

IN-DEPTH

Dispute Resolution

CYPRUS



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Damian Taylor

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In-Depth: Dispute Resolution (formerly The Dispute Resolution Review) provides an indispensable overview of the civil court systems in major jurisdictions worldwide. It examines the key aspects of each jurisdiction's dispute resolution rules and practice, and developments over the past 12 months. It is also forward-looking, with astute analysis of likely future trends and developments.

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Cyprus

Christodoulos Christodoulou, Victoria Papagiannis and Dimitris Papapolyviou

Chrysostomides Advocates & Legal Consultants

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Introduction

Cyprus operates primarily as a common law jurisdiction under a written constitution, where statutes, case law and English-influenced precedent govern disputes. EU law and ratified international conventions take precedence over domestic legislation, shaping cross-border civil and commercial matters, while administrative law is primarily influenced by the continental European legal system.

Civil and commercial disputes fall primarily under the jurisdiction of district courts at first instance, followed by the Court of Appeal as the appellate body and the Supreme Court providing final review in certain matters. In addition to the general civil courts, specialised courts including the Administrative Court, Family Court, Industrial Disputes Court, the Administrative Court of International Protection and the Military Court offer targeted handling, with their rulings open to judicial challenge and creating a multi-tiered structure with subject matter focus.

A Commercial Court having jurisdiction on commercial disputes with a value exceeding €2 million, IP disputes and arbitration-related issues, as well as a specialised Admiralty Court, were recently established by law, but no judges have been appointed yet.

A recent legislative amendment established the Administrative Court of Appeal, operating as a Court of Appeal for judgments issued by the Administrative Court and the Administrative Court of International Protection. These courts are under the oversight of the Supreme Constitutional Court, which exercises exclusive jurisdiction over specified matters, including disputes between state organs, preventive constitutionality checks on laws referred by the President, authoritative interpretations of the Constitution and remedial constitutionality reviews referred by other courts.

Alternative dispute resolution benefits from dedicated legislation covering mediation in civil matters, domestic arbitration under the Arbitration Law (Cap. 4) and international commercial arbitration under Law No. 101/1987.

Recent civil procedure rules, effective from September 2023, together with policy initiatives, urge parties to pursue ADR, including mandatory mediation proposals for low-value claims.

Year in review

The recently enacted Civil Procedure Rules (CPR 2023) mark the principal recent reform in the Cypriot judicial system. The changes brought about by these rules streamline cross-border litigation by prioritising proportionality and early resolution.

Cross-border litigation has also been enhanced during the past year, as practitioners now utilise the 2024 amendment of the Courts of Justice Law, Law No. 14/1960, which significantly expanded court powers to issue interim orders in support of anticipated or pending proceedings abroad. Cypriot courts, once restricted to aiding local or EU-based claims, now have the statutory power to issue prohibitory, mandatory, perpetual orders or appoint receivers at any stage, even before a claim is filed or post judgment, for judicial or

arbitration proceedings anywhere in the world, in matters where (1) the respondent resides in Cyprus; (2) there is an asset in Cyprus; or (3) there is any other connecting link to Cyprus that makes the court appropriate to hear and determine the application.

Courts have also upheld a pro-arbitration stance. Appellate rulings have clarified jurisdiction clauses and narrowed grounds for refusing New York Convention awards. In a judgment issued in January 2025 (Civil Appeal No. 32/2024), the Court of Appeal overturned a first instance decision refusing the recognition on the premise that the applicant had not procured a certified copy of the arbitration agreement. The Court of Appeal decided that the approach of the first-instance Court was 'excessively formalistic' and not consistent with the spirit of the New York Convention, which 'is to facilitate the recognition and enforcement of arbitral awards, without placing unnecessary obstacles in the process'.

District courts have also enforced a foreign award against a sovereign state on grounds that commercial conduct overrides immunity claims.

The 2024 amendments to the international arbitration law, Law No. 101/87, which incorporated the 2006 UNCITRAL Model Law updates, easing interim relief and enforcement development, is also a significant development that was in practice implemented in 2025.

Court procedure

Overview of court procedure

All first instance civil cases filed after 1 September 2023 are now governed by the CPR 2023, which have introduced new rules and procedures for all stages of a court process. The CPR 2023 emphasise the overriding objective codified in Part 1, namely to enable the court to deal with cases justly and at proportionate cost. In line with the CPR 2023, Cypriot courts have now adopted a more flexible and practical approach to case management and adjudication, prioritising active case management, efficiency, cooperation and equality between parties and discouraging delays, excessive formalism and procedural tactics.

Procedures and time frames

The CPR 2023 provide for mandatory pre-action protocols which must be observed by the parties before the initiation of civil proceedings, save for in exceptional cases (e.g., in urgent claims and where the limitation period will lapse).

Civil proceedings are formally initiated through the filing of a Part 7 or Part 8 claim form, which must be served on defendants.

Assuming the defendants appear in the process, a detailed case management process has also been introduced by Part 28 and must be followed after the exchange of pleadings, during which the parties must agree on specific timetables for all procedural steps before and during the trial, including discovery, witness lists and statements and the hearing date and its duration.

There are specific rules that apply to small claims (where the amount in dispute is €10,000 or less), which are adjudicated under a fast track procedure prescribed under Part 30 of the CPR 2023.

There are also numerous interim applications which may be pursued by a party prior to the substantive hearing of a claim, including but not limited to requests for further and better particulars, specific disclosure and inspection of documents, the joinder of parties or consolidation of actions, the striking out of pleadings and security for costs.

In addition, pursuant to Section 32 of the Courts of Justice Law (Law No. 14/1960), as recently amended, and Part 25 of the CPR 2023, Cypriot courts enjoy a very wide discretion to issue interim injunctive relief under certain conditions. This interim relief ranges from asset freezing orders, disclosure orders (both ancillary to freezing injunctions and *Norwich Pharmacal* orders), search and seizure orders, tracing orders, anti-suit injunctions, orders for the appointment of interim receivers and *quia timet* orders.

Interim injunctive relief may be sought both *ex parte* (i.e., without notice) and *inter partes* and may be issued both before or after the initiation of court or arbitral proceedings (i.e., in aid of envisaged or pending proceedings) regardless of whether these are in Cyprus or abroad, or the issuance of a court decision or arbitral award, as long as some jurisdictional link is shown to exist with Cyprus.

Interim applications are usually determined within three to 12 months, depending on their nature, scope and complexity.

Class actions

The CPR 2023 allow for representative actions, namely actions brought by one person as a representative on behalf of many others with the same interest in a cause or matter, who are bound by the court's decision.

In addition, Cyprus has recently enacted the Law No. 91(I)/2023,^[1] which transposed most of the provisions of the Representative Actions Directive (EU) 2020/1828 into national legislation. This Law enables the filing of representative actions by certain qualified entities for breaches of EU consumer law provisions, offering a specific collective redress mechanism through the issuance of court orders (including injunctive relief) and remedial or restitutive measures for affected consumers.

Representation in proceedings

It is possible for a natural person to represent themselves in court proceedings;^[2] legal entities must, however, be represented by a lawyer.^[3]

Service out of the jurisdiction

Pursuant to Part 6.8 of the CPR 2023, service out of the jurisdiction of a claim form initiating civil proceedings against a natural or legal person may be allowed by the Court in specific cases, such as:

1. a claim made in respect of which the court has jurisdiction under the law;

2. a claim made for a remedy against a person domiciled or ordinarily resident within the jurisdiction;
3. a claim made for an injunction ordering the defendant to do or refrain from doing an act within the jurisdiction;
4. a claim made against a defendant on whom the claim form has been or will be served (otherwise than in reliance on this paragraph) and (1) there is between the claimant and the defendant a real issue that it is reasonable for the court to try; and (2) the claimant wishes to serve the claim form on another person who is a necessary or proper party to that claim;
5. a claim is made against the defendant and a further claim is made against the same defendant which arises out of the same or closely connected facts;
6. a claim made for an interim remedy which the court has jurisdiction to grant under the law;
7. a claim made in respect of a contract where the contract: (1) was made within the jurisdiction; (2) was made by or through an agent trading or residing within the jurisdiction; (3) is governed by Cyprus law; or (4) contains a term to the effect that the court shall have jurisdiction to determine any claim in respect of the contract;
8. a claim made in respect of a breach of contract committed within the jurisdiction;
9. a claim made in tort where: (1) damage was sustained, or will be sustained, within the jurisdiction; or (2) damage that has been or will be sustained results from an act committed, or likely to be committed, within the jurisdiction;
10. a claim made to enforce any judgment or arbitral award;
11. the subject matter of the claim is wholly or principally property within the jurisdiction;
12. a claim made in respect of a trust that is governed by the law of Cyprus or that grants jurisdiction to the courts of Cyprus for any claim in respect thereof;
13. a probate claim or a claim for the rectification of a will.

If the defendant resides in another EU Member State, no prior court permission is required for service out of the jurisdiction to be effected thereon, but service must be pursued in line with the provisions of Regulation (EU) 2020/1784.^[4] If the defendant resides in a non-EU country, then leave to effect service out of the jurisdiction of the claim form must be obtained by the claimant from the appropriate court before any service may be effected thereon, in accordance with any applicable bilateral or multilateral treaty governing the issue of service of judicial documents between Cyprus and such foreign country.

Enforcement of foreign judgments

The enforcement of a foreign judgment in Cyprus will depend on its country of origin, as different legal regimes apply for judgments issued in other EU Member States and those issued by non-EU countries (i.e., third countries). In addition, the enforcement of judgments stemming from third countries will further depend on the existence and applicability of any multilateral or bilateral treaty in force between both Cyprus and the third country.

With respect to judgments in civil and commercial matters issued in other EU Member States on or after 10 January 2015, Regulation (EU) No 1215/2012^[5] will normally apply. These judgments are recognised in Cyprus without any special procedure and without the requirement for a prior declaration of enforceability. In order to enforce an EU judgment in Cyprus, the applicant must submit to the Cypriot court a copy of the foreign judgment that meets the conditions necessary to establish its authenticity, together with a certificate issued by the EU court of origin and, where required, an official Greek translation of those documents.

Recognition may be refused by the Cypriot courts only if one of the grounds for refusal provided under Article 45 of the Regulation applies. Pursuant to Article 52, the Cypriot court shall not review the merits of the foreign judgment.

As far as foreign judgments from non-EU countries are concerned, their recognition and enforcement could be achieved by recourse to any applicable multilateral or bilateral treaty which both Cyprus and the third country have ratified. Notable examples are the Convention of 30 June 2005 on Choice of Court Agreements (the Hague Convention 2005) and the Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (the Hague Convention 2019).

In the absence of an international treaty with the issued judgment's country of origin, it would still be possible to recognise and enforce a foreign judgment through the provisions of national legislation, such as the Foreign Judgments Law, Cap. 10, which applies to judgments originating from a Commonwealth country.

If none of the aforementioned legal frameworks apply, recourse must be sought to common law principles, in which case a fresh civil action must be filed in Cyprus on the basis of the foreign judgment. Once this action is initiated, the judgment creditor may seek the issuance of a summary judgment on the grounds that the defendant has no arguable defence. It should be noted that the underlying foreign judgment must be final and for a liquidated sum due to the judgment creditor.

Following recognition and registration in Cyprus, a foreign judgment acquires the status of a domestic judgment and may subsequently be executed in the same manner as any other Cyprus judgment.

The execution measures available to a judgment creditor are the following:

1. a writ of execution for the sale of movable property;
2. a writ for the sale of the debtor's immovable property or registration of a charging order (referred to as a 'memo') over the immovable property of the debtor;
3. the registration of a charging order over the judgment debtor's chattels (e.g., shares);
4. an order for the repayment of the debt by monthly instalments;
5. a writ of delivery of goods, ordering those goods to be delivered to the judgment creditor;
6. garnishee proceedings against third parties; and
7. bankruptcy or liquidation proceedings against the judgment debtor (although, strictly speaking, not enforcement methods per se).

Assistance to foreign courts

Cyprus, as an EU Member State, applies Regulation (EU) 2020/1783 for the taking of evidence between EU Member States.

Cyprus has also ratified the Convention on the Taking of Evidence Abroad in Civil or Commercial Matters (the Hague Convention 1970). Pursuant to its provisions, Cyprus executes letters of request received from the appropriate authority of a requesting state to the Cypriot Central Authority, which is the Ministry of Justice and Public Order. Upon receipt, the Ministry of Justice undertakes a preliminary examination of the request to ensure compliance with the Hague Convention 1970 and transmits the request to the Supreme Court of Cyprus, which, in turn, appoints through a judicial order, a district judge as an examiner to execute the request.

Cyprus has made a number of declarations and reservations to the Hague Convention 1970, including, importantly, a reservation that it will not execute letters of request issued for the purposes of obtaining pre-trial discovery of documents. The reservation in question does not preclude any and all pre-trial disclosure, but only requests that amount to a fishing or investigatory examination. The applicable test is whether (1) the letter of request makes it clear that the documents requested are relevant to matters that will be in issue at trial and (2) the relevant documents are sufficiently and separately described.

Finally, for requests stemming from countries that have not ratified the Hague Convention 1970, assistance to foreign courts may be granted under the national legal framework provided by the Foreign Tribunal Evidence Law, Cap. 12.

Access to court files

As a matter of law and practice, the contents of a court case file are accessible only to the parties to the specific proceedings and their legal representatives. This includes all materials filed in the proceedings, including pleadings, applications, affidavits and exhibits; similarly, transcripts of court appearances and hearings are generally available only to the parties of the proceedings.

No third party may, therefore, inspect a court case file unless they first apply to the court and obtain specific permission to access and inspect the same. A third party must show the existence of vested interest in the proceedings in order to obtain access.

Access for members of the public for information about proceedings that have been completed

Members of the public may obtain information regarding completed proceedings from any published decisions or judgments issued in the context of these proceedings or after obtaining leave from the court to inspect the court file.

Circumstances under which a disinterested third party can fund litigation

Third party funding is not expressly prohibited in Cyprus and appears, therefore, to be permissible. There is no express legislative provision governing or limiting the availability

of third party funding and no conclusive Supreme Court case law on the matter. It is therefore understood to be available for all types of civil lawsuits and to all parties and there is also no express limitation to the amount or restriction on the type of costs which may be funded by a third party.

Legal practice

Conflicts of interest and Chinese walls

Conflicts of interest in Cyprus are governed primarily by the Advocates' Code of Conduct (the Regulations).^[6] An advocate is prohibited from acting as adviser or representative for more than one client in the same matter where there is an actual conflict of interest or a serious risk that such a conflict may arise. An advocate must also refrain from acting where there is a risk of breaching professional secrecy or where their independence may be compromised. In addition, an advocate may not accept instructions from a new client where there is a risk that confidential information obtained from a former client could be disclosed or misused.

In practice, the Regulations require advocates and law firms to conduct conflict checks at the outset of each engagement and on an ongoing basis, taking into account current and former clients alike, and the scope of confidential information previously received.

There is no clear statutory or judicial guidance in Cyprus on the use of Chinese walls and no established framework governing their role in managing conflicts of interest for lawyers. In the absence of domestic authority, their effectiveness remains uncertain and should be assessed on a case-by-case basis, with an emphasis on confidentiality and professional independence.

Money laundering, proceeds of crime and funds related to terrorism

In Cyprus, 'independent legal professionals'^[7] constitute obliged entities under the relevant AML Law.^[8] The Cyprus Bar Association acts as the supervisory authority for lawyers and law firms, including partnerships, limited liability companies of lawyers and their subsidiaries.^[9]

In practical terms, lawyers are subject to comprehensive AML/CFT obligations when engaged in activities that present an increased risk of money laundering or terrorist financing. These include, in particular, transactions involving the purchase or sale of real estate or business entities, the management of client funds or assets, the opening or management of bank or securities accounts and the creation or administration of companies, trusts, foundations or similar structures.

Given Cyprus's service-based economy and high level of foreign investment, key risk areas for legal professionals include company and trust services, real estate and other high-value asset transactions and complex cross-border structures. Recent reports^[10] identified emerging risks, including the growing use of decentralised finance (DeFi) platforms, attempts by individuals linked to drug trafficking to access the Cypriot financial

system and the concealment of beneficial ownership through the use of nominees or 'straw men'.^[11]

Against this backdrop, lawyers in Cyprus are expected to apply a robust risk-based approach, regularly update internal policies and procedures and align their practices with amendments to the AML Law, directives issued by the Cyprus Bar Association and relevant MONEYVAL findings. Particular attention should be given to identifying red flags in real estate, company and trust services, cross-border work and non-profit organisation matters, taking into account evolving typologies and emerging risks.

Data protection

The processing of personal data in Cyprus is governed primarily by the General Data Protection Regulation (EU) 2016/679 (GDPR)^[12] and by national Law 125(I)/2018, which implements certain provisions of the GDPR.^[13] While also applicable to the legal practice, this framework does not specifically address issues of accessing, sharing or analysing personal data in the context of legal services.

Subject to maintaining a clear purpose and valid legal basis (e.g., the establishment, exercise or defence of legal claims^[14]) for processing personal data or special category personal data, lawyers or law firms are required to comply with the respective provisions of the GDPR depending on the capacity under which they operate.^[15]

With the internationalisation of cases and the involvement of multiple jurisdictions in cross-border disputes, issues of potential data transfers outside the EU/EEA area arise, requiring careful consideration and the implementation of appropriate safeguards.^[16] The entity subject to the material and territorial scope of the GDPR (which allows access to another entity outside the EU/EEA) is the entity responsible for the implementation of these safeguards. The difficulty of these considerations lies in cases where potential clients or law firms outside the EU/EEA are not aware of the GDPR's applicability to them, and they fail to take the appropriate measures when outsourcing to law firms outside the EU/EEA area.^[17]

Documents and the protection of privilege

Privilege

Overview

The concept of privilege is well-established in Cyprus. It is considered to be a personal right belonging to the individual, who alone may waive it, whether expressly or by conduct. One of its most important aspects is legal professional privilege, which stands as a fundamental principle of Cypriot law protecting confidential communications between a client and their legal adviser. It is divided into two principal categories. Legal advice privilege applies to confidential communications between a client and a lawyer made for the purpose of obtaining or giving legal advice, irrespective of whether litigation is contemplated or not. Litigation privilege applies where litigation is pending or reasonably

contemplated and protects communications and materials created for the sole or dominant purpose of conducting that litigation.

Privilege is generally permanent and survives the conclusion of proceedings. A document that is privileged in one matter will not ordinarily lose that status in subsequent proceedings, even if relevant. However, privilege may be lost through waiver, whether intentional or inadvertent, and careful document handling is therefore critical. Privilege does not extend to communications or materials created for the purpose of furthering a criminal or fraudulent objective.

Cyprus law closely follows English common law principles on legal professional and litigation privilege.^[18]

Privilege protections

Legal professional privilege is recognised as a fundamental right and duty of the advocate and must be respected by the courts and all state or public authorities.^[19] Advocates are custodians of confidential information entrusted by their clients, and confidentiality is an essential prerequisite to the lawyer–client relationship.

The duty of professional secrecy is of unlimited duration and covers all information obtained in the course of professional activity. Where an advocate is called as a witness, they must cease acting in the matter and may refuse to answer questions that would breach professional secrecy. Confidentiality extends to information obtained from third parties, unsuccessful settlement discussions and information entrusted by another advocate.

In practice, privilege operates as a shield against compulsory disclosure, subject to limited exceptions. Waiver, including inadvertent waiver, results in irreversible loss of protection. In addition, an exception applies where disclosure is strictly necessary for an advocate's defence in criminal, disciplinary or civil proceedings.

Privilege and in-house lawyers

There is no definitive Cypriot authority addressing the application of legal professional privilege to in-house lawyers, and the position remains open. The prevailing domestic understanding has traditionally been that privilege attaches to advocates holding a Cypriot practising licence. However, developments in other common law jurisdictions indicate a more nuanced approach, focusing on the substance of the role performed rather than formal status alone.^[20] Whether such a functional approach will be adopted by the Cypriot courts remains to be seen, and the issue is likely to turn on the specific facts of each case.

It is also noted that, while EU case law excludes privilege for in-house lawyers in EU competition investigations on independence grounds, this position is confined to that context and does not determine the scope of privilege under national law.

Privilege and foreign lawyers

Cypriot courts generally approach privilege in line with common law principles. There is no definitive Cypriot authority on whether privilege applies to communications with foreign

lawyers, and the traditional domestic view has been that privilege is linked to advocates holding a Cypriot practising licence. The position nevertheless remains unsettled. As explained above, recent common law developments suggest that privilege depends on substance rather than formal status and may extend where a foreign lawyer is acting in a genuinely legal capacity by providing legal advice and exercising independent professional judgment, rather than performing commercial or managerial functions.

Recent developments

In Cyprus, developments concerning legal professional privilege have been driven primarily by judicial practice, while the wider use of electronic discovery has increased the risk of inadvertent waiver, reinforcing the need for careful document management.

Production of documents

Overview

In Cypriot litigation, a party is required to disclose documents that are relevant to the issues in dispute and within its control.^[21] Relevance is assessed as a matter of common sense rather than technicality. A document is relevant if it tends to make the existence or non-existence of a material fact more or less probable and has a real and identifiable connection to the claims, defences or issues as pleaded. Documents relating merely to background or peripheral matters will not ordinarily be required. Where a party fails to disclose documents that are plainly relevant and within its control, the court may draw adverse inferences.

Documents stored overseas

Documents stored overseas, whether in physical or electronic form, are not excluded from disclosure. The traditional 'best evidence rule' is no longer applied as a strict rule of admissibility, but is treated primarily as a matter affecting the weight of the evidence.^[22] Copies and other secondary evidence may be admitted where a satisfactory explanation is given for the non-production of the original, most commonly where the original is not in the party's possession. Where authenticity is disputed, the court may require production of the original and may attach reduced weight to copies if the original is not produced without good reason.

Documents and third parties

A party to litigation is required to disclose documents that are or were within its possession, custody, control or power. Documents held by subsidiaries, parent companies or third parties will fall within a party's disclosure obligation only to the extent that they are within that party's possession, custody, control or power. Whether this threshold is met is a fact-specific assessment. Mere corporate affiliation, a close commercial relationship or the ability to request documents may not, of itself, be sufficient. The obligation to disclose third party documents therefore depends on demonstrable possession, custody, control or power, assessed by reference to the circumstances of each case.

Separately, the CPR 2023 permit a party to apply for an order requiring a person who is not a party to the proceedings to disclose specific documents or categories of documents where this is necessary for the fair determination of the case.^[23]

Documents stored electronically

Electronic documents fall within the scope of disclosure obligations in litigation.^[24] A party is required to conduct a reasonable, rather than an exhaustive, search for electronic records, with the scope of the search determined by the circumstances of the case.^[25] In assessing whether a search is reasonable, the court will consider factors such as the volume of data involved, the nature and complexity of the proceedings, the ease and cost of retrieval and the likely importance of the documents sought.^[26]

Electronic copies and reproductions are generally admissible, and courts adopt a practical approach focused on authenticity and reliability rather than formal requirements.^[27] The same reasonable-search and proportionality principles govern whether a party may be required to reconstruct backup tapes or other electronic media that are not readily accessible.

Courts and oppressive disclosure obligations

Cypriot courts address oppressive or disproportionate disclosure by applying principles of reasonableness and proportionality. Disclosure will be limited to what is necessary for the fair determination of the issues and will not require exhaustive or unduly burdensome searches. Overly broad requests may be refused, narrowed or phased, particularly where the cost or burden outweighs the likely evidentiary value.

Alternatives to litigation

Arbitration

The Arbitration Law (Cap. 4) governs domestic arbitral proceedings, defining tribunal powers and limited court oversight. The International Commercial Arbitration Law, Law No. 101/1987, provides the framework for international commercial arbitrations.

The recent CPR 2023 provide a clear and structured procedural framework regarding both domestic and international arbitrations.

Parties commonly select institutions, such as the ICC, LCIA or the local Cyprus Arbitration and Mediation Centre (CAMC) and the Cyprus Eurasia Dispute Resolution and Arbitration Center (CEDRAC) to adjudicate their disputes.

Arbitration prevails mainly in construction disputes, followed by commercial disputes.

Appeals against awards are not available per se, but it is possible to either challenge the award or oppose its recognition in Cyprus, on the grounds provided by the New York Convention and the UNCITRAL Model Law, which have both been transposed into Cypriot law.

An appeal can be filed against the first-instance judgment adjudicating an application for the recognition of an award.

Foreign awards are recognised under the New York Convention, ratified and incorporated in Cypriot law by virtue of Law No. 84/1979 and the provisions of the International Arbitration Law No. 101/1987. Once an award is recognised in Cyprus, a party has at its disposal all the enforcement measures available for any Cypriot court judgment.

As noted above, the courts remain committed to applying a narrow interpretation on the grounds for refusal of recognition and enforcement of an award, demonstrating a pro-enforcement bias, as confirmed by the recent Court of Appeal judgment in Civil Appeal No. 32/2024 discussed under 'Year in Review'.

Recent developments, such as the active promotion by the Cyprus Bar Association of the Cyprus Arbitration and Mediation Center, in coordination with local stakeholders and other efforts to further enhance an arbitration-friendly culture across the Cypriot economy suggest that the use of arbitration as a method to resolve dispute is expected to be increased. Accordingly, efforts are being made to establish Cyprus as a regional arbitration hub, taking advantage of its strategic geographical position and its common law tradition.

Mediation

Mediation in civil and commercial disputes is governed by the Mediation in Civil and Commercial Matters Law, Law No. 159(I)/2012, which transposes Directive 2008/52/EC and sets out requirements for mediator qualifications, confidentiality, enforceability of settlement agreements as contracts and court powers to stay proceedings for mediation.

Parties must select accredited mediators from the Ministry of Justice registry; proceedings are voluntary and non-binding until agreement and exempt from court fees, with settlements registrable for enforcement purposes.

While mediation remains less frequent than court proceedings or arbitration, usage has increased in construction, family, consumer and some commercial disputes.

A key development is the 3 January 2025 Council of Ministers approval of an amending bill, making an initial mediation session mandatory for civil claims up to €10,000 before court filing; non-attendance incurs cost penalties in later proceedings.

Expert determination, common in construction, valuation, and technical disputes, involves an independent specialist deciding specific issues such as quantum or compliance. Its key advantages are speed, expertise and cost efficiency, though drawbacks include limited appeal rights and potential bias if appointment processes lack rigour. Similarly, court-appointed referees under civil procedure rules assist with complex valuations or factual inquiries, but risk adding cost and delay without final resolution.

Adjudication, commonly used in construction contracts, provides swift, enforceable interim decisions that maintain cash flow, though growing formalisation narrows its efficiency.

Meanwhile, neutral evaluation, early neutral assessment and ombudsman schemes offer non-binding or informal routes to settlement – valued for accessibility and early resolution but limited by the absence of binding authority or precedent.

Outlook and conclusions

Over the past years a number of important laws have been enacted, as part of a long overdue judicial reform. The staffing of the Commercial Court and the Admiralty Court are two of the key pending items of the judicial reform, which are eagerly awaited by legal practitioners. The Commercial Court, in particular, allowing the conduct of proceedings in English, would further enhance Cyprus' position in the global dispute resolution arena.

The CPR 2023 have improved the Courts' overall efficiency, at least for the adjudication of interlocutory applications.

The introduction of mandatory mediation for disputes up to €10,000, if enacted, will reshape the handling of small claims and is expected to further enhance ADR culture in Cyprus.

Endnotes

- 1 Law on the Issuance of Court Orders and Registration of Representative Actions for the Protection of Consumers' Collective Interests of 2023. [^ Back to section](#)
- 2 Article 30 of the Advocates Law, Cap. 2. [^ Back to section](#)
- 3 *Lindos Constr. Ltd v. Director of Social Insurance* (1993) 1 AAD 17. [^ Back to section](#)
- 4 Regulation (EU) 2020/1784 of the European Parliament and of the Council of 25 November 2020 on the service in the Member States of judicial and extrajudicial documents in civil or commercial matters (service of documents) (recast). [^ Back to section](#)
- 5 Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast). [^ Back to section](#)
- 6 Section 21 of Regulatory Administrative Act 237/2002 (Advocates' Code of Conduct (the Regulations)). [^ Back to section](#)
- 7 The term 'independent legal professional' is not defined in the AML Law but is generally understood to encompass the categories of professional for which the Cyprus Bar Association constitutes the supervisory authority. [^ Back to section](#)
- 8 The Prevention and Suppression of Money Laundering and Terrorist Financing Law, L.188(I)/2007 (the AML Law). [^ Back to section](#)
- 9 Section 59 of the AML Law. [^ Back to section](#)

- 10 The most recent Strategic Analysis Report published by the Cyprus Financial Intelligence Unit (MOKAS). [^ Back to section](#)
- 11 Often highlighted by a misalignment between a declared UBO's academic, professional or economic background with those of their company. [^ Back to section](#)
- 12 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). [^ Back to section](#)
- 13 Law Providing for the Protection of Natural Persons with Regard to the Processing of Personal Data and for the Free Movement of Such Data No 125(I)/2018. [^ Back to section](#)
- 14 Article 9(2)(f) of the GDPR. [^ Back to section](#)
- 15 Usually as Data Controllers particularly when representing clients in disputes, and in limited cases as Data Processors when acting within a narrowly defined scope such as in out-of-court settlements. For further information: Guidance by the Office of the Commissioner for Personal Data Protection (in Greek), ' / / ' (Office of the Commissioner, 24 January 2020) accessed 30 December 2025. [^ Back to section](#)
- 16 Chapter V of the GDPR. [^ Back to section](#)
- 17 European Data Protection Board, 'Guidelines 05/2021 on the Interplay between the application of Article 3 and the provisions on international transfers as per Chapter V and the GDPR' (Guidelines 05/2021, 2023), page 3. [^ Back to section](#)
- 18 English authorities such as *Three Rivers District Council v. Governor and Company of the Bank of England* (2004) UKHL 48 have been expressly adopted in recent Cypriot case law. [^ Back to section](#)
- 19 Section 13 of Regulatory Administrative Act 237/2002 (Advocates' Code of Conduct (the Regulations)). [^ Back to section](#)
- 20 See, for example, *PJSC Tatneft v. Bogolyubov* [2020] EWHC 2437 (Comm). [^ Back to section](#)
- 21 Civil Procedure Rules 2023, Part 31. [^ Back to section](#)
- 22 Evidence Law, Cap. 9, Section 34. [^ Back to section](#)
- 23 Civil Procedure Rules 2023, Part 31.6. [^ Back to section](#)
- 24 Evidence Law, Cap. 9, Section 2. [^ Back to section](#)

25 Civil Procedure Rules 2023, Part 31. [^ Back to section](#)

26 Civil Procedure Rules 2023, Part 31.2(5). [^ Back to section](#)

27 Evidence Law, Cap. 9, Section 21. [^ Back to section](#)

Chrysostomides Advocates & Legal Consultants

Christodoulos Christodoulou

chr.christodoulou@chrysostomides.com.cy

Victoria Papagiannis

v.papagiannis@chrysostomides.com.cy

Dimitris Papapolyviou

d.papapolyviou@chrysostomides.com.cy

Chrysostomides Advocates & Legal Consultants

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