

Legal 500

Country Comparative Guides 2024

Cyprus

Enforcement of Judgments in Civil and Commercial Matters

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This country-specific Q&A provides an overview of enforcement of judgments in civil and commercial matters laws and regulations applicable in Cyprus.

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Cyprus: Enforcement of Judgments in Civil and Commercial Matters

1. What international conventions, treaties or other arrangements apply to the enforcement of foreign judgments in your jurisdiction and in what circumstances do they apply?

EU Regime

The most straight-forward process of enforcing foreign judgements in the Republic of Cyprus ("Cyprus") is through the Brussels Regulation Recast (1215/2012).

The Brussels Regulation Recast (1215/2012) applies when both parties are domiciled in an EU member State regarding judgments issued after January 10 2015, including judgments issued in UK proceedings commenced before 31 December 2020.

The Lugano Convention is applicable when only one party is domiciled in an EU member State and the other is domiciled in an EEA member State (Norway, Switzerland and Iceland).

Moreover, Cyprus is bound by the following EU Regulations relating to the recognition and enforcement of judgments issued in courts of other EU Member States:

- i. Regulation (EC) No. 805/2004 of the European Parliament and Council of 24 April 2004 creating a European Enforcement Order for uncontested claims.
- ii. Regulation (EC) No. 1896/2006 of the European Parliament and of the Council of 12 December 2006 creating a European order for payment procedure.
- iii. Regulation (EC) No. 861/2007 of the European Parliament and of the Council of July 2007 establishing a European Small Claims Procedure.
- iv. Regulation 1346/2000 on Insolvency Proceedings.

Bilateral Treaties

Cyprus has signed a number of bilateral treaties relating to legal and judicial cooperation with other countries, including the Russian Federation, Georgia, Ukraine, Belarus, Montenegro, Serbia, Egypt and Syria.

In addition, the recognition and enforcement of foreign judgments issued by a court or tribunal of a foreign

country with which Cyprus has concluded a bilateral treaty, is also governed by the Law on Decisions of Foreign Courts (Recognition, Registration and Enforcement) (L121(I)/2000). The process requires an application by summons, supported by an Affidavit. Law 121(I)/2020 provides for the process that must be followed in order to facilitate recognition and enforcement of foreign judgments.

International Conventions

Furthermore, Cyprus is bound, either through its EU membership, or because it has signed and ratified international conventions on reciprocal recognition and enforcement of foreign judgments, by the following international instruments:

- the Convention of 1 February 1971 on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters;
- the European Convention on Certain International Aspects of Bankruptcy;
- the Hague Convention on the Recognition of Divorces and Legal Separations;
- the Hague Convention on Jurisdiction, Applicable Law, Recognition, Enforcement and Co-operation in Respect of Parental Responsibility and Measures for the Protection of Children and
- the Hague Convention on Choice of Court Agreements.
- Foreign Judgments (Reciprocal Enforcement) Procedural Regulation (1062/1925)

Cyprus is also bound by the Hague Judgments Convention 2019 through its EU membership. On 1 September 2023, the HCCH 2019 Judgments Convention, (the "**2019 Convention**"), entered into force between the EU Member States (excluding Denmark) and Ukraine. The 2019 Convention provides for the reciprocal recognition and enforcement of civil and commercial foreign judgments among the contracting states, in an aim to simplifying the cross-border circulation and enforcement of court judgments. It sets forth a number of specific conditions for the recognition and enforcement of foreign court judgments, as well as explicit grounds for refusing recognition and enforcement.

Judgments issued in countries that are parties to the

above conventions may be recognised and enforced in Cyprus in accordance with the procedure and exceptions stipulated in the relevant conventions.

Recognition and Enforcement of judgments given in certain Commonwealth states

Judgments given in certain Commonwealth countries in civil matters are enforceable in Cyprus pursuant to the provisions of the Mutual Recognition of Certain Judgments of the Courts of Commonwealth Countries Law, Cap. 10 ("Cap. 10").

The importance of the above-mentioned Law has been especially significant since Brexit, as it provides a legal basis for the continued recognition and enforcement in Cyprus of judgments given by the UK courts after 31 December 2020.

Common Law

In the absence of a Bilateral or multilateral treaty, foreign judgments can alternatively be recognized and enforced under common law principles.

The following requirements must be met for a foreign judgment to be registered and enforced in Cyprus under common law:

- The judgment must be for a definite sum, limited to enforceable monetary judgments;
- The judgment must be final and conclusive, and not subject to alteration by the issuing court, except where an appeal stays the judgment; and
- The foreign court must have had jurisdiction under Cypriot conflict of law rules to issue the judgment.

An action must be filed in Cyprus for the amount of the foreign judgment debt and costs, and a summary judgment may be given in favour of the judgment creditor.

The issue of jurisdiction of the Court to issue judgment will be determined in accordance with Cypriot Private International Law, not by the law of the state of origin, meaning common law principles on jurisdiction will be applied.

Jurisdiction of the foreign court will usually arise:

- i. by virtue of a prior agreement to that effect;
- ii. by participation in the foreign proceedings; or
- iii. through presence in the jurisdiction at the time of the proceedings / connection between the

defendant and the forum

2. What, if any, reservations has your jurisdiction made to such treaties?

Cyprus has made the following reservations with respect to the enforcement of foreign judgments pursuant to the above treaties or conventions:

- i. The European Union has made a declaration under the Hague Convention 2005 that the Convention will apply to insurance contracts only in the cases stated in Section 2 of the EU Declaration of 11 June 2015.
- ii. Cyprus has made a reservation vis-a-vis the Hague Convention on the Recognition of Divorces and Legal Separations and particularly regarding the right(s) under para. (1) of Article 19.

3. Can foreign judgments be enforced in your jurisdiction where there is not a convention or treaty or other arrangement, e.g. under the general law?

In the absence of a Bilateral or multilateral treaty, foreign judgments can alternatively be recognized and enforced under common law principles.

The following requirements must be met for a foreign judgment to be registered and enforced in Cyprus under common law:

- The judgment must be for a definite sum, limited to enforceable monetary judgments;
- The judgment must be final and conclusive, and not subject to alteration by the issuing court, except where an appeal stays the judgment; and
- The foreign court must have had jurisdiction under Cypriot conflict of law rules to issue the judgment.

An action must be filed in Cyprus for the amount of the foreign judgment debt and costs, and a summary judgment may be given in favour of the judgment creditor.

The issue of jurisdiction of the Court to issue judgment will be determined in accordance with Cypriot Private International Law, not by the law of the state of origin, meaning common law principles on jurisdiction will be applied.

Jurisdiction of the foreign court will usually arise:

- i. by virtue of a prior agreement to that effect;
- ii. by participation in the foreign proceedings; or
- iii. through presence in the jurisdiction at the time of the proceedings / connection between the defendant and the forum

4. What basic criteria does a foreign judgment have to satisfy before it can be enforced in your jurisdiction? Is it limited to money judgments or does it extend to other forms of relief?

Depending on the country of origin (of the foreign judgment) there are different procedural and legal requirements that must be met in order for the foreign judgment to be recognised and enforced, as follows:

- i. Under the Recast Brussels Regulation, “any judgment given by a court or tribunal of an EU Member State, whatever the judgment may be called, including a decree, order, decision or writ of execution, as well as the determination of costs or expenses by an officer of the court” shall be recognised in the other Member States without any special procedure being required. Recognition and enforcement are governed by CHAPTER III, Section 1 and 2 of the Brussels Recast.
- ii. Bilateral treaties and International Conventions to which Cyprus is a party contain their own provisions as to what kind of judgments can be recognised and enforced. In general, the provisions of such treaties provide that only “final and conclusive” judgments for a specific amount of money may be recognised and enforced if given in the context of civil or criminal proceedings. Declaratory judgments are also capable of recognition.
- iii. The provisions of Cap. 10 apply to the recognition and enforcement of judgments issued in either civil or criminal proceedings for a sum of money, provided that sum is not a tax, fine or penalty, as well as for any other remedy which does not award a monetary sum. The judgment must also be final as regards the parties to it.
- iv. Under common law principles, a judgment can be recognized and enforced, by means of a new action, only if it is for a definite sum of money. It must also be final and conclusive between the parties. The requirements that must be met for a foreign judgment to be registered and enforced in Cyprus under

common law principles have been elaborated upon in questions 1 and 3 above.

5. What is the procedure for enforcement of foreign judgments pursuant to such conventions, treaties or arrangements in your jurisdiction?

EU Judgements

Under the Brussels Recast Regulation, a judgment given in an EU Member State is directly enforceable in Cyprus, without any need of obtaining a declaration of enforceability. In order to proceed with the enforcement of a judgment, the judgment creditor must present the documents specified in Article 42 of the Regulation, namely:

- i. a copy of the judgment bearing the original seal of the court; and
- ii. a certificate as per Annex I of the Regulation issued by the court of origin confirming that the judgment is enforceable in the country of origin and that it has been served on the defendant (see Article 43 of the Regulation).

For judgments given in another Member State ordering a provisional, including a protective, measure, the applicant must provide the competent enforcement authority with:

- i. a copy of the judgment which satisfies the conditions necessary to establish its authenticity;
- ii. the certificate issued pursuant to Article 53, containing a description of the measure and certifying that: (i) the court has jurisdiction as to the substance of the matter; (ii) the judgment is enforceable in the Member State of origin; and
- iii. where the measure was ordered without the defendant being summoned to appear, proof of service of the judgment

Bilateral Treaties or International Conventions

The relevant procedure for enforcing foreign judgments of countries with which Cyprus has entered into a bilateral treaty is set out in Law 121(I)/2000 (the Foreign Courts (Recognition, Registration and Enforcement pursuant to Treaties) Law of 2000) and on the specific provisions of the relevant treaty.

Law 121(I)/2000 provides that the applicant must seek recognition and enforcement of the foreign judgment by filing an application with notice to the judgment debtor. Such application must be accompanied by an affidavit to

which the documents required by the relevant treaty must be attached.

The judgment debtor has the opportunity to oppose the said application only on a number of specific grounds, as these are set out in section 5(e) of Law 121(I)/2000:

- i. the lack of jurisdiction of the foreign court,
- ii. proven satisfaction of the foreign judgment and
- iii. non-satisfaction of the conditions set out in the relevant treaty

Recently, Law 121(I)/2000 has been amended regarding its scope, with the result of conferring onto Cypriot Courts jurisdiction based on the provisions of the New Civil Procedure Rules of 2023, EU Law or International Conventions or any relevant rule of Private International Law, including common law rules. This is a significant development, as Law 121(I)/2000 can now be interpreted in a way which renders judgments eligible for recognition and enforcement even if none of the parties are resident in Cyprus.

Enforcement under Cap. 10

Mutual Recognition of Certain Judgments of the Courts of Commonwealth Countries Law, Cap. 10 provide the relevant procedure for enforcement. The judgment creditor should proceed with the filing of an application accompanied by an affidavit stating all the relevant facts which show that the foreign judgment is enforceable in Cyprus.

If no set aside application is filed by the judgment debtor within the specified timeframe, the judgment creditor may proceed with the enforcement of judgment. The relevant articles of Cap 10 are 4 and 6.

6. If applicable, what is the procedure for enforcement of foreign judgments under the general law in your jurisdiction?

The following requirements must be met for a foreign judgment to be registered and enforced in Cyprus under common law rules:

- The judgment must be for a definite sum, limited to enforceable monetary judgments;
- The judgment must be final and conclusive, and not subject to alteration by the issuing court, except where an appeal stays the judgment; and
- The foreign court must have had jurisdiction

under Cypriot conflict of law rules to issue the judgment.

An action on the foreign judgment must be filed in Cyprus for the amount of the judgment debt and costs, and even a summary judgment may be given in favour of the claimant.

The issue of the jurisdiction of the foreign Court to issue the foreign judgment will be determined in accordance with Cypriot Private International Law, not by the law of the State of origin, meaning common law principles on jurisdiction will be applied.

Jurisdiction of the foreign court will usually arise:

- i. by virtue of a prior agreement to that effect;
- ii. by participation in the foreign proceedings; or
- iii. through presence in the jurisdiction at the time of the proceedings / connection between the defendant and the forum.

In general, recognition and enforcement of a foreign judgment may be refused on the following grounds:

- i. There are public policy reasons to refuse recognition and enforcement;
- ii. There has been a breach of natural justice or the right to be heard;
- iii. The foreign court which issued the judgment lacked jurisdiction;
- iv. The foreign judgment was obtained by fraud;
- v. The judgment is not final and conclusive; or
- vi. The judgment is inconsistent with a prior Cypriot court judgment on the same matter.

7. What, if any, formal requirements do the courts of your jurisdiction impose upon foreign judgments before they can be enforced? For example, must the judgment be apostilled?

Brussels Regulation

In order to proceed with the enforcement of a judgment, the judgment creditor must present the documents specified in Article 42 of the Recast Brussels Regulation:

- i. a copy of the judgment bearing the original seal of the court; and
- ii. a certificate as per Annex I of the Regulation issued by the court of origin confirming that the judgment is enforceable in the country of origin and that it has been served on the defendant (see Article 43 of the Regulation).

For judgments given in another Member State ordering a provisional, including a protective, measure, the applicant shall provide the competent enforcement authority with:

- i. a copy of the judgment which satisfies the conditions necessary to establish its authenticity;
- ii. the certificate issued pursuant to Article 53, containing a description of the measure and certifying that: (i) the court has jurisdiction as to the substance of the matter; (ii) the judgment is enforceable in the Member State of origin; and
- iii. where the measure was ordered without the defendant being summoned to appear, proof of service of the judgment

The foreign judgment is not required to be apostilled. Cypriot courts generally require the applicant to present the original or a certified copy of the judgment bearing the seal of the foreign court. In addition, the applicant may need to present a Greek translation of the judgement.

Bilateral Treaties / International Conventions

Where enforcement is sought pursuant to the provisions of a bilateral treaty or an international convention, the Cypriot court will require compliance with the provisions of the relevant treaty or convention, regarding the formal requirements which the foreign judgment must satisfy in order to be recognised and enforced in Cyprus.

Many of the bilateral treaties to which Cyprus is a party contain provisions which impose specific formal requirements, regarding the proper certification of the foreign judgment and a certified translation.

Although Cypriot Courts follow a strict approach regarding the proper certification of a foreign judgment, if the documents in question are certified by a body or a person who has the authority to certify them under the law of the country where the judgment was issued, then it is deemed to be satisfactory.

In addition, international treaties do not generally require the foreign judgment to be apostilled, however in Cyprus it is usual for applicants to present apostilled certified copies of the foreign judgment in order to avoid any arguments, taking into consideration the strict approach of Cypriot Courts.

Cap. 10

Where enforcement is sought pursuant to the provisions of Cap. 10, the applicant must present a certified copy of

the judgment issued by the original court as well as a certified Greek translation of the judgment. The same applies when common law rules are applicable.

8. How long does it usually take to enforce or register a foreign judgment in your jurisdiction? Is there a summary procedure available?

Timeframes for enforcement may vary and depend on a number of factors, including service of the application or the possibility of filing a common law action that will go on to trial. In Cyprus, in cases where the judgment debtor opposes enforcement, the whole process is likely to take between six (6) to eighteen (18) months.

In addition, a judgment debtor may delay the enforcement even in cases where the Brussels Regulation is enforceable. See for example, Articles 44, 46, 47 and 51 of the Regulation which deal with applications for refusal of enforcement of the foreign judgment, for a stay of the proceedings concerning the application for refusal of enforcement pending the determination of an appeal in the court of origin and for the "suspension" of all enforcement proceedings in pending the determination of the application for refusal of enforcement.

Summary applications for enforcement of foreign judgment is not generally available in Cyprus, except for cases where a common law action is filed.

9. Is it possible to obtain interim relief (e.g. an injunction to restrain disposal of assets) while the enforcement or registration procedure takes place?

In Cyprus, it is not only possible to obtain interim relief pending the enforcement or registration, it is rather common practice both for international as well as EU judgments.

In accordance with Article 40 of the Brussels Regulation "*An enforceable judgment shall carry with it by operation of law the power to proceed to any protective measures which exist under the law of the Member State addressed.*".

Although Cypriot Courts have the power to issue worldwide freezing orders in aid of enforcement proceedings, Article 40 permits a Cypriot Court to grant a freezing order that applies only within Cyprus and it is not likely to issue for a worldwide order in cases of a judgment issued in an EU Member – State.

In any case, the conditions that must be met by a claimant seeking injunctive relief by virtue of s. 32 of the Courts of Justice Law N. 14/60 are the following:

- i. There must be a serious matter to be tried; and
- ii. There must be a strong possibility of success; and
- iii. If the interim relief is not granted, the applicant will suffer irreparable harm (in the sense that, if the interim relief is not granted, it will be difficult or impossible to do justice at a later stage).

Relief may be issued on an *ex parte* basis if the applicant can prove urgency or other special circumstances. The applicant to an *ex parte* application has a duty of full and frank disclosure. Therefore, the applicant will have to disclose all material facts, as well as possible anticipated defences. Section 32(2) of the Courts of Justice Law provides that interim relief may be granted under the terms and conditions that the Court will consider to be equitable and that the Court may, at any time, dismiss or vary the injunction (provided that reasonable cause is proven for doing so). The Court will typically also ask for some form of guarantee to be provided by the applicant who seeks the interim relief.

As to the nature of the relief, the court has the power to issue any type of order provided in the relevant legislation or the common law, including, *inter alia*, freezing orders, disclosure orders (for policing purposes), orders for the appointment of a receiver, notification orders, a "Chabra" order freezing assets beneficially owned by the judgment debtor, but held or administered by third parties, a charging order imposing a charge on the interest of the judgment debtor, a garnishee order ordering the attachment of debts owed to the judgment debtor by a third party.

10. What is the limitation period for enforcing a foreign judgment in your jurisdiction?

Cap. 10 provides that an application for recognition and enforcement must be filed within 6 years from the date of the foreign judgment or, if an appeal is filed, from the date of the (chronologically last) final judgment.

In addition, according to Law on Limitation of Actionable Rights (Law 66(I)/2012), a common law action to enforce a foreign judgment must be filed within 15 years from the date on which the judgment becomes final.

11. On what grounds can the enforcement of foreign judgments be challenged in your jurisdiction?

Each one of the Bilateral treaties, International Conventions and EU Regulations and instruments contain specific provisions as to the grounds on which enforcement can be challenged.

The Brussels Regulation provides in Articles 45 and 46 that recognition and enforcement shall be refused on the application of any interested party:

- a. if such recognition or enforcement is manifestly contrary to public policy
- b. where the judgment was given in default of appearance, if the defendant was not served with the document which launched the proceedings or with an equivalent document in sufficient time and in such a way as to enable him to arrange for his defense, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so; only the court of origin can decide whether the claim form was properly served under the relevant legal rules.
- c. if the judgment is irreconcilable with a judgment given between the same parties in Cyprus.
- d. if the judgment is irreconcilable with an earlier judgment given in another Member State or in a third State involving the same cause of action and between the same parties, provided that the earlier judgment fulfils the conditions necessary for its recognition in Cyprus; or
- e. if the judgment conflicts with: (i) Sections 3, 4 or 5 of Chapter II where the policyholder, the insured, a beneficiary of the insurance contract, the injured party, the consumer or the employee was the defendant; or (ii) Section 6 of Chapter II (Exclusive jurisdiction).

Other grounds for refusal of recognition and enforcement, generally found and used in the context of Cap 10 and common law action, include the following:

- that the foreign court did not have jurisdiction to try the case;
- that the proceedings before the foreign court were conducted in breach of the principles of natural justice and/or in a way which resulted in a violation of the defendant's right to a fair trial;
- that the foreign judgment was obtained by fraud;

- that the foreign judgment is irreconcilable with a judgment issued by a Cypriot court or with an earlier judgment of a foreign court which is enforceable in Cyprus; and
- that the applicable formal requirements relating to the foreign judgment and/or the documents required to be presented are not satisfied.
- The proceeding in the foreign court was notified to the defendant in the requested State in a manner that is incompatible with fundamental principles of the requested State concerning service of documents;

- i. by virtue of a prior agreement to that effect;
- ii. by participation in the foreign proceedings; or
- iii. through presence in the jurisdiction at the time of the proceedings / connection between the defendant and the forum.

Moreover, Cap. 10 contains specific provisions addressing the question of when the foreign court is considered to have jurisdiction over the defendant. Specifically, section 6(2) of Cap. 10 provides that, with respect to actions in personam, the foreign court is considered to have had jurisdiction over the defendant:

- i. if the defendant agreed to submit or submitted to the jurisdiction of the foreign court or
- ii. filed a counterclaim in the proceedings, or
- iii. was domiciled or had a place of business within the jurisdiction of the foreign court or
- iv. if the proceedings before the foreign court had as their object rights in moveable or immovable property situated within the jurisdiction of the foreign court.

Where enforcement is sought under a bilateral treaty or international convention, and such treaty contains provisions specifying when the courts of each state are considered to have jurisdiction over the defendant, Cypriot courts will apply these provisions.

12. Will the courts in your jurisdiction reconsider the merits of the judgment to be enforced?

Cypriot courts cannot review or reconsider the merits of a foreign judgment. Particularly, and regarding EU Judgments, Article 52 states that "*Under no circumstances may a judgment given in a Member State be reviewed as to its substance in the Member State addressed.*". In addition, as stated in answer 11 above, the grounds for refusal of recognition and enforcement are limited to somewhat jurisdictional and procedural grounds.

13. Will the courts in your jurisdiction examine whether the foreign court had jurisdiction over the defendant? If so, what criteria will they apply to this?

The Brussels Regulation does not, in general, allow the court addressed to ascertain whether the court of origin had jurisdiction. This is provided by in Article 45 (3) of Brussels 2012. There are, however, four (4) exceptions set out in Article 45(1)(e) of Brussels 2012, which concern:

- i. Insurance
- ii. Consumer contracts
- iii. Employment contracts
- iv. Exclusive jurisdiction (this exception applies only when the Court with exclusive jurisdiction is a court of an EU Member State)

Regarding judgments given in non-EU Member States, the general rule is that the Cypriot courts will examine whether the foreign court had jurisdiction over the defendant and will do so by applying Cypriot Private International Law, meaning common law principles on jurisdiction will be applied.

Jurisdiction of the foreign court will usually arise:

14. Do the courts in your jurisdiction impose any requirements on the way in which the defendant was served with the proceedings? Can foreign judgments in default be enforced?

Cypriot courts may refuse to recognise or enforce a default judgment which is (in principle) enforceable under the Brussels Regulation Recast if it is demonstrated that the defendant was not served with the document that instituted the proceedings in sufficient time and manner in order to enable him to prepare his/her defence (see Article 45 (1)(b)). Only the court of origin can decide whether the claim form was properly served under the relevant legal rules. The court addressed (in this case the Cypriot Courts), cannot reconsider this question but only whether the claim form served in sufficient time and in such way as to enable the defendant to arrange for his/her defence.

The same applies to Bilateral treaties and international conventions which contain similar provisions regarding proper service on the defendant, including proper service (compatible with fundamental principles on service of the requested State) and within sufficient time (see Hague Convention 2019).

In cases where no EU Regulation or bilateral treaty or international convention is applicable, Cypriot courts would probably refuse to recognise and enforce a foreign judgment if it is demonstrated that the foreign proceedings were not properly served, on the ground that the defendant's rights to a fair trial was infringed and that recognition and enforcement of the foreign judgment would be contrary to public policy.

15. Do the courts in your jurisdiction have a discretion over whether or not to recognise foreign judgments?

Cypriot Courts do, generally, have discretion over whether or not to recognise a foreign judgment only within the ambit of the EU Regulations or bilateral treaties or international conventions and cannot refuse such recognition, except for the specific grounds provided for in EU Regulations, Bilateral treaties and International Convention, Cap 10 or common law rules.

16. Are there any types of foreign judgment which cannot be enforced in your jurisdiction? For example can foreign judgments for punitive or multiple damages be enforced?

Article 55 of the Brussels Regulation states that a judgment given in a Member State which orders a payment by way of a penalty shall be enforceable in the Member State addressed only if the amount of the payment has been finally determined by the court of origin. No other provisions are dealing with such matter or provide for any types of judgment that cannot be enforced under the EU regime.

Regarding Bilateral treaties and international conventions, in principle, there are no rules that prohibit recognition and enforcement of a judgment for punitive or multiple damages, nor such provisions are found in Cap 10 and generally a foreign judgment given in civil proceedings will be enforced even if it awards punitive or multiple damages. This, again, is subject to public policy considerations and adherence to due process.

17. Can enforcement procedures be started in your jurisdiction if there is a pending appeal in the foreign jurisdiction?

Enforcement procedures can be initiated in Cyprus even if there is a pending appeal in the foreign jurisdiction (see Cap.10 Article 3(3)).

The defendant, however, may seek to stay the enforcement proceedings of the foreign judgment pending appeal and therefore cause delay. In addition, Article 38(a) of the Brussels Regulation states that the court or authority before which a judgment given in another Member State is invoked, may suspend the proceedings, in whole or in part, if the judgment is challenged in the Member State of origin.

18. Can you appeal a decision recognising or enforcing a foreign judgment in your jurisdiction?

In Cyprus, decisions recognising and/or enforcing a foreign judgment can be appealed.

19. Can interest be claimed on the judgment sum in your jurisdiction? If so on what basis and at what rate?

The interest awarded by the foreign jurisdiction can be claimed in the terms and under the law of the foreign court, namely the court of origin that issued the judgment

20. Do the courts of your jurisdiction require a foreign judgment to be converted into local currency for the purposes of enforcement?

There are no laws or rules in Cyprus that would require a foreign judgment to be converted into local currency for the purposes of enforcement proceedings.

21. Can the costs of enforcement (e.g. court costs, as well as the parties' costs of instructing lawyers and other professionals) be recovered from the judgment debtor in your jurisdiction?

The general rule is that costs are awarded to the successful party. The unsuccessful party will typically be required to pay the other party's court fees and costs relating to the enforcement procedures. There are specific rules and stipulated court scales on costs recovery and the extent and the amount that a party can recover will be assessed based on those rules. Therefore, it is not uncommon for the cost of instructing lawyers or other professionals such as expert witnesses not be recovered in their entirety.

22. Are third parties allowed to fund enforcement action in your jurisdiction? If so, are there any

restrictions on this and can third party funders be made liable for the costs incurred by the other side?

Third-party funding is not prohibited under Cypriot Law. However, since the third-party funder is not a party to the proceedings, a costs order would be issued against/in favour of the funded party but not directly against/in favour the funder/investor.

A first instance case that deals with the (similar) question whether third-party funding contradicts public policy and whether a foreign judgment was capable of recognition and enforcement in Cyprus when the applicant in the original proceedings had obtained third-party funding was issued by the District Court of Larnaca in the *Kazakhstan Kagazy PLC and others v Arip and others Appl No. 1 / 2020, 31 January 2022*. The first instance court concluded that the applicants' agreement for third-party funding did not contradict the public policy of Cyprus and refused the requested set aside order.

Notwithstanding the above, under section 16 of the Cypriot Torts Law, any assignment of rights in tort is prohibited, therefore the funding arrangement will need to ensure that any assignment is limited to the proceeds under the judgment and not to any underlying tortious rights.

23. What do you think will be the most significant developments in the enforcement process in your jurisdiction in the next 5 years?

In our view, the most significant development in the enforcement process, in Cyprus, will be the creation and operation of the Commercial Court that will assume jurisdiction over cases with quantum over €2.000.000 in civil and commercial matters, including applications for recognition and enforcement of foreign judgments falling into its scope and interim relief in support of such enforcement proceedings.

This upcoming development will potentially have an important impact on timeframes as procedures will theoretically speed up, therefore enabling for greater

procedural certainty and predictability in the field of enforcement proceedings. The founding of the Commercial Court will also aim increase international commercial litigation in Cyprus, as proceedings will become much more efficient and effective.

24. Has your country ratified the Hague Choice of Courts Convention 2005? If not, do you expect it to in the foreseeable future?

The EU has ratified the Hague Convention 2005 and due to the fact that the Convention has the status of EU law within the European Union, it is, therefore, directly applicable to Cyprus.

The European Union has made a declaration under the Hague Convention 2005 that the convention will apply to insurance contracts only in cases stated in Section 2 of the EU Declaration of 11 June 2015.

25. Has your country ratified the Hague Judgments Convention 2019? If not, do you expect it to in the foreseeable future?

On 1 September 2023, the so-called HCCH 2019 Judgments Convention, formally known as the Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters 2019 (the "**2019 Convention**"), entered into force between the EU Member States (excluding Denmark) and Ukraine.

The EU has, thus, ratified the 2019 Convention and due to the fact that the 2019 Convention has the status of EU law within the European Union, it is, therefore, directly applicable to Cyprus.

The 2019 Convention provides for the reciprocal recognition and enforcement of civil and commercial foreign judgments among the contracting states, with a view to simplifying the cross-border circulation and enforcement of court judgments. It sets forth a number of specific conditions for the recognition and enforcement of foreign judgments, as well as express grounds for refusing recognition and enforcement.

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