



Establishment of the Commercial Court and Admiralty Court

A short update on the Establishment and Operation of Commercial Court and Admiralty Court Law of 2022

Introduction

On 12 May 2022, the House of Representatives in Cyprus passed Law (L.69/2022) on the Establishment and Operation of the Commercial Court and the Admiralty Court (the “Law”), which establishes two new specialist courts, namely the Commercial Court and the Admiralty Court.

With the establishment of two new specialist courts, the Law intends to resolve commercial and admiralty disputes efficiently and expeditiously, and as a result strengthen Cyprus’ competitiveness as a centre for the provision of quality services and to attract foreign investment.

Summary of provisions relating to the establishment of the Commercial Court

The Commercial Court shall consist of five judges with wide knowledge and experience on commercial disputes.

Unless any procedural rules provide otherwise, the Commercial Court shall operate throughout the whole year.

The Commercial Court shall have jurisdiction to decide at first instance any type of “commercial dispute” where (save for certain exceptions discussed below) the amount in dispute or the value of the dispute exceeds €2.000.000.

A “commercial dispute” is defined under article 2 of the Law, as a dispute or matter arising out of or relating to one or more of the following, except for a

claim or counterclaim for damages for personal injury and a claim or counterclaim or registration of an arbitration award in relation to banking or financial matters:

- (a) business instrument or contract,
- (b) purchase, sale, import, export of goods,
- (c) transport of goods by land, air or pipeline,
- (d) exploitation of oil, natural gas or other natural resources,
- (e) insurance and reinsurance,
- (f) the operation of markets or the exchange of shares, stocks, or other financial or investment vehicles or goods,
- (g) provision of services, save for medical, or quasi-medical or dentistry services or any services provided under an employment contract,
- (h) manufacturing of vehicles,
- (i) commercial agency,
- (j) application of the provisions of the Damages Claims for the Violation of the Law of Competition Law,
- (k) disputes between shareholders of entities regulated by any regulatory authority in the Republic,
- (l) issues of intellectual property and related rights in the context of the application of the provisions of the Copyright and Related Rights Law and the Patents Law, and
- (m) arbitration matters.

Under article 3 of the Law, the Commercial Court shall have jurisdiction to hear and decide “commercial disputes” where the amount in dispute or the value of the dispute exceeds €2.000.000 or any “commercial dispute” falling under items (j), (l) and (m) above regardless of the amount or value of the dispute.

Summary of provisions relating to the Establishment of Admiralty Court

The Admiralty Court shall consist of two judges with wide knowledge and experience on maritime case.

Unless any procedural rules provide otherwise, the Admiralty Court shall operate throughout the whole year.

The Admiralty Court shall have exclusive jurisdiction to decide at first instance any type of “admiralty case”.

A “admiralty case” is defined under article 2 of the Law and is wide-ranging. Inter alia, it includes any claim, regardless of the amount in dispute:

(a) concerning the possession or ownership of a vessel or the ownership of any share in it.

(b) which arises between co-owners of a vessel in relation to its ownership, employment, or profits from the vessel.

(c) for the enforcement of a claim for damages, loss of life or personal injury which arises out of, inter alia, vessel collision, vessel manoeuvring and non-compliance with collision rules.

(d) from owners and/or other persons for the limitation of liability in relation to a vessel or other assets pursuant to the Convention on Limitation of Liability for Maritime Claims of 1976 and Protocol of 1996.

(e) in relation to the mortgage or lien over a vessel or a share in it.

(f) in relation to damage sustained by a vessel.

(g) in relation to damage caused by a vessel, and

(k) in relation to vessel towing and navigation.

The above list is not exhaustive.

Article 2 provides that “admiralty cases” also include claims, as those listed above, in relation to “aircraft”, as defined in article 2 of the Civil Aviation Law.

The Admiralty Court shall have jurisdiction to hear and determine on any claim regardless of the amount in dispute.

English language: The amendment of Article 3(4) of the Constitution

On 5 May 2022, the House of Representatives passed legislation pursuant to which Article 3(4) of the Constitution was amended, to allow the use of the English language, under certain circumstances in proceedings before the Commercial Court and the Admiralty Court.

Articles 15 and 29 of the Law provide that judges may, if the interest of justice so require, allow the conduct of the court proceedings and the filing of Documents in the English language, upon the request of one or more of the Parties. In such a case, the court shall designate English as the language of the proceedings.

This is a significant step towards modernizing the resolution of international commercial disputes and admiralty cases in Cyprus, as foreign (non-Greek speaking) parties may now have the opportunity to have their disputes heard and decided in a language they understand, English.

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