



CYPRUS BAR ASSOCIATION

REPORT FOR 2017

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**45<sup>th</sup> European Presidents' Conference in Vienna 23<sup>rd</sup> to  
25<sup>th</sup> February 2017**

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## **INTRODUCTION – HISTORY**

The Cyprus Bar Association is the professional body for over 3300 advocates' members. Cyprus Bar Association was established under the Advocate's Law Cap.2 in 1960 and it has been operating since then.

It regulates all the registered members.

In Cyprus we do not have specializations and all registered lawyers can deal with any legal matter. In - house lawyers are not members of the CBA i.e if they work in audit firm then they are not considered practicing lawyers.

### **The Cyprus Bar Council consists of:**

The President, who is elected by the General Meeting of the Bar Association, taking place every three years.

The Chairmen of the District Bar Associations and one member from each District elected as representative to the Bar Council.

Four members elected by the General Meeting of the Bar Association.

The Attorney General is considered as the honor President of the Bar Council.

They meet once a month.

Elections took place in October 2014 and a new council has been constituted.

The next election will be October 2016.

### **The services provided by the Cyprus Bar Association on a daily basis are:**

- ▶ On line services i.e registration payment of fees etc
- ▶ Renewal of Advocates' annual License
- ▶ Registration of European Lawyers
- ▶ Supervisory Authority for AML purposes
- ▶ Extra judicial Committee
- ▶ Organization of seminars and conferences

We have restructured the departments and we have created a new structure as follows:

1. **Administration – Renewals- Certificates**
2. **Pension Fund**
3. **AML supervision**
4. **Cylaw**
5. **ExtraJudicial committee**

### **The official registries kept by the CBA are:**

- ▶ Lawyers Registry (approx. 3000 up to now)
- ▶ LLC Registry (700 up to now)

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- ▶ Trusts Registry (923 up to now)
- ▶ ASPs Registry (995 up to now) ( Administrative Service Providers)

All work needed to be done, including administrative matters, was done voluntarily by the members of the Board and the President's office. In 1992 the Board decided to employ a full time employee to do the work and in nowadays the CBA is employing 12 persons. This enabled the CBA to cope with new demands that have appeared since Cyprus became a full member of the European Union. We hope that every year we become more active within Europe.

Main everyday activities of the CBA are:

- the renewal of the annual license of the practicing lawyers,
- registration of new members and European lawyers,
- we regulate and supervise all our members in relation to anti money laundering procedures and provision of fiduciary services.
- We keep the registries updated (lawyers' company registry, administrative services providers company, memberships, trust registry etc)
- we circulate all the relevant legal information through emails
- we update on any new legislation or cases issued through CyLaw, the established search engine we have created and which is freely accesible by everybody,
- we organize or co-organize conferences and training programs,
- we represent the lawyers in the parliament or in any other organizations in Cyprus or abroad.
- We are member in International Bar Organization and the Council of European Bar Councils.

## **WEBSITES**

**[www.cyprusbarassociation.org](http://www.cyprusbarassociation.org)**

- ▶ Registries
- ▶ Announcements – News – Circulars
- ▶ Seminars – Conferences
- ▶ Job Vacancies
- ▶ Links

**[www.cylaw.org](http://www.cylaw.org)**

- ▶ Legislation
- ▶ Cases – Supreme & District Courts
- ▶ Open to public

We have designed a website with all the needed information for Lawyers and clients. We have also provided to all our registered lawyers an online legal database where there can search for all Cyprus laws and cases. ([www.cylaw.org](http://www.cylaw.org))

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, [www.cyprusbarassociation.org](http://www.cyprusbarassociation.org)) This service is also public and no fees are paid for subscription.

### **CONTINUOUS TRAINING**

The continuous training is not compulsory but it is under discussion before a special committee. We have been organizing conferences/seminars on European Law and all the important matters which concern the profession i.e Anti money laundering, civil procedures European directives, mediation. Our concern is that our lawyers get more information on how European law works and keep them updated on recent developments. One of our aims is to provide to our Lawyers better service and to feel that their organization supports them in any query they have. The conferences who are organised by the Bar association are always free of charge of the participation fees.

### **3. Pension Fund Computerisation Project**

The Pension Fund records of members, their details, annual fees, retirement and other benefits were kept in manual books. In addition, the accounting was also kept in manual ledgers. All member records have now been transferred into a database, and the various processes of the Pension Fund have been automated, according to the relevant legislation. The new system can issue automated receipts for the annual subscription fees, as well as new member registration fees. It now provides details to members about their status, their subscription fees (statement of account), and can handle 'what-if' scenarios relating to retirement possibilities. The system is continuously maintained with legislation updates. Shortly the system will be linked to electronic banking facilities so that beneficiaries are paid electronically and annual fees are collected in the same way. The Pension Fund system is also linked to a new accounting system which has the capability of producing periodic management accounts.

### **EUROPEAN UNION MEMBERSHIP**

Our membership in European Union safeguards and guarantees a peaceful future for Cyprus within a safe and prosperous environment. And it promises the Union's unity and strengthens the stability safety and cooperation within the EU.

Our membership requires a continuous legislative reform for the harmonization with the European acquis and the protection of the basic principles of the European Union and the protection of the basic principles of human rights within the European law.

Lawyers have always been considered as the defenders of the human rights.

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Having faced a continuing facing human rights violation from Turkey since Turkish invasion in 1974, Cyprus and its legal profession are specifically committed to promote and protect human rights within European Union.

Nevertheless, all these give rise to the need for the exchange of views, for closer cooperation between the States and their legal systems and the need for new laws and methods of enforcement.

The creation of a common competitive market the free movement and establishment of services within the European Union is one of the main principles in Europe.

Inevitably, this influence the Legal Profession in Cyprus and on one hand challenges it to upgrade the services of the Legal Profession and on the other hand it entails obligations to change attitude and adoption of new methods.

The new requirements demand high level of knowledge and continuous training and above all seriousness and responsibility on behalf of the lawyers in combination with the protection of the ethics and human rights.

The protection of interests and rights, both as between individuals themselves as well as between individuals and Governments is the basic principle of any legal system. The obligations to find ways of enforcing these interests and rights have been entrusted to members of the legal profession.

Cyprus has enacted harmonizing legislation to implement the directives of the European Union to facilitate practice of the profession of lawyer on a permanent basis in a member state other than that the qualification was obtained (Directive 98/5/EC) and to facilitate the effective exercise by lawyers of freedom to provide services (Directive 77/249/EEC).

As it happens to all the professions through the years, also our profession has changed in order to cope with the society as it develops and changes.

Globalization and the long established policy to promote Cyprus as a high quality business center for financial and fiduciary services meant that lawyers had to deal with clients from abroad and adapt to the international competitive environment. Cyprus has always been considered as one of the best worldwide countries to provide financial and fiduciaries services and therefore the lawyers had to learn to be competitive and to provide high standards of services.

Over the years and due to legislative reforms on AML issues, our members had to create new infrastructure and to create new systems in order to comply with all the

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regulations on due diligence and KYC procedures to ensure compliance with AML regulations.

As you already know, the Council of the CBA was appointed as a Supervisory Authority in matters of Money Laundering and thus created the Supervisory Control Department which deals inter alia with onsite inspections to our members' premises. Our members have to deal with very strict regulations and obligations in relation to Anti-Money Laundering.

### **STATISTICS**

The table below shows the number of registered lawyers during the years 2006-2016

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Women	670	716	812	836	909	1012	1151	1347	1527	1667	1595
Men	1006	1053	1114	1131	1179	1276	1291	1400	1467	1520	1826
Total	1676	1769	1926	1967	2088	2288	2442	2747	2994	3187	3421

Due to the local colleges now offering a law degree a lot of children decided to study law. Therefore more people finish a law degree.

We try to urge our members to employ more and more young people in their law firms in order to keep the young lawyers in Cyprus and not force them due to unemployment to move to another member state.

Not only in Cyprus but worldwide a Law degree is still viewed by young people as one of the most attractive ones. The proof of that is the increasing number of young people who register as trainee advocates every year and the establishment of new law schools.

My belief is that a law degree can be valuable as it can be an excellent qualification not only for the person who would like to become a practicing lawyer but also for

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other professions such as Judge, politician, legal servant, or an in - house lawyer in a big firm like audit companies, banks or other organizations. A law degree doesn't guarantee that you will have a career in law but it still does increase the chances that you will find a job mainly in the service industry or in the public sector.

### **Supervisory Authority for Money Laundering**

In 2001 the Council of Ministers has appointed the Council of the Cyprus Bar Association as the supervisory authority for lawyers in accordance with section 59(4) of the Prevention and Suppression of Money Laundering Activities Law No. 188(I)/2007. The Cyprus Bar Association is the regulatory and competent authority for over 3000 registered practising advocates in Cyprus (1350- Law firms) and was firstly established in 1960 under Advocates' Law Cap. 2. Its major objective is the representation of the interests and the assistance of its members.

Cyprus' AML regime, in overall has received a positive evaluation in the 2011 Moneyval report. The Cyprus Bar Association has efficiently established the legal framework and succeeded in ensuring adequate procedures to protect Lawyers from being used by money launderers and terrorist financiers. Since the appointment of the Council of the Cyprus Bar Association as the supervisory authority for lawyer, steps have been taken to exercise its authority in practice either by organizing seminars and informing its members on the AML Law and developments, while it has appointed educated staff to conduct on-site inspections on all law firms in Cyprus (LLC & sole practitioners).

Due now to the economic crisis in our island and after being evaluated by troika we have created new amendments in our directives to accommodate more obligations on our members and to implement the law more strictly.

Cyprus' AML regime, in overall has received over the years positive evaluations (2011 Moneyval report).

The Competent authorities have efficiently established the legal framework and succeeded in ensuring adequate procedures to protect professionals from being used by money launderers and terrorist financiers.

We have created the risk based approached systems and training on specific topics of money laundering.

It is obvious that some foreign countries are putting the squeeze on Cyprus now that the island is in a tight spot, with the ultimate purpose of slandering Cyprus and damaging its status as an international business center.

But we are very optimistic that the measures we have taken together with the close cooperation with all the competent authorities will put Cyprus back to the map as one of the best international business center.

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## **MEDIATION LAW**

We have adopted the Directive 2008/52/EC on certain aspects of “mediation in civil and commercial matters” and the national law provides that if a lawyer wishes to get registered as a mediator then he/she can apply to the Ministry of Justice but they have to provide to the Ministry a certificate that they are trained in civil matters together with their license and a fee of 30 euro. There is only exception in commercial matters where the certificate is not needed.

We have contacted mediation centers for training and 100 members of us have already trained as mediators by accredited companies (i.e ADR group, Toolkit etc)

## **E –justice**

The Minister of Justice who has been appointed after the elections in February 2013 promised and he is in close cooperation with the CBA and the Supreme Court that he will proceed and create the e - justice within the courts and other authorities. In professional practice all the communications is done through tons of paper. This is the promise to change in the near future.

## **INSOLVENCY NEW REGIME**

Due to the new established insolvency regime created and the new legislation enacted the insolvency practitioner is the new regulated profession where registered practicing lawyers can register if they comply with the requirements provided by the Law (8 years of practice where 5 of them have been dealing with liquidation (voluntary or non- voluntary, insolvency cases etc)

(The Insolvency Framework comprises of a package of six legislative texts which entered into force on the 07/05/2015, the date of their publication in the Official Journal of the Republic (five laws and a set of regulations).)

<http://www.mof.gov.cy/mof/mof.nsf/All/846873EA6C29E0DAC2257E28003671C7>

The global financial crisis mainly affected our members who relied mainly on foreign clients. The 2013 crisis in Cyprus affected all our members.

For example, the number of civil cases filed before the courts in 2013 and 2014 was significantly reduced since people were reluctant to file an action being afraid of the cost of litigation. Foreign clients lost confidence in Cyprus and lawyers had to put a lot of their efforts to keep the clients from abroad and to reassure them that the legal environment and their businesses and investments would not be in any risk in Cyprus.

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Also, due to the economic crisis our members had to cope with a series of new legislation which had to be implemented overnight and our members had to learn it in order to deal with related issues raised.

The Bar Association's board took several measures to face these difficulties. One example is that have made arrangements with the general attorney's office, with whom our relations are perfect in every aspect and the cooperation is too close, for our members to handle cases on behalf of the Attorney General cases that were traditionally handled by the Attorney General's office. This mainly assisted young lawyers who were affected more by the crisis.

We try in every possible way to help our members.

One of the main problems among a lot is our Members' obligation to comply with all the new AML and other regulations. The regulatory framework is very demanding and the cost to create the necessary infrastructure to accommodate these needs and the time required to keep compliant is huge. In this respect sole practitioners are facing a competitive disadvantage as against the large law firms.

It is well known that Cyprus has a strong reputation as a financial service center with strong regulation and supervision and relies on a well balanced portfolio of services Cyprus has itself a high quality services provider as it possesses high caliber professionals (lawyers, accountants, banking and other financial services). Our aim is to promote Cyprus as an attractive international investment center in key priority growth sectors, to advocate reform in Cyprus required to improve the regulatory and business environment and infrastructure and to provide investor support with after care and further development services.

CBA is actively involved in advocating key reforms to remove hurdles and strengthen the regulatory and business environment in Cyprus which is fundamental requirement to attract and retain foreign direct investment, especially in an increasingly competitive global economic framework.

We have succeeded through the years to participate together with the other competent authorities' governmental and non-governmental organization in order to suggest and to develop new methods in order to be kept Cyprus in the map as one of the best places who provide professional services.

We have established and modernized legislations in order Cyprus to be able to accommodate the new demands which has risen due to the world economic crisis and to move on in a new era.

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We organize seminars and conferences in order to inform and train our members for any new legislations or reforms that are taking place.

We believe that through the systems and the infrastructure created by the CBA enabled our members to be served quickly and efficiently.

All of our records have been computerized and are updated on a weekly basis.

Of course there is always space for improvement and we don't stay still but we try listen to our members' suggestions. We have subcommittees within the CBA who examine and prepare papers and reports which we think they will help the economy.

For example we have Committees that work on the modernization of the company's' law new legislations on AML issues and tax matters.

Amendments in specific legislation which will help our members to become efficient and successful.

Under the Fiduciaries Law of 2012, advocates have been exempted from licensing and have been regulated and supervised on AML by CBA.

It is true that this matter has been discussed a lot and it is also true that the regulations and the directives between the authorities are identical.

CBA together with the other supervisory authorities had succeeded during the last three years to clear all the dark clouds above Cyprus about AML issues and we had complied fully with all the requirements under the memorandum of understanding with Troika placing Cyprus once again as one of the best international business centers.

Who have created a separate department with specialized trained personnel in order to do the onsite visit.

We believe strongly and we have proven that CBA has the knowledge needed to deal with our members and we consider that we are the appropriate authority to supervise lawyers since we are the only ones who know exactly the services our members provide and we also have the expertise for 55 years now to examine and supervise them on disciplinary matters.

We do not envisage or believe that one authority will do better supervision and the trust which has been created between us and our members guarantee the success to have all the members to comply with all the directives.

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For decades now, the CBA and me personally was supporting and suggesting the establishment of the Administrative Court and we are now optimistic that this development will result to the fast and correct administration of justice. It will definitely decongest the Supreme Court which was faced with a large volume of cases. Since January 2016, 212 cases have been concluded before the court.

## **MEASURES**

- The modernization of the criminal and civil procedural rules has to be apply immediately in order to make the justice system efficient and quick. Although the Supreme Court has amended 2 of the civil procedure rules we ask them to modernize all the rules which we believe they will improve drastically the justice system and the system will become more efficient.
- Stenotype is also the key pillar in ensuring the speed and effectiveness in the administration of justice and it will constitute the introduction of modern technology in the courts.
- E – justice. We must review the existing computerized mode and replace it in order all the documents to be able to file them electronically to the courts like other EU countries already do i.e Malta, Austria Esthonia.
- We are in discussions with the government in order to provide them with our knowhow about electronic filing of the legislation and all the court cases.
- With the CBA expertise we have helped the office of the registrar of companies and their systems have been upgraded and now you can register a company in less than 4 days. We are still participating in the special committee under the supervision of the ministry of commerce
- We are in the process through to our special committee to review of the legislation of the Company Act and the modernization is one of the issues discussed in the subcommittee appointed.

All of the above are considered and has been included in the mission strategy of the Ministry of Justice and we are together in a close cooperation to deal with all the matters concerning justice. Also being a member in the Council of the European Bar associations help us to improve and get all the information needed for our members to improve their services.

Personally I am optimistic and I am confident that lawyers will survive and overcome any obstacles created due to the economic crisis and we will recover quickly as possible.

**THEODOROS IOANNIDES**  
**PRESIDENT**

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