



## HARRIS KYRIAKIDES LLC

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### IMPORANT REVISIONS OF THE CYPRUS COMPANIES LAW (CAP.113)

The Republic of Cyprus has now introduced important innovations in the Cyprus Companies Law (Cap. 113), with a view to clarify, modernise and facilitate Cyprus corporate practice. As highlighted in the explanatory note accompanying the adopted legislative bill, the rationale behind the amendments is to enhance business efficiency by saving time, simplifying processes and increasing competitiveness at no additional cost.

The most important novelties related to private Cyprus Companies include the following:

- An agreement which must be executed in writing in order to be valid under the law which governs such agreement, can be executed by a Cyprus Company without affixing the common seal.
- An agreement which under English law is only valid if the common seal is duly affixed, can be executed by a Cyprus Company without affixing the common seal.
- A document executed on behalf of a Cyprus Company, in Cyprus or abroad, from any person who acts on the basis of express or implied authority of the Cyprus Company, shall be valid as if the common seal of the Cyprus Company was affixed to this document.
- The legislative prohibitions on financial assistance for acquisition of own shares does not apply where:

- (a) the Cyprus Company is not a subsidiary of any public company, and
  - (b) the relevant transaction has been approved at any stage by a resolution of the general meeting approved by a majority of 90% of all the issued shares of the Cyprus Company.
- Redeemable preference shares may now be issued on terms that allow their redemption both at the option of the company and at the option of their registered holder.
  - Any conversion of shares belonging to a particular class to a different class, either by resolution or automatically in accordance with the terms of issuance of such shares, shall be notified to the Registrar of Companies within a month from such conversion.
  - Any amendment, assignment or other alteration to a pledge which has been filed with the Registrar of Companies, can be registered autonomously.
  - It is no longer required to register with the Registrar of Companies a pledge over shares in Cyprus Companies or agreements for the provision of financial or monetary securities, as defined by the relevant law implementing the EU Financial Collateral Directive.

For further information do not hesitate to contact us at [info@kyrlaw.com.cy](mailto:info@kyrlaw.com.cy)

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