

MEMORANDUM

Date: 29 May 2019

Subject: **Recent Developments Relating to Cyprus Companies**

On 18 December 2018, a number of statutory amendments on the Cyprus Companies Law, Cap. 113 and its accompanying legislation were approved by the Parliament. A number of these have already come into force, whilst others will apply gradually. This briefing concentrates the most important developments:

- Abolition of the capital duty of 0.6% on the authorised share capital or any increase thereof. As a result, no capital duty shall arise (i) on the initial authorized capital at incorporation of a new company; and (ii) on any subsequent increase of the authorized share capital- Effective as of 18 December 2018.
- **Particulars of overseas companies having a place of business in Cyprus**
Requirement for additional information to be filed to the Registrar of Companies by overseas companies. Such information includes (i) changes to the names or addresses of the persons authorized to represent the overseas company and their place of business, in third party transactions, in Court and towards competent authorities; and (ii) changes to the address of the place of business of the overseas company - Effective as of 18 December 2018.
- **Court Order to bring the company up to date upon re-instatement**
The Court is given the power to order (i) that documents and returns be filed to the Registrar of Companies to bring the company's filing requirements up to date, (ii) that all fees due by the company be paid; and (iii) that the Company pays all costs of the Registrar of Companies in relation to the restoration of the company -

- **New power of the Registrar to reinstate struck-off companies**

A member or director can apply to the Registrar of Companies to re-instate a company which was struck-off on the basis that it was not carrying on a business or did not pay the annual levy. The Registrar of Companies has the power to re-instate the company without the recourse to the Court. Such application must be made within 24 months of the strike-off provided that:

- i. the relevant company was carrying business at the time of strike-off,
- ii. the company is brought up to date with its filing requirements,
- iii. the company pays all fees, levies, penalties and fines due to the Registrar of Companies,
- iv. the fee of reinstatement is paid and
- v. the Registrar of Companies has good reason to believe that the strike-off has caused a disadvantage to the applicant.

Effective date not announced as of the date of this briefing.

- **Members and Creditors protection re strike-offs**

Any member or creditor of a company may object to the striking-off of a company within a period of 3 months from the relevant publication in the Gazette.

- Effective as of 18 December 2018.

- Revised statutory forms replace all statutory forms of the Registrar of Companies.

Effective date not announced as of the date of this briefing.

- By an announcement on 19 March 2019 the Registrar of Companies clarified that they will no longer accept applications for registration of share pledges in Cyprus Companies - Such pledges are not registrable (as opposed to pledges given over foreign companies assets according to the Companies Law.

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