

INSOL Europe/LexisPSL Joint Project on ‘How EU Member States recognise insolvency/restructuring proceedings commenced in third country states’—Cyprus

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Restructuring & Insolvency analysis: This article looks at how Cyprus would recognise insolvency or restructuring proceedings commenced in a third country state. In particular, it considers whether the English Part 26 scheme or Part 26A restructuring plan would be recognised in Cyprus. Written by Cypriot Country Co-ordinator for INSOL Europe, Irina Misca at CITR, Cyprus.

Q1. Has your country adopted the United Nations Commission on International Trade Law (UNCITRAL) Model law on insolvency? If not, does it intend to do so in the near future?

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

Q2. What are your country’s private international law provisions for the recognition of insolvency proceedings commenced in countries outside of the EU Member States (ie Third Party States like the UK)?

There are no private international law provisions for the recognition of insolvency proceedings commenced in countries outside of the EU Member States. Thus, in the absence of legislative framework providing for the recognition of foreign insolvency proceedings in Cyprus, such recognition may be achieved under the principles of common law or based on a bilateral agreement.

Q3. Would your country recognise an English scheme of arrangement (under Part 26 of the Companies Act 2006 (CA 2006)) or an English restructuring plan (under CA 2006, Pt 26A) now post-Brexit and on what basis? (eg Lugano Convention, Hague Convention, Rome I or other private international law rules)

At this moment, there is no legal framework to ensure recognition of an English scheme of arrangement (under [CA 2006, Pt 26](#)) or an English restructuring plan (under [CA 2006, Pt 26A](#)) post-Brexit.

INSOL Europe/LexisNexis table of ‘How EU Member States recognise insolvency/restructuring proceedings commenced in third country states’

A table produced by INSOL Europe in partnership with Lexis Nexis (also incorporating information from Lexology Getting The Deal Through) is now available here: [INSOL Europe/Lexis/EPSSL Joint Project on ‘How EU Member States recognise insolvency and restructuring proceedings of a third country’: consolidated table](#).

We look at how EU Member States would recognise insolvency or restructuring proceedings commenced in a third country, such as the UK (post-Brexit), the US, Japan, Australia or Canada. As always, you should contact local lawyers in the relevant jurisdiction to check the current measures in force.



