



## Mareva Injunctions – Cyprus

### Another example of urgent Court's relief granted

Whether filing an action or vigorously defending one filed against our clients, we have been persistently building on the sound understanding of the law combining the ability to apply our knowledge to the commercial realities of the circumstances and come up with an effective strategy adding further to our reputation for excellence in the chosen field. Another recent example of aggressively pursuing our clients' interests is the wide net of injunctions obtained in favour of our Client-entity against the Respondent Company and its Directors and officers', refusing to collaborate with the Receiver/Manager, upon proper notice of appointment has been served.

The Receivership arising out of the crystallization of a floating security in favour of the Borrower entity, the multiple injunctions secure preservation of the status quo of the target company until the officers of the company meet the obligations set by the law.

Cyprus courts have the power to issue *ex parte* injunctions which, pursuant to the terms of the Regulation, can be registered and enforced in any EU member state. In addition in the appeal judgment **Seamark Consultancy Services Ltd v Joseph P. Lasala and Fred S. Zeidman, Co-Trustees of the Aremisoft Liquidating Trust C.A. No.71/2006, 74/2006, 92/2006 (16/2/2007)** the Supreme Court of Cyprus adopted the worldwide effect of *Mareva* injunction implementing its English equivalent case. Further the statutory authority for a Cyprus court to grant an interim remedy derives from section 32 of the Courts of Justice Law (Law 14/60) which gives wide discretionary power to the Court in the exercise of its civil jurisdiction to grant an injunction (interlocutory, perpetual or mandatory) in all cases in which it appears to the Court just or convenient so to do.

The District Court of Nicosia early in May 2014, once again affirming the application of the relevant principles, was not at all reluctant to issue freezing injunctions in



respect of assets located inside and outside jurisdiction, the “Mareva injunctions” even the extra-terrestrial effect of such orders which evidently have an invasive character for the jurisdictions of other states.

Acting for the client requiring urgent injunctive relief by the Court we have obtained without notice (ex parte) a Mareva injunction for an amount in excess of USD 60 million, restraining at the same time the disposition in any fashion on a worldwide level of all the assets of the target company.

It should be noted that since the entry of Cyprus to E.U. the Republic is bound by the **Council Regulation EC 44/2001 “On jurisdiction and the recognition and enforcement of judgments in civil and commercial matters”**. Under section 10, article 31 confers jurisdiction to the courts of member states for such provisional, including protective, measures –including Mareva injunctions- as may be available under the law of that state, even if, under the Regulation, the courts of another member state have jurisdiction as to the substance of the matter. The Regulation requires the recognition and enforcement of all judgments or orders which fall within its scope, whether final or interlocutory, subject to limited exceptions.

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