

Litigation - Cyprus

Lawyers' limited company: recourse under Article 146 of the Constitution

Contributed by **Andreas Neocleous & Co LLC**

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Facts
Decision
Comment

Facts

Kinanis LLC v The Republic of Cyprus⁽¹⁾ related to a petition presented to the Supreme Court by a firm of lawyers incorporated as a lawyers' limited company following refusal by the registrar of companies to register a subsidiary company providing escrow services. The reason given by the registrar was that a lawyers' limited company cannot be registered as a shareholder of another company.

Regulation 18 of the Code of Conduct Regulations issued under the Advocates' Law allows registered lawyers to participate in businesses providing services which are ancillary, related, successive or supplementary to those which an advocate provides or may provide either in person or as a trustee. The petitioner argued that any discrimination between a lawyers' limited companies (which are companies comprising solely of registered lawyers) and individual lawyers regarding the services which they are entitled to provide was a violation of the principle of equality contained in Article 28 of the Constitution. Since lawyers' limited companies are permitted to provide legal services on the same footing as individual lawyers, they should be allowed to provide ancillary services in the same way.

Decision

The Supreme Court agreed with the petitioner's arguments and stated that Regulation 18(3) of the Code of Conduct Regulations applies fully to lawyers' limited companies, as well as to lawyers (natural persons). It accepted the petitioner's submission that there is no intrinsic difference between the acquisition of property by individual lawyers on the one hand and by a lawyers' limited companies on the other, and that the law should not treat them differently.

Comment

According to this judgment, a lawyers' limited company may provide advice or other services ancillary or related to the services provided by an individual lawyer, whether personally or as a trustee. These activities can be provided through subsidiary companies, provided that their activities are not of a commercial or economic nature.

For further information on this topic please contact Marina Joud at Andreas Neocleous & Co LLC by telephone (+357 25 110 000), fax (+357 25 110 001) or email (marina.joud@neocleous.com).

Endnotes

⁽¹⁾ Petition 1131/2010, November 26 2012.

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Author

Marina Joud

