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Advocates - Legal Consultants

Electronic Disclosure against MetaQuotes – Stay motion denied

We have early advocated that the Supreme's Court judgement, in the case **Penderhil Holding Ltd v Ioanni Kloukina No.319/2011** (“*Penderhil*”) where a stay for Norwich Pharmacal Order was granted in favour of the Defendant-Respondent pending appeal, did not formulate a solid precedent.

Our approach was well affirmed by the District Court of Limassol recent judgement denying the stay application against the enforcement of a Norwich Pharmacal type order. MetaQuotes based their request on Penderhil however the Court denied issuing a stay order commenting that Penderhil does not provide a general principle in favour of stay merely on the fact that an appeal was filed.

The Cyprus Court had recently delivered a judgment ordering electronic disclosure against MetaQuotes Software, the well-known Forex trading platform, the first of its kind in Cyprus! MetaQuotes is ordered, inter alia, to disclose the transactions of numerous trading accounts of our client, which appear in the platform of MT4 unto the name of the client maintained for the benefit of a brokerage firm. The latter was offering investment services through MT4 platform through a license of the type “*white label*” granted by MetaQuotes. The brokerage firm later denied even the existence of a customer relation.

Innovative litigation and going beyond traditional disclosure, the client now will be provided with full access to critical information. Even the intrusiveness of the order proposed by our side the Court agreed with our submissions that intrusion can be significantly reduced by ordering that the necessary work should be carried out by an independent expert appointed jointly by the parties to protect the interests of the disclosing party (MetaQuotes) as sought by our law firm in favour of the client.