

Cyprus Satisfies U.S. Legal Requirements for Arms Exports

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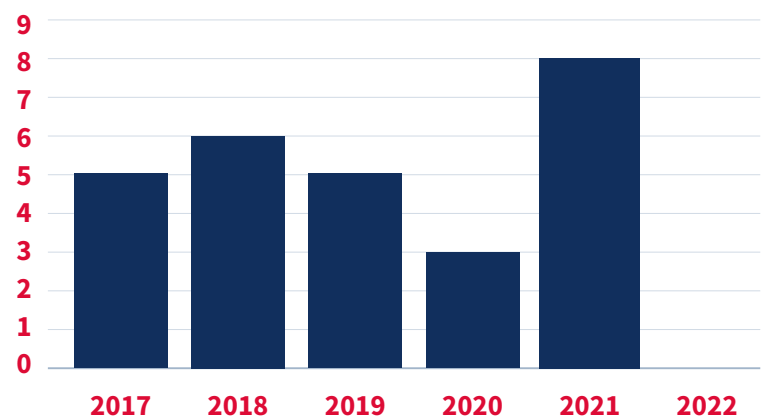
Cyprus is an important U.S. partner in the Eastern Mediterranean for energy security, economic development, and impeding Turkish and Russian aggression. However, U.S. law currently prohibits providing Cyprus with needed U.S.-made weaponry so long as it receives Russian foreign direct investment and allows Russian naval vessels to use its ports for resupply and refueling. Cyprus has now fulfilled these requirements. After U.S. and EU pressure, Cyprus took steps to strengthen its anti-money laundering regulations and, since Russia’s invasion of Ukraine, has ended scheduled visits from Russian naval ships. President Biden should recognize Cyprus’s progress in these two areas and lift arms export restrictions so long as Cyprus continues to abide by U.S. requirements.

What Happened?

- In the [FY2020 National Defense Authorization Act \(NDAA\)](#), Congress required Cyprus to cooperate on anti-money laundering efforts and block Russian naval vessels from accessing its ports as the conditions for lifting a U.S. arms sale ban that has been in place since 1987.
- On May 7, 2022 the Cypriot Foreign Ministry [claimed](#) that Cyprus has fulfilled the requirements for the United States to lift its embargo.
 - » Cyprus has taken substantive anti-money laundering measures, including ending its [“Golden Visa”](#) program in November 2020.
 - » Cyprus has suspended Russian visits to its ports since Putin’s invasion of Ukraine. Russian naval ships last visited Cyprus in November 2021, and no new Russian port visits have occurred since [Russia’s invasion of Ukraine](#) began. Instead, Cyprus denied Russian ships access to its ports, including on March 5 at the port of [Limassol](#).
 - » On May 31, 2022, Chair of the U.S. Senate Foreign Relations Committee Bob Menendez called for the [full removal](#) of the “anachronistic” arms embargo, which he said would allow Cyprus to “ultimately modernize its defense capabilities and further integrate with EU and U.S.”

Russian Naval Visits to Cypriot Ports Per Year

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Why Is It Important?

- Cyprus is an important U.S. partner in the Eastern Mediterranean that has fulfilled the conditions for ending the U.S. arms ban as outlined in the FY2020 NDAA.
 - » Cyprus’s geostrategic location in the Eastern Mediterranean, a region increasingly important due to off-shore natural gas discoveries and as a nexus of great power competition, makes it a critical U.S. partner against Russia’s growing presence in the region and Turkey’s unreliable foreign policy. Arming Cyprus with U.S. weaponry would bolster its capabilities to provide greater energy security and deterrence against Russian and Turkish belligerency.
 - » The United States and Cyprus have strong military-to-military relations.
 - Cyprus hosts 10-12 U.S. port visits per year and roughly six joint U.S.-Cypriot exercises, according to sources with knowledge of the visits.
 - Cyprus is part of the International Military Education and Training (IMET) program with the United States, has access to non-lethal U.S. origin defense articles controlled under the International Traffic in Arms Regulation (ITAR), and has been accepted into the National Guard’s State Partnership Program.
 - » Taking action to allow U.S. weapons to be sold to Cyprus is also prudent, given the Biden administration’s recent willingness to sell new F-16s to Turkey, despite Turkish officials making threatening statements toward Cyprus and Greece.
 - In June, [Cyprus accused Turkey](#) at the United Nations of trying to exert control over northern Cyprus by providing financial support to Turkish Cypriots and designating the airport there as a domestic flight route.
 - The House of Representatives’ version of the FY2023 NDAA [adds restrictions](#) on the transfer of F-16s to Turkey.
- With the intention of pushing for a diplomatic solution after Turkey’s invasion of Cyprus in 1974, Congress amended the [1961 Foreign Assistance Act](#) in 1987 to include a restriction on arms that would be used in Cyprus.
 - » However, the island of Cyprus remains divided, and the ban has also been a contributing factor driving closer relations between Nicosia and Moscow.
- Sec. 1250A of the [FY2020 NDAA](#), titled “Limitations on the Transfer of Articles on the United States Munitions List to the Republic of Cyprus,” restricted the lifting on the prohibition of “exports, re-exports, or transfers of defense articles on the United States Munitions List to the Republic of Cyprus” unless the president certifies that Cyprus:
 - » “...is continuing to cooperate with the United States Government in efforts to implement reforms on anti-money laundering regulations and financial regulatory oversight;” and
 - » “...has made and is continuing to take the steps necessary to deny Russian military vessels access to ports for refueling and servicing.”

- While U.S. officials had pushed Cyprus to fulfill the FY2020 NDAA requirements, in February 2020, the Trump administration announced it would [partially lift the embargo](#) starting in October 2020 for one year to allow the sale of “non-lethal defense articles and defense services.” The Biden administration [renewed the waiver](#) in September 2021 through September 30, 2022. However, the Defense Security Cooperation Agency (DSCA) has not announced any defense article or service sales to Cyprus since the waivers were lifted.
- These congressionally mandated requirements are designed to ensure that Cyprus take steps against Russia’s destabilizing regional policies.
 - » Russian ships have historically visited Cypriot ports numerous times a year with Cypriot officials emphasizing the value of them and relations with Moscow.
 - In February 2015, Russia and Cyprus [signed an agreement](#) permitting Russian military ships to access Cypriot ports, providing critical access in the Mediterranean as Moscow looked to counter U.S. and NATO naval dominance in the region.
 - In September 2020, Cypriot President Anastasiades [claimed](#) that Russian ships calling at Cypriot ports “are always welcome for as long as they are not using any of our ports to attack our neighbors.”
 - In October 2020, Cypriot Defense Minister Charalambos Petrides [stated](#) Russia “is a country with which we have had excellent cooperation over time, and I assure you that there is no question of terminating this cooperation... We look forward to a substantive and productive partnership.”
 - Russian vessels berthed at Cypriot ports at least eight times between January 2021 and November 2021. In previous years, they recorded at least five visits in 2017, six in 2018, five in 2019, and three in 2020.
 - » U.S. officials have criticized the port visits, claiming that they contribute to Russia’s military efforts abroad and prohibit further American-Cypriot security cooperation.
 - In May 2020, U.S. Deputy Assistant Secretary of State for European and Eurasian Affairs Matthew Palmer [stressed](#) that “the United States continues to urge a halt in Russia’s regular navy port calls to the ROC. There is no doubt these vessels contribute to destabilizing actions in Syria.”
- Cyprus’s anti-money laundering measures, including [suspending the “Golden Visa” program, stripping citizenship](#) of sanctioned Russian billionaires who acquired Cypriot passports through the program, and complying with [EU regulations against terror financing](#), satisfy the requirement in the FY2020 NDAA.
- In March 2022, Cyprus [informed](#) Russia that it was suspending its usage of Cypriot ports because of “the depressing developments in Ukraine,” a reference to Russia’s unprovoked invasion on February 24.
 - » That month, Cypriot Shipping Deputy Minister Vassilios Demetriades stated that Cyprus would [bar Russian ships](#) from the Cypriot flag registry.
 - » There were reportedly five visits scheduled to occur as of October 2021. One of those visits took place on November 17, while the others that would have occurred on undisclosed dates were cancelled after Russia’s invasion of Ukraine on February 24, 2022.

» Cyprus’s decision to cancel them at least temporarily satisfies the requirement to restrict Russian access to its ports. It is not clear whether Cyprus would be willing to approve Russian naval visits to its ports if Russia’s invasion of Ukraine ends.

Russian Naval Visits to Cypriot Ports Since 2018



What Should the United States Do Next?

- President Biden, after consultation with the U.S. State Department, Department of Defense, and Treasury, should determine that Cyprus has fulfilled its obligations under Sec. 1250A of the FY2020 NDAA. The president's determination should lift the arms ban for one year pending an additional determination that Cyprus has continued its anti-money laundering cooperation and restricting access to Russian naval vessels.
 - » Any arms transfers from the United States that result from the ban being lifted should reflect Cyprus's willingness to abide by those conditions.
 - » The United States should seek clarity from Cyprus about the decision to restrict Russian naval visits to its ports, and whether the Cypriot government intends this as a temporary policy or if it will once again approve the trips if the Russia's invasion of Ukraine ends.
- If President Biden does not quickly issue a determination that Cyprus has fulfilled its obligations under the FY2020 NDAA, Congress should send a letter to the President requesting an explanation for the delay, pass legislation directing the Biden administration to issue a report or deliver a briefing within 90 days explaining its reasoning for failing to issue a determination and any outlining any remaining impediments that would prevent the issuing of such a determination, or amend the FY2020 NDAA requirements provision directly to remove the arms ban for one year.
- If the Biden administration assesses that Cyprus has fulfilled and agrees to continue abiding by its obligations under the FY2020 NDAA, the United States should assist Cyprus to replace its aging Russian military hardware with U.S. or Western arms, including replacing:
 - » Helicopters;
 - » 120 T-80 tanks;
 - » TOR-M1 and BUK air defense systems; and
 - » Armored personnel carriers.
- The Biden administration should also explore supplying Cyprus with coastal patrol vessels and other naval equipment to defend territorial waters and offshore energy resources. The United States should also consider sending a Coast Guard deployment to the Eastern Mediterranean to conduct joint patrols as it does with Patrol Forces Southwest Asia (PATFORSWA) in the Middle East.
- Congress should increase funding for IMET assistance to Cyprus to strengthen military relations as Cyprus switches to U.S.-made weaponry.
- The U.S. State Department should push for a long-term strategic relationship with Cyprus that builds on the foundation of the 3+1 process and creates bilateral defense cooperation and interoperability of weapons.