relationship of Switzerland, its federal government, and its cantons. Accordingly:
 - a. The United Cyprus Republic is an independent state in the form of an indissoluble partnership, with a federal government and two equal constituent states, the Greek Cypriot State and the Turkish Cypriot State. Cyprus is a member of the United Nations and has a single international legal personality and sovereignty. The United Cyprus Republic is organised under its Constitution in accordance with the basic principles of rule of law, democracy, representative republican government, political equality, bi-zonality, and the equal status of the constituent states.
 - b. The federal government sovereignly exercises the powers specified in the Constitution, which shall ensure that Cyprus can speak and act with one voice internationally and in the European Union, fulfill its

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

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

1. There is a single Cypriot citizenship. Special majority federal law shall regulate eligibility for Cypriot citizenship.
2. All Cypriot citizens shall also enjoy internal constituent state citizenship status. This status shall complement and not replace Cypriot citizenship.
3. Other than in elections of Senators, which shall be elected by Greek Cypriots and Turkish Cypriots separately, political rights at the federal level shall be exercised based on internal constituent state citizenship status. Political rights at the constituent state and local level shall be exercised at the place of permanent residency.
4. To preserve its identity, Cyprus may adopt specified non-discriminatory safeguard measures in conformity with the *acquis communautaire* in respect of immigration of Greek and Turkish nationals.
5. In addition, for a transitional period of 19 years or until Turkey's accession to the European Union, whichever is earlier, Cyprus may limit the right of Greek nationals to reside in Cyprus if their number has reached 5% of the number of resident Cypriot citizens holding Greek Cypriot internal constituent state citizenship status, or the right of Turkish nationals to reside in Cyprus if their number has reached 5% of the

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

6. To preserve its identity, a constituent state may adopt specified non-discriminatory safeguard measures, in conformity with the *acquis communautaire*, in respect of the establishment of residence by persons not holding its internal constituent state citizenship status.
7. In addition, for a transitional period a constituent state may, pursuant to Constitutional Law, limit the establishment of residence by persons hailing from the other constituent state. To this effect, it may establish a moratorium until the end of the fifth year after entry into force of the Foundation Agreement, after which limitations are permissible if the number of residents hailing from the other constituent state has reached 6% of the population of a village or municipality between the 6th and 9th years and 12% between the 10th and 14th years and 18% of the population of the relevant constituent state thereafter, until the 19th year or Turkey's accession to the European Union, whichever is earlier. After the second year, no such limitations shall apply to former inhabitants over the age of 65 accompanied by a spouse or sibling, nor to former inhabitants of specified villages.

Article 4 *Fundamental rights and liberties*

1. Respect for human rights and fundamental freedoms shall be enshrined in the Constitution. There shall be no discrimination against any person on the basis of his or her gender, ethnic or religious identity, or internal constituent state citizenship status. Freedom of movement and freedom of residence may be limited only where expressly provided for in this Agreement.
2. Greek Cypriots and Turkish Cypriots living in specified villages in the other constituent state shall enjoy cultural, religious and educational rights and shall be represented in the constituent state legislature.
3. The rights of religious minorities, namely the Maronite, the Latin and the Armenian, shall be safeguarded in accordance with international standards, and shall include cultural, religious and educational rights as well as representation in federal Parliament and constituent state legislatures.

Article 5 *The federal government*

1. The federal Parliament composed of two chambers, the Senate and the Chamber of Deputies, shall exercise the legislative power:
 - a. Each Chamber shall have 48 members. The Senate shall be composed of an equal number of Greek Cypriots and Turkish Cypriots. The Chamber of Deputies shall be composed in proportion to persons holding internal constituent state citizenship status of

- each constituent state, provided that each constituent state shall be attributed no less than one quarter of seats.
- b. Decisions of Parliament shall require the approval of both Chambers by simple majority, including one quarter of voting Senators from each constituent state. For specified matters, a special majority of two-fifths of sitting Senators from each constituent state shall be required.
2. The Office of Head of State is vested in the Presidential Council, which shall exercise the executive power:
 - a. The Presidential Council shall be elected on a single list by special majority in the Senate and approved by majority in the Chamber of Deputies for a five year term. It shall comprise six voting members, and additional non-voting members should Parliament so decide. The composition of the Presidential Council shall be proportional to the number of persons holding the internal constituent state citizenship status of each constituent state, though no less than one-third of the voting members and one-third of any non-voting members of the Council must come from each constituent state.
 - b. The Presidential Council shall strive to reach decisions by consensus. Where it fails to reach consensus, it shall, unless otherwise specified, take decisions by simple majority of members present and voting, provided this comprises at least one member from each constituent state.
 - c. Notwithstanding voting rights, the members of the Council shall be equal. The Council shall decide on the attribution of Departments among its members. The heads of the Departments of Foreign Affairs and European Union Affairs shall not come from the same constituent state.
 - d. Unless the Presidential Council decides otherwise, it shall elect two of its members not hailing from the same constituent state to rotate every twenty months in the offices of President and Vice-President of the Council. The member hailing from the more populous constituent state shall be the first President in each term. The President, and in his absence or temporary incapacity, the Vice-President, shall represent the Council as Head of State and Head of Government. The Vice-President shall accompany the President to meetings of the European Council. The President and Vice-President shall not enjoy a casting vote or otherwise increased powers within the Council.
 - e. The heads of government of the constituent states shall be invited to participate without a vote in all meetings of the Council in the first ten years after entry into force of the Agreement, and thereafter on a periodical basis.
 3. The Central Bank of Cyprus, the Office of the Attorney-General and the Office of the Auditor-General shall be independent.

Article 6 *The Supreme Court*

1. The Supreme Court shall uphold the Constitution and ensure its full respect.
2. It shall comprise an equal number of judges from each constituent state, and three non-Cypriot judges until otherwise provided by law.
3. The Supreme Court shall, *inter alia*, resolve disputes between the constituent states or between one or both of them and the federal government, and resolve on an interim basis deadlocks within federal institutions if this is indispensable to the proper functioning of the federal government.

Article 7 *Transitional federal and constituent state institutions*

1. The federal institutions shall be in place upon entry into force of the Foundation Agreement, and shall evolve in their operation during transitional periods.
2. The transitional constituent state legislatures, executives and judiciaries shall be in place upon entry into force in accordance with this agreement. At the federal level, the office of Head of State shall be vested in a Co-Presidency. The federal government shall be composed of a Council of Ministers of six members (three Greek Cypriots, three Turkish Cypriots). Delegates from each constituent state parliament shall sit in the transitional federal Parliament (24 Greek Cypriots, 24 Turkish Cypriots) and in the European Parliament (four Greek Cypriots, two Turkish Cypriots).
3. There shall be general elections at constituent, federal and European Union level on 13 June 2004, after which the constituent state and federal governments shall operate regularly, though the office of President and Vice-President at the federal level shall rotate every 10 months during the first term of the Presidential Council.
4. The Supreme Court shall assume its functions upon entry into force of the Foundation Agreement.

Article 8 *Demilitarisation*

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

- b. Greek and Turkish contingents shall be permitted to be stationed under the Treaty of Alliance in the Greek Cypriot State and the Turkish Cypriot State respectively as follows:
 - i) each contingent not to exceed 6,000 all ranks, until 2011;
 - ii) each contingent not to exceed 3,000 all ranks thereafter until 2018 or the European Union accession of Turkey, whichever is sooner; and
 - iii) the Greek contingent not to exceed 950 all ranks and the Turkish contingent not to exceed 650 all ranks thereafter, subject to three-yearly review with the objective of total withdrawal;
- c. Greek and Turkish forces and armaments shall be redeployed to agreed locations and adjusted to agreed levels, and any forces and armaments in excess of agreed levels shall be withdrawn;
- d. There shall be a United Nations peacekeeping operation to monitor the implementation of this Agreement and use its best efforts to promote compliance with it and contribute to the maintenance of a secure environment, to remain as long as the federal government, with the concurrence of both constituent states, does not decide otherwise;
- e. The supply of arms to Cyprus shall be prohibited in a manner that is legally binding on both importers and exporters; and
- f. A Monitoring Committee composed of representatives of the guarantor powers, the federal government, and the constituent states, and chaired by the United Nations, shall monitor the implementation of this Agreement,

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

- 2. There shall be no paramilitary or reserve forces or military or paramilitary training of citizens. All weapons except licensed sporting guns shall be prohibited.
- 3. The constituent states shall prohibit violence and the incitement to violence against the United Cyprus Republic, the federal government, the constituent states, or the guarantor powers.
- 4. Cyprus shall not put its territory at the disposal of international military operations other than with the consent of both constituent states; until the accession of Turkey to the European Union, the consent of Greece and Turkey shall also be required.
- 5. The federal government and the constituent states shall cooperate with the United Nations operation. The United Cyprus Republic shall bear half the cost to the United Nations of the operation in the first three years and two-thirds thereafter. This arrangement shall be reviewed in 2010.

6. These provisions do not prejudice the provisions of the Treaty of Establishment, the Treaty of Guarantee, the Treaty of Alliance, the mandate of 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.¹
2. Areas subject to territorial adjustment which are legally part of the Greek Cypriot State upon entry into force of this Agreement, shall be administered during an interim period by the Turkish Cypriot State. Administration shall be transferred under the supervision of the United Nations to the Greek Cypriot State in six phases over a 42 month period, beginning 104 days after entry into force of this Agreement with the transfer of administration of largely uninhabited areas contiguous with the remainder of the Greek Cypriot State. United Nations supervision of activities related to territorial transfer shall be enhanced in the last months before handover of specified areas as outlined in the Agreement.
3. Special arrangements shall safeguard the rights and interests of current inhabitants of areas subject to territorial adjustment, and provide for orderly relocation to adequate alternative accommodation in appropriate locations where adequate livelihoods may be earned.

Article 10 *Property*

1. The claims of persons who were dispossessed of their properties by events prior to entry into force of this Agreement shall be resolved in a comprehensive manner in accordance with international law, respect for the individual rights of dispossessed owners and current users, and the principle of bi-zonality.
2. In areas subject to territorial adjustment, properties shall be reinstated to dispossessed owners.
3. In areas not subject to territorial adjustment, the arrangements for the exercise of property rights, by way of reinstatement or compensation, shall have the following basic features:
 - a. Dispossessed owners who opt for compensation, as well as institutions, shall receive full and effective compensation for their

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

property on the basis of value at the time of dispossession adjusted to reflect appreciation of property values in comparable locations. Compensation shall be paid in the form of guaranteed bonds and appreciation certificates;

- b. All other dispossessed owners have the right to reinstatement of one-third of the value and one-third of the area of their total property ownership, and to receive full and effective compensation for the remaining two-thirds. However, they have the right to reinstatement of a dwelling they have built, or in which they lived for at least ten years, and up to one *donum* of adjacent land, even if this is more than one-third of the total value and area of their properties;
 - c. Dispossessed owners may choose any of their properties for reinstatement, except for properties that have been exchanged by a current user or bought by a significant improver in accordance with the scheme. A dispossessed owner whose property cannot be reinstated, or who voluntarily defers to a current user, has the right to another property of equal size and value in the same municipality or village. S/he may also sell his/her entitlement to another dispossessed owner from the same place, who may aggregate it with his/her own entitlement;
 - d. Current users, being persons who have possession of properties of dispossessed owners as a result of an administrative decision, may apply for and shall receive title, if they agree in exchange to renounce their title to a property, of similar value and in the other constituent state, of which they were dispossessed;
 - e. Persons who own significant improvements to properties may apply for and shall receive title to such properties provided they pay for the value of the property in its original state; and
 - f. Current users who are Cypriot citizens and are required to vacate property to be reinstated shall not be required to do so until adequate alternative accommodation has been made available.
4. Property claims shall be received and administered by an independent, impartial Property Board, governed by an equal number of members from each constituent state, as well as non-Cypriot members. The Property Board shall be organized into branches in accordance with sound economic practice. No direct dealings between individuals shall be necessary.

Article 11 *Reconciliation Commission*

1. An independent, impartial Reconciliation Commission shall promote understanding, tolerance and mutual respect between Greek Cypriots and Turkish Cypriots.
2. The Commission shall be composed of men and women, in equal numbers from each constituent state, as well as at least one non-Cypriot member, 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 Cyprus² 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 law³, its effect shall continue following entry into force of this Agreement.⁴ No-one shall be able to contest the validity of such acts by reason of what occurred prior to entry into force of this Agreement.
2. Any claims for liability or compensation arising from acts prior to this Agreement shall, insofar as they are not otherwise regulated by the provisions of this Agreement, be dealt with by the constituent state from which the claimant hails.

Article 13 *Entry into force and implementation*

1. This Agreement shall enter into force upon approval by each side at separate simultaneous referenda conducted in accordance with the Agreement and the signature by Greece, Turkey and the United Kingdom of the Treaty on matters related to the new state of affairs in Cyprus.
2. Upon entry into force of this Agreement and the Treaty related to the new state of affairs in Cyprus, there shall be ceremonies throughout the island at which all flags other than those prescribed in the Constitution are lowered, the flags of the United Cyprus Republic and of the constituent states raised in accordance with the Constitution and 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.

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

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

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

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.