

NATIONAL-LEVEL CORPORATE ANTI-ABUSE MEASURES RELEVANT TO THE EU COMPANY LAW PACKAGE

Expert Questionnaire

Cyprus

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February 2021

1) Anti-abuse mechanisms - do any of the following mechanisms exist in this country? If so, how do they work?

a. Disqualified Directors

i. Is there an official definition of “disqualified director”? If so, what are the grounds for disqualification? In which law can this be found? (link to legal text(s))

Cyprus is a mixed legal system,¹ where company law is based on English common law. The Cyprus Companies Law (Chapter 113-Cap. 113) of the Republic of Cyprus is based on the English Companies Act of 1948. Regarding classification of companies, Cyprus has companies limited by shares and companies limited by guarantee, which could be either public or private companies. The classification of companies in Cyprus company law is similar to the classification of companies in English company law.

Cyprus company law specifies the grounds under which a director could be disqualified. The company's articles of association could specify the conditions under which a director of this company could be disqualified. The Cyprus Companies Law contains certain tables, which are used as a model for company's articles of association. Article 88 of Part I, Table A, First Schedule of Cyprus Companies Law specifies the grounds justifying the disqualification of a director. A director could be disqualified, because he/she:

a) ceases to be a director due to non-compliance with the share qualification requirements of Article 176 of Cyprus Companies Law (Article 176 of Cyprus Companies Law regulates share qualifications of directors: a director might have the duty to hold a certain number of shares. This means that the acquisition of certain shares are required by someone for his appointment as director of this company. If a director does not hold such shares, his/her office is vacated).

b) becomes bankrupt or makes any arrangement or composition with his/her creditors generally (for the implementation of this ground see, Article 179 of Cyprus Companies Law on provisions as to undischarged bankrupts acting as directors).

c) is prohibited from being a director by reason of any Court order made under section 180 of Cyprus Companies Law (Article 180 is dedicated to the power to restrain fraudulent persons from managing companies).

(d) becomes of unsound mind.

(e) resigns his/her office by notice in writing to the company; or

¹ N. Hatzimihail, “Cyprus as a Mixed Legal System” [2013] J CivLS 37-96, S. Symeonides, “The Mixed Legal System of the Republic of Cyprus” [2003] Tul.L.Rev. 441.

(f) shall for more than six months have been absent without permission of the directors from meetings of the directors held during that period.²

In addition to Article 88 of Part I, Table A, First Schedule of Cyprus Companies Law, Article 178 of Cyprus Companies Law gives the possibility to the general meeting of shareholders to remove a director: a company could by an ordinary resolution of the general meeting of shareholders remove a director before the expiration of his/her period of office, notwithstanding anything in its articles or in any agreement between it and him.

The relevant provisions mentioned above could be found in the official English translation and consolidation of the Cyprus Companies Law, which was conducted by the Office of the Law Commissioner of the Republic of Cyprus:

[http://www.olc.gov.cy/olc/olc.nsf/284F7321A315ED07C225860D002DAF91/\\$file/The%20Companies%20Law.pdf](http://www.olc.gov.cy/olc/olc.nsf/284F7321A315ED07C225860D002DAF91/$file/The%20Companies%20Law.pdf)

The original Greek text of Cyprus Companies Law is available here:

http://www.cylaw.org/nomoi/enop/non-ind/0_113/full.html

ii. Is there an official list of (current) disqualified directors? If so, where can this be found? (name of organization maintaining it and link)

There is no official list of (current) disqualified directors in Cyprus. The Department of Registrar of Companies and Official Receiver of the Republic of Cyprus does not have such a list. The names of disqualified directors are not collected on a single list. However, when a company changes its directors, it must submit a form (HE4) notifying the Department of Registrar of Companies and Official Receiver about this change. This form could be submitted online and is added to the company's individual file in the register of companies, which is also available online. Hence, someone could see the old and new names of a company's directors by looking at the relevant HE4 forms at the company's individual file in the register of companies. The history of all the names of former and current directors of a company is available at the individual file in the register of companies (the payment of a 10 euro fee is required for this information). More information about the process of changing the names of company's directors as well as the HE4 form are available here:

<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-running-a-company/5-guidance/updating-company-s-particulars/updating-directors-and-secretary>

<https://www.companies.gov.cy/en/knowledgebase/forms-fees/companies-forms-and-fees/forms-updating-the-companies-register/form-updating-directors-and-secretary>

I am also citing an illuminating extract from the website of the Department of Registrar of Companies and Official Receiver:

“Following its registration, a company may proceed with changes in relation to its officers, such as appointment, termination/resignation of an officer, or changes with regards to an officers' personal details (e.g. change of name and address).

A company must notify the Registrar of Companies of any changes regarding its officers or their personal details by submitting (form HE4) within fourteen (14) days from the date of the change.

² P. Pafitis, *Company Law & Law of Partnership of the Republic of Cyprus*, Christodoulos G. Vassiliades & Co. LLC, 2016, Nicosia, 414-415.

As at 18/12/2020, failure to timely notify (within 14 days) the Registrar of Companies of any change regarding the company's officers or their personal details, allows the registrar to impose on the company a late filing fee not exceeding the amount of fifty euros (€50) upon the first day of non-compliance and a further charge of one euro (€1) for every day the failure to comply continues, up to the maximum amount of two hundred and fifty euros (€250)."³

iii. If there is an official list, who has access to this list (general public or restricted)?

There is no official list.

b. Beneficial Owners

i. Where is the database of beneficial owners and which organisation maintains it (link)

The Council of Ministers of the Republic of Cyprus, at its meeting on 16/12/2020, after the proposal of the Consultative Authority for Suppression of Money Laundering Activities and of terrorist financing submitted on the basis of Art. 57(b) of the Prevention and Suppression of Money Laundering Activities Law (Law 188(I)/2007) 2007-2019 (as amended), decided:

1) to designate the Department of Registrar of Companies and Official Receiver as the official authority for holding the database/register of beneficial owners.

2) to authorize the Department of Registrar of Companies and Official Receiver to collect information about the beneficial owners through an intermediate system that will be developed.

The Department of Registrar of Companies and Official Receiver announced that the date for the collection of this information was 18/1/2021. From this date, the companies will be granted a period of 6 months (i.e. until 19/7/2021) for registration to the intermediate system that has been developed, of the information concerning their beneficial owners. It is emphasized that the system that has been developed is an intermediate solution and access to it is possible only for the competent authorities, at the request to the Department of Registrar of Companies and Official Receiver.

This information collected will be transferred to the final system to be developed in the second half of 2021 and access to it will be based on the provisions of the 5th AML Directive (Directive 2018/843).

The Companies must already possess the required information about their beneficial owners on the basis of Article 61A of the Prevention and Suppression of Money Laundering Activities Law (Law 188(I)/2007) 2007-2019 (as amended). In some cases, this information must also be kept by legal entities offering administrative services to these companies on the basis of Articles 2A(d), 60 και 61 of the Prevention and Suppression of Money Laundering Activities Law (Law 188(I)/2007) 2007-2019 (as amended), in the context of due diligence.⁴

³ Website of the Department of Registrar of Companies and Official Receiver:

<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-running-a-company/5-guidance/updating-company-s-particulars/updating-directors-and-secretary>

⁴ Announcement of the Department of Registrar of Companies and Official Receiver (21-12-2020):

<https://www.companies.gov.cy/gr/βάση-πληροφοριών/νέα/απόφαση-υπουργικού-συμβουλίου-έφορος-εταιρειών-αρμόδια-αρχή-μητρώου-πραγματικών-δικαιούχων-εταιρειών-και-άλλων-νομικών-οντοτήτων>

With a new Announcement on 15/1/2021, the Department of Registrar of Companies and Official Receiver informed the public about its decision to postpone the starting date for the collection of this information about the beneficial owners and to set 22/2/2021 as the new date for the initiation of the collection of this information.⁵

On 18 February 2021, the House of Representatives of the Republic of Cyprus adopted a Law amending the Prevention and Suppression of Money Laundering Activities Law (Law 188(I)/2007), which transposed the 5th AML Directive into Cyprus law. These provisions strengthen the maintenance and the operation of the database of beneficial owners.

With a new Announcement on 19/2/2021, the Department of Registrar of Companies and Official Receiver informed the public about a new extension of the starting date for the collection of this information about the beneficial owners and set 16/3/2021 as the new date for the initiation of the collection of this information. Moreover, the Announcement informed the public that, within the next few days, the Department of Registrar of Companies and Official Receiver plans to issue the 1st Guideline on the maintenance and operation of the database/register on beneficial owners, as well as a manual for the operation of the system, which will be prepared for this purpose. Additionally, the Announcement informed the public that the Ministry of Energy, Trade and Industry will hold an information seminar on how to apply the national implementing rules, the Directive, and the systems and mechanisms that will be available to the companies, for which another announcement will be issued soon.⁶

The intermediate system has not been developed yet. This is the website of the Department of Registrar of Companies and Official Receiver, where the database of beneficial owners will be kept: <https://www.companies.gov.cy/gr/>

ii. Are there any checks on the authenticity of beneficial owners, or does the organisation depend on a “statutory declaration” or “affidavit” from the company directors?

No information is available yet. With regard to this issue, the Department of Registrar of Companies and Official Receiver plans to issue the 1st Guideline on the maintenance and operation of the database/register on beneficial owners, as well as a manual for the operation of the system.

iii. How quickly must the company give notice when ownership has changed (updating of lists/databases)?

No information is available yet. With regard to this issue, the Department of Registrar of Companies and Official Receiver plans to issue the 1st Guideline on the maintenance and operation of the database/register on beneficial owners, as well as a manual for the operation of the system.

⁵ Announcement of the Department of Registrar of Companies and Official Receiver (15-1-2021): <https://www.companies.gov.cy/gr/βάση-πληροφοριών/νέα/μετάθεση-της-ημερομηνίας-έναρξης-συλλογής-των-στοιχείων-πραγματικών-δικαιούχων>

⁶ Announcement of the Department of Registrar of Companies and Official Receiver (19-2-2021): <https://www.companies.gov.cy/en/knowledgebase/news/1765/?ctype=ar>

iv. Who has access to the beneficial ownership database? Does the general public have unrestricted access, restricted access or no access?

The system that will start operating on 16/3/2021 is an intermediate solution and access to it is possible only for the competent authorities, at the request to the Department of Registrar of Companies and Official Receiver. There is no information about access to the final system. Moreover, Cyprus has not implemented yet Directive 2019/1024 on open data and the re-use of public sector information.

c. Electronic identity (eID) scheme – is there a scheme registered with the European Commission, and if so, what eIDAS level of assurance does it have?

Cyprus Law 55(I)/2018 implements Regulation 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC. Hence, Cyprus law has an eIDAS system, which regulates, among others, the electronic signatures. However, it is still unclear how the current eIDAS system will operate in the context of the registration of beneficial owners. With regard to this issue, the Department of Registrar of Companies and Official Receiver plans to issue the 1st Guideline on the maintenance and operation of the database/register on beneficial owners, as well as a manual for the operation of the system.

Moreover, the Deputy Ministry of Research, Innovation and Digital Policy of the Republic of Cyprus has launched the National Plan for Electronic Identities (the relevant legislative process is still pending-no measures have been adopted yet).

2) Company registry – transparency, access, cost

a. Which organization maintains the company registry? (name and link)

The Department of Registrar of Companies and Official Receiver of the Republic of Cyprus.
Link: <https://www.companies.gov.cy/en/>

b. To what extent is the registry digitalized? Can company foundations/registrations and reporting be carried out fully online/digitally?

The registry is digitalized. The incorporation/registration of a company and various reporting/transparency obligations could be carried out online.⁷ The online company registration could take place through the Registrar of Companies' e-filing system: <https://efiling.drcor.mcit.gov.cy/drcorprivate/login/authenticate.aspx?cultureInfo=en-GB>

The Registrar of Companies' e-filing system is making possible:

“For registered users, to file electronically documents and forms for the registration of organisations, applications for certified copies, applications for approval of names, forms for changing the particulars of registered companies, registration and repayment of mortgages and charges. For the Registrar, to send electronically to users Certificates and Certified

⁷ Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/applying-to-incorporate-a-company>

Copies and decisions on Name applications.”⁸ It also aims at offering “the best possible: Service to the Users, to minimize errors and omissions and to reduce of the time needed for processing of applications”.⁹

The request for an online company registration demands the online submission of the following documents through the Registrar of Companies’ e-filing system:

“-a statutory declaration (form HE1) signed and sworn before the court by the entrusted lawyer;

-the memorandum and articles of association in accordance with the proposed type of the company, duly signed in the Greek language. It is noted that, in case a private or public limited liability company with shares chooses to adopt, as its articles of association, the regulations contained in Table A of Schedule I of the Companies’ Law, a relevant document should be submitted which refers to the title of the regulations that are being adopted;

-the solemn declaration of witness of signatures;

-a certified translation of the memorandum and articles of association in a language other than Greek, either by an affidavit or by sworn translator of the Republic of Cyprus, in case you wish to create a file of translations for obtaining certified copies of the memorandum and articles of association in a foreign language;

-permission, consent or pre-approval by the appropriate governmental authority or appropriate body in case it is necessary for the use of words or phrases and/or due to the nature of business respectively, in case it has not been submitted already with the application for name approval; and

-the amount of one hundred and sixty-five euros (€165) or the amount of two hundred and thirty-five euros (€235) in the case of a company without a share capital, payable by credit card.

To accelerate the company registration process, an additional fee of one hundred euros (€100) is paid. In case a file of translations is created, an additional fee of one hundred and sixty euros (€160) is paid.

In case a public company will be incorporated, the submission of form HE5 is also required, with the payment of an additional fee of twenty euros (€20).”¹⁰

When the Department of Registrar of Companies and Official Receiver of the Republic of Cyprus is satisfied that all legal requirements for the online registration of a company are fulfilled, it issues the Certificate of Incorporation (Articles 15(1) and 17 of Cyprus Companies Law), which is granted through the Registrar of Companies’ e-filing system in case of electronic submission of the application for company registration.¹¹

With regard to reporting following its incorporation, the company can submit online through the Registrar of Companies’ e-filing system any changes to the company’s information, such as the change of name, change of directors and secretary details, changes in share capital, change of registered office address, registration of charges over the assets of the company,

⁸ Electronic Filing Website of the Department of Registrar of Companies and Official Receiver:

<https://efiling.drcor.mcit.gov.cy/drcorprivate/login/authenticate.aspx?cultureInfo=en-GB>

⁹ Electronic Filing Website of the Department of Registrar of Companies and Official Receiver:

<https://efiling.drcor.mcit.gov.cy/drcorprivate/login/authenticate.aspx?cultureInfo=en-GB>

¹⁰ Website of the Department of Registrar of Companies and Official Receiver:

<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/applying-to-incorporate-a-company>

¹¹ Website of the Department of Registrar of Companies and Official Receiver:

<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/certificate-of-incorporation>

amendments of its memorandum and/or articles of association, as well as its annual return, its financial statements and the payment of the annual fee.¹²

c. Are bulk downloads of the entire list of registered companies possible?

No.

d. Does the registry have search features beyond the name of the company or person (e.g. by sector or employee size)

The registry has a search engine and allows electronic search in the file of a company by using its name or its registration number. There are no search features on the basis of sector or employee size.

e. What is the typical cost of downloading a document from the registry?

When someone finds the file of a company through the search engine, the following basic information are available free of charge: organisation name, registration date, organisation type, organisation status, registered office address of company, name of current directors and secretary/partner/owner of business name, preview of pending services for filing to the register, preview of documents filed and last annual report filing date.

When someone pays a fee of 10 Euros, he can proceed to a detailed search in the electronic file of the company of his choice, where he can find the history of all data and information of the company, starting from the company's registration date and up until the search date. The additional data and information available for a chosen company through the electronic search with the payment of this 10 Euros fee are the following: name (history), registered office address (history), directors and secretaries (history), members (history), share capital (history), charges and mortgages (post year 2000 registrations) and overview of all filed documents.¹³

f. Is there information on employment levels beyond what is contained in annual accounts?

No specific information on employment levels beyond what is contained in annual accounts.

g. Information on European company forms and EU reorganizations (CBM) - is a search possible for companies with the SE legal form or companies reorganized through a CBM?

Someone can find out whether a company is registered as a European Company (SE) through the registry, but online access cannot be provided. Only physical search is possible in the file of a European Company (SE). A 10 Euros fee is also required. Someone must pay a 10 Euros fee in order to proceed to full search in the physical file of the European Company or an EEIG at the premises of the Department of Registrar of Companies and Official Receiver.

¹² Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/after-incorporation>

¹³ Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/company-lifecycle/search-for-company-information>

There is no separate registry for companies participating in cross-border mergers. Someone can find out whether a company is the resulting/acquiring company in a cross-border merger through a search conducted on the basis of the company name or number. Hence, someone must know the company name or number before searching for information about whether this company resulted from a cross-border merger.

3) Firm foundations

a. What authority or organization is responsible for registering new companies (with link)?

The Companies Section of the Department of Registrar of Companies and Official Receiver of the Republic of Cyprus is responsible for registering new companies in Cyprus. The Companies Section of the Department of Registrar of Companies and Official Receiver is the competent authority of the Republic of Cyprus for maintaining a reliable registry for all registered business entities. The Companies Section of the Department of Registrar of Companies and Official Receiver is regulated by the Ministry of Energy, Commerce and Industry. Its competences include the registration of companies, business names, partnerships, overseas companies, and European Companies, as well as the redomiciliation of a foreign company from another country to Cyprus and the registration of a resulting company in Cyprus through a cross-border merger. It maintains, updates and publishes the registry of companies.¹⁴

b. What are the steps needed to found and register a new company? To what extent can these happen digitally?

Before starting the incorporation process, the company must choose a proposed name for the company, which must be approved by the Department of Registrar of Companies and Official Receiver. Before the initiation of the incorporation process, the promoters of the company must conduct an online search on the business entities' registry of the Department of Registrar of Companies and Official Receiver in order to find out whether there is already a registered company with the same or a similar name.¹⁵

The request for an online company registration demands the online submission of the following documents through the e-filing system:

“-a statutory declaration (form HE1) signed and sworn before the court by the entrusted lawyer;

-the memorandum and articles of association in accordance with the proposed type of the company, duly signed in the Greek language. It is noted that, in case a private or public limited liability company with shares chooses to adopt, as its articles of association, the regulations contained in Table A of Schedule I of the Companies' Law, a relevant document should be submitted which refers to the title of the regulations that are being adopted;

-the solemn declaration of witness of signatures;

-a certified translation of the memorandum and articles of association in a language other than Greek, either by an affidavit or by sworn translator of the Republic of Cyprus, in case

¹⁴ Website of the Department of Registrar of Companies and Official Receiver:

<https://www.companies.gov.cy/en/about/activities>

¹⁵ Website of the Department of Registrar of Companies and Official Receiver:

<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/choosing-a-company-name>

you wish to create a file of translations for obtaining certified copies of the memorandum and articles of association in a foreign language;
-permission, consent or pre-approval by the appropriate governmental authority or appropriate body in case it is necessary for the use of words or phrases and/or due to the nature of business respectively, in case it has not been submitted already with the application for name approval; and
-the amount of one hundred and sixty-five euros (€165) or the amount of two hundred and thirty-five euros (€235) in the case of a company without a share capital, payable by credit card.

To accelerate the company registration process, an additional fee of one hundred euros (€100) is paid. In case a file of translations is created, an additional fee of one hundred and sixty euros (€160) is paid.

In case a public company will be incorporated, the submission of form HE5 is also required, with the payment of an additional fee of twenty euros (€20).¹⁶

In addition to form HE1, the following three forms must also be submitted for the formation of a company:

- Form for name approval/change
- Notification of the company's registered office address (form HE2);
- Notification of the information regarding the first directors and secretary of the company (form HE3).¹⁷

If the Department of Registrar of Companies and Official Receiver is satisfied that all legal requirements are fulfilled for the registration of the company, it issues digitally the certificate of incorporation and publishes digitally the company's registration to the Official Gazette.¹⁸ After its registration, a company must also register within specific time limits to the Tax Department and the Social Insurance Services. The company is also advised to register its business' trademark.¹⁹

c. What checks (if any) are done on the authenticity of documents, identity of founders, record of founders (e.g. disqualification as directors) and beneficial owners

i. By registration authority

The Department of Registrar of Companies and Official Receiver conducts only a formal check on whether the required documents submitted were completed properly. The registration authority does not conduct any substantive check on the authenticity of documents. Moreover, the registration authority does not conduct any substantive check on

¹⁶ Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/applying-to-incorporate-a-company>

¹⁷ Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/knowledgebase/forms-fees/companies-forms-and-fees/starting-a-company-forms/company-incorporation-forms>

¹⁸ Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/certificate-of-incorporation>

¹⁹ Website of the Department of Registrar of Companies and Official Receiver:
<https://www.companies.gov.cy/en/business-entities/2-company/5-lifecycle/1-starting-a-company/15-guidance/incorporating-a-company/after-incorporation>

whether the information about identity of founders, record of founders (e.g. disqualification as directors) and beneficial owners is true.

The authenticity of documents and the truth of the above information are secured by an affidavit of the lawyer, who was responsible for the formation of this company (a statutory declaration (form HE1) signed and sworn before the court by the entrusted lawyer for the formation of this company). The content of this affidavit is the following:

“I swear and say that I am the Lawyer trusted with the formation of the above Company and that full compliance has been made with all the provisions of the Companies Law, Chapter 113, regarding any issues that precede and derive from the formation of the above Company”.²⁰

Moreover, the reliability of the corporate documents in the registry is assured by Articles 365, 365A, 365B and 366 of Cyprus Companies Law, which guarantee the validity of the information given to third parties in accordance with Article 3(a) of Directive 2009/101/EC

ii. By notaries

Notaries do not exist under Cyprus law, because it follows the common law tradition.

iii. By “facilitator” companies (foundation agents)

The facilitator companies do not have any legal obligation to conduct checks on the authenticity of documents, identity of founders, record of founders (e.g. disqualification as directors) and beneficial owners.

4) Cross-border Mergers (CBMs)

a. Which authority is responsible for the pre-merger certificate (outbound CBMs), which authority is responsible for approving the merger (inbound CBMs)? (name and link)

The District Court is responsible for the issue of the pre-merger certificate (outbound CBMs). According to Article 201Q(1) of the Cyprus Companies Law, “the District Court of the district where the registered office of each of the merging Cyprus companies is situated shall be competent to scrutinise the legality of the cross-border merger as regards that part of the procedure which concerns each of the merging Cyprus companies”. Moreover, according to Article 201Q(2), “each of the merging Cyprus companies concerned shall apply to the District Court referred to in Article 201Q(1) of the Cyprus Companies Law, requesting a certificate conclusively attesting to the proper completion of the pre-merger acts and formalities”. Article 201Q(3) of the Cyprus Companies Law is dedicated to the issue of the pre-merger certificate :

“the District Court, if satisfied that the provisions of sections 201IL – 201P are observed shall issue, without delay, to each Cyprus merging company, this Certificate”.²¹

²⁰ Website of the Department of Registrar of Companies and Official Receiver:

<https://www.companies.gov.cy/en/knowledgebase/forms-fees/companies-forms-and-fees/starting-a-company-forms/company-incorporation-forms>

²¹ See, also: T. Papadopoulos (2019) Experiences from the Implementation of the Cross-Border Mergers Directive in Cyprus. In: T. Papadopoulos (eds) *Cross-Border Mergers*. Studies in European Economic Law and Regulation, vol 17. Springer, Cham, 245-274.

The District Court is also responsible for approving the merger (inbound CBMs). With regard to the scrutiny of the legality of the cross-border merger, Article 201R (1) of the Cyprus Companies Law states that: “where the limited-liability company resulting from the cross-border merger is governed by this Law, the District Court of the district where the registered office of the said company is situated shall be competent to scrutinise the legality of the cross-border merger as regards that part of the procedure which concerns the completion of the cross-border merger and, where appropriate, the formation of the new company resulting from the cross-border merger.”

Article 201R (2) of the Cyprus Companies Law states that: “in exercising its scrutiny referred to in subsection (1), the District Court shall, in particular, ensure that the merging limited-liability companies have approved the common draft terms of cross-border merger in the same terms and, as the case may be, whether the arrangements for employee participation in each of the merging Cyprus companies have been determined in accordance with section 201W of this Law and for each merging non-Cyprus company in accordance with the relevant national legislation transposing the provisions of Article 16 of Directive 2005/56/EC.”

According to Article 201R (3) of the Cyprus Companies Law, for the purpose of exercising the scrutiny referred to in Article 201R (2), each merging Cyprus company shall submit to the District Court the pre-merger certificate referred to in Article 201Q(2) and every other non-Cyprus merging company the certificate issued by the competent authority subject to the relevant national legislation according to Article 10(2) of Directive 2005/56/EC within six months of its issue, together with the common draft terms of cross-border merger approved by the general meeting in accordance with Article 201P (this article specifies the approval of the cross-border merger by the general meeting) where Cyprus merging companies are concerned and in accordance with the provisions of Article 9 or of Directive 2005/56/EC where all other non-Cyprus merging companies are concerned.

Finally, Article 201R (4) of the Cyprus Companies Law states that: “Provided that the District Court is satisfied with the legality of the procedure concerning the completion of the cross-border merger, it shall make a decision approving the completion of the cross-border merger and shall authorise the entry into force of the cross-border merger”.

District Courts of Cyprus :

http://www.supremecourt.gov.cy/judicial/sc.nsf/DMLDcourt_en/DMLDcourt_en?opendocument

b. What personnel capacity/qualifications does the authority/ies listed above (organization(s) granting the pre-merger certificate + approving merger) have?

The District Court, which is responsible for the pre-merger certificate (outbound CBMs) and which is responsible for approving the merger (inbound CBMs), is formed by one judge (single-member court). There are no specific/specialised chambers of the District Court, to which the above cross-border mergers cases are allocated. Currently, there are 84 District Court Judges in Cyprus. The District Court Judges are members of the Judicial Service of the Republic of Cyprus. The District Court Judges are appointed by the Supreme Council of Judicature. The Supreme Council of Judicature decides on the appointment, promotion,

transfer and discipline of District Court Judges.²² These are the names of all District Court Judges ranked in order of seniority:

http://www.supremecourt.gov.cy/judicial/sc.nsf/DMLDCjudges_en/DMLDCjudges_en?opendocument

c. What (if any) anti-abuse checks are made?

i. Purpose of reorganization

ii. Background check on directors

iii. Identity of beneficial owners

iv. Worker I/C/P arrangements

There are no anti-abuse checks on the basis of grounds i-iii mentioned above. There is only anti-abuse check on employee participation arrangements. Generally, the District Court does not proceed to an extensive and in-depth anti-abuse check. The District Court checks only whether the formal requirements are fulfilled. More specifically, the District Court checks whether the submitted documents comply with the relevant requirements of law (whether the documents were fully and properly completed) and whether the arrangements for employee participation in each of the merging companies comply with the relevant provisions (Article 201W of the Cyprus Companies Law and Article 16 of Directive 2005/56/EC(now Article 133 of Directive 2017/1132)).

²² Website of the Supreme Court of the Republic of Cyprus:

http://www.supremecourt.gov.cy/judicial/sc.nsf/DMLJudiciary_en/DMLJudiciary_en?opendocument