The Restructuring Review

Fourth Edition

Editor
Christopher Mallon

Law Business Research

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FOURTH EDITION

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EDITOR'S PREFACE

I am very pleased to present this fourth edition of *The Restructuring Review*. As with the previous editions, our intention is to help general counsel, government agencies and private practice lawyers understand the conditions prevailing in the global restructuring market in 2010/2011 and to highlight some of the more significant legal and commercial developments and trends during that period.

Unsurprisingly, the global economy is still struggling to emerge from the worst financial crisis since the Great Depression. The past year has seen mixed conditions, with improvements in some areas, the effects of which are being dampened by the deep-rooted systemic problems several western nations face in dealing with their sovereign debt balances. Government support for banking systems and the worldwide economy has been helpful, but widespread austerity measures, tax hikes and volatile financial markets make for difficult navigating. The effects of the global recession continue to be felt, with economic growth remaining, despite some bright spots, generally uninspiring. Considerable uncertainty remains as to how best to remedy systemic weaknesses in our economic system, and on how properly to assist indebted nations and their often over indebted inhabitants.

The main stock market indices followed an encouraging upwards trend in late 2010 and early 2011 but have now lost all of their gains, due to uncertainties about the political climate in the Middle East, how sovereign debt issues will be addressed, and the dual headwinds of sluggish growth and austerity measures. While banks generally seem in better health than they did a year ago, the economy as a whole does not, and talk of a full recovery in the short to medium term remains premature.

I would like to extend my gratitude to all the contributors for the support and cooperation they have provided in the preparation of this work, and to our publishers, without whom the completion of this important work would not have been possible.

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London
September 2011

Chapter 7

CYPRUS

*Maria Kyriacou**

I OVERVIEW OF RECENT RESTRUCTURING AND INSOLVENCY ACTIVITY

i Liquidity and state of the financial markets and impact of specific regional or global events

As 2010 progressed much of the optimism that had been apparent at the beginning of the year proved to be premature. The prevailing uncertainty about the prospects of economic recovery was fuelled when the credit rating agencies downgraded the credit worthiness of Greece, Iceland, Italy, Portugal and Spain. The increase of unemployment in the US and the restrictive monetary policy adopted by China reinforced concerns that recovery would be long, laborious and patchy. While the most important emerging markets such as China and India continued to grow, in the more developed economies performance varied immensely and stability in the international financial environment remains vulnerable.

The negative consequences of the global crisis continue for Cyprus's economy, especially in the tourism, retail and construction sectors. Demand in the real estate sector appears to have bottomed out but there is a large stock of unsold and in many cases uncompleted projects and some developers are rumoured to be under severe cash flow pressure. Similarly, tourist arrivals are higher than in previous years, but still well below the levels of a few years ago.

Even before the tragic events of July 2011, when an explosion destroyed Cyprus's main power station, which hitherto had provided more than half the country's electricity, most informed commentators recognised that the Cyprus economy faced severe downside risks related to asset quality in the banking sector and spiralling costs and inefficiency, particularly in the public sector. Unemployment has reached almost 7 per

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cent which, in a country that had enjoyed 50 years of almost uninterrupted growth and full employment, is a severe blow. The recent tragedy has brought those concerns into focus and added new ones.

Unlike most countries, Cyprus did not have to take any large-scale action to support its domestic banking system during the early part of the financial crisis. In line with the EU, it increased the deposit guarantee amount (to twice the required minimum) and put in place the framework for a scheme under which it would issue up to €3 billion in special government bonds to be lent to credit institutions to use as collateral to obtain liquidity from the European Central Bank and on interbank markets. However, there proved to be no need for the government to spend large amounts of money to bail out banks or underwrite their obligations, because banks in Cyprus were not large-scale holders of the sophisticated financial instruments that later proved to be toxic. However, it has emerged that Cyprus banks are among the largest holders of Greek government and private debt. In the aftermath of the explosion, there have been resignations from the coalition government and there are concerns that the government is unwilling or unable to take the necessary measures to rein in over-spending and put the economy back on a firm footing. As a result of all these factors the country's sovereign debt rating has been downgraded and sentiment is generally subdued.

ii Market trends in restructuring procedures or techniques employed during this period

Restructurings have slightly increased during 2010 but they are still rare. When they do take place they are generally concluded on an informal out-of-court basis, in order to save time and avoid bureaucratic procedures.

Comparing the numbers of new companies registered on the one hand and the number of companies going into liquidation on the other may help illustrate the economic environment.

The number of new company registrations increased to 19,278 in 2010 compared to 16,101 in 2009, 24,453 in 2008, 29,016 in 2007 and 20,280 in 2006. New company registrations in the first six months of 2011 reached 9,826 but remain well below the levels achieved in 2007 and 2008.

The economic crisis is now showing in the insolvency statistics. The number of compulsory liquidations increased to 171 in 2010 compared with 132 in 2009, 135 in 2008, 141 in 2007 and 140 in 2006.

The number of voluntary liquidations increased by more than a third in 2010 to 750, compared with 550 in 2009, 284 in 2008, 200 in 2007 and 205 in 2006.

While this is an extremely low failure rate in terms of the almost 250,000 companies currently on the register, it has to be borne in mind that most of those companies are holding or finance companies for companies operating abroad, and the almost fourfold increase from the levels of five years ago is significant.

The industry that has been most affected by the credit crunch to date is construction. Apart from some previously overheated coastal districts, property prices remain stable at the moment but demand still remains low and has dropped by more than 60 per cent for second homes, whereas there is still no change for primary residential homes and offices. A number of developers have repositioned themselves in the market, moving

away from building relatively modest developments aimed at the Western European, and particularly the British, purchaser, to offering much more expensive properties aimed at buyers from eastern European and the Middle East, who are still buying. The issue for the industry is how it will dispose of the large stock of completed and part-complete properties aimed at the lower end of the market.

II GENERAL INTRODUCTION TO THE RESTRUCTURING AND INSOLVENCY LEGAL FRAMEWORK

i The Cyprus Companies Law – creditor-friendly

Both restructuring and winding-up fall under the Companies Law, which is based on the UK Companies Act of 1948 with the necessary amendments to incorporate the relevant EU Directives. The sections referring to reconstruction and corporate insolvency, winding-up voluntarily or compulsorily, registration and enforcement of charges and appointment of liquidators or receivers and managers remain basically unchanged, with the exception of the incorporation of the Third Council Directive on mergers and divisions of public companies.

The Companies Law generally favours creditors and clearly defines the collection, liquidation and distribution of proceeds to the creditors, and the remainder, if any, to the contributories.

As noted above, banks in Cyprus tend to be conservative and take a 'belt and braces' approach to security. When lending to companies they aim to take fixed and floating charges over the company's assets, undertaking and goodwill, together with personal guarantees from all the directors of the company. The directors' personal guarantees are a shield against mismanagement and possible alienation of company assets.

In the event of default, the holder of a floating charge may appoint a receiver and manager to take over the affairs of the company. The receiver and manager has broad powers to allow the company to continue to trade while a buyer is sought for the business as a going concern. If a going concern sale cannot be achieved the receiver will dispose of the assets, in the best possible manner for the benefit of the chargeholder appointing him.

The holder of the floating charge ranks in priority after the administration expenses of the receiver and manager, any prior mortgages and fixed charges and preferential creditors (government and municipal taxes and sums due to employees), all of which rank in priority under the law.

ii Facilitate rescue of viable business

A 'rescue culture' as such has not developed extensively in Cyprus, as companies in distress usually either renegotiate financing with their bankers or attempt to obtain private loans, or issue share capital to finance new projects.

Formal insolvency and restructuring procedures available for companies

The company will usually agree either to an informal arrangement with its creditors before any reorganisation occurs or before entering the formal procedures.

Under Section 198 of the Companies Law, where a compromise or arrangement is proposed between a company and its creditors or between the company and its members or any class of them, the court may, on application by the company or any creditor or member or, in the case of a company being wound up, by the liquidator, order a meeting of the creditors or of the members of the company to be summoned in such a way as the court directs. At this meeting, any compromise or arrangement passed by a majority in number representing three-quarters in value of the creditors or members present and voting will be binding on all the creditors or members and also on the company. In the case of a company being wound up, this will also be binding on the liquidator and contributories of the company.

In order to be binding, the order of the court must be delivered to the Registrar of Companies for registration and a copy of every order must be annexed to every copy of the memorandum of the company issued after the order has been made. If no memorandum exists, then a copy of every order must be attached to every copy of the instrument comprising or defining the constitution of the company.

In harmonisation with the Third Council Directive 78/855/EEC, the procedure for reorganisations of public companies through merger or division by acquisition of a company and merger or division by the formation of a new company is specifically provided for in the Companies Law. These provisions include, *inter alia*:

a a mechanism in which a company is wound up without going into liquidation and transfers all its assets and liabilities to another company in exchange for the issue to its shareholders of shares in the acquiring company (with or without a supplementary cash payment);

b the acquisition of one company by another that holds 90 per cent or more of its shares;

c a procedure for several companies to be wound up without going into liquidation and to transfer all their assets and liabilities to one company that they establish for the purpose in exchange for the issue to their shareholders of shares in the new company; and

d a corresponding procedure for one company to transfer all of its assets and liabilities to several existing companies in exchange for the allocation to its shareholders of shares in the recipient companies, with or without a cash payment.

Part V of the Companies Law contains the provisions regarding winding-up or liquidation (the two terms are used interchangeably). Winding-up may be voluntary or compulsory (also referred to as winding-up by the court) or, more rarely, subject to the supervision of the court.

A company may also be wound up by the court following presentation of a petition. There are a number of circumstances in which the court may order a company to be wound up, but the most common starting point is the presentation of a petition by a creditor on the basis that the company is unable to pay its debts.

A company is deemed unable to pay its debts where a creditor to whom the company is indebted for a sum exceeding €854.30 has applied for payment and the company has neglected to pay, or if it is proved to the satisfaction of the court that the company is unable to pay its debts, taking into account the contingent and prospective liabilities of the company.

A company may be wound up voluntarily when the period fixed for the duration of the company by the articles of association of the company expires, or an event occurs, on the occurrence of which the articles of association provide that the company is to be dissolved, and the company has in a general meeting passed a resolution requiring the company to be wound up voluntarily. A company may also be wound up voluntarily if the company resolves this by special or extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to be wound up. A notice of any such resolution must be given by advertisement in the Official Gazette. Voluntary winding-up may be a members' voluntary winding-up, or a creditors' voluntary winding-up. Members' voluntary winding-up is available only to companies that are not insolvent: the directors of the company must make a statutory declaration of solvency. If the directors are unable to make such a declaration, the winding-up is a creditors' voluntary winding-up, where the liquidator appointed by the members may be replaced by a liquidator chosen by the creditors.

Finally, a company may be wound up subject to the supervision of the court, where, after having passed a resolution for voluntary winding-up, the court makes an order that the voluntary winding-up shall continue subject to such supervision of the court as the court thinks just.

Informal methods to restructure companies in financial difficulties

A company that has good long-term prospects but that faces temporary financial difficulties may seek to conclude an informal arrangement with its creditors in order to remain a 'going concern'. This could entail the renegotiation of financing usually made on more rigorous terms, or the conclusion of a sale and lease back arrangement; selling a major asset to provide liquidity and then leasing it back. Strategic investors or new business partners may also invest in new shares or loans to the company.

Other laws relevant to insolvency and restructuring

The security most commonly granted over immoveable property is the legal charge or mortgage. Such charges over immoveable property must be registered with the Department of Lands & Surveys and with the Registrar of Companies if the borrower is a company.

The security devices for moveables are the lien, the pledge and the floating charge.

A lien may be legal under common law or equitable. The common law lien is the right to retain possession of property belonging to another person until a debt has been paid. A common law lien lasts only as long as possession is retained but an equitable lien exists independent of possession.

A pledge is the bailment of goods as security for payment of a debt or performance of a promise. The lender has the power to sell in the event of default by the borrower but the general ownership of the goods remains with the borrower. The pledge must be in writing, duly signed and witnessed by two witnesses.

A floating charge is a security interest, generally over all of the assets of a company, which 'floats' until an event of default occurs or until the company goes into liquidation, at which time the floating charge crystallises and attaches to all the relevant assets. It gives the secured creditor two key remedies in the event of default: firstly, the creditor may

crystallise the charge, and then realise any assets subject to the charge as if it were a fixed charge; alternatively, if the floating charge encompasses substantially all of the assets and undertaking of the company, the charge holder may appoint a receiver to take control of the business with a view to discharging the debt out of income or selling off the entire business as a going concern.

In general, secured creditors are not affected by a winding-up order and they can realise their security outside the insolvency proceedings if the instrument by which the charge is created or evidenced is duly stamped and delivered to the Registrar of Companies for registration in the company's file.

iii Duties of directors of companies in financial difficulties

When a winding-up order is issued or a resolution for winding-up is passed the powers of the directors cease and the liquidator takes over. The directors must submit to the liquidator a statement of affairs of the company. The liquidator, in performing his duties, will examine the directors' conduct at the time when the company was carrying on business.

In a compulsory liquidation the winding-up is deemed to commence at the time of the presentation of the petition to the court and derivative action may be brought against a director for any wrongful acts.

In general, if the directors act honestly for the benefit of the company they represent, they discharge their legal duty and are not themselves liable, even in the case of their own negligent mismanagement.

Exceptions to the general immunity of the directors are the following: the directors are personally liable if they sign a document in their personal capacity and not in the company's name, or without the authority of the company; directors may be jointly liable with the company, where, for example, they personally guarantee a company loan; directors have statutory liabilities that may be enforced against them during the company's winding-up.

Statutory liabilities of directors include the following: where the director has incurred secret profits; improper payment by a director to a promoter; where a director has applied the company's assets for an *ultra vires* or illegal object; where dividends have been paid out of capital; where there has been a fraudulent preference or a sale of the company's assets at undervalue; and in certain circumstances, where directors have sold their personal property to the company at an excessive price.

Under the Companies Law, criminal offences that may be committed by a director before or in the course of winding-up include the following: if the director is bankrupt; failing to keep proper books of account throughout the period of two years immediately preceding the commencement of winding-up; failing to disclose and deliver property and books to the liquidator; concealing, destroying, mutilating or falsifying any book or document; fraudulently altering any documents; and attempting to account for any part of the property of the company by fictitious losses or expenses.

During winding-up, the most serious statutory responsibility of the directors is in relation to fraudulent trading. The Companies Law interprets fraudulent trading very widely to protect creditors and to pierce the corporate veil. If in the course of winding-up a company it appears that any business of the company has been carried on with intent

to defraud creditors or for any fraudulent purpose, the court may declare that any of the directors who were knowingly parties to the fraud shall be personally responsible for all or any of the debts of the company. The law covers past and present directors and *de facto* controllers of the company's business who were taking an active part in the management of the company during the period of fraudulent trading. Where a director is found liable, he cannot set off against that liability any debt owed to him by the company. Under the law, fraudulent trading is also a criminal offence as well as a civil offence. As the standard of proof for fraudulent trading is high, successful actions for fraudulent trading are rare.

Also, a director of a company in liquidation may face disqualification by the court, and may not be allowed to be appointed as a director for a specific period not exceeding five years.

iv 'Claw-back' actions

Under the Companies Law, certain transactions entered into within six months prior to the commencement of winding-up are deemed invalid.

Any conveyance, charge, including a floating charge, mortgage, delivery of goods, payment, execution or other acts relating to property made or done by or against the company, to the preference of a creditor at a time when the company was unable to pay its debts, shall be deemed to be a fraudulent transaction and is invalid. Furthermore, any conveyance or assignment by a company of all its property to trustees for the benefit of its creditors is void.

The Fraudulent Transfers Avoidance Law also provides that every gift, sale, pledge, mortgage or other transfer or disposal of any moveable or immoveable property made by any person with intent to hinder or delay his creditors or any of them in recovering their debts from him shall be deemed to be fraudulent, and shall be invalid as against such creditor or creditors.

III RECENT LEGAL DEVELOPMENTS

Although the comprehensive review of Cyprus legislation on restructuring and insolvency, which many regard as overdue, remains some way off, we nevertheless have seen some welcome developments that simplify the resolution of financial disputes.

A new law was passed in July 2010 establishing a single forum for resolving financial disputes out of court following Commission Recommendation 98/257/EC of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes. The advantage of ADR is that it offers more flexibility than going to court and can better meet the needs of both consumers and professionals. Compared to going to court these schemes are cheaper, quicker and less bureaucratic and formal.

In December 2010 Cyprus enacted the Covered Securities Law, 130(I) of 2010, which establishes the legal framework for issuance of covered bonds in Cyprus complying with Directive 2009/65/EC (the UCITS Directive) and Directive 2006/48/EC (the Capital Requirements Directive). The new law empowers all credit institutions incorporated in Cyprus, including cooperative credit institutions, to issue covered

bonds, provided they register with and are authorised by the relevant supervisory body, which is the Central Bank of Cyprus where the issuer is a bank, and the Cooperative Societies Supervision and Development Authority where the issuer is a cooperative credit institution. In the event of the issuer's insolvency, holders of covered bonds have priority on the proceeds of the cover pool over all other creditors, both secured and unsecured. Following enactment of the Covered Securities Law the Companies Law was amended to the effect that a single creditor of a covered bond cannot submit an individual claim to the liquidator. Only the administrator of the covered bonds can file a claim of behalf of the covered bondholders collectively (Companies Law, Section 298A).

New developments in case law are summarised as follows.

i Restructuring alone cannot be a reason for termination of employment

A Cyprus subsidiary of a Greek company (in turn a subsidiary of a Swiss company) terminated the employment of one of its employees by alleged redundancy when the parent company took the decision to restructure the business. The reason given for the termination of employment was restructuring of the Greek and Cyprus subsidiaries in order to reduce administrative costs, so that the duties of the dismissed employee were to be taken over by other employees in Greece. The court decided that restructuring alone was not a reason for terminating employment by reason of redundancy and held that the dismissal was illegal. (*Atlas Copco Cyprus Limited,* Supreme Court (application 52/98).

ii Change of litigant's name in pending legal action after amalgamation

Cyprus Popular Bank (Finance) Limited ('Popular') and Marfin Popular Bank Public Company Limited ('Marfin') obtained court approval for their reconstruction and amalgamation resulting in Marfin acquiring all the assets and business of Popular and assuming its obligations and the court ordered that Popular should be dissolved without winding-up.

Before amalgamation Popular had obtained a court order against a creditor and Marfin applied to court to execute the order. The creditor opposed the application. The court held that Marfin could not execute the order without first applying to court for change of applicant by reason of assignment and transfer of rights or obligations. Amalgamation alone could not substitute Marfin as a litigant without the permission of the court. (*Cyprus Popular Bank Finance Ltd and George Solomou and others* – Case No: 70/2003).

iii Powers of directors to appeal against a winding-up order

A winding-up order had been issued against the appellant company by the district court. The company filed an appeal against this winding-up order under which the Official Receiver was appointed as liquidator. The appeal was filed without first obtaining the authorisation, permission or consent of the Official Receiver and without providing security for costs. The Supreme Court recognised the right of the company through

its directors to appeal against the winding-up order but ordered that they should first deposit security for costs.[1]

iv Compromise between creditors and the liquidator

As liquidator of a company the Official Receiver proposed a compromise between the company and its creditors. A sufficient majority of creditors approved the compromise and the Official Receiver applied to court for the approval of the compromise under Section 198 of the Companies Law. The shareholders and the directors of the company applied to be heard in court, on grounds of natural justice. Their application was refused as the compromise was not between the company and the shareholders but between the company and its creditors. The shareholders' appeal against the decision was rejected on the same reasoning.[2]

v Powers of directors

In *Mariou Lazarou v. Antoni Koumettou and others*, it was confirmed that the powers of the directors and representatives of the company cease when a winding-up order is made, and any disposition by the company of its property made between the commencement of the winding-up and the order for winding-up is void, unless the court otherwise orders.

This provision of the law exists to prevent the officers of the company from improperly disposing or alienating assets of the company after an application for the issue of a winding-up order has been filed.

vi Court proceedings after winding-up order

Once an application for a winding-up has been filed, no legal action or proceeding can be commenced or continued against the company except by leave of the court. This aims to provide protection to the creditors and the property of the company, to ensure the equal payment of the creditors of the same class and to prevent individual creditors from gaining advantage through any proceedings. In the cases of *Andrea I Tsaggari v. Makedonias Gavriilidou and others* and *Stefanos & Andreas Cold Stores Trading Limited v. Kean Soft Drinks Company Limited*, it was held that the court with authority to grant permission for the continuance or initiation of proceedings against a company in liquidation is the court that issued the winding-up order.

IV SIGNIFICANT TRANSACTIONS, KEY DEVELOPMENTS AND MOST ACTIVE INDUSTRIES

Over the past year we have continued to see an increase in the number of Cyprus companies undertaking restructuring in conjunction with acquisitions or takeovers with the objective of expanding their business in other sectors, increasing their markets or cutting administrative costs. Cyprus's tax treatment of mergers and reorganisations is

1 *Genemp Trading Limited v. Marfin Popular Bank Public Company Limited*.

2 *Lindos Constructions Limited (in liquidation) and others v. The Official Receiver and another*.

very favourable, and significant savings can be achieved by structuring transactions this way.

i Merger of Cooperative Saving Bank of Limassol

The merger of three cooperative credit institutions was concluded during 2010 under the Cooperative Societies Law.

The rationale for the merger was to minimise administrative and management costs and lower cost in the very competitive market, for the benefit of members and consumers.

ii Mandatory public offer to all shareholders of Xenos Travel Public Limited

Sostrom Services Limited announced that acting in concert with another company it had acquired 51.09 per cent of the share capital of Xenos Travel Public Ltd and that it was making a mandatory public offer for the acquisition of the rest of the issued share capital in accordance with Article 13 of the Public Takeover Bid Law 41(I) 2007.

iii More growth through merger

Nemesis Asphalt Company Limited, one of the two biggest companies in the production of road surfacing materials in Cyprus, announced a voluntary public offer to all shareholders of K Kythreotis Holdings Public Limited for the acquisition of up to 100 per cent of the issued share capital of the company. As the date of the announcement, the offeror held 17.41 per cent of the issued share capital of the target and its associates held 8.82 per cent, giving a total holding of approximately 26 per cent.

V INTERNATIONAL

Since the accession of Cyprus to the EU on 1 May 2004, EU Regulation No. 1346/2000 on cross-border insolvency proceedings has been in force, thus providing the possibility of opening secondary local insolvency proceedings in another Member State where the debtor has an establishment or assets.

Various attempts at international cooperation on cross-border insolvency procedures have established that a foreign judgment cannot affect the insolvency provisions of another state. This seems to have been reinforced by the decision in the ECJ case C-444/07, *M G Probud*, where there was refusal of the recognition of judgment of the relevant court of another Member State if the recognition is contrary to the public order of that state, in a case of insolvency. Under the Judgments of Foreign Courts (Recognition, Registration and Execution by Treaty) Law, Law 121(I) of 2000, a foreign judgment may be recognised and enforced in Cyprus where there is a binding bilateral treaty between Cyprus and the country in which the judgment was delivered or where Cyprus is bound by any multilateral convention to which it is a signatory.

EU regulations and bilateral agreements are used as tools for cooperation and a foreign judgment cannot substitute automatically for a national court. An application for registration of a foreign judgment may be made *ex parte*, accompanied by an affidavit in support, which should exhibit a certified copy of the judgment (authenticated by its seal) and a duly certified Greek translation of the judgment. The judgment creditor

may choose to have the judgment registered either in the district court where the debtor resides or where any property to which the judgment relates is situated.

In general Cyprus courts will enforce a foreign judgment provided, *inter alia*, that:

a the judgment has been given by a court that has jurisdiction in accordance with Cyprus rules on the conflict of laws;

b the judgment has not been obtained by fraud; and

c the proceedings that led to its issue were not contrary to natural justice.

A judgment of a foreign court obtained by fraud, either on the part of the court or on the part of the party seeking to enforce it, will not be recognised.

The foreign court proceedings must conform to the foreign procedural law and in any event must respect the basic procedural principles of due process as reflected in Cyprus law.

Legislation based on the UNCITRAL Model Law on cross-border insolvency has not yet been adopted in Cyprus.

VI FUTURE DEVELOPMENTS

During the 50 years since Cyprus became independent the insolvency provisions of the Companies Law have proved adequate for the needs of the business community. This is, at least, partly due to Cyprus's largely uninterrupted economic prosperity during the period. However, a consensus is now beginning to emerge on the desirability of a more modern insolvency regime that fosters enterprise by promoting a rescue culture.

A series of amendments to the Bankruptcy Law, which is closely modelled on the corresponding UK legislation of the early 20th century, is now under discussion at the relevant committee in Parliament. This is likely to be the precursor to a review and modernisation of the law as it relates to insolvent companies.

Appendix 1

ABOUT THE AUTHORS

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Maria Kyriacou is a partner and head of the Nicosia office of Andreas Neocleous & Co LLC. She is a barrister-at-law of the Inns of Court (Middle Temple) London, 1971 and was admitted to the Cyprus Bar in 1974.

Ms Kyriacou served as the Cyprus Registrar of Companies and Official Receiver, Registrar of Patents, Trademarks and Copyright between 1989 and 2001 and oversaw the successful harmonisation of Cyprus company and intellectual property law with the *acquis communautaire*, taking part in negotiations with the European Union.

As Official Receiver, Ms Kyriacou has conducted and supervised major liquidations, including investigation, identification, and tracing of assets in major winding-up cases (construction, banking, mining, and insurance) and has successfully claimed back alienated assets in several cases.

Ms Kyriacou has written numerous articles and papers and lectured in Cyprus and abroad on a wide spectrum of legal, social and political matters, in particular topics relating to the economy, companies, insolvency, trademarks, patents and copyright.

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