



Insolvency Framework

On 7th of May 2015 the Cyprus House of Representatives has passed a package of six statutes that from now on will constitute the Insolvency Framework of the Republic of Cyprus. The Insolvency framework was an essential prerequisite for the smooth continuation of the implementation of the Cyprus economic adjustment programme which was agreed with Troika.

More specifically the following came into force:

1. Insolvency of Natural Persons (Personal Repayment Schemes and Debt Relief Order) Law of 2015;
2. Bankruptcy (Amending) Law of 2015;
3. Companies (Amending) Law (No.3) Law of 2015, regarding liquidation;
4. Companies (Amending) Law (No.2) Law of 2015, regarding a mechanism for restructuring corporate debt (Examinership);
5. Insolvency Practitioners Law of 2015; and
6. Insolvency Practitioners Regulations of 2015.

The first two laws are for natural persons whereas the third and fourth laws relate to companies. The fifth law and regulations will regulate the profession of Insolvency Practitioners, which is vital for the successful application of the Insolvency framework. In particular, they provide for the procedure and requirements for the licensing of Insolvency Practitioners.

Only licensed Insolvency Practitioners are now allowed to be appointed as Liquidators, Receivers and Examiners, once licensed by their respective regulatory authority.

Pyrgou Vakis LLC is happy to announce that our Partner, Mr. Demetris Vakis has been licensed as an Insolvency Practitioner by the Cyprus Bar Association.