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FSC.EMI/266/22
30 June 2022

ENGLISH only



PERMANENT MISSION OF THE REPUBLIC OF CYPRUS
TO THE OSCE
VIENNA

Ref: 24.32.006
No. OSCE: 14 /22

NOTE VERBALE

The Permanent Mission of the Republic of Cyprus to the Organisation for Security and Cooperation in Europe (OSCE) presents its compliments to the Permanent Missions and Delegations of the OSCE participating States and to the Conflict Prevention Centre, and has the honour to submit the responses of the Republic of Cyprus to the “Questionnaire on Participating States’ Policy and/or National Practices and Procedures for the Export of Conventional Arms and Related Technology” for the year 2021, in accordance with FSC.DEC 20/95.

The Permanent Mission of the Republic of Cyprus to the OSCE avails itself of this opportunity to renew to the Permanent Missions and Delegations of the OSCE participating States and to the Conflict Prevention Centre, the assurances of its highest consideration. *fl*

Vienna, 29 June, 2022



- Permanent Missions and Delegations of the OSCE participating States
- Conflict Prevention Centre

Vienna

REPUBLIC OF CYPRUS

Questionnaire on Participating States' Policy and/or National Practices and Procedures for the Export of Conventional Arms and Related Technology

OSCE participating States are requested to provide details of:

1. Their basic principles, policies and/or national practices on the export of conventional arms and related technology.

One of the objectives of the Foreign and Security policies of the Republic of Cyprus is to contribute to international efforts in non-proliferation, disarmament and arms control. Illegal transfers of Conventional Arms and Related Technology rank high on the list of objectives of the Cyprus export control regime. Moreover, Cyprus has been consistent in its support of multilateral cooperation and safeguards in export controls and export control regimes pertaining to illegalities in the transfer of arms and related technologies.

Since 2000, Cyprus has been a member of the Nuclear Suppliers Group and Australia Group, and has applied for membership to the Missile Technology Control Regime (MTCR) and the Wassenaar Arrangement, both since 2003. Progress on our application is, unfortunately, being blocked by Turkey.

2. Their national legislation governing the export of conventional arms and related technology. If applicable, report changes and/or updates to the data provided in 1995, including any relevant subsidiary legislation.

European Union acquis binds Cyprus and is applied to all Cypriot territory under its jurisdiction. Dual use items are regulated by EU export controls (EU regulation 428/2009) includes a legally binding list of controlled items, including those listed in the four export control regimes (Wassenaar Arrangement, Australia Group, MTCR, and Nuclear Suppliers Group). A Council Common Position 944/2008 defines common rules and regulations on exports of military technology and other related items.

On the basis of Ministerial Order 522/2011 on Military Equipment, the EU Common Military List was incorporated in the "Controlled Goods List". In addition, Ministerial Order 312/2009, regarding dual use items, on the basis of the Defense (Export of Goods) Regulations of 1993, was passed in order to implement EU Regulation 428/2009, which set up the regime for the control of exports, transfer, brokering and transit of dual-use items.

3. Any international agreements or guidelines, other than OSCE commitments, covering the export of conventional arms to which they are a party.

As a member state of the European Union, Cyprus implements the requirements of Council Common Position CFSP/944/2008.

4. The procedures for processing an application to export conventional arms and related technology:

- **who is the issuing authority?**
- **what other authorities are involved and what is their function?**
- **who deals with compliance?**

In line with Regulation no. 522/2011, the export, transit, transshipment and brokering services of arms and military equipment or technologies, require an authorization, which is issued by the Licensing Section of the Ministry of Energy, Commerce and Industry (MECI). The aforementioned section of MECI also regulates the export, transit and brokering of dual use goods and technologies, on the basis of Ministerial Order 312/2009. The Licensing Section is also entitled to issue regulations defining the goods that are to be included in the "Controlled Goods List".

The Licensing Section at MECI carries out consultations with other relevant government authorities in its evaluation of license requests. In order to ensure that a comprehensive evaluation of the licensing requests was carried out, and to implement all controls for non-listed items, the Republic of Cyprus established a Committee in 2011, which meets at the request of the Licensing Section and examines the requests. The Committee comprises representatives from the Ministries of Foreign Affairs, Finance, Justice and Public Order, MECI, Defense, Health, Labor and Social Insurance, and the Police.

5. Lists of conventional weaponry under national export controls and the basis for their control. If applicable, report changes and/or updates to the data provided in 1995.

All military weapons, equipment and items that are included in the Common Military List of the European Union are under the export controls of Cyprus.

6. Principles and national regulations on the destination or end-user of the equipment. Is there a complete erga omnes system or a published list of

- **destinations of concern?**
- **embargoed countries?**
- **differentiation between destinations (e.g., is there any preferential treatment of (groups of) countries)?**

Cypriot authorities examine the issuance of export licenses on a case-by-case basis and in adherence to the UN sanctions and EU restrictive measures, as well as against the set of criteria included in the Council Common Position 944/2008 and Domestic Laws, such as:

- UN Security Council Resolutions (Sanctions)
- UN or EU embargoed countries
- Guidelines of international organizations and regimes where Cyprus is a member
- International Conventions Cyprus has ratified
- Need for peace, security and stability, internationally.

- National Security.
- Any likelihood of suspicions that the items/goods may be sent to a different destination than the one stated on the application for export or transshipment.
- Compatibility of the item/good exported or transshipped with economic and technical realities of the purchasing country.

7. Requirements for the provision of an end-user certificate in an export license application, or of non-re-exportation clauses, or of any other type of certification before and after delivery for conventional arms export contracts. If applicable, please specify any verification of the end-user certificate and/or non-re-exportation clauses before and after delivery.

In accordance with the Regulations of 2011, regarding the export, brokering and technical assistance related to controlled military equipment, the issuing of an export or brokering license requires the submission to the relevant authorities of the following documents:

- Copies of invoices.
- Export licenses from the country of origin.
- End user certificate from the country of destination.

The end user certificate must contain a non re-export clause. Following delivery of the items/goods, the exporter must provide MECI with evidence that the military equipment arrived at the country of final destination, certified by the competent authority of the country of final destination.

8. National definition of transit and transshipment (including free zones) of conventional arms, together with associated national legislation and compliance procedures.

In line with the provisions of the European Customs Code (Regulation 2913/1992) and Customs Code Law No. 94[I] of 2004.

9. The procedures governing companies wishing to export arms. Are companies obliged to seek official governmental authority to enter into contract negotiations or to sign contracts with foreign customers?

Since there are no companies producing military equipment in Cyprus, there is no requirement to seek official government authority to enter into contract negotiations or sign contracts with foreign customers.

10. Policy on the revocation of export licenses once they have been approved; please list any published regulations.

The Ministry of Energy, Commerce and Industry may suspend, revoke, or if necessary, prevent items covered by a valid export authorization from leaving Cyprus or pass via its territory, if there are grounds for suspicions that:

- There is risk that the items/goods will be diverted from the approved end use and end user.
- There is relevant information that was not considered at the time the authorization was granted.
- Circumstances have significantly changed since the authorization was granted.
- International conditions changed since the granting of the authorization.

11. The penal and administrative implications for any exporter failing to comply with national controls. If applicable, report changes and/or updates to the data provided in 1995.

The Customs Code Law no. 94[I] of 2004 stipulates in Article 100 the following: "When a person with an act or omission contravenes prohibitions or restrictions provided by the customs or other legislation, [s/he] shall be guilty of a criminal offence and shall be liable to a fine not exceeding €3417 or to imprisonment not exceeding three years or both penalties."

The import and export of controlled items and the performance of controlled activities Law no. 1[1] of 2011 provides for up to three years imprisonment or €100,000 fine, or for both penalties, for any failure to comply with the law. A violating company's directors, employees, partners and other associates also bear responsibility, while the goods involved, may be confiscated.

12. Any circumstances in which the export of arms does not require an export license.

All exports of armaments require a license, at all times.

13. Licenses for temporary export (e.g., demonstrations or testing), the period allowed and any special conditions attached to the license, including verification of return procedures.

Cyprus is not an arms producing country, therefore there are no such provisions in the legislation.

14. License documents and any standard conditions attached to it (copies to be provided).

Copies are available on the website of the Ministry of Energy, Commerce and Industry. http://www.meci.gov.cy/meci/trade/ts.nsf/page16_gr/page16_gr?OpenDocument&Start=1&Count=1000&Expand=4

15. Different types (e.g. individual, general, restricted, full, permanent, etc.) of licenses and what they are used for.

Cyprus has only one type of export license for military equipment. The license is specific and non-transferable, is valid for a single shipment and for a six month period.

16. Advice given to exporters as to the likelihood of approval for a possible transaction.

An exporter is welcome to consult the Ministry of Energy, Commerce and Industry prior to entering into a contract to export military equipment through Cyprus.

17. The average number of export licenses issued annually and the staff engaged in the export licensing procedure.

Cyprus has no indigenous arms manufacturing and therefore the number of export licenses per annum is very limited. These mainly involve re-exported or transshipped military equipment. Administrative staff and experts from the agencies named in answer to Question 4, are involved in the license processing.

18. Any other relevant information pertaining to the export of conventional arms and related technology, e.g., additional laws, reports to Parliament, special procedures for certain goods.

Not applicable.

19. Are all guidelines governing conventional arms transfers nationally published?

Legislation is published in the Official Gazette of the Republic of Cyprus and relevant releases are made in the media. Moreover, relevant updates are sent to the various commercial associations and Chambers of Commerce.