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Info

FROM: NICOSIA

TO: Secretary of State

NO: 595, MAY 27, NOON

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BASIC STATUTE IS MOTOR VEHICLES AND ROAD TRAFFIC (AMENDMENT) LAW PUBLISHED AS SUPPLEMENT NUMBER 2 TO CYPRUS GAZETTE 4246 DATED JULY 20, 1959. PROVIDES FEE FOR ONE-TIME VEHICLE REGISTRATION, ANNUAL VEHICLE LICENSE FEE (CIRCULATION OR ROAD TAX), AND ANNUAL DRIVER'S LICENSE FEE. ORDER IN COUNCIL NUMBER 3084 OF SAME DATE EXEMPTS VEHICLES OF SPECIFIED OWNERS (MOSTLY THOSE OF COLONIAL ADMINISTRATION) FROM FEES BUT DOES NOT EXEMPT VEHICLES OF THEN AMCONGEN OR OTHER AMERICAN INSTALLATIONS. EXEMPTION WAS HOWEVER GRANTED ON BASIS US-UK CONSULAR CONVENTION AND EX GRATIA CONCESSIONS BY COLONIAL ADMINISTRATION (SEE NICOSIA D-221, MARCH 2, 1962).

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LAW TO AMEND MOTOR VEHICLE AND TRAFFIC LAW (LAW NUMBER 122) OF DECEMBER 7, 1962 AMENDS BASIC COLONIAL LAW TO PROVIDE EXEMPTIONS FOR VEHICLES OF GOVT OF CYPRUS, GREEK AND TURKISH COMMUNAL CHAMBERS AND FOREIGN MISSIONS. PERTINENT PROVISIONS ARE PARAGRAPH 14A B WHICH PROVIDES THAT "NO FEE OR TAX... WILL BE PAID ON THE REGISTRATION OR EXPIRATION OF LICENSE OF ANY MECHANICAL VEHICLE (II) BELONGING TO ANY PERMANENT OFFICER OF THE REGULAR DIPLOMATIC AND CONSULAR SERVICE OF ANY FOREIGN POWER WHO IS UNDER SERVICE IN THE REPUBLIC" AND PARAGRAPH 14B WHICH PROVIDES THAT SENDING STATE MUST GRANT RECIPROCAL EXEMPTION TO "PERMANENT OFFICERS OF REGULAR DIPLOMATIC AND CONSULAR SERVICE" OF CYPRUS.

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PRESENT RATES FOR AUTO REGISTRATION FEE ARE DOLS 28 FOR CAR

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State Dept. review completed

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-2- 595, MAY 27, NOON; FROM NICOSIA

UNDER 5 CWT (112 LBS PER CWT) TO DOLS 140 FOR CAR OVER 25 CWT. FOR CIRCULATION LICENSE FROM DOLS 14 PER ANNUM FOR CAR UNDER 5 CWT TO DOLS 92.40 FOR CAR OVER 25 CWT. FOR DRIVER'S LICENSE DOLS 2.80 PER ANNUM.

COMMENT: WE BELIEVE FONMIN MIGHT CONSTRUE "PERMANENT OFFICER OF REGULAR DIPLOMATIC AND CONSULAR SERVICE" BROADLY ENOUGH TO INCLUDE SOME AMERICAN EMPLOYEES WHO WOULD BE "ADMINISTRATIVE AND TECHNICAL PERSONNEL" UNDER VIENNA CONVENTION PROVIDED SUCH EMPLOYEES APPEARED TO FONMIN TO BE "CONCERNED WITH US-CYPRUS RELATIONS" AND THUS EXEMPT FROM TAXATION ON BASIS CRITERION FONMIN WOULD LIKE TO ESTABLISH. THUS WE BELIEVE FONMIN WOULD BE LIBERAL IN GRANTING TAX EXEMPTION TO OFFICERS AND STAFF OF EMBASSY IN LIMITED SENSE (INCLUDING OFFICERS AND STAFF OF POLITICAL, ECONOMIC, AND CONSULAR SECTIONS, ADMINISTRATIVE SECTION OF EMBASSY PROPER, USIS, AND ARMA) BUT NOT IN GENERAL TO PERSONNEL OF ANNEXES (RRO, NAVFAC, AND FBIS). AID AND PEACE CORPS PERSONNEL COVERED BY SEPARATE BILATERAL AGREEMENTS. PICTURE IS LEAST CLEAR WITH RESPECT TO FONMIN ATTITUDE TOWARDS RRO PERSONNEL AND MARINE GUARD. WE BELIEVE IT LIKELY TAX EXEMPTION COULD BE OBTAINED FOR SIX RRO OFFICERS WITH DIPLOMATIC PASSPORTS.

WHILE WE CANNOT BE CERTAIN OF CATEGORIES AND NUMBERS OF PERSONS FOR WHOM WE COULD EVENTUALLY OBTAIN EXEMPTION IN DISCUSSIONS WITH FONMIN OUR VERY ROUGH ESTIMATE IS THAT ONLY ABOUT 50 OUT OF ABOUT 470 AMERICAN OFFICERS AND PERSONNEL WOULD BE GIVEN TAX EXEMPTION.

SCP-3.

WILKINS

JTC

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