

Arbitration

in 55 jurisdictions worldwide

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Cyprus

Michalis Kyriakides and Olga Shelyagova

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Laws and institutions

1 Multilateral conventions

Is your country a contracting state to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards? Since when has the Convention been in force? Were any declarations or notifications made under articles I, X and XI of the Convention? What other multilateral conventions relating to international commercial and investment arbitration is your country a party to?

International arbitrations in Cyprus are governed by the International Arbitration in Commercial Matters Law 1987 (IACM or the Law). Cyprus has also signed the New York Convention on the 29th December 1980 and incorporated its main provisions in the IACM.

This Law applies to the recognition and enforcement of awards made in the territory of a state other than the state where such recognition is sought. In accordance with the Law, Cyprus is bound to enforce awards made in foreign states. Cyprus has made no declarations or notifications under articles I, X and XI of the New York Convention.

Moreover, Cyprus is a signatory to the following multilateral conventions relating to the recognition and enforcement of foreign judgments:

- the Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters and Supplementary Protocol thereto;
- the Convention on the Recovery Abroad of Maintenance (Ratification);
- the European Convention on the Recognition and Enforcement of Decisions concerning the Custody and/or Restoration of Custody of Children;
- the European Convention on the Recognition and Enforcement of Foreign Arbitral Awards;
- the European Convention on the Recognition and Enforcement on Certain International Aspects of Bankruptcy; and
- the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

2 Bilateral treaties

Do bilateral investment treaties exist with other countries?

So far, Cyprus is a party to 23 bilateral investment treaties (BITs). Cyprus is bound by BITs with the following countries: Armenia, Belarus, Belgium and Luxembourg, Bulgaria, China, Czech Republic, Egypt, Greece, Hungary, India, Iran, Israel, Italy, Jordan, Lebanon, Malta, Montenegro, Poland, Qatar, Romania, Russian Federation, Serbia, and Seychelles.

However, currently only 16 of the above treaties have entered into force. The treaties with Iran, Israel, Italy, Jordan, Montenegro, Qatar and Russian Federation are still awaiting ratification.

3 Domestic arbitration law

What are the primary domestic sources of law relating to domestic and foreign arbitral proceedings, and recognition and enforcement of awards?

Domestic arbitrations in Cyprus are governed by the Arbitration Law and the Civil Procedures Rules. The International Arbitration in Commercial Matters Law 1987 (IACM) (No. 101 of 1987) applies to international arbitrations. The main difference between the two laws is their applicability, which is strictly separate. The procedural difference is that the Arbitration Law allows the national courts to become involved in the arbitration proceedings, resulting in a significant delay in the issue of the award. The court's involvement in international arbitration is limited as opposed to domestic arbitration.

4 Domestic arbitration and UNCITRAL

Is your domestic arbitration law based on the UNCITRAL Model Law? What are the major differences between your domestic arbitration law and the UNCITRAL Model Law?

Cyprus has fully incorporated the suggestions from the Model Law in the text of the IACM. The only additional provision included in Cypriot legislation is the definition of the term 'commercial', that is arbitration if it refers to matters arising from relationships of a commercial nature, whether contractual or not. Some other provisions of the IACM, although they have been adopted from the Model Law, are structured slightly differently from those in the Model Law.

5 Mandatory provisions

What are the mandatory domestic arbitration law provisions on procedure from which parties may not deviate?

In line with the approach taken in articles of the UNCITRAL Model Law, the Cypriot legislators adopted the fundamental rights of a party as the basic principle, namely that the parties should be given a full opportunity to present its case. All other mandatory provisions provided in the Model Law were incorporated in the IACM in 1987. The Arbitration Law, which regulates all other arbitrations not falling within the scope of the IACM, does not contain any mandatory provisions. Cypriot courts under the provisions of the Arbitration Law exercise a general supervisory jurisdiction over domestic arbitrations.

6 Substantive law

Is there any rule in your domestic arbitration law that provides the arbitral tribunal with guidance as to which substantive law to apply to the merits of the dispute?

The parties to arbitration may freely decide on the law applicable to the merits of their case. Article 28 of the IACM adopts the wording of article 28 of UNCITRAL Model Law. If the parties have not

expressly chosen the law to govern their contract, the nominated seat of the arbitration is to be regarded as the best evidence of an implied choice of law. In the absence of an express or implied choice, the contract is to be governed by the law of the country with which the contract has the closest connection.

7 Arbitral institutions

What are the most prominent arbitral institutions situated in your country?

To date, the only body in Cyprus that offers arbitration services, although only for trade disputes, is the Arbitration Service of the Cyprus Chamber of Commerce and Industry situated in Nicosia, Cyprus. Usually, arbitrations in Cyprus are conducted on an ad hoc basis by way of creating a private tribunal of the parties' own choosing.

Arbitration agreement

8 Arbitrability

Are there any types of disputes that are not arbitrable?

The following types of disputes are not arbitrable in Cyprus:

- the statutory right of a shareholder of a limited liability company to petition the winding up of the company;
- matrimonial disputes;
- disputes involving illegality and fraud (this covers only domestic arbitrations);
- disputes falling within the ambit of articles 85 and 86 of the Treaty of Rome;
- disputes which will affect the public at large such as a judgment in rem against a ship, etc; and
- criminal law matters.

Section 9(2) of the Arbitration Law grants the power to the court to revoke an arbitration agreement in such circumstances.

9 Requirements

What formal and other requirements exist for an arbitration agreement?

There are no formal requirements in the domestic Arbitration Law as to an arbitration agreement. However, the general rule is that an arbitration agreement should encompass as much information and details as possible with regards to appointment of arbitrators, arbitral tribunal, place of arbitration, language of arbitration, applicable and governing laws, arbitration rules, allocation of costs, procedures of carrying out hearings, evidence, etc. The more details provided in the arbitration agreement or arbitration clause, the more likely it is that the parties' intentions for the conduct of arbitration will be satisfied.

As indicated in section 6 of the Arbitration Law, in the absence of specific points being covered by the parties' arbitration agreement, the court will apply the following arrangements by default:

- a single arbitrator;
- submission by the parties of an oath or affirmation to the arbitrator of their case;
- if deemed necessary by the arbitrators, examination of witnesses on oath or affirmation;
- a written award which is final and binding on the parties;
- costs at the discretion of the arbitrators;
- powers for the arbitrator of specified performance which are akin to those of the court (except in the case of disputes relating to land); and
- power for the arbitrator to make an interim award.

If the parties have elected in their arbitration agreement for an international place of arbitration, then the arbitration may be conducted

in accordance with the IACM rather than the provisions of the domestic Arbitration Law.

Article 7 of the IACM states that an arbitration agreement may be in the form of an arbitration clause or in the form of a separate agreement; it must be in writing; signed by the parties or otherwise recorded by means of telecommunication.

10 Enforceability

In what circumstances is an arbitration agreement no longer enforceable?

The arbitration agreements can be declared unenforceable by the court on the following grounds:

- illegality;
- avoidance;
- rescission;
- termination;
- ambiguity;
- non-operative;
- termination for breach of the arbitration agreement;
- frustration;
- waiver by the party which relies on the arbitration agreement; and
- public policy.

Furthermore, the court has discretionary power to refuse enforceability of an arbitration agreement when:

- allegations of fraud or dishonesty are raised;
- complex questions of law are too complex to be resolved by arbitrators;
- there is a multiplicity of proceedings between the same parties only some of which are subject to arbitration;
- the arbitrator is not empowered to give appropriate relief; or
- there is no dispute between the litigants to be referred to arbitration (ie, one of the parties acknowledged their liability).

The arbitration agreements which are covered by the definition of article 1(3) of the UNCITRAL Model Law can be declared unenforceable on the limited grounds expressly stated in article 8 of the Model Law.

The death, bankruptcy, liquidation of a party or legal person to an arbitration agreement does not discharge the arbitration agreement and also the cause of action to which the agreement relates.

11 Third parties – bound by arbitration agreement

In which instances can third parties or non-signatories be bound by an arbitration agreement?

Third parties or non-signatories can be bound by an arbitration agreement in the following instances:

- by an assignment of a contract containing an arbitration clause provided that the said contract is by its nature assignable;
- the administrator of the estate of a deceased person who was a contracting party to an arbitration agreement;
- the trustee of the bankruptcy of a person who was a contracting party to an arbitration agreement before his bankruptcy provided that the said trustee affirms the contract;
- the liquidator of a company under liquidation provided he affirms the contract containing the arbitration clause or an arbitration agreement executed before the liquidation of the company; or
- the disclosed or undisclosed principal, when the contract containing the arbitration clause or the arbitration agreement is executed by his duly authorised agent. In the case of the undisclosed principal the agent is also personally bound by the arbitration agreement.

Under domestic law the third party may also be bound by an arbitration agreement in relation to the summons of a witness. A party to the arbitration may apply to the court for the issue of the summons and any person can be required to attend for examination or to produce a document. In relation to the award, this will only be binding upon the parties to the arbitration agreement.

12 Third parties – participation

Does your domestic arbitration law make any provisions with respect to third-party participation in arbitration, such as joinder or third-party notice?

Under the domestic law the third party may be bound by an arbitration agreement in the above mentioned instances.

13 Groups of companies

Do courts and arbitral tribunals in your jurisdiction extend an arbitration agreement to non-signatory parent or subsidiary companies of a signatory company, provided that the non-signatory was somehow involved in the conclusion, performance or termination of the contract in dispute, under the 'group of companies' doctrine?

Courts and arbitral tribunals in Cyprus do not extend an arbitration agreement to a non-signatory parent or subsidiary companies of a signatory company.

14 Multiparty arbitration agreements

What are the requirements for a valid multiparty arbitration agreement?

In Cyprus there are no specific considerations or provisions for multiparty arbitration agreements. When parties wish to have a multiparty arbitration, they should expressly and clearly state such intent in their arbitration agreement.

Constitution of arbitral tribunal

15 Appointment of arbitrators

Are there any restrictions as to who may act as an arbitrator?

Arbitrators must be impartial and independent. There are no specific restrictions as to who may act as an arbitrator. The parties themselves decide on suitable candidates, who may be technical experts, lawyers, judges, or other professionals. However, a potential arbitrator should disclose to their possible appointees any circumstances likely to give rise to justifiable doubts as to their impartiality or independence. Once appointed, the arbitrator has the obligation to inform all the parties concerned of any such circumstances, unless the parties had already been informed by the arbitrator of these circumstances.

16 Appointment of arbitrators

Failing prior agreement of the parties, what is the default mechanism for the appointment of arbitrators?

According to article 10 of the IACM, the parties are free to determine the number of arbitrators and the procedure of their appointment. Should such determination fail, the number of arbitrators shall be three. Each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator. If a party fails to appoint the arbitrator within 30 days of receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within 30 days of their appointment, the appointment shall be made, upon request of a party, by the court at the request of either party.

17 Challenge and replacement of arbitrators

On what grounds and how can an arbitrator be challenged and replaced? Please discuss in particular the grounds for challenge and replacement and the procedure, including challenge in court.

Article 12 of the IACM follows the standards set by article 10 of the UNCITRAL Rules, specifically:

- 'any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence'; and
- 'a party may challenge the arbitrator appointed by him only for reasons of which he becomes aware after the appointment has been made.' Evidently, an arbitrator is replaced in case of his illness or death.

National courts do not have the power to remove arbitrators, neither during the course of arbitral proceedings, nor after the award is made. Nevertheless, the parties are free to agree on a procedure for challenging an arbitrator, and should such agreement fail the specified provisions come into force.

In accordance with article 13 of the IACM 1987, a party who intends to challenge an arbitrator shall, within 15 days after becoming aware of any circumstances that give rise to justifiable doubts as to his impartiality or independence, or if he does not possess the qualifications agreed to by the parties, send a statement of the reasons for the challenge to the arbitral tribunal. Unless the challenged arbitrator withdraws from his office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.

18 Relationship between parties and arbitrators

What is the relationship between parties and arbitrators? Please elaborate on the contractual relationship between parties and arbitrators, neutrality of party-appointed arbitrators, remuneration, and expenses and liability of arbitrators.

The arbitrators' relationship towards the parties must be based in neutrality, impartiality and fairness. The specifics of this relationship and remuneration of the arbitrators must be agreed among the parties involved in the arbitration. An arbitration agreement is a bilateral contract which becomes trilateral on the appointment of the arbitrator. Under the trilateral contract, the arbitrator assumes the status of a quasi-judicial adjudicator with the duties, disabilities and immunity inherent in that status.

Jurisdiction

19 Court proceedings contrary to arbitration agreements

What is the procedure for disputes over jurisdiction if court proceedings are initiated despite an existing arbitration agreement, and what time limits exist for jurisdictional objections?

Under the Arbitration Law, if court proceedings are initiated despite an existing arbitration agreement, the defendant is entitled to apply for the dispute to be referred to arbitration as soon as he files an appearance and before he takes any fresh step in the legal proceedings. The court has discretionary powers regarding whether to stay the legal proceedings or not. In the IACM, article 8 of the UNCITRAL Model Law is adopted.

20 Jurisdiction of arbitral tribunal

What is the procedure for disputes over jurisdiction of the arbitral tribunal once arbitral proceedings have been initiated and what time limits exist for jurisdictional objections?

Under domestic law, should one party question an arbitrator's decision on jurisdiction, he may apply to the court for a ruling on the jurisdiction and competence of the national arbitral tribunal.

The IACM provides that the arbitral tribunal may rule on its own jurisdiction including any objections with respect to the existence or validity of the arbitration agreement. A plea that the tribunal does not have jurisdiction shall be raised no later than the submission of the statement of defence.

Arbitral proceedings

21 Place and language of arbitration

Failing prior agreement of the parties, what is the default mechanism for the place of arbitration and the language of the arbitral proceedings?

In accordance with article 22 of the IACM, the parties are free to agree on the language to be used in the arbitral proceedings. Failing such agreement, the arbitral tribunal will determine the language to be used in the proceedings, which will apply to any written statement by a party, any hearing and any award, decision or other communications by the arbitral tribunal. The arbitral tribunal may also order for any documentary evidence to be accompanied by a translation into the languages agreed upon the parties or determined by the arbitral tribunal.

In domestic arbitrations, such issues will be decided by the court if the parties disagree.

22 Commencement of arbitration

How are arbitral proceedings initiated?

The arbitral proceedings in respect of a particular dispute commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent. This can differ subject to prior agreement by the parties. The notice for arbitration should be provided to the other party and it should contain, unless otherwise agreed by the parties, the facts supporting the claim, the points at issue and the relief of remedy sought.

23 Hearing

Is a hearing required and what rules apply?

The parties can agree either to have the resolution of their dispute on the basis of documentary evidence or on the basis of oral and documentary evidence. During arbitral proceedings the parties must have the same rights and same obligations subject to the principle of equality, and each party must be given a full opportunity to present its case.

24 Evidence

By what rules is the arbitral tribunal bound in establishing the facts of the case? What types of evidence are admitted and how is the taking of evidence conducted?

In domestic arbitrations the arbitrator has the power:

- to require evidence and documents from the parties;
- to examine witnesses on oath or affirmation; and
- to administer oaths or take affirmations from witnesses.

The evidence produced can be oral or documentary. The parties can present their own experts' witnesses, but they have also the right to request jointly the appointment of an expert by the arbitrator.

Under the IACM parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings. If there is no such agreement, the tribunal, subject to the provisions of the Law, may conduct the arbitration in such a manner as it considers appropriate. The power conferred upon the tribunal includes the power to determine the admissibility, relevance, materiality and weight of any evidence. The arbitral tribunal or a party with the

approval of the arbitral tribunal may request from the court assistance in taking evidence. The court may execute the request within its competence and according to its rules on taking evidence.

25 Court involvement

In what instances can the arbitral tribunal request assistance from a court and in what instances may courts intervene?

The most important aspect of the Cypriot Law on International Arbitration is the fact that the intervention of the courts is minimised. Only in those instances specifically mentioned by the IACM are the courts entitled to intervene. In domestic arbitrations the court, upon the application of any party to arbitration proceedings, can intervene by way of issue of:

- an order for discovery of documents;
- an order for giving evidence by affidavit;
- an order for the examination on oath of any witness and the issue of commission or request for the examination of a witness outside the jurisdiction;
- an order for the inspection of any property which was the subject of the reference to arbitration; and
- a subpoena ordering a person to appear before the arbitrators and to give evidence or produce documents.

26 Confidentiality

Is confidentiality ensured?

The Arbitration Law does not provide for confidentiality of proceedings. It is up to the parties to determine whether they wish their proceedings to be confidential or public. Since arbitrations are private proceedings, members of the public may be excluded by the arbitrators.

Interim measures

27 Interim measures by the courts

What interim measures may be ordered by courts before and after arbitration proceedings have been initiated?

The Arbitration Law grants the power to the court to order interim measures in the following circumstances:

- orders for the preservation, detention or sale of property forming the subject matter of the dispute;
- orders for appointment of receivers;
- orders for interim relief, eg, injunctions against breaches of an underlying contract pending the outcome of arbitration proceedings;
- orders for security for costs;
- orders securing the sum in dispute; and
- an order for the arrest of a vessel.

In a case of international arbitration proceedings any of the parties may apply to the court for it to issue any of the above mentioned measures.

28 Interim measures by the arbitral tribunal

What interim measures may the arbitral tribunal order after it is constituted? In which instances can security for costs be ordered by an arbitral tribunal?

In domestic arbitrations, the arbitrator does not have any jurisdiction to issue any interim measures.

In international arbitrations a party may apply to the court for interim relief to issue all the types of interim measures which the courts can issue including freezing injunctions, appointment of receiver, order securing the amount of the dispute, order for

protection of the subject matter of the dispute, security for costs, etc. Any interim measure issued by an arbitration tribunal can be enforced through court procedure. In practice, in the majority of all international arbitrations conducted in Cyprus the parties apply to the courts to obtain the necessary interim measures of protection.

Subject to express agreement by the parties, arbitrators can order the security of costs in the following situations:

- a claimant or counterclaimant who resides ordinarily outside the countries which are member states of the EU does not have any immovable property within the jurisdiction of Cyprus registered in its name;
- the claimant or counterclaimant is unlikely to be able to meet any order for costs against it; and
- the claimant's or counterclaimant's assets are located in a country which is not a party to the New York Convention, so that if an award of costs is made against it, the respondent might not easily be able to enforce that award.

Awards

29 Decisions by the arbitral tribunal

Failing party agreement, is it sufficient if decisions by the arbitral tribunal are made by a majority of all its members or is a unanimous vote required? What are the consequences for the award if an arbitrator dissents?

In domestic arbitration, the entire arbitral tribunal must have the opportunity to participate in the making of the award. The arbitrators can not delegate decision-making functions to any one of their members. Unless the parties have not agreed otherwise, the arbitrators must act unanimously before the award could be binding on the parties.

In international arbitration, failing party agreement, in arbitral proceedings with more than one arbitrator any decision of the arbitral tribunal is made by majority of its members. However, a question of procedure may be decided by a presiding arbitrator, if authorised by the parties or all members of the arbitral tribunal. It will have no consequence for the award if one of the arbitrators dissents, as the decision is made by a majority of the arbitrators.

30 Dissenting opinions

How does your domestic arbitration law deal with dissenting opinions?

Domestic law does not cover this issue. The parties are free to determine their own procedure for dealing with dissenting opinions.

31 Form and content requirements

What form and content requirements exist for an award?

The Domestic Arbitration Law does not state any requirements with regards to the form and content of the award. As for international arbitration, the award must state the reasons upon which it is based, unless the parties have agreed that no reasons are to be given or the award is an award on agreed terms. The award must be in writing and signed by the arbitrators. It must also state the date and the place of arbitration.

32 Time limit for award

Does the award have to be rendered within a certain time limit under your domestic arbitration law?

There is no deadline for making an award. However, there may be contractual limits within which an award has to be made.

33 Date of award

For what time limits is the date of the award decisive and for what time limits is the date of delivery of the award decisive?

The date of delivery of the award of the parties is decisive in the following instances:

- an award may be corrected by the arbitrators as regards clerical errors and ambiguities within 30 days from the date of delivery of the award; and
- any application to set aside the award is to be made within 90 days from the date of the delivery of the award.

34 Types of awards

What types of awards are possible and what types of relief may the arbitral tribunal grant?

The possible types of award are the following:

- a final award, disposing of all outstanding issues between the parties;
- a partial award disposing a particular issue arising between the parties;
- a provisional or interim award whereby the arbitrators award relief pending the making of the final award; or
- an agreed award or award by consent embodying any settlement reached by the parties.

An arbitration tribunal has the power to grant the following types of relief:

- the payment of a sum of money – (including payments in foreign currency) – plus interest;
- declaratory relief;
- injunctive relief;
- specific performance of a contract other than a contract for the sale of land;
- rectification, set aside or cancellation of a contract;
- an award which gives directions as to the future use of a property; and
- an award of costs (eg, arbitration costs, legal costs and any other costs incidental to the arbitration).

35 Termination of proceedings

By what other means than an award can proceedings be terminated?

In accordance with article 32 of the IACM, the arbitral tribunal can order the termination of arbitral proceedings when:

- the claimant withdraws his claim, unless the respondent objects thereto and the arbitral tribunal recognises a legitimate interest on his part in obtaining a final settlement of the dispute;
- the parties agree on the termination of the proceedings; or
- the arbitral tribunal finds that the continuation of the proceedings has for any other reason made the provisions unnecessary or impossible.

The domestic arbitration proceedings can be terminated in the same circumstances.

36 Cost allocation and recovery

How are the costs of the arbitral proceedings allocated in awards? What costs are recoverable?

The parties to an arbitral proceeding can agree how the costs of arbitration can be allocated. In the absence of such an agreement the allocation is decided by the arbitrators.

Unless agreed otherwise, the following costs are recoverable:

- the arbitrators' own fees and expenses;

Update and trends

Arbitration in Cyprus is becoming an increasingly popular means of alternative dispute resolution and is extensively used in industries such as construction, insurance and trade and is particularly predominant for disputes relating to cross-border transactions and commercial matters. Furthermore, judges in Cyprus are becoming more reluctant to proceed with hearing a case involving specialised, technical matters or scientific issues requiring specialised knowledge. In such cases, they are likely to recommend the appointment of an arbitrator.

- the fees and expenses of any arbitral institution involved in the arbitration proceedings;
- the parties own costs including legal costs and costs incurred in negotiating the reference to the arbitrators; and
- any costs incidental to the arbitration which include the fees of experts, the hiring of premises for the holding of the arbitration, etc.

37 Interest

May interest be awarded for principal claims and for costs and at what rate?

Unless agreed otherwise by the parties, the arbitrators have the power to award simple or compound interest from such dates and such rates as they consider appropriate for the case at stake on the whole or part of any amount claimed including costs in the arbitration proceedings, in respect of any period up to the date of payment.

In domestic arbitrations, the arbitrator has powers to award the same interest as awarded by the courts.

Proceedings subsequent to issuance of award

38 Interpretation and correction of awards

Does the arbitral tribunal have the power to correct or interpret an award on its own or at the parties' initiative? What time limits apply?

Article 33 of the IACM stipulates that within 30 days, or other period agreed by the parties, of the receipt of the award, a party, with notice to the other party, may:

- request the arbitral tribunal to correct in the award any errors in computation, any clerical or typographical errors or any errors of similar nature; and
- if so agreed by the parties, request the arbitral tribunal to give an interpretation of a specific point or part of the award.

Should the arbitral tribunal consider the request to be justified, it may correct or give the interpretation within 30 days of receipt of the request. This will form part of the award. The arbitral tribunal may also correct any error mentioned above on its own initiative within 30 days of the date of the award. The time limit of 30 days may be extended, if necessary, by the arbitral tribunal.

39 Challenge of awards

How and on what grounds can awards be challenged and set aside?

In general, the courts are reluctant to set aside awards. In domestic arbitration an award may be challenged by an application for setting aside of the award on these grounds:

- misconduct of arbitrator;
- misconduct of the arbitral proceedings;
- the award is improperly procured; or
- the award is ambiguous or without reasons.

In the case of international arbitration, the court may set aside the award or refuse its recognition or enforcement on the grounds of:

- incapacity of the parties;
- invalidity of the arbitration agreement;
- lack of proper notice or denial of a party's right to present his case;
- lack of jurisdiction of the tribunal;
- defective composition of the tribunal;
- the subject matter of the dispute not being capable of settlement by arbitration under the law of Cyprus; or
- the award being contrary to the public policy of the Republic of Cyprus.

Unless the above specified instances have occurred, the award is binding upon the parties.

40 Levels of appeal

How many levels of appeal are there? How long does it generally take until a challenge is decided at each level? Approximately what costs are incurred at each level? How are costs apportioned among the parties?

An arbitration award is binding on the parties and cannot be the subject of an appeal unless the grounds mentioned in Cypriot law for setting aside an award have been raised. A general power of appeal does not exist.

Article 6 of the domestic Arbitration Law gives the tribunal or the arbitrator the discretion to decide on costs. Usually the party who appeals bears the costs of appeal. The costs vary depending on individual cases.

41 Recognition and enforcement

What requirements exist for recognition and enforcement of domestic and foreign awards, what grounds exist for refusing recognition and enforcement, and what is the procedure?

After delivery of the award, the court may set aside an award or refuse recognition or enforcement on the grounds of:

- incapacity of the parties;
- invalidity of the arbitration agreement;
- lack of proper notice or denial of a party's right to present his case;
- lack of jurisdiction of the tribunal;
- defective composition of the tribunal;
- the subject matter of the dispute not being capable of settlement by arbitration under the law of Cyprus; or
- the award being contrary to the public policy of Cyprus.

42 Enforcement of foreign awards

What is the attitude of domestic courts to the enforcement of foreign awards set aside by the courts at the place of arbitration?

Cypriot courts look favourably upon enforcement of foreign awards. If the award was set aside at the place of arbitration, other than Cyprus, purely for reasons of public policy of that jurisdiction, and if such public policy restriction does not apply in Cyprus, then the Cypriot court shall review whether to enforce the award or not.

43 Cost of enforcement

What costs are incurred in enforcing awards?

The costs incurred usually include courts' fees, translation fees, bailiffs' fees and legal fees.

Other**44 Judicial system influence**

What dominant features of your judicial system might exert an influence on an arbitrator from your country?

The following features of our judicial system might exert an influence on an arbitrator from Cyprus:

- limited discovery in comparison to US-style discovery;
- written witness statements are not common, unless agreed by the parties; and
- the officers of the parties can testify.

45 Regulation of activities

What particularities exist in your jurisdiction that a foreign practitioner should be aware of?

Except for the need to arrange a visa for practitioners coming from countries whose citizens need a visa to visit Cyprus, there are no other particularities that a foreign arbitration practitioner might face.



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