

HOW TO ENFORCE A JUDGMENT IN CYPRUS

(A) What is the applicable law?

For Domestic Judgments:

Civil Procedure Rules of the Courts of Cyprus
Civil Procedure Law Cap. 6 (14/1960)

For Foreign Judgments:¹

Foreign Court Judgments (Recognition, Registration and enforcement Pursuant to Treaty) Law 121(I)/2000 – Default procedural provisions on the recognition and enforcement of all foreign judgments which may be recognised and enforced pursuant to substantive statutory provisions, where no other procedural provisions are delineated.

Recast Brussels Regulation 1215/2012 – Procedural and substantive provisions on the recognition of judgments issued in other Member States.

EU Regulation 805/2004 – Procedural and substantive provisions on the certification as European Enforcement Orders of judgments issued in Member States pursuant to uncontested claims in commercial or professional matters.

EU Regulation 861/2007 – Procedural and substantive provisions on the recognition and enforcement of judgments issued in Member States regarding small claims.

EU Regulation 1896/2006 – Procedural and substantive provisions on the recognition and enforcement of judgments issued in Member States regarding uncontested pecuniary claims.

EU Regulation 2018/1805 – Procedural and substantive provisions on the recognition and enforcement of freezing and confiscation judgments issued in Member States in the context of criminal proceedings

Foreign Judgments (Reciprocal Enforcement) Law of 1935 Cap. 10 as amended by Law 130(I)/2000 – Substantive provisions on the recognition and enforcement of judgments issued in the United Kingdom, British dominions, protectorates, and mandated territories as well as other foreign countries which afford reciprocal treatment to Cypriot court judgments.

Common law regime – Recognition by filing an action on the foreign judgment.

(B) What international conventions and agreements is your jurisdiction a party to?

The Republic of Cyprus is party to bilateral agreements with the following countries:

- The Czech Republic (Law No. 68/1982)
- Hungary (Law No. 7/1983)
- Bulgaria (Law No. 18/1984)
- Greece (Law No. 55/1984)
- Syria (Law No. 160/1986)
- The Russian Federation (Law No.172/1986)

¹ Non exhaustive list

- Ukraine (Law No. 8(III)/2005)
- States of former Yugoslavia (Serbia and Slovenia) (Law No. 179/1986)
- Egypt (Law No. 32(III)/ 1996)
- China (Law No. 19(III)/ 1995)
- Poland (Law No. 10(III)/ 1997)
- Germany (Law No. 5/1984)

The Republic of Cyprus is bound by the Hague Convention on the Recognition and Enforcement of foreign Judgments 1971, though this is in practice not applicable since no parties have signed a supplementary agreement with Cyprus to date.

By virtue of it being an EU Member State, Cyprus is also bound by the Hague Convention on the Choice of Courts 2005, and the Lugano Convention 2007, among others.

(C) What types of judgments in commercial matters are enforceable?

For Domestic Judgments:

Any Court judgments or orders issued by a Court exercising its civil jurisdiction are automatically enforceable on issue.

For Foreign Judgments:

Any Court judgment which may be recognised as a Cyprus judgment under the legal regimes laid down above.

General outlines:

(D) Are the lawyers and procurator needed?

There is no rule preventing natural persons from filing the necessary documents for the enforcement of judgments, however given the procedural terrain, legal representation is strongly advised. Legal persons must, by law, always engage legal representation.

(E) Is a security for costs needed?

No

(F) Which court is the competent court?

The recognition of foreign judgments and subsequent enforcement measures fall within the jurisdiction of the District Courts of Cyprus in the exercise of their civil jurisdiction.

(G) Can the debtor oppose to the enforcement?

A judgment debtor can oppose enforcement by applying for a stay of execution on the grounds of facts which have arisen too late to be pleaded. Further, the law provides for measures to oppose specific execution measures (i.e., opposing the divestment of debtor's land). The filing of an appeal against the judgment does not automatically affect the enforceability of a judgment. The debtor can also contest the recognition and enforcement of the judgment itself only for a limited number of specific grounds (public order, irreconcilable with an earlier judgment, given in default of appearance, without the defendant being able to arrange for his defence etc.). In most cases the judgment may not be reviewed as to its substance.

Measures to secure the effectiveness of enforcement:

(H) Is it possible to obtain an automatic freezing order of bank accounts?

An “automatic” freezing order may be obtained upon the issue of the judgment where such a freezing order was pleaded in the claim. Alternatively, upon securing the judgment, a judgment debtor may file an interim application for a freezing order. We note that in the case of European Account Preservation Orders, these are recognised and enforceable in Cyprus without any further step, as per Regulation 655/2014.

(I) How do you secure the effectiveness of an immovable property?

A judgment creditor must immediately register their judgment against the property (known in Cyprus as a “MEMO”, it is a charge *in rem*). Whether immovable property will prove adequate for the enforcement of a judgment debt depends on what interests and charges are registered on the property which predate the registration of the judgment.

(J) Is there a Bailiff in your jurisdiction?

Yes

(K) Can one freely choose the person of the bailiff?

Court bailiffs are public servants, employed permanently at the courts, and are responsible for procedural acts necessary for the execution of judgments. One cannot freely choose the court bailiff who will handle matters pertaining to the enforcement of a judgment.

(L) How much does this cost?

The issuance of writs of execution carries stamp duty calculated on the basis of the value of the judgment debt.

(M) In which field will they work?

Court bailiffs are public servants who work at the courts and handle procedural aspects of measures for the enforcement of a judgment against moveable property.

(N) How do they work?

Court bailiffs have the power to do all things necessary for the execution of a writ for the seizure and sale of movable property.

(O) Is the judgment creditor entitled to interest? If so, on what basis is it calculated?

Any provision of the original judgement regarding interest should be honoured unless it contravenes public order. Further, Law 14/1960 provides that notwithstanding specific statutory provisions for the adjudication of interest on capital sums, the default position is that the Courts have discretion to adjudicate interest on any judgment sum. The maximum interest judgment creditors are entitled to is dictated by an order of the Minister of Finance and today stands at 2%.

Reference contact in CYPRUS

Papadopoulos, Lycourgos & Co LLC, Nicosia

Xenia Kantouna, Associate

x.kantouna@paplyclaw.com

+35722676126