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Cyprus

INTERNATIONAL ARBITRATION

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This country-specific Q&A provides an overview of international arbitration laws and regulations applicable in Cyprus.

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CYPRUS
INTERNATIONAL ARBITRATION

1. What legislation applies to arbitration in your country? Are there any mandatory laws?

The Cyprus legislation applicable to arbitration is the following:

a. The Arbitration Law (Cap. 4),
b. The International Commercial Arbitration Law 101/1987, which is based to the UNCITRAL Model Law of 1985 and applies only to international commercial arbitration.
c. The New York Convention on the recognition and enforcement of foreign arbitral awards, which was ratified in Cyprus by Law 84/1979.
d. The Foreign Courts' Judgments (Recognition, registration and Enforcement) Law 121(I)/2000.

The provisions of the aforementioned legislation are mandatory and refer to the validity of the arbitration agreement, the issue of arbitral awards, the procedure for recognition and enforcement of awards and the powers of the Court with regard to arbitration procedures.

2. Is your country a signatory to the New York Convention? Are there any reservations to the general obligations of the Convention?

Yes, Cyprus is a party to the New York Convention, which was ratified by Law 84/1979. A condition for reciprocity is provided, meaning that Cyprus Courts are compelled to recognize arbitral awards issued in other signatories to the New York Convention.

3. What other arbitration-related treaties and conventions is your country a party to?

Cyprus is also a party to the Convention on the Settlement of Investment and Disputes between States and Nationals in Other States. Furthermore, Cyprus has entered bilateral investment treaties with several countries.

4. Is the law governing international arbitration in your country based on the UNCITRAL Model Law? Are there significant differences between the two?

The International Commercial Arbitration Law 101/1987 is based on the original UNCITRAL Model Law on International Commercial Arbitration of 1985 and there are no significant differences between the two.

5. Are there any impending plans to reform the arbitration laws in your country?

There are no current legislative plans for immediate reform to the arbitration laws of Cyprus. However, the Cyprus Bar Association has appointed a committee to review the current legal framework and propose new legislation that will apply to domestic and international arbitration. It must also be noted that the new Civil Procedure Rules approved by the Supreme Court in May 2021 include provisions that, when implemented, will form the procedural framework for Court applications relating to arbitration proceedings, pursuant to the relevant provisions of Law 101/1987 and Cap. 4.

6. What arbitral institutions (if any) exist in your country? When were their rules last amended? Are any amendments being considered?

There are several Arbitral Institutions providing arbitration services in Cyprus. The most prominent are the following:

a. The Chartered Institute of Arbitrators Cyprus Branch (CIArbs),
b. The Cyprus Eurasia Dispute Resolution and

Arbitration Centre (CEDRAC),
c. the Cyprus Arbitration and Mediation Centre (CAMC)
d. The Cyprus Chamber of Commerce and Industry (CCCI),
e. The Cyprus Consumer Center for Alternative Dispute Resolution,

Each of the aforementioned institutions has their own Arbitration Rules, which have not been recently amended nor there is any indication that their rules will be amended soon.

7. Is there a specialist arbitration court in your country?

No.

8. What are the validity requirements for an arbitration agreement under the laws of your country?

The only formal requirement provided by legislation with regard to the validity of an arbitration agreement is included in Section 7 of Law 101/1987 and Section 2(1) of Cap. 4, an arbitration agreement which state that in order to be considered valid and enforceable, it must be in writing.

Under Section 7(3) of Law 101/1987 it is provided that an arbitration agreement is considered to be 'in writing' if:

- It is included in documents signed by the parties, in letters exchanged between the parties, or telexes, telegrams or other means of communication in which the agreement is recorded in,
- Or the existence of an arbitration agreement is pleaded in statements of claim or defence and the other party does not deny it.

However, the applicable common law principles will also require that the terms of the arbitration agreement must be clear and unambiguous in order for the agreement to be valid.

9. Are arbitration clauses considered separable from the main contract?

Pursuant to Section 16(1) of Law 101/1987 an arbitration clause included in a contract is considered as an agreement separate to the other terms of the contracts. As a result, an arbitration clause may be considered valid, even if the contract in which it is included is considered invalid. In essence Section 16 is a codification of the doctrine of separability of arbitration clauses.

10. Do the courts of your country apply a validation principle under which an arbitration agreement should be considered valid and enforceable if it would be so considered under at least one of the national laws potentially applicable to it?

No.

11. Is there anything particular to note in your jurisdiction with regard to multi-party or multi-contract arbitration?

There is no statutory provision imposing any limitation to multi-party or multi-contract arbitration procedures.

12. In what instances can third parties or non-signatories be bound by an arbitration agreement? Are there any recent court decisions on these issues?

The principle of privity of contracts will in principle not allow for third parties to be bound by an arbitration agreement and the arbitration procedure. As a result, arbitral tribunals cannot assume jurisdiction over third parties.

However, although it has not been tested before Cyprus courts, third party companies belonging to the same group with a company who is a signatory to the arbitration agreement, may be considered bound by the agreement pursuant to the 'group of companies doctrine'.

It must be stated though, that in a recent judgment (not involving a group of companies) the District Court expressed its doubts on whether interim relief should be granted against third parties since they were not parties to the arbitration agreement and as to whether an award against a third party can be recognized for execution in Cyprus given the express statutory requirement that an arbitration agreement 'in writing' must be submitted. This is a first instance judgment and as a result not binding to other courts.

13. Are any types of dispute considered non-arbitrable? Has there been any evolution in this regard in recent years?

Matters of family law, criminal law, disputes concerning minors, disputes which relate to the title of property or real estate and insolvency or bankruptcy proceedings are considered non-arbitrable. There has been no evolution in this regard in recent years.

14. Are there any recent court decisions in your country concerning the choice of law applicable to an arbitration agreement where no such law has been specified by the Parties?

No.

15. How is the law applicable to the substance determined? Is there a specific set of choice of law rules in your country?

Pursuant to Section 28 of Law 101/1987 the arbitral tribunal will decide the substance of the dispute on the basis of the law chosen by the parties. If the parties have not agreed on the applicable law, the arbitral tribunal will decide which law is applicable in the particular dispute on the basis of the private international law provisions it considers applicable.

16. Have the courts in your country applied the UNIDROIT or any other transnational principles as the substantive law? If so, in what circumstances have such principles been applied?

No.

17. In your country, are there any restrictions in the appointment of arbitrators?

No, the legislation in Cyprus does not impose any restriction in the appointment of arbitrators. The parties are free to select any person to act as arbitrator and decide the number of arbitrators to be appointed.

18. Are there any default requirements as to the selection of a tribunal?

The parties are free to select the members of the tribunal. However, pursuant to Section 11(3) of Law 101/1987, in the absence of an agreement between the parties on the appointment procedure, then the default procedure will be the following:

a. if the parties have agreed to arbitration by a three-member tribunal, then each party will appoint one arbitrator, and the two appointed arbitrators will appoint the third arbitrator.
b. If a single arbitrator will be appointed but the parties cannot agree on the person to be appointed, then on the application of any of the parties the court will appoint an arbitrator.

19. Can the local courts intervene in the selection of arbitrators? If so, how?

In the absence of an agreement on the procedure for the appointment of arbitrators Section 11(3) of Law 101/1987 provides the following:

- if the parties have agreed to arbitration by a three member tribunal and any party refuses to appoint its arbitrator, or the two appointed arbitrators cannot agree on the appointment of the third arbitrator, any party can serve a notice to the other party, seeking the appointment of an arbitrator within 30 days.
- If such appointment is not made within 30 days from the day of service of the notice, the court will appoint an arbitrator on the application of any of the parties.
- In cases where only one arbitrator will be appointed, if the parties do not reach an agreement, the court will appoint an arbitrator on the application of any of the parties.

Section 11(4) of Law No 101/1987 further provides that if any party, or two arbitrators, or any other person (including the arbitral tribunal), fail to abide by the agreed upon procedure for appointment of arbitrators, then the court on the application of any of the parties will have the power to take the necessary action in their stead, unless the agreed appointment procedure provides otherwise.

Furthermore, the Arbitration Law – Cap.4 provides that in cases where the parties fail to agree on the appointment of an arbitrator (if only one is required), or the parties or appointed arbitrators fail to agree on the appointment of the third arbitrator (if three arbitrators are required), or in cases where the single arbitrator or the third arbitrator refuse or cannot act in the arbitration procedure, then the parties may serve to the other party a notice to proceed with the appointment of the

necessary arbitrator. If such appointment is not made within seven days from the service of the notice, the court, on the application of any of the parties, may appoint the arbitrator.

20. Can the appointment of an arbitrator be challenged? What are the grounds for such challenge? What is the procedure for such challenge?

The Arbitration Law – Cap.4 provides that on the application of any of the parties, an arbitrator may be removed by the Court if he/she unjustifiably delays the proceedings or the issuing of the award. In that case, the court, on the application of any of the parties, may appoint a new arbitrator or order that the arbitration agreement ceases to apply to the dispute. (section 13 of Cap.4).

Pursuant to Law 101/1987 the appointment of arbitrators may be challenged if there are justifiable reasons to suggest that they are not impartial or independent or that they lack qualifications which were previously agreed upon by the parties.

The parties are free to agree on the procedure for challenging the appointment of an arbitrator. However, if they have not agreed upon a procedure, Section 13 of Law 101/1987 provides that the challenge must be submitted before the arbitral tribunal within 15 days from the day the party became aware of the reason for the challenge. If the challenge is rejected by the tribunal, an application to review the decision of the tribunal may be submitted before the competent court within 30 days from receiving notice of the decision of the tribunal. The judgment of the court will be final and not subject to appeal.

If the mandate of an arbitrator is for any reason ceased, including the above procedure, a substitute arbitrator will be appointed in accordance with the rules that applied to his/her original appointment or, if need be, the default procedure for appointment.

21. Have there been any recent developments concerning the duty of independence and impartiality of the arbitrators

No. In practice the arbitrators follow the IBA Guidelines on Conflicts of Interest in International Arbitration or the standards adopted by the Courts in relation to the members of the judiciary.

22. Have there been any recent decisions in your concerning arbitrators' duties of disclosure, e.g., similar to the UK Supreme Court Judgment in Halliburton v Chubb?

No.

23. What happens in the case of a truncated tribunal? Is the tribunal able to continue with the proceedings?

There are no provisions on the procedure to be followed or with regards to the validity of the award of a truncated tribunal. However, it is expected that the procedure for removal of the arbitrator and appointment of a new arbitrator would be applied (section 14 and 15 of the Law 101/1987).

24. Are arbitrators immune from liability?

Arbitrators' immunity is not expressly provided for in the Cyprus legislation. However, common law principles would apply and render them immune, since they will be considered to perform a quasi-judicial role. In view of that the arbitrator will not be liable to the parties for failing to act with reasonable care or skill. In such the Court may remove the arbitrator and/or annul his/her award.

25. Is the principle of competence-competence recognized in your country?

The principle is expressly provided for in Section 16 of Law 101/1987 which provides that arbitral tribunals are allowed to rule on their own jurisdiction, including in cases were the existence or the validity of the arbitration agreement is challenged.

26. What is the approach of local courts towards a party commencing litigation in apparent breach of an arbitration agreement?

Cap 4 and Law 101/1987 provide that if an action is submitted for a matter that is subject to an arbitration agreement, any party may apply to the court for the proceedings to be stayed and the matter to be referred to arbitration.

The national courts are very willing to enforce arbitration agreements and order the stay of court procedures pending before them and/or the referral of the dispute to

arbitration. The Courts will generally order the stay of the pending procedures, unless they consider that the agreement is null and void, or inoperative and incapable of being performed.

27. How are arbitral proceedings commenced in your country? Are there any key provisions under the arbitration laws relating to limitation periods or time bars of which the parties should be aware?

The arbitral proceedings in domestic arbitrations are commenced, pursuant to Section 24(3) of Cap. 4 when one of the parties to the arbitration agreement serves the other party with a notice requiring them to appoint an arbitrator, or (if the arbitrator is already named in the agreement) requiring them to submit the dispute to arbitration before the designated person.

Similarly, Law 101/1987 provides that in international commercial arbitrations the arbitral proceedings are commenced when the respondent receives the request for arbitration.

The parties should be aware that the Cyprus Limitation Act applies also with regard to the commencing of arbitration procedures (section 24 of Cap.4 and section 21 of Law 101/1987). The Limitation Act provides for, with some exceptions, a six-year limitation period on claims related to contracts.

28. In what circumstances is it possible for a state or state entity to invoke state immunity in connection with the commencement of arbitration proceedings?

Sovereign immunity is not provided for by Cypriot law as a valid reason for disputing the commencement of the arbitration proceedings and is very rarely raised.

The Republic of Cyprus ratified that European Convention on State Immunity of 1972, Section 12(1) of which provides that where a contracting state has agreed in writing to submit to arbitration a dispute which has arisen or may arise out of a civil or commercial matter, that state may not claim immunity from the jurisdiction of a court of another contracting state on the territory or according to the law of which the arbitration has taken or will take place in respect of any proceedings relating to: (a) the validity or interpretation of the arbitration agreement; (b) the arbitration procedure; (c) the setting aside of the award, unless the arbitration agreement otherwise provides."

29. What happens when a respondent fails to participate in the arbitration? Can the local courts compel participation?

The Courts cannot compel a party to participate in the arbitration procedure. However, given the fact that Cyprus courts will most likely stay proceedings raised before them if an arbitration agreement is applicable, and the non-participating party will risk the issue of a judgment in default against it. Pursuant to Section 25 of Law 101/1987 the arbitration procedure will continue despite the absence of the party and the Tribunal will rule on the basis of the evidence before it.

30. Can third parties voluntarily join arbitration proceedings? If all parties agree to the intervention, is the tribunal bound by this agreement? If all parties do not agree to the intervention, can the tribunal allow for it?

Generally, third parties cannot be bound by an arbitration agreement without their consent, due to the principle of privity of contract. As explained above, the application of the 'group of companies doctrine' is an exception to this rule.

If all parties agree to the participation of the third party, then the tribunal may allow it. However, it must be noted that an arbitration agreement in order to be valid under Cyprus law, it must be in writing. Given the fact that the third party is not included in the agreement, there may be grounds to suggest that the award will not be enforceable vis a vis the third party.

31. Can local courts order third parties to participate in arbitration proceedings in your country?

No.

32. What interim measures are available? Will local courts issue interim measures pending the constitution of the tribunal?

Unless otherwise agreed to by the parties, arbitral tribunals may order interim relief against any party regarding the subject matter of the dispute and can request any party to provide guarantees for such relief. The arbitral tribunals may order any interim relief, including freezing orders, disclosure orders, anti-suit orders etc.

Furthermore, Cypriot courts can order interim relief in aid of arbitral proceedings, even before the initiation of the arbitration proceedings. However, in that case the court must be convinced that the proceedings are imminent.

33. Are anti-suit and/or anti-arbitration injunctions available and enforceable in your country?

Anti-suit and/or anti-arbitration injunctions are generally available and enforceable in Cyprus. It must be noted that such injunctions are issued against the parties and not the court or tribunal but have the effect that the procedure before the court or tribunal must be ceased.

National courts in EU member states are effectively precluded from granting anti-suit injunctions restraining the pursuit of court proceedings commenced in another member state in breach of an arbitration clause. More specifically, in ***Nori Holdings Ltd v Bank Otkritie Financial Corporation [2018] EWHC 1343 (Comm)*** the Commercial Court of England and Wales refused to grant an anti-suit injunction to restrain Cypriot Court proceedings commenced in breach of an arbitration clause.

On the other hand, an anti-suit injunction relating to court procedures pending before the courts of an EU member state can be issued by a Cyprus arbitral tribunal.

An anti-suit injunction can be issued by a Cypriot Court to stop court procedures pending before courts of third countries.

The Cyprus Courts have the power to grant anti-arbitration injunctions in foreign arbitral proceedings in exceptional circumstances.

34. Are there particular rules governing evidentiary matters in arbitration? Will the local courts in your jurisdiction play any role in the obtaining of evidence? Can local courts compel witnesses to participate in arbitration proceedings?

In international commercial arbitration, the parties are free to agree and determine the procedural rules applicable to the arbitration. In the absence of an agreement between the parties, the tribunal will use its discretion to determine the procedure to be followed and all matters relating to the submission and admissibility of evidence. Furthermore, pursuant to section 26 of Law 101/1987 in the absence of an agreement between the parties providing otherwise, the tribunal may appoint experts to provide their opinion on the issues raised before the tribunal and also order the parties to provide all relevant information and any document to the appointed expert. Furthermore, pursuant to Section 27 of Law 101/1987, any party or the tribunal itself may seek the assistance of the Cypriot Courts in the collection and submission of evidence.

In domestic arbitration, the tribunal will apply, mutatis mutandis, the Civil Procedure Rules which is the procedural legal framework for civil proceedings. Furthermore, any party may apply to the court to issue summons requiring any person to appear before the tribunal for examination or to produce any document that would be compelled to produce in a similar court trial. (section 17 of Cap.4).

35. What ethical codes and other professional standards, if any, apply to counsel and arbitrators conducting proceedings in your country?

Counsel are bound by the rules provided by the Lawyers Law, Cap. 2 and the Lawyer's Code of Conduct Regulations. The conduct of Arbitrators may be reviewed on the basis of the provisions of Law 101/1987 and Cap. 4 if an issue of misconduct is raised by any of the parties. The IBA Guidelines on Conflicts of Interest in International Arbitration or other guidelines issued by international arbitral institutions may also be used as reference of international practice.

36. In your country, are there any rules with respect to the confidentiality of arbitration proceedings?

There are no express provisions in Law 101/1987, for international commercial arbitrations, nor in Cap. 4 which regulate domestic arbitrations, with regard to the confidentiality of the proceedings. Furthermore, Cypriot courts have not provided much guidance on the issue. It must be noted, however, that UK case law is generally considered by Cypriot courts to be of high persuasive authority. As a result, UK case law on the principle of confidentiality of arbitration will provide guidance to Cypriot Courts, especially since Cap. 4 is based on the English Arbitration Act, 1950.

37. Are there any recent decisions in your country regarding the use of evidence

acquired illegally in arbitration proceedings (e.g. 'hacked evidence' obtained through unauthorized access to an electronic system)?

No.

38. How are the costs of arbitration proceedings estimated and allocated?

Law 101/1987 does not include any provision with regard to the allocation and/or estimation of costs. Issues of costs remain at the discretion of the tribunal, but the general rule in civil proceedings is that the losing party will be ordered to bear the costs of the winning party.

Cap 4. provides that a party may ask the tribunal within 14 days from the issue of the arbitral award to issue an order on the allocation of costs. It should also be noted that Cap. 4 provides that any clause in the arbitration agreement providing that each party shall bear its own costs shall be void and unenforceable.

39. Can pre- and post-award interest be included on the principal claim and costs incurred?

Pre-award interest may be included, and the arbitrator will decide this on the basis of the evidence before him/her.

Post-award interest is also payable in accordance with Section 22 of Cap 4, which provides that the arbitral award, unless the tribunal orders otherwise, shall generate interest from the date of issuance of the award at the rate applicable to court judgments. There is no provision with regard to interest in Law 101/1987.

40. What legal requirements are there in your country for the recognition and enforcement of an award? Is there a requirement that the award be reasoned, i.e. substantiated and motivated?

An application for recognition and enforcement of an arbitral award will be accepted by Cyprus courts unless one of the limited reasons for refusal is applicable. It must be noted that the application must be supported by an authenticated original award or a duly certified copy of the award, and a copy of the arbitration agreement. Furthermore, if the arbitral award is not issued in Greek, the court may ask for an official translation of the award to also be submitted (section 35 of Law 101/1987).

Registration and enforcement may be rejected by the court pursuant to Section 36 of Law 101/1987, on the basis of any of the following reasons:

1. a party to the arbitration agreement was incapacitated or arbitration agreement was not valid under the applicable law chosen by the parties or, in the absence of any agreement thereon, under the laws of Cyprus; or
2. a party was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or, for any reason, the party was deprived of the opportunity to present its case before the tribunal or
3. the award deals with a dispute which does not fall within the scope of the arbitration agreement or decides on matters beyond the scope of the arbitration; or
4. the composition of the tribunal or the arbitration procedure was conducted in breach of the agreement of the parties or of the law;

The registration can also be rejected if the court finds that the subject matter of the dispute is not arbitrable under the laws of Cyprus; or the award is incompatible with the public policy of Cyprus.

Article V of the New York Convention, provides for the same reasons for rejection of applications for recognition and enforcement of arbitral awards issued in other contracting states.

The award cannot be challenged on its merits within the framework of the application for recognition and enforcement.

According to section 31 of Law 101/1987 the arbitral award must be reasoned.

41. What is the estimated timeframe for the recognition and enforcement of an award? May a party bring a motion for the recognition and enforcement of an award on an ex parte basis?

The application for recognition and enforcement of the award is made by summons, so that the respondent party will be allowed to submit an objection and state its position to the court, on the limited grounds for objection provided by the pertinent legislation.

Even though the Foreign Courts' Judgments (Recognition, Registration, Enforcement) Law 121/2000

(which applies to arbitral awards as well) provides that the hearing for recognition and enforcement must take place within 4 weeks, the proceedings will depend on the respondents' approach and the workload of the Court and may take from 3 to 12 months.

42. Does the arbitration law of your country provide a different standard of review for recognition and enforcement of a foreign award compared with a domestic award?

No.

43. Does the law impose limits on the available remedies? Are some remedies not enforceable by the local courts

There are no express limitations on the type of remedy that may be provided by the arbitrator. The tribunal can generally provide the same remedies as a national court.

However, a tribunal cannot rule or non-arbitrable issues (see response to question 13 above) or provide any other remedy that is against public policy.

44. Can arbitration awards be appealed or challenged in local courts? What are the grounds and procedure?

The merits of the arbitration award cannot be challenged by the parties. However, a party may request a) the correction of an arbitral award or b) the setting aside of the award on specific grounds.

Pursuant to Section 33 of Law 101/1987, a party may seek the correction of an arbitral award within 30 days from the receipt of the award, in order for the tribunal to correct computational or other errors of similar nature in the award or, if the parties agree, to provide further guidance on the interpretation of a specific part or point of the arbitral award. Furthermore, a party may request the tribunal to make an additional award for claims that, although included in the claims of the party in the arbitration proceedings, they were omitted by the award.

A party may apply before a competent court for the set-aside of an arbitral award pursuant to Section 34 of Law 101/1987, on the basis of any of the following reasons:

- a party to the arbitration agreement was incapacitated or arbitration agreement was not valid under the applicable law chosen by the partie or, in the absence of any agreement thereon, under the laws of Cyprus; or
- a party was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or, for any reason, the party was deprived of the opportunity to present its case before the tribunal or
- the award deals with a dispute which does not fall within the scope of the arbitration agreement or decides on matters beyond the scope of the arbitration; or
- the composition of the tribunal or the arbitration procedure was conducted in breach of the agreement of the parties or of the law.

The arbitral award can also be set aside if the court finds that the subject matter of the dispute is not arbitrable under the laws of Cyprus; or the award is incompatible with the public policy of Cyprus.

Furthermore, Section 20 of Cap. 4 provides that an award may be set aside by the court if the arbitrator has conducted themselves improperly, or the arbitration procedure was conducted and/or the award was procured improperly.

45. Can the parties waive any rights of appeal or challenge to an award by agreement before the dispute arises (such as in the arbitration clause)?

Any agreement which absolutely restricts a party's right to recourse to justice is void as per Section 29 of Contracts Law, Cap. 149.

46. To what extent might a state or state entity successfully raise a defence of state or sovereign immunity at the enforcement stage?

The laws of Cyprus do not provide for a defense on the basis of sovereign immunity. Therefore, it will not easily be accepted by the national courts as such.

In addition, it can be argued that the contracting states to the New York Convention waived a sovereign immunity defense in proceedings that will take place in all of the signatory countries.

In theory, sovereign immunity may be raised as a matter of public policy. However, this defense will again most probably fail since the participation of the state in the

arbitration procedure, will be considered as a waiver to a sovereign immunity defense at the enforcement stage.

47. In what instances can third parties or non-signatories be bound by an award? To what extent might a third party challenge the recognition of an award?

An arbitral tribunal cannot assume jurisdiction over third parties who are not bound by the arbitration agreement. With regard to the arbitration agreement, please see the response to question number 12 above.

Under normal circumstances, only the parties can challenge the recognition of an award. Section 36 of Law 101/1987 provides that recognition and enforcement of an arbitral award may be refuses at the request of the party against whom it is invoked.

However and although it has not been tested yet, if a third party was considered by the arbitral tribunal to be bound by the arbitration agreement and, as a result, the award was issued against the third party (for example by application of the “group of companies doctrine”), the third party should be allowed to also contest the registration and enforcement of the award.

48. Have there been any recent court decisions in your jurisdiction considering third party funding in connection with arbitration proceedings?

No recent judgment has been issued on the matter. However, since there is no legislation allowing third party funding in civil proceedings, such funding will be considered to fall under the definition of the common law torts of maintenance and champerty.

49. Is emergency arbitrator relief available in your country? Are decisions made by emergency arbitrators readily enforceable?

Cyprus legislation does not provide for recourse to an emergency arbitrator.

50. Are there arbitral laws or arbitration institutional rules in your country providing for simplified or expedited procedures for claims under a certain value? Are they often used?

Arbitration laws do not include any provision for simplified or expedited procedures. However, such procedures are included in the arbitration rules of arbitration institutions, such as Article 42 of the arbitration rules of CEDRAC.

They are not often used.

51. Is diversity in the choice of arbitrators and counsel (e.g. gender, age, origin) actively promoted in your country? If so, how?

Diversity is promoted through policies and rules implemented by the arbitrations institutions and law firms.

52. Have there been any recent court decisions in your country considering the setting aside of an award that has been enforced in another jurisdiction or vice versa?

No.

53. Have there been any recent court decisions in your country considering the issue of corruption? What standard do local courts apply for proving of corruption? Which party bears the burden of proving corruption?

No. The standard in civil cases would be the balance of probabilities and the party alleging corruption would bear the burden of proving such allegations.

54. Have there been any recent court decisions in your country considering the judgment of the Court of Justice of the European Union in Slovak Republic v Achmea BV (Case C-284/16) with respect to intra-European Union bilateral investment treaties or the Energy Charter Treaty? Are there any pending decisions?

In a very recent judgment earlier this year, the District Court rejected an application for registration of an arbitral award for costs and referred to the findings of the ECJ in Case C-284/16.

More specifically, the Republic of Poland successfully defended a claim brought before the ICC ICA in Paris on

the basis of the bilateral investment treaty (BIT) between Poland and Cyprus signed in 1992. The Republic of Poland promoted before the ICC ICA that the BIT was no longer valid on the basis of the findings of the ECJ in C-284/16 and the Agreement for the Termination of all Intra-EU Bilateral Investment Treaties dated 5 May 2020, between 23 Member States of the European Union including Poland and Cyprus.

The Arbitral Tribunal awarded costs in favour of the Republic of Poland and against the applicant company. As a result, the Republic of Poland applied before the Cyprus District Court for registration of the arbitral award for the costs.

The Cyprus Court rejected the application for registration of the award for costs stating that the statutory requirement was not met, since, based on the applicants' own submissions before the ICC ICA, the bilateral treaty between Cyprus and Poland, which includes the arbitration clause, was not valid. As a result, the applicant was estopped from advancing before the Cyprus Court a different position with regard to the validity of the BIT than the one they promoted before the Arbitral Tribunal.

55. Have there are been any recent decisions in your country considering the General Court of the European Union's decision Micula & Ors (Joined Cases T-624/15, T-694/15 and T-694.15), ECLI:EU:T:2019:423, dated 18 June 2019? Are there any pending decisions?

No.

56. What measures, if any, have arbitral institutions in your country taken in response to the COVID-19 pandemic?

Arbitral institutions in Cyprus are trying to take advantage of all technological media available to them, so that arbitrations may proceed despite the Covid pandemic. As a result, arbitrations that would normally take place in Cyprus with the physical presence of the lawyers, witnesses and the parties, are now conducted over Zoom or Microsoft Teams platforms.

57. Have arbitral institutions in your country implemented reforms towards greater use of technology and a more cost-effective conduct of arbitrations? Have there been any recent developments regarding virtual hearings?

See our response under 56 above.

58. In your country, does the insolvency of a party affect the enforceability of an arbitration agreement?

Pursuant to Section 5 of Cap. 4, where a party to an agreement which includes an arbitration clause is bankrupt, the arbitration clause will only be enforceable against the bankrupt party if the trustee in bankruptcy adopts the agreement. Furthermore, if the aforementioned provision cannot be applied, the trustee in bankruptcy or any other party to the agreement can apply to the court to issue an order referring the matter to arbitration as provided in the arbitration clause.

In cases where a party to an already pending arbitration procedure is declared insolvent, the permission of the Registral of Companies/Official Receiver will be required before the arbitration proceedings can resume.

59. Is your country a Contracting Party to the Energy Charter Treaty? If so, has it expressed any specific views as to the current negotiations on the modernization of the Treaty?

Yes, Cyprus is a Contracting party.

We are not aware of any expressed views as to the negotiations of the modernization of the Treaty.

60. Have there been any recent developments in your jurisdiction with regard to disputes on climate change and/or human rights?

No.

61. Has your country expressed any specific views concerning the work of the UNCITRAL Working Group III on the future of ISDS?

No.

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