PANORAMIC

DISPUTE RESOLUTION

Cyprus

LEXOLOGY

Dispute Resolution

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Bird & Bird

Generated on: July 2, 2025

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LITIGATION

Court system
What is the structure of the civil court system?

All civil dispute claims are initiated in the District Courts of Cyprus. Judges in the district courts are ranked as district judges, senior judges and presidents of the District Court. Claims are being allocated based on the claim value, up to €100,000, €100,000 to €500,000 and over €500,000 respectively. However, district and senior judges have also jurisdiction with respect to some property claims and claims relating to credit institution bonds bought between 2008 and 2013. Also, senior judges also have jurisdiction over accident claims and compulsory acquisition claims.

In 2022, a major reform of the Cypriot Court system took place, leading to the division of the Supreme Court of Cyprus into a Supreme Constitutional Court and a new Supreme Court as a third-tier appellate court. Moreover, the Court of Appeal was established as an intermediate appellate court. Additionally, Law 69(I)/2022 has been adopted, providing for the establishment of two new specialised courts, the Commercial Court and the Admiralty Court.

Law stated - 6 June 2025

Judges and juries
What is the role of the judge and the jury in civil proceedings?

The Cypriot legal system is adversarial, as judges oversee that the trial adheres to procedural norms and that evidence is admitted in accordance with established evidentiary rules. There is no trial by jury in Cyprus.

Significantly, the introduction of the new Civil Procedure Rules 2023 (CPR) is expected to enhance the role of the judges, in the sense that they are granted more powers in respect to controlling the court proceedings, ensuring that no unreasonable extensions are requested by the parties, which may cause unreasonable delays to the progress of the proceedings.

Law stated - 6 June 2025

Limitation issues
What are the time limits for bringing civil claims?

The limitation periods for bringing civil claims are provided in the Law 66(I)/2012 (the Limitation Law). The general limitation period for claims founded on tort or contract is six years. However, shorter limitation periods apply for specific torts, such as negligence (three years), nuisance (three years), breach of statutory duty (three years), defamation (one year) and malicious falsehood (one year).

It is noted that there is no provision in the Limitation Law allowing for parties to agree to suspend time limits. Section 13 of the Limitation law, however, states that a limitation period is suspended in the following circumstances:

- for as long as a claimant was prevented by reason of force majeure from bringing the claim within the last six months of the limitation period;
- for as long as within the last six months of the limitation period the defendant or a person for whom the defendant is liable prevented the claimant from bringing a claim;
- in the event of death of a beneficiary to bring a claim, the suspension shall last until three months after the appointment of an executor or administrator of the deceased' estate;
- where, in accordance with the provisions of the applicable law on mediation, mediation is deemed to have been initiated and for the duration of such procedure.

Moreover, the court may extend a limitation period for up to two years if it considers this to be just and reasonable. This is subject to the provision that no claim may be brought after the expiration of 10 years from the date on which the relevant cause of action was completed.

The limitation periods prescribed in the Limitation Law do not affect the limitation periods with respect to specific types of claims prescribed in other statutes.

Law stated - 6 June 2025

Pre-action behaviour

Are there any pre-action considerations the parties should take into account?

With the new CPR, pre-action protocols must be followed before legal proceedings are commenced. Regarding claims for a liquidated sum, the claimant must send to the proposed defendant a demand letter, which shall include details of the facts on which the claim is based, any relevant documentation, the outstanding amount owed to the claimant, as well as any legal interest, if applicable. The proposed defendant must respond within 14 days of receiving the demand letter, and if they do not admit the claim, they should set out the reasons why the claim is not admitted, attaching all relevant documentation relating to the claim. The same applies with respect to claims arising from traffic accidents or claims for personal injury, with the proposed defendant responding within 28 days of receipt of the letter.

In circumstances where the claim to be brought does not fall within any of the above prescribed protocols, the claimant must still send a demand letter to the proposed defendant, setting out the details of the claim.

Courts may take into account the parties' failure to comply with the pre-action conduct and impose sanctions on them, such as costs.

Law stated - 6 June 2025

Starting proceedings

How are civil proceedings commenced? How and when are the parties to the proceedings notified of their commencement? Do the courts have the

capacity to handle their caseload? Do the courts charge a fee for starting proceedings or issuing a claim?

There are two methods of commencing civil proceedings under the new CPR. The first one involves the filing of a claim form, in accordance with Part 7 of the CPR. The second involves the filing of a claim form pursuant to an alternative procedure set out in Part 8 of the CPR, where there is no material dispute as to fact, or where this is required by a specific rule.

As regards the method of service to the defendant, any pleading and other court document must be served by a private process server. However, the claim form may be served within the jurisdiction to the defendant by such method and such place as the parties have agreed in writing.

Until the reform that took place in the Cypriot legal system, the accumulated backlog of cases severely affected the efficiency of the Cypriot justice. The reform of the Cypriot legal system and the introduction of the new CPR aims to clear the backlog of cases with a view to accelerating the administration of justice.

With respect to the fees for starting proceedings or issuing a claim, the amount of such fees depends on the scale of the claim.

Law stated - 6 June 2025

Timetable

What is the typical procedure and timetable for a civil claim?

Once a claim form is filed by the claimant, if the statement of claim is not filed together with the claim form, then it must be filed within 28 days from service of the claim form on the defendant. If the claim form is served on the defendant and states that a statement of claim will follow, the defendant must file a memorandum of appearance within 14 days of service of the statement of claim on them. Alternatively, the defendant files a memorandum of appearance within 14 days of service of the claim form.

Once a statement of claim is filed, the defendant must file their defence within 28 days from the filing of the memorandum of appearance. It is noted that the court has the power to extend the time of filing of the defence. Any reply to the defence (or defence and counterclaim) must be filed by the claimant within 14 days of the delivery of the defence to them.

Once the pleadings are concluded, the case proceeds to the case management stage.

Law stated - 6 June 2025

Challenging the court's jurisdiction

Can the parties challenge the court's jurisdiction? If so, how can parties do this? Can parties apply for anti-suit orders and, if so, in what circumstances?

The defendant who wishes to challenge the court's jurisdiction may file an application, supported with evidence, to the court within 14 days of the filing of the defendant's memorandum of appearance stating that they intend to challenge the jurisdiction.

As regards anti-suit orders, such orders are issued in exceptional circumstances only. According to Cypriot case law, anti-suit orders are approached with great circumspection and are subjected to thorough investigation.

Law stated - 6 June 2025

Case management

Can the parties control the procedure and the timetable? Can they extend time limits?

Following the introduction of the new CPR, when a claim or application is filed, the parties need to agree on specific time frames that will include when supplementary affidavits will be filed, as well as whether any other applications may be filed in the framework of the proceedings. If the parties are unable to agree on the specific time frames, the court then has the power to determine the time frame of the court proceedings.

As per Rule 2.11 of the new CPR, the parties may extend any deadline except the deadline to file their pretrial catalogue, the date of the hearing, the period over which the trial takes place and any action that the court has determined a sanction in relation to it.

Law stated - 6 June 2025

Evidence – documents

Is there a duty to preserve documents and other evidence pending trial? Must parties share relevant documents (including those unhelpful to their case)?

Parties have a duty to preserve documents and other evidence pending trial. If a party suspects that the other party may destroy documents pending trial, it may apply for a court order preventing the other party from destroying, such documents, as well as for an ancillary disclosure order seeking the disclosure of such documents. If a party fails to make such disclosure, then they may not at a later stage present such documents as evidence in the trial.

A party must disclose all documents that are in their possession, custody, or control and that they intend to rely for their case or that are necessary for the other parties and the court to understand their case. As a matter of principle, parties have a duty to share all relevant documents, even those that are detrimental to their case.

If a party validly believes that the other party is in or has been in possession of a document that is relevant and material for the outcome of the proceedings, then it may apply for specific disclosure of such a document or category of documents.

Law stated - 6 June 2025

Evidence – privilege

Are any documents privileged? Would advice from an in-house lawyer (whether local or foreign) also be privileged?

As a general rule, privileged documents are required to be included in the list of disclosed documents. However, the party making the disclosure may object to their inspection and production by stating that they are privileged.

This usually applies for documents covered by privilege, such as legal privilege, without prejudice communication, documents that may self-incriminate a party and other documents of confidential nature.

Although any legal advice obtained by a practising lawyer who is a member of the Cyprus Bar Association is considered to be privileged, this is not entirely clear with respect to in house lawyers, who are not members of the Cyprus Bar Association. Although there is no Cypriot case on the matter, according to EU case law, legal privilege does not cover communications between clients and their in-house lawyers as there should be no employment relationship between the client and the lawyer.

Law stated - 6 June 2025

Evidence – pretrial

Do parties exchange written evidence from witnesses and experts prior to trial?

Pursuant to the CPR, the court orders each party to serve on the opposing parties any witness statement on which the party intends to rely in court proceedings. The court may give instructions as to the order in which the witness statements will be served as well as whether such witness statements must be filed.

Law stated - 6 June 2025

Evidence – trial

How is evidence presented at trial? Do witnesses and experts give oral evidence?

The hearing of a trial in Cyprus is conducted in three stages, being the examination in chief, the cross-examination and the re-examination of a witness.

In civil trials, the general rule is that any fact needed to be proven with evidence by a witness, must be proven during the trial, either with an oral or written statement. Following the examination in chief, a witness may be cross examined on their witness statement by the opposing party.

As regards expert witnesses, the general rule is that the evidence of an expert witness is presented in the form of a written report, unless the court orders otherwise. Then cross-examination will take place with respect to the expert witness' written report.

Law stated - 6 June 2025

Interim remedies

What interim remedies are available?

Cypriot courts have wide powers to issue a range of interim remedies in support of civil proceedings, such as:

- freezing orders, prohibiting the respondent from removing or disposing any assets until the final determination of the action;
- ancillary disclosure orders, disclosing the respondent's assets for the purpose of policing the freezing orders granted;
- search orders, ordering persons in control of premises to allow permit an independent supervising advocate, so that they may search for, inspect and obtain copies of relevant documents;
- Norwich Pharmacal orders, ordering the respondents who are mixed up in a wrongdoing to disclose relevant information to enable the applicant to issue court proceedings against the wrongdoer; and
- Chabra orders, prohibiting and preventing the respondent, who holds assets as a trustee for the defendant, respondent from removing any assets or disposing of any assets until the final determination of the action.

The above interim relief may be granted by the courts when the conditions set out in section 32 of the Courts of Justice Law 1960 are met. The amendment of section 32 of the Courts of Justice Law 1960 in 2023 expanded Cypriot courts' jurisdiction to issue interim relief in the framework of judicial or arbitral proceedings that have been, are being or will be initiated within or outside the jurisdiction of Cyprus.

Law stated - 6 June 2025

Remedies

What substantive remedies are available?

Cypriot courts have wide powers to award all remedies available under common law and the principles of equity. Such remedies include:

- compensatory damages, for the damages sustained by the injured party;
- court orders ordering specific performance;
- declaratory court orders;
- restitutionary damages in equity; and
- exemplary or punitive damages, intended to punish the defendant and deter them from similar conduct in the future.

With respect to the above remedies, interest is usually payable on a monetary judgment as provided by section 34 of the Courts of Justice Law.

Law stated - 6 June 2025

Settlement

Are there any rules governing the settlement process? Can parties keep settlement discussions confidential from the court?

Pursuant to Part 35 of the new CPR, any party may submit an offer for settlement for the whole or part of a claim, as a 'without prejudice' offer, reserving, however, their right to communicate the terms of the offer to the court, following the issuance of a court judgment.

The procedure for the costs when an offer for settlement is not accepted is as follows.

- When the defendant submits an offer for settlement that is not accepted and (1) in the case of an offer to settle a claim for money or damages, the court awards an amount less than the total amount of the defendant's offer or (2) the court finds that the claimant acted unreasonably in not accepting the defendant's offer, the claimant shall pay any costs incurred by the defendant after the last date on which the offer could have been accepted in accordance with its terms.
- When the claimant submits an offer for settlement that is not accepted and (1) in the case of an offer to settle a claim for money or damages, the court awards an amount equal or greater than the amount of the offer or (2) the court finds that the defendant acted unreasonably in not accepting the claimant's offer, the court may, in exercising its discretion in relation to the question of the award of interest, take into account the defendant's refusal to accept the claimant's offer.

It is noted that offers for settlement may be made outside the scope and framework of Part 35 and will not be subject to the consequences of Part 35.

Law stated - 6 June 2025

Enforcement

What means of enforcement are available?

Pursuant to section 14 of the Civil Procedure Law, Cap. 6, any judgment or order of the court ordering the payment of money may be enforced by all or any of the following means:

- by seizure and sale of movable property;
- by sale of or making the judgment a charge on immovable property;
- by sequestration of immovable property;
- by seizure of property in the hands of a third party; and
- by application to examine the judgment debtor and issuing an order for payment instalments.

Additionally in the context of a civil action, pursuant to section 42 of the Courts of Justice Law, the court has the power to compel compliance with a court order by way of a fine or imprisonment or attachment of property. Moreover, the court may award the person

in whose interest the order was granted with compensation as the court may consider appropriate.

Law stated - 6 June 2025

Public access

Are court hearings held in public? Are court documents available to the public? Are there circumstances in which hearings can be held in private? Is there a mechanism to preserve documents disclosed as part of the court process?

Most court hearings in Cyprus are held in public. However, pursuant to article 30 of the Constitution of Cyprus, the public may be excluded from a trial for reasons of public interest or for the interests of juveniles or for the protection of the private life of parties.

As regards court documents, these are not generally available to the public but only to the parties to the proceedings. A party may apply to the court for permission to inspect the court's file for a specific case, if it can show to the court that it has a legitimate interest in the case.

Law stated - 6 June 2025

Costs

Does the court have power to order costs? Are there any steps a party can take to protect their position on costs both before the start of proceedings and while proceedings are in progress?

The general rule is that the losing party is ordered by the court to pay the costs of the winning party. When the court issues a costs order, it takes into consideration a number of factors, such as the parties' conduct, whether the winning party succeeded in part of their case, even if not fully successful, as well as any acceptable offer for settlement submitted by a party that had been disclosed to the court and is not an offer in relation to which the consequences of Part 35 apply.

Pursuant to Part 26 of the new CPR, a claimant (and in relation to a counterclaim that is not only in the form of a set-off, a defendant), who is habitually resident outside of the EU or a member state of the EU may, at any stage of the proceedings, be ordered to provide security for costs even though they may be temporarily resident in Cyprus or a member state of the EU.

Law stated - 6 June 2025

Funding arrangements

Are 'no win, no fee' agreements, or other types of contingency or conditional fee arrangements between lawyers and their clients, available to parties? May parties bring proceedings using third-party funding? If so,

may the third party take a share of any proceeds of the claim? May a party to litigation share its risk with a third party?

No win no fee agreements or contingency agreements are not expressly prohibited by the Cyprus Code of Conduct. However, the Code of Conduct provides for general guidelines on how fees should be calculated. In any event, such an agreement is outside the scope of the court rules and specific mentioning must be made on the retainer.

As regards third-party funding, the Cypriot courts have not determined whether this practice is permitted or not. It is noted that a court will not issue a costs order against a third party who is not party in the proceedings, as this would be against public policy principles. That being said, third parties are not entitled to take a share of any proceeds of the claim, and parties may not share the risk of litigation with third parties. This is based on the rules against maintenance and champerty, which aim to prevent any abuse by parties which do not have any legitimate interest in an action. Although the UK courts started to take a more modern approach with respect to maintenance and champerty, Cypriot courts still adopt a narrow approach, stating that any assignment of civil torts are unlawful and against public policy.

Law stated - 6 June 2025

Insurance

Is insurance available to cover all or part of a party's legal costs?

Section 238 of Law on Insurance and Reinsurance and other Related Matters (Law 38(I)/2016), states that insurance is available for the purpose of covering (1) the loss or damage suffered by the insured person, either through an out-of-court settlement or through civil or criminal proceedings and (2) the defence or representation of the insured person in any legal proceedings of whatever nature brought against such person. Therefore, depending on the insurance agreement that exists between an insurance company and a party to proceedings, insurance may be available to cover all or part of the party's legal costs.

Law stated - 6 June 2025

Class action

May litigants with similar claims bring a form of collective redress? In what circumstances is this permitted?

Litigants with similar claims may be joined in a single action against the defendant in question. Pursuant to the CPR, where a claimant claims a relief to which another person is jointly entitled with the claimant, all persons jointly entitled to the remedy must be parties to the action, unless the court orders otherwise.

There are haven't been many class actions in our jurisdiction. There has been one case that involved claims that a factory in the area led to many people in the surroundings getting cancer. Although the case in the first instance was successful, the Supreme Court dismissed it on the merits.

Law stated - 6 June 2025

Appeal

On what grounds and in what circumstances can the parties appeal? Is there a right of further appeal?

Generally, court judgments can be appealed on points of law or fact. The appellant must file a notice of appeal within 42 days of the issuance of a final judgment or within 14 days of the issuance of an interim judgment. Following a reference from the Court of Appeal, the Supreme Court adjudicates on appeals against first instance judgments, on points of utmost public interest or of general public importance, or when there are conflicting judgments on the same point from the court of appeal.

As regards a right of further appeal to the Supreme Court, following a court of appeal's judgment, such right is limited in exceptional circumstances.

Law stated - 6 June 2025

Foreign judgments

What procedures exist for recognition and enforcement of foreign judgments?

Regulation (EU) No. 1215/2012 (Brussels I Regulation) is the applicable Regulation with respect to the recognition and enforcement of EU judgments. The Brussels I Regulation consists of a simplified procedure whereby an EU judgment is very easily enforceable in another EU member state without any declaration of enforceability being required.

Additionally, Cyprus has entered into a number of bilateral treaties with other countries, for the mutual recognition and enforcement of judgments. Such treaties exist between Cyprus and Russia, Ukraine, Georgia, Serbia, Belarus, Montenegro, Egypt and Syria.

Moreover, judgments issued in commonwealth countries may be recognised and enforced in accordance with the provisions of the Mutual Recognition of Certain Judgments of the Courts of Commonwealth Countries Law, Cap 10.

If judgments are issued in jurisdictions whereby none of the above provisions of the Brussels I Regulation, bilateral treaties or Cap 10 are available, then if the judgment concerns a definite sum, an action may be brought in common law, on the basis of that judgment.

Law stated - 6 June 2025

Foreign proceedings

Are there any procedures for obtaining oral or documentary evidence for use in civil proceedings in other jurisdictions?

Regulation (EU) 2020/1783 on taking of evidence lays down the rules on cooperation between the courts of different member states in relation to taking of evidence in civil or commercial matters. The Regulation applies in civil and commercial matters where a court of a member state requests (1) the competent court of another member state to take evidence, or (2) the taking of evidence directly in another member state. Such requests shall

contain, among others, the requesting and requested court, the details of the parties to the proceedings, the subject matter of the case and a description of the taking of evidence requested.

Moreover, Cyprus is a signatory to the Hague Convention on the Taking of Evidence Abroad in Civil or Commercial Matters, aimed at facilitating the transmission and execution of letters of requests to obtain evidence for use in civil proceedings in other jurisdictions.

With respect to requests made by courts of foreign jurisdictions that are not signatories to the Hague Convention, the provisions of Foreign Courts (Evidence) Law (Cap 12) apply.

Law stated - 6 June 2025

ARBITRATION

UNCITRAL Model Law

Is the arbitration law based on the UNCITRAL Model Law?

Domestic arbitration in Cyprus is governed by the Arbitration Law, Cap 4 ("Cap 4"), while the legislative framework with respect to international commercial disputes, is International Commercial Arbitration Law 101/1987 (ICA Law). The ICA Law is based on the UNCITRAL Model Law.

Law stated - 6 June 2025

Arbitration agreements

What are the formal requirements for an enforceable arbitration agreement?

For an arbitration agreement to be valid, it must be in writing.

Law stated - 6 June 2025

Choice of arbitrator

If the arbitration agreement and any relevant rules are silent on the matter, how many arbitrators will be appointed and how will they be appointed? Are there restrictions on the right to challenge the appointment of an arbitrator?

There are no provisions restricting the appointment of an arbitrator. On the contrary, according to the provisions of the ICA Law, the parties are free to determine the number of arbitrators as well as the procedure for their appointment. Unless otherwise agreed by the parties, any arbitrator may be appointed, regardless of their nationality. If the agreement is silent on the matter, the arbitration will be conducted by three arbitrators.

If an arbitration by three arbitrators is provided, each of the parties appoint one arbitrator, and the two arbitrators shall appoint a third arbitrator. If either of the parties fails to appoint an arbitrator within 30 days of receipt of a written request to that effect from the other party, or

if the two arbitrators fail to agree on the appointment of a third arbitrator within 30 days of their appointment, the arbitrator shall be appointed by the court at the request of the parties. The same applies when a single arbitrator is appointed.

Moreover, according to the provisions of the ICA Law, the appointment of an arbitrator may be challenged only if there are circumstances that give rise to justifiable doubts as to the impartiality of the arbitrator's judgment, or independence , or if the arbitrator does not have the qualifications agreed by the parties.

Law stated - 6 June 2025

Arbitrator options

What are the options when choosing an arbitrator or arbitrators?

There are no provisions in Cap 4 or the ICA Law limiting the parties' options when choosing an arbitrator. Any restrictions may be made in an arbitration agreement (eg, limiting the parties' options in accordance with the required qualifications of the arbitrator).

Law stated - 6 June 2025

Arbitral procedure

Does the domestic law contain substantive requirements for the procedure to be followed?

The ICA Law contains provisions of equal rights and obligations between the parties to the arbitration procedure. Nonetheless, parties may freely determine how the arbitration procedure shall be conducted.

Law stated - 6 June 2025

Court powers to support the arbitral process

What powers do national courts have to support the arbitral process before and during an arbitration?

Courts may intervene in the appointment of arbitrators at the request of a party. Additionally, the courts can support the arbitral process for the taking of evidence, or they can issue protective measures before or during the arbitration process.

Law stated - 6 June 2025

Interim relief

Do arbitrators have powers to grant interim relief?

In 2024, a notable legislative reform of the ICA Law took place. One of the most significant amendments in the ICA Law, is the amendment of section 17, with a new Part (IV), which

essentially provides for a clear framework for the issuance of interim relief by the arbitral tribunal.

Pursuant to the provisions of the ICA Law, unless the parties agree to the contrary, the arbitral tribunal may, at the request of one of the parties grant an interim relief. An interim relief measure can take any form, by which at any time before the final award is made, the tribunal may order one of the parties to:

- maintain the status quo until the final determination of the dispute;
- take such action or deter the taking of action that is likely to cause immediate or imminent damage or affect the arbitral proceedings;
- ensure the preservation of assets from which a final award may be satisfied; or
- preserve evidence that may be relevant and material to the resolution of the dispute.

Law stated - 6 June 2025

Award
When and in what form must the award be delivered?

The arbitral award is issued in witing and is signed by the arbitral tribunal. The award must be fully reasoned, unless otherwise agreed by the parties or unless an award is issued on the basis of settlement between the parties. The arbitral award shall state the date of its issuance as well as the place of arbitration. The place of delivery of the award is the place where the arbitration was held. Finally, a copy of the arbitral award, signed by the tribunal, shall be delivered to each of the parties.

Law stated - 6 June 2025

Appeal or challenge
On what grounds can an award be appealed or challenged in the courts?

In accordance with the provisions of Cap 4, if an arbitrator has displayed misconduct or has conducted the arbitration improperly, the court may annul the arbitral award.

According to section 34 of the ICA Law, an arbitral award may be annulled on the following grounds

- if parties lack legal capacity to contract;
- invalidity of the agreement;
- failure to notify a party of the appointment of the arbitrator or conduct of arbitration proceedings;
- the arbitral award refers to a dispute not foreseen or not falling within the terms of the agreement;
- the constitution of the arbitral tribunal or conduct of the arbitral proceedings was made in violation of the agreement between the parties;
- the subject matter of the dispute is not amenable to arbitration; or

- the arbitral award is contrary to the public policy.

Law stated - 6 June 2025

Enforcement
What procedures exist for enforcement of foreign and domestic awards?

The provisions of recognition and enforcement of foreign and domestic awards are set out in the ICA Law as well as in article IV of the New York Convention, to which Cyprus is a signatory.

According to section 35 of the ICA Law, the arbitral award, irrespective of the country in which it has been issued, shall be recognised as binding. Following a written application by any of the parties, the court issues an order for the enforcement of the arbitral award. The party invoking the arbitral award or requesting its enforcement shall file with the court a duly authenticated original or certified copy of the arbitral award. In case the arbitral award is not in the official language of the Republic of Cyprus, the court may request the party requesting its enforcement to produce a translation in an official language of the Republic.

Law stated - 6 June 2025

Costs
Can a successful party recover its costs?

There are no specific provisions stipulating the method of calculating costs under the ICA Law. The costs are dealt with by the arbitral tribunal but the general rule is that the costs are awarded in favour of the winning party. Generally, the parties to the arbitration will cover their costs, and an arbitral tribunal will not issue a costs order against a third party who is not party in the arbitration proceedings.

Law stated - 6 June 2025

ALTERNATIVE DISPUTE RESOLUTION

Types of ADR
What types of ADR process are commonly used? Is a particular ADR process popular?

The types of ADR commonly available in Cyprus are mediation and arbitration. Usually, high-value construction disputes end up in arbitration proceedings, given that the arbitration procedure is quicker and allowed for the parties to proceed with the construction of various projects without undue delays.

With the introduction of the new CPR, it is expected that parties will be encouraged to enter ADR negotiations prior to filing an action.

Law stated - 6 June 2025

Requirements for ADR

Is there a requirement for the parties to litigation or arbitration to consider ADR before or during proceedings? Can the court or tribunal compel the parties to participate in an ADR process?

Pursuant to the new CPR once the pre-action protocol procedure is followed by each of the parties in a dispute, and the dispute remains unsolved, then the parties are obliged to enter, without delay in negotiations with the aim of settling the dispute and avoid court proceedings. If they don't, this may be taken into account by the court and issue costs against the non-complying party.

As regards parties to arbitration, arbitration agreements usually contain provisions setting out the scope of dispute resolution procedures when a dispute arises.

Law stated - 6 June 2025

MISCELLANEOUS

Interesting features

Are there any particularly interesting features of the dispute resolution system not addressed in any of the previous questions?

Not applicable.

Law stated - 6 June 2025

UPDATE AND TRENDS

Recent developments and future reforms

What were the key cases, decisions, judgments and policy and legislative developments of the past year? Are there any proposals for dispute resolution reform? When will any reforms take effect?

A landmark judgment of the Supreme Constitutional Court was issued in September 2024, concerning the Attorney General's application to dismiss the Auditor General, due to 'improper conduct'. This is the first judgment of the Supreme Constitutional Court to have dealt with the matter of dismissal of a highest-ranked government official. The Supreme Constitutional Court, in a judgment exceeding 200 pages, decided that the Auditor General must be dismissed for showing improper conduct, violating 'the utmost limits' and behaving 'far below the expected level of his position'. The Supreme Constitutional Court stated that an officer who acts without understanding the limits of his authority, without respect for state institutions, with lack of discernment, is incapable of continuing to perform his duties, noting that 'moderation, impartiality, objectivity, consistency, self-control and self-limitation are essential components of the ability to perform the duties of a state officer of the level and responsibilities of the Auditor General'.

In January 2025, the Council of Ministers of the Republic of Cyprus approved the Certain Matters of Mediation in Civil Disputes (Amending) Law 2025 bill that introduces mandatory

participation in mediation, before proceeding with the filing of any legal claim, for civil disputes up to €10,000. This is a step in the right direction, as alternative dispute resolution methods must be embedded in the Cypriot legal culture, as a prerequisite for an effective justice system and as a way to reduce the filing of unnecessary claims in courts, promoting efficiency and administration of justice.

Law stated - 6 June 2025