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Cyprus

LITIGATION

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

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CYPRUS LITIGATION



1. What are the main methods of resolving commercial disputes?

Litigation is the principal method of resolving disputes in Cyprus. Arbitration and mediation are also available as alternative dispute resolution mechanisms. Domestic arbitral proceedings are governed by the Arbitration Law, Cap. 4 while international arbitral proceedings are governed by the International Arbitration in Commercial Matters Law of 1987 which is based on the UNCITRAL Model Law on International Commercial Arbitration. Although litigation remains the most frequently used method of resolving commercial disputes, parties are increasingly turning to arbitration, primarily because of the delays in the processing of court cases. With respect to mediation, despite the fact that Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008 on certain aspects of mediation in civil and commercial matters was implemented in Cyprus with the enactment of the Certain Aspects of Mediation in Civil Matters Law of 2012, mediation is not widely used as an alternative method of resolving disputes.

2. What are the main procedural rules governing commercial litigation?

Civil procedure in Cyprus is mainly governed by the Civil Procedure Rules which are based on the English Civil Procedural Rules of 1954. The Civil Procedure Rules regulate most aspects of civil litigation including, inter alia, the commencement and service of the proceedings, pleadings, interlocutory applications, discovery, proceedings at trial and appeals. Certain aspects of civil procedure, including, inter alia, the granting of interim relief and the execution of judgments, are regulated by the Courts of Justice Law of 1960 and the Civil Procedure Law, Cap.6. As part of the on-going reform process to improve the Cypriot court system which is supported by the Directorate General for Structural Reform Support (DG REFORM) of the European Commission (EC) and the Council of Europe, the Rules Committee appointed by the Supreme Court submitted updated Civil Procedure Rules in November 2020 which were adopted by the by

the Supreme Court on 19 May 2021. The date on which the updated Civil Procedure Rules will enter into force has not yet been determined.

3. What is the structure and organisation of local courts dealing with commercial claims? What is the final court of appeal?

All commercial claims are initiated in a District Court. There are five District Courts in Cyprus, one for each geographic district (Nicosia, Limassol, Paphos, Larnaca and Famagusta). There are three ranks of judges in each District Court, namely District Judges, Senior Judges and Presidents of the District Court. Upon filing, a claim will be allocated to a judge based on the value of the claim. Claims up to €100,000 are allocated to a District Judge, claims exceeding €100,000 but not exceeding €500,000 are allocated to a Senior District Judge and claims in excess of €500,000 are allocated to a President of the District Court. The final court of appeal is the Supreme Court of Cyprus. Appeals against first-instance judgments rendered in commercial claims are heard and determined by a panel of three Supreme Court Judges. There are currently no intermediate appellate courts, although a bill intended to introduce an intermediate appellate court has been submitted and is currently before the Cypriot Parliament.

4. How long does it typically take from commencing proceedings to get to trial?

The length of time between commencement of proceedings and trial varies considerably depending, inter alia, on the nature of the proceedings, the District Court in which the proceedings are commenced and the workload of the particular judge to whom the proceedings are assigned. The level of backlogs in litigious civil and commercial cases is quite high and often results in serious delays in the processing of cases. On average the period between commencement of proceedings and trial at first instance is around five years. Serious efforts are being made to deal with the

problem of inordinate delays by increasing the number of judges, modernising the Civil Procedure Rules and creating new specialised courts.

5. Are hearings held in public and are documents filed at court available to the public? Are there any exceptions?

Article 30 of the Constitution of the Republic of Cyprus, which entrenches the right of every person to a public hearing, provides that the public may be excluded from all or any part of a hearing upon a decision of the court where it is in the interest of the security of the Republic, the constitutional order, public order, the public safety or public morals or where the interests of juveniles or the protection of the private life of the parties so require as well as in special circumstances where, in the opinion of the court, publicity would prejudice the interests of justice. In practice all commercial proceedings in Cyprus are held in public. Documents filed at court are not available to the public and are generally only available to the parties to the proceedings. However, a third party may apply to the court for permission to inspect the court's file of particular civil proceedings and obtain copies of documents and may be granted such permission, on such terms as the court deems fit, upon showing a legitimate interest.

6. What, if any, are the relevant limitation periods?

The Limitation of Actions Law of 2012 (Law 66(I)/2012) (the "Limitation Law") provides for different limitation periods depending on the nature of the claim. The general limitation period for claims founded in tort or contract is 6 years, although shorter limitation periods apply in respect of specific torts (such as defamation (1 year), malicious falsehood (1 year), negligence (3 years), nuisance (3 years) and breach of statutory duty (3 years)). The courts have the power to extend the prescribed limitation periods by up to two years if they consider this to be just and reasonable in the circumstances, subject to the proviso that no claim can be brought after the expiration of 10 years from the date on which the relevant cause of action is completed. In general, the prescribed limitation periods begin to run from the time the cause of action is completed or from 1 January 2016, whichever time is latest. The Limitation Law also contains provisions regarding the circumstances in which the running of the prescribed limitation periods may be postponed or suspended as well as transitional provisions with respect to causes of actions based on facts occurring before 1 July 2012 when the Limitation Law entered into force. It should be noted

that the provisions of the Limitation Law do not affect the limitation periods in respect of specific types of claims that are prescribed in other statutes, such as the statutes governing liability for defective products, the administration of estates and the specific performance of contracts for the sale of land.

7. What, if any, are the pre-action conduct requirements in your jurisdiction and what, if any, are the consequences of non-compliance?

At present there are no pre-action conduct requirements with respect to civil and commercial claims. However, the updated Civil Procedure Rules which are expected to enter into force in the near future introduce such requirements with respect to certain types of claims.

8. How are commercial proceedings commenced? Is service necessary and, if so, is this done by the court (or its agent) or by the parties?

Subject to certain limited exceptions, civil and commercial proceedings are commenced by filing a writ of summons in one of the District Courts, setting out the nature of the claim and the relief sought. A writ of summons may be either specially indorsed, containing the full statement of claim, or generally indorsed, setting out only the relief sought, except that in actions for libel, slander, malicious prosecution, false imprisonment, seduction or breach of promise of marriage and actions in which fraud is alleged by the plaintiff the writ of summons must be generally indorsed. Following the filing of the writ of summons, an official copy of the writ is required to be served on every defendant within a period of 12 months. The writ of summons may be renewed by the court for a period of 6 months from the date of renewal, if the court is satisfied that, reasonable efforts have been made to serve the writ, or that there are other good reasons justifying the renewal. Service is usually carried out by licensed private process-servers instructed by the parties.

9. How does the court determine whether it has jurisdiction over a claim?

If a claim before a Cypriot court is directed against a defendant not domiciled in Cyprus or has other "foreign elements" (e.g., if the facts giving rise to the dispute occurred outside Cyprus) the court will determine whether it has jurisdiction over the claim by applying either the provisions of the Recast Brussels I Regulation

(Regulation EU No. 1215/2012) or the national rules concerning jurisdiction. Most commercial disputes fall within the scope of application of the Brussels I Regulation. Generally, the determining factor of jurisdiction under the Brussels I regime is the domicile of the defendant. Generally, the court will have jurisdiction where the defendant is domiciled in Cyprus, subject to the provisions of the Recast Brussels I Regulation regarding exclusive jurisdiction, prorogation of jurisdiction and *lis pendens*. If the defendant is not domiciled in Cyprus the court may have jurisdiction over the claim pursuant to the provisions of the Recast Brussels I Regulation regarding exclusive jurisdiction (e.g. if the claim concerns immovable property located in Cyprus, or the validity of a decision of the directors or the shareholders of a Cypriot company), special jurisdiction (e.g. if the claim concerns a civil wrong committed in Cyprus or a contractual obligation performed or due to be performed in Cyprus) and prorogation of jurisdiction (e.g. if the parties agreed that their dispute would be subject to the jurisdiction of the Cypriot courts). In summary, the national rules concerning jurisdiction permit a Cypriot court to assume jurisdiction over a claim directed against a defendant not domiciled in Cyprus or having other “foreign elements” if the writ of summons is served on the defendant in Cyprus, if the defendant submits to the jurisdiction of the Cypriot court or (in respect of claims directed against defendants not domiciled in Cyprus) if the conditions set out in the Civil Procedure Rules for the granting of permission to serve the claim out of the jurisdiction are satisfied (generally these require a connection with Cyprus). Under the national rules, the court has a discretion to stay a claim over which it has jurisdiction if it is satisfied that the courts of another state are “clearly and distinctly” a more appropriate forum for the trial of the action. If the Cypriot courts have jurisdiction over a claim, the question of which specific District Court has jurisdiction is determined with reference to the provisions of the Courts of Justice Law of 1960 regarding territorial jurisdiction.

10. How does the court determine what law will apply to the claims?

With respect to contractual obligations, the Cypriot courts will apply the provisions of Regulation (EC) No 593/2008 on the law applicable to contractual obligations (“Rome I”), which establishes uniform rules for the purposes of determining the applicable law to contractual obligations in civil and commercial matters throughout the European Union. Subject to certain safeguards, Rome I upholds the freedom of the parties to choose the applicable law. Where the parties have not chosen the applicable law, the applicable law is

generally determined with reference to the nature of the contract. With respect to non-contractual obligations, the Cypriot courts will apply the provisions of Regulation (EC) No 864/2007 on the law applicable to noncontractual obligations (“Rome II”). In cases not falling within the scope of application of Rome I or Rome II, the Cypriot courts will apply the common law rules concerning the determination of the applicable law and their own case law.

11. In what circumstances, if any, can claims be disposed of without a full trial?

A claim may be disposed of without a full trial in a variety of circumstances. Judgment in default may be issued if the defendant fails to file a memorandum of appearance or fails to file a defence within the period prescribed by the Civil Procedure Rules (which is frequently extended by the court). Except in cases where proceedings are initiated by filing a generally indorsed writ of summons, the plaintiff may apply for summary judgment on the basis of an affidavit made by himself, or by any other person who can swear positively to the facts, verifying the cause of action and the amount claimed (if any), and stating that in his/her belief there is no defence to the action. The court will grant a summary judgment if it is satisfied that the defendant has no arguable defence and that there are no other reasons for permitting the case to go to trial. Furthermore, the court may strike out a claim or defence which has no real prospect of success, or is scandalous, frivolous or vexatious or may prejudice, embarrass or delay the fair trial of the action or is otherwise an abuse of the process of the court. In cases where the determination of a point of law raised by the pleadings is likely to effectively determine the outcome of the proceedings, the court may determine the point of law as a preliminary issue and proceed to dismiss the claim or make such other order as may be just. Finally, a claim may be dismissed if the plaintiff fails to file a Statement of Claim within the period prescribed by the Civil Procedure Rules (which is frequently extended by the courts) or deliberately and unjustifiably fails to comply with any order of the court (e.g., an order for discovery of documents). Generally, the Cypriot courts use the powers enabling them to dispose of proceedings without a full trial very sparingly.

12. What, if any, are the main types of interim remedies available?

The Cypriot courts have very wide powers to grant interim relief in support of civil and commercial claims. The main types of interim injunctions and orders granted

by the Cypriot court are the following: (i) Freezing orders (known as “Mareva injunctions”) preventing a defendant from using or dissipating all or part of his/her assets (including assets located outside Cyprus) pending the determination of the plaintiffs’ claim; (ii) Orders (known as “ancillary disclosure orders”) ordering the disclosure of a defendant’s assets for the purpose of policing a freezing order granted against the defendant; (iii) Disclosure of information orders (known as “Norwich Pharmacal orders”) ordering a person who is mixed up in wrongdoing to disclose information and/or documents in order to enable the applicant to bring legal proceedings in respect of the wrongdoing (e.g. by enabling him/her to identify the wrongdoers or obtain vital information concerning the wrongdoing) and/or trace misappropriated assets; (iv) Search orders (known as “Anton Piller orders”) requiring persons who are in control of premises situated in Cyprus to (a) permit an independent “Supervising Advocate” and the applicant’s representatives to enter such premises for the purpose of searching them and removing documents and/or obtaining information (including from electronic devices found in the premises) relating to specific matters and (b) inform the Supervising Advocate where such documents and/or information may be found. (v) Orders (known as “Chabra orders”) preventing a person against whom the applicant has no cause of action or claim (such as a person who holds assets as a trustee, agent or “nominee” of a wrongdoer against whom the applicant has brought a claim) from dissipating assets under his/her control or administration which may become available to satisfy a judgment which may be obtained by the applicant against the wrongdoer; (vi) Orders ordering the appointment of an interim receiver for the purpose of ensuring the preservation of the defendant’s assets and/or the defendant’s compliance with the freezing order; (vii) “Quia timet” injunctions which are “pre-emptive” injunctions intended to prevent the commission of a wrong or the violation of the applicant’s rights in circumstances where an act amounting to a wrong or a violation of the applicant’s rights is threatened. The granting of interim relief always lies within the discretion of the court. In order for the court to exercise its discretion the plaintiff- applicant must establish, by presenting strong evidence by way of affidavit, that he/she has a good arguable case on the merits and that, unless the relief is granted, it will be difficult or impossible for complete justice to be done at a later stage. The court must also be satisfied, after weighing the likely consequences of granting and not granting the relief sought, that it is “just and convenient” to grant the interim relief. Interim relief may be granted on an ex-parte basis (i.e., without notice to the defendant/respondent) in cases of urgency or where there are other special circumstances justify the granting of relief on an ex-parte basis. The Cypriot courts

may grant interim relief in support of proceedings instituted in Cyprus or in another EU member state or in Switzerland, Norway or Iceland as well as in support of contemplated or pending international arbitral proceedings.

13. After a claim has been commenced, what written documents must (or can) the parties submit and what is the usual timetable?

The defendant must file a memorandum of appearance stating his/her intention to defend the claim within 10 days of service of the writ of summons unless a longer period is stipulated in a court order (such as an order permitting the service of the claim out of the jurisdiction). If the writ of summons is generally indorsed (i.e., if it does not include a Statement of Claim) the plaintiff must proceed to file a Statement of Claim within 10 days from the date of filing of the defendant’s memorandum of appearance. The defendant must file a Defence (whereby he/she may also set up a counterclaim) within 14 days from the date of service of the writ of summons (where the statement of claim is included in the writ of summons) or from the date of filing of the Statement of Claim (where the writ of summons is generally indorsed). Once a Defence is filed and served on the plaintiff, the plaintiff may file a Reply (and, where a counterclaim is brought, a Defence to the Counterclaim) within 7 days from the date of service of the Reply. No subsequent pleadings may be filed unless the court orders otherwise. The prescribed periods for filing pleadings are very frequently extended by the court. Once the pleadings are deemed to be closed, the plaintiff (as well as the defendant in cases where a counterclaim is brought) must, within 90 days, issue and serve a Summons for Directions setting out the matters (e.g., disclosure and discovery of documents, provision of further and better particulars in respect of any pleading, amendment of any pleading) in respect of which he/she wishes the court to give directions before a trial date is set. The defendant must also file a corresponding notice in prescribed form within 30 days of being served with the Summons for Directions. At the hearing of the Summons for Directions, the court gives such directions as it considers fit and orders the parties to file a list of the witnesses they propose to call at trial and provide a summary of the evidence to be given by each witness. Upon providing directions the court also sets the time frames for compliance with the relevant directions. Once the court’s directions are complied with and lists of witnesses and summaries of evidence are submitted by the parties, the court proceeds to set a trial date.

14. What, if any, are the rules for disclosure of documents? Are there any exceptions (e.g. on grounds of privilege, confidentiality or public interest)?

The parties to civil proceedings may be required to disclose all documents in their possession, custody or power which relate to the proceedings whether they intend to reply on such documents or not. Such disclosure generally entails filing a list of documents verified by an affidavit confirming that the party making the disclosure has no other relevant documents in his custody or power. Privileged documents are required to be included in the list of disclosed documents but the party making the disclosure may object to their production. Privileged documents include documents covered by legal professional privilege or legal advice privilege, "without prejudice" correspondence and documents privileged on public policy grounds.

15. How is witness evidence dealt with in commercial litigation (and, in particular, do witnesses give oral and/or written evidence and what, if any, are the rules on cross-examination)? Are depositions permitted?

Evidence in support of interim applications (including applications for interim relief) is given by affidavit but the court may order the attendance of the deponent for cross-examination. At trial witnesses can either give their evidence orally or submit a written statement. Where a written statement is submitted, the witness is required to attend court and adopt the content of his/her witness statement on oath. Each party has the right to cross-examine the opposing party's witnesses at trial. Following the conclusion of the cross-examination the witness may be re-examined by the party calling the witness in relation to the evidence given by the witness in the course of his/her cross-examination. Depositions are permitted if the court permits the taking of the deposition. A deposition can only be used at trial if the party on whose application the order permitting the taking of the deposition was made gave sufficient notice to all other parties to attend the examination of the deponent.

16. Is expert evidence permitted and how is it dealt with? Is the expert appointed by the court or the parties and what duties do they owe?

Expert evidence is permitted. As a rule, each party

appoints its own expert witness(es) but the parties may agree to jointly appoint a single expert. The court has the power to summon an expert witness on its own motion. However, this power is rarely exercised. Expert witnesses have a duty to provide objective and impartial evidence on matters that fall within their area of expertise enabling the court to judge the accuracy of their conclusions and to formulate an independent view on their application to the facts. Expert evidence must be provided with clarity and detail, in an understandable language and without complicated professional technical terms as well as with care and skill and in compliance with the Civil Procedure Rules and the code of ethics. Expert witnesses' reports are usually provided to the other party prior to the trial and the witnesses are subsequently offered for cross examination.

17. Can final and interim decisions be appealed? If so, to which court(s) and within what timescale?

Interim decisions can be appealed only if they (i) concern an interim injunction or an order for the appointment of an interim receiver or (ii) are absolutely determinative of the rights of the parties. However, the correctness of any interim decision may be challenged in the context of an appeal against the court's final decision. All final decisions can be appealed as of right (there is no leave requirement). Appeals against interim decisions must be brought within 14 days from the date of the interim decision. Appeals against final decisions must be brought within 42 days from the date of the final decision. The prescribed periods for bringing appeals may, in exceptional cases, be extended by order of the court.

18. What are the rules governing enforcement of foreign judgments?

The procedure for enforcing foreign judgments in Cyprus depends on where the judgment was given. Judgments given in civil and commercial matters by the courts of EU member states or the courts of Norway, Switzerland and Iceland are enforceable in Cyprus pursuant to the provisions of the Recast Brussels I Regulation (Regulation EU) No. 1215/2012) and the Lugano Convention on jurisdiction and the recognition and enforcement of judgments. Furthermore, the Republic of Cyprus is a party to a number of bilateral treaties for the mutual recognition and enforcement of judgments. The countries with which the Republic of Cyprus has concluded such treaties include Russia, Georgia, Ukraine, Belarus, Montenegro, Serbia, Egypt and Syria. Judgments originating from such countries

may be recognised and enforced in Cyprus in accordance with the procedure and subject to the exceptions and qualifications stipulated in the relevant treaty. Judgments given in certain Commonwealth countries in civil matters are enforceable in Cyprus pursuant to the provisions of the Mutual Recognition of Certain Judgments of the Courts of Commonwealth Countries Law, Cap. 10. Notwithstanding Brexit, judgments given in the United Kingdom continue to be enforceable in Cyprus pursuant to the provisions of this Law. Final and conclusive judgments for a definite sum given by a court having jurisdiction in a country other than those mentioned above, may be enforced in Cyprus by bringing an action at common law on the basis of the foreign judgment.

19. Can the costs of litigation (e.g. court costs, as well as the parties' costs of instructing lawyers, experts and other professionals) be recovered from the other side?

The courts have a wide discretion with regard to costs. As a rule, the costs are awarded to the successful party. However, the costs awarded are calculated with reference to the amounts set out in the Regulations issued by the Supreme Court of Cyprus (which are linked to the amount of the claim before the Court). These amounts are low and usually represent only a fraction of the successful party's actual costs in complex, high value commercial disputes.

20. What, if any, are the collective redress (e.g. class action) mechanisms?

The Civil Procedure Rules do not permit class actions. However, where there are numerous persons having the same interest in a cause or matter, one or more of such persons may be authorised by the court to sue or defend in such cause or matter, as a representative and for the benefit of all interested persons.

21. What, if any, are the mechanisms for joining third parties to ongoing proceedings and/or consolidating two sets of proceedings?

The court may, at any stage of the proceedings, either on the application of the plaintiff or the defendant or of its own motion, order that any parties who ought to have been joined, or whose presence before the Court may be necessary in order to enable the Court effectually and completely to adjudicate upon and settle all the

questions involved in the proceedings, be added as parties. Furthermore, a defendant who claims as against any person not already a party to the proceedings (a "third party") (a) that he/she is entitled to contribution or indemnity, or (b) that he/she is entitled to any relief or remedy relating to or connected with the subject matter of the proceedings and substantially the same as some relief or remedy claimed by the plaintiff, or (c) that any question or issue relating to or connected with the subject matter of the should properly be determined not only as between the plaintiff and the defendant but as between the plaintiff and defendant and the third party or between any or either of them, may apply to the court for permission to issue and serve a "third-party notice" . If such permission is granted, the third party becomes a party to the proceedings upon being served with the "third-party notice". Where two or more sets of proceedings pending in the same court involve a common question of law or fact the proceedings may be consolidated if the court is satisfied that the common questions of law or fact are of such importance in proportion to the rest of the matters involved in the proceedings as to render it desirable that the proceedings should be consolidated. Where proceedings are consolidated, the court usually directs that the plaintiff or plaintiffs who first commenced proceedings shall have the conduct of the consolidated action.

22. Are third parties allowed to fund litigation? If so, are there any restrictions on this and can third party funders be made liable for the costs incurred by the other side?

It is unclear whether third party funding is permitted in Cyprus as this matter has not yet been determined or considered by the Cypriot courts. Given that, as a rule, a costs order cannot be issued against a person who is not a party to the proceedings, even if third party funding is held to be permitted, it is unlikely that a Cypriot court would make a third-party funder liable for the costs incurred by the other side.

23. What has been the impact of the COVID-19 pandemic on litigation in your jurisdiction (and in particular, have the courts adopted remote hearings and have there been any procedural delays)?

The COVID-19 pandemic has had a significant negative impact on civil litigation. Unfortunately, the absence of the necessary infrastructure to enable the courts to adopt remote hearings resulted in most hearings being

adjourned. Normal court business was suspended in March and again in December 2020, resulting in significant additional delays in the progress of civil proceedings. The relevant restrictive measures have been lifted as from June 2021. While these measures were in force the Cypriot courts took certain practical steps, including permitting communications with judges, the provision of directions and the delivery of written submissions with respect to interlocutory applications by email, to limit unnecessary attendances in court and to enable proceedings to progress to the extent possible.

24. What, in your opinion, is the main advantage and the main disadvantage of litigating international commercial disputes?

Given that Cyprus has been an established centre for international business for many years, Cypriot judges and legal practitioners have extensive experience in dealing with complex international commercial disputes. Arguably the main advantage of litigating such disputes in Cyprus is the readiness of the Cypriot courts to grant effective interim relief, especially in cases involving fraud or other serious wrongdoing. The main disadvantage is the often-inordinate delays in the processing of cases. The Supreme Court of Cyprus and the Ministry of Justice and Public Order, with the assistance and support of the Structural Reform Support Service of the European Commission and the Irish Institute of Public Administration, are in the process of taking drastic measures to deal with the problem of delays. Such measures include the adoption of updated Civil Procedure Rules and the introduction of an e-Justice management system.

25. What, in your opinion, is the most likely growth area for disputes for the next five years?

Intellectual Property, data protection and energy-related claims are two areas likely to see more growth, as well as a shift away from classical litigation to arbitration / mediation.

26. What, in your opinion, will be the impact of technology on commercial litigation in the next five years?

Technology has already had a significant impact on the

way practitioners operate and litigate claims. However, technology has not as yet been fully applied to the way cases are conducted (such as minute taking, electronic filings, Court lists, service of documents) and in this respect technology can play an important part in streamlining and expediting processes with a corresponding impact on the average length (duration) of litigations and the burden on the Court Registry. The measures which are in the course of being taken as part of the reform process to improve the Cypriot court system include the development and implementation of an E-Justice case management system. It is hoped that such a system will be implemented within 2021.

27. What, if any, will be the long-term impact of the COVID-19 pandemic on commercial litigation in your jurisdiction?

The COVID-19 pandemic has obviously brought home the need to develop and implement an effective and secure electronic case management system for the Courts (to allow for the electronic filing and management of Court cases) so that not only the current necessity to attend Court or the Court Registry for even the smallest of issues is removed and replaced with electronic filings (making the process far more time effective) but also to safeguard the system from new outbreaks (or the pessimistic scenario of the pandemic not coming under control this year).

As a direct result of the pandemic there has also been on one hand (a) a delay in the hearing of cases with a knock-on effect on the Court timetable and resolution of cases, (b) a rise in construction contract disputes (at present for higher value / large projects) where the progress of the works was inevitably affected by the Ministry of Health decrees temporarily closing down construction sites, as well as (c) an adverse impact on the ability of debtors to repay financing which in turn is expected to increase foreclosures and related litigation. While the latter is still being contained due to the emergency measures in place, these are being phased out and unless new measures are enacted the true economic impact of the pandemic on the ability of individuals and enterprises to fulfil their legal obligations will inevitably lead to an increase in Court cases.

With respect to the construction contracts, the disputes concern the extent to which contractors can rely on "force majeure" clauses and related provisions in their contracts to mitigate the impact on contractual performance as a result of the compulsory closing down of construction sites and delayed delivery of products.

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