

REPUBLIC



OF CYPRUS

57 of 1972
85(I) of 1997

**THE SOCIETIES AND INSTITUTIONS
LAWS 1972 AND 1997**

(English translation and consolidation)

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NOTE FOR THE READER

The publication at hand by the Office of the Law Commissioner is an English translation and consolidation of the Societies and Institutions Laws, 1972 and 1997 [i.e. Laws 57 of 1972, 85(I) of 1997].

However useful the English translation of the consolidated Laws is in practice, it does not replace the original texts of the Laws since only the texts published in the Official Gazette of the Republic are authentic.

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**A LAW TO REGULATE THE ESTABLISHMENT, OPERATION
AND DISSOLUTION OF SOCIETIES AND INSTITUTIONS
AND TO PROVIDE FOR RELATED MATTERS**

The House of Representatives enacts as follows:

Short title.
57 of 1972
85(I) of 1997.

1. This Law may be cited as the Societies and Institutions Laws, 1972 and 1997.

PART I – PRELIMINARY PROVISIONS

Interpretation.

2. In this Law, unless the context otherwise provides—

“Court” means the competent District Court within the limits of the territorial jurisdiction of which the registered office of the society or institution is situated;

“institution” means the aggregate of property appropriated to serve a particular purpose;

“Register” means the book in which the societies and institutions are being registered under this Law;

“Registrar” means the person appointed by the Council of Ministers to register societies and institutions;

“society” means an organized association of at least twenty persons for the attainment of a certain non-profitable object.

Object or
operation of
society or
institution
unlawful etc.

3.—(1) A society or institution the object or operation of which tends to undermine the security of the Republic or the public order or the public safety or the public health or the public morals or the fundamental rights and freedoms of the individual, shall have no legal existence, it shall not be capable of being registered, or if already registered, it may be dissolved by order of the Court.

(2) Any person who is a member of an unlawful society or takes part in its administration in accordance with the provisions of sub-

section (1) shall be guilty of an offence and shall be liable to imprisonment not exceeding three years or to a fine not exceeding eight thousand five hundred and forty three euros* or to both such penalties.

Incorporation.

4. Subject to the provisions of section 3 every person shall have the right to establish and participate in a society or institution, which however, shall not be incorporated unless the conditions laid down in this Law, are being complied with.

Scope of capacity of society or institution.

5. The capacity of a society or institution which has been incorporated shall not extend to legal relationships requiring the attributes of a natural person.

PART II – PROVISIONS AS TO SOCIETIES

Incorporation of societies

Registration of societies.

6.—(1) In order to become a body corporate, every society is bound to be registered in accordance with the provisions of this Law.

(2) To this end, the Registrar shall keep, in the prescribed form, a Register of societies in which he shall enter the prescribed particulars.

(3) For the purpose of registration of a society in the Register an application shall be made to the Registrar by the founders or the administration of the society, to which must be attached the memorandum of association, the names and addresses of the administration members, the articles of association duly signed by the members and bearing a date, the emblem of the society and a description of the movable or immovable property or both, in the possession of or belonging to the society at the time of submission of the application.

(4) The Registrar, provided the legitimate conditions are present,

* P.I. 312/2007 issued pursuant to section 9(1) of the Adoption of the Euro Law, 2007 (L. 33(I) of 2007, as amended).

shall accept the application, enter the society in the Register upon payment of the prescribed fee and issue a certificate of registration in the prescribed form. This certificate shall be published in the official Gazette of the Republic and shall be conclusive proof of the date of registration and of compliance with all legal requirements. The articles of association certified by the Registrar shall be kept in his file.

Acquisition of corporate personality.

7. Upon the issue of a certificate of registration, the society registered shall acquire full corporate personality. Such corporate personality shall be lost upon the dissolution of the society.

Articles of association of society.

8. The articles of association of a society shall, on penalty of being declared null and void, prescribe the following:

- (a) the object, the name and the principal office of the society;
- (b) the terms of admission, resignation and expulsion of members, as well as their rights and obligations;
- (c) the resources of the society;
- (d) the mode of representation of the society in Court and out of Court;
- (e) the administrative organs of the society, as well as the terms of formation and operation of the administration and the dismissal of its organs;
- (f) the terms under which the meeting of members is convened, meetings are held and decisions are taken;
- (g) the terms of modifying the articles of the society;
- (h) the mode of auditing the accounts of the society;
- (i) the terms of dissolution of the association and the fate of its property in the event of dissolution, which, shall, in no case, be distributed among the members.

Name of society.
2 of 85(i)/1997.

8A.—(1) No society shall be registered by a name which, in the opinion of the Registrar, is contrary to the national security or the public interest or the public morals.

(2) If the name under which a society is proposed to be registered is identical with that by which any other society has already been registered or, in the opinion of the Registrar, so nearly resembles such name as to be likely to deceive or mislead the public or the members of either society, the Registrar shall require the persons applying for registration to change the name of the society stated in the application and shall refuse to register the society, until such change has been made.

Entry of
modification of
articles of
association.

9. Every modification of the articles of association shall be valid only from the entry thereof in the Register upon application of the administration of the society, submitted within twenty one days from its approval.

Note of
dissolution of a
society in the
Register.

10. The dissolution of the society effected in any manner whatsoever and the names of the liquidators shall be noted in the Register next to the registration. The note of dissolution shall be made upon application of the administration of the society or of the authority which has caused the dissolution.

PROVISIONS AS TO MEMBERS

Admission,
resignation and
expulsion of
members.

11.—(1) Unless any provision to the contrary is contained in the articles of association, the admission of new members shall be allowed always.

(2) Members shall at all times be entitled to retire from the society. Unless any provision to the contrary is contained in the articles of association, a retiring member is bound to pay his subscriptions until the end of the financial year.

(3) The expulsion of members shall be allowed in such cases as prescribed in the articles of association.

Equality of members.

12. Unless any provision to the contrary is contained in the articles of association, all members of the society shall have equal rights.

Rights and obligations of retired members.

13. Members of the society who have retired shall have no right on the property of the society. They shall be liable to pay subscriptions having regard to the time of their membership.

Non-assignable status of members.

14. The status of being a member, unless any provision to the contrary is contained in the articles of association, can not be represented and shall not be assigned or inherited.

ADMINISTRATION OF SOCIETY

Administration of society.

15. Societies shall be administered by one or more persons who shall, unless otherwise provided in the articles of association, be members of the society. Unless any provision to the contrary is contained in the articles of association, in the case where the administration consists of many members, decisions shall be taken by absolute majority of the members present.

Cases in which a member of the administration shall not be entitled to vote.

16. A member of the administration shall not be entitled to vote where the decision relates to a legal transaction or the bringing or discontinuance of an action between the society on the one hand and the member on the other hand, or the member's spouse, or a relative by blood up to the third degree or a legal transaction between the society on the one hand and a company, whether a single person company or a company limited by shares, on the other hand, in which or in the administration of which the member participates.

Duties and powers of the administration and liability of members of administration and of society.

17.-(1) The person in charge of the administration shall attend to the affairs of the society and shall represent the same in court and out of court. Unless any provision to the contrary is contained in the certificate of incorporation or in the articles of association, substitution shall be prohibited.

(2) The scope of authority of the person in charge of the administration shall be laid down in the articles of association, and such laying shall also be valid in respect of third persons. Under the articles of association certain affairs may be entrusted to the same person. In case of doubt the authority thereof shall also extend to any relevant act.

(3) Any acts undertaken by the administrative organ of a society within the scope of its powers shall be binding on the society.

(4) The society shall be liable for any acts or omissions of its representative organs, provided the act or omission has taken place during the exercise of the duties entrusted to them and shall involve the liability for compensation. The offender shall also be jointly liable.

Meeting of members of the society.

18. The members' meeting shall constitute the supreme organ of the society and shall decide on all matters pertaining to it which do not fall within the competence of another organ. Unless any provision to the contrary is contained in the articles of association, the meeting, shall itself elect the members of the administration, shall appoint the auditors of the accounts of the society, shall decide on the admission or expulsion of a member, on the approval of the balance sheet, on the change of the object of the society, on the modification of the articles of association and on the dissolution of the society.

Function of the meeting.

19. The meeting of the members shall exercise supervision and control over the members of the administrative board and shall be entitled to dismiss same in accordance with the provisions of the articles of association.

Calling of meeting.

20.—(1) The administration shall hold a members' meeting in such cases as specified in the articles of association, or where this is necessary in the interest of the society.

(2) The meeting shall be held upon request of a number of members specified in the articles of association. Where this is not so specified, one fifth of the total number of members may convene a meeting upon a written requisition setting out the agenda. If the requisition is not accepted, the Registrar may authorize the requisitionists to convene the meeting of the members, which shall regulate the question of its chairmanship.

Decisions of meeting.

21.—(1) All decisions of the meeting shall be taken by absolute majority of the members present. A decision of the meeting on an issue not included in the invitation shall be null and void, unless otherwise provided in the articles of association.

(2) A decision may be taken without a members' meeting having been convened, if all of the members have given their consent in writing to a specific proposal.

(3) No member shall be entitled to vote where the decision relates to a legal transaction or the bringing or discontinuance of an action between the society on the one hand and the member on the other, or the member's spouse or a relative of the member by blood up to the third degree, or a legal transaction between the society on the one hand and a company, whether a single person company or a company limited by shares on the other hand, in which or in the administration of which the member takes part.

Decisions on the modification of the articles of association and on the dissolution or alteration of the object of the society.

22.—(1) Unless any provision to the contrary is contained in the articles of association, for the taking of a decision on the modification of the articles of association or on the dissolution of the society there shall be required the presence of at least one half of the members

plus one and a majority of three quarters of those present.

(2) For the taking of a decision on the alteration of the object of the society there shall be required the consent of three quarters of the members of the society.

Invalidation of decisions of meeting and suspension of execution of same.

23.—(1) Any decision of the meeting contrary to the law or the articles of association shall be null and void. Invalidation shall be declared by the court on an action brought by a non-consenting member or by any person having a legitimate interest. No action can be brought if six months have elapsed since the decision of the meeting has been taken.

(2) The court may, upon application by the administration of the society or by one of its members or the Attorney-General of the Republic, suspend the execution of a decision of the meeting against the validity of which an action has been filed.

DISSOLUTION OF SOCIETIES

Dissolution of societies.

24. The society shall be dissolved-

- (a) at any time by decision of the members' meeting in accordance with the provisions of section 22 of this Law;
- (b) if the number of members is reduced below twenty;
- (c) by a judgment of the court upon application by the administration of the society or by one fifth of the members or by the Attorney-General of the Republic-
 - (i) if due to other reasons the election of an administration has been rendered impossible or if it is generally impossible for the society to carry on in accordance with the articles of association;
 - (ii) if the object of the society has been fulfilled or if because of long inactivity its object shall be deemed

to have been abandoned;

- (iii) if the society is pursuing a different object than the one prescribed in the articles of association, or if the object or the operation of the society have been rendered unlawful as provided for in section 3.

Liquidation of dissolved society.

25.—(1) Upon its dissolution, the society shall, *ipso jure*, be under liquidation. Until the completion of the liquidation and for the requirements thereof, the society shall be deemed to be in existence.

(2) The liquidation, save as not otherwise provided in the law or the articles of association, or if the competent organ has not taken any other decision, shall be carried out by the persons having the administration of the society. In such absence, the liquidator, one or more than one, is appointed by the Court.

(3) The liquidator shall have the status of the administrator of society. His powers shall be limited to the requirements of the liquidation.

(4) The liquidator shall be liable to pay damages for any infringement of his obligations due to his fault. In the case where more than one liquidators are appointed they shall be jointly liable.

Associations not constituting societies.

26. An association of persons in pursue of a purpose not constituting a society, provided no other provision exists, shall be governed by the provisions of the relevant law in force for the time being applicable to such association. Upon conversion of the association into a society, the transfer of property thereto shall be effected in accordance with the provisions in force for the time being relating to transfer of property.

PART III – INSTITUTIONS

Establishment, registration and organization

Establishment of institution.

27.—(1) An institution shall be established upon registration of the act of incorporation by the Registrar in the Register of institutions

expressly kept for the purpose in the prescribed manner and the issue by him of a certificate of registration in the prescribed form.

(2) The Registrar, provided the object of the institution is not unlawful as hereinabove provided, shall proceed with the registration in the Register and issue a certificate of registration under his signature in the prescribed form.

(3) The certificate thus issued shall be published in the official Gazette of the Republic and shall be conclusive proof of the date of registration and of compliance with the legal requirements.

(4) Upon the issue of the certificate the institution shall be incorporated.

Act of
incorporation
and its contents.

28.—(1) The act of incorporation shall be effected either by an instrument *inter vivos* or by will or testament.

(2) The act of incorporation, must state the name and object of the institution, its principal office, the property appropriated, the names and addresses of the members of the administration and its form of organization.

Change in
organization.

29. The form of organization may be specified or supplemented or changed by decision of the Court subject to the will of the founder. The completion or change in the organization may be effected on the same conditions and by a subsequent decision of the Court.

Revocation of act
of incorporation.

30. Upon an application by the founder the court may allow the revocation of the act of incorporation on the grounds of the supervening destitution of the founder or on the grounds of significant reasons justifying the revocation. No application for revocation can be made following the registration of the foundation.

Obligations of the founder.

31. As from the establishment of the institution the founder is bound to transfer to it the property promised by him. Rights transferred merely by assignment in absence of contrary will of the founder, shall, *ipso jure*, be transferred upon the establishment of the institution.

ADMINISTRATION OF INSTITUTIONS

Administration of institutions.

32. The institutions shall be administered by one or more persons. Unless any provision to the contrary is contained in the act of incorporation, in the case where the administration consists of many members, decisions shall be taken by majority.

Cases in which a member of the administration shall not be entitled to vote.

33. A member of the administration shall not be entitled to vote if the decision relates to the undertaking of a legal transaction or the bringing or discontinuance of any action between the institution on the one hand and the member on the other, or the member's spouse or a relative by blood up to and including the third degree or the undertaking of a legal transaction between the institution on the one hand and a single person company or a company limited by shares on the other, in which or in the administration of which the member takes part.

Duties and powers of administration.

34.—(1) The person in charge of administration shall attend to the affairs of the institution and shall represent the same in court and out of court. Save as not otherwise provided in the act of incorporation, substitution shall be prohibited.

(2) The extent of powers of the person in charge of the administration shall be laid down in the act of incorporation and such laying shall also be valid in respect of third parties. By the act of incorporation certain cases may be assigned to the same person. In case of doubt his powers shall extend to any relevant act.

Obligations of administration.

35.—(1) The administration members of any institution are bound to keep accurate and detailed books of account in which there shall be

recorded all the accounts of all moneys received and paid on account of such institution and shall also at the end of each year prepare and transmit to the Registrar not later than one month after such preparation, the following accounts:

- (a) an account of the gross income of the institution during the year ending the 31st day of December;
- (b) an account of any surplus in hand at the commencement of every year and of all moneys received during the same year on account of the institution;
- (c) an account of all moneys owing to or from the institution and an account for the same period of all payments.

(2) The accounts of the institution shall be audited at the expense of the institution by a certified Accountant, whose report must be submitted to the Registrar together with the documents referred to in subsection (1).

Application of the Trustee Law, Cap. 193.

36. The provisions of the Trustee Law shall apply to all the cases where the administration organs are entrusted with the administration of the property of the institution.

Liability of the institution.

37.—(1) Legal transactions undertaken by the administrative organ of the institution within the limits of its powers shall be binding on the institution.

(2) The institution shall be liable for any acts or omissions of the organs representing the same, provided the act or omission has taken place during the discharge of the duties assigned to them and shall involve the obligation to pay damages. The offender shall also be jointly liable.

Appointment of provisional administration.

38. In the absence of the persons required for the administration of the institution or where there is a conflict between their interests and those of the institution, the Court shall, upon request of any person having a legitimate interest, appoint a provisional administration.

Audit of accounts
of the institution.

39.-(1) The Court may, at any time, order the audit of the accounts of any institution registered either in accordance with the provisions of this Law or of the Laws in force.

(2) Such audit shall be carried out by the Auditor-General of the Republic or by any other person or persons authorized in that behalf by the Court and in such case the said institution is bound to pay the audit fees that may be prescribed.

Powers of the
Attorney-General
of the Republic.

40. The Attorney-General of the Republic shall have power:

(a) to take any judicial measures required for the enforcement of every trust created for a charitable purpose, either by instrument *inter vivos* or by will or testament;

(b) to sanction the sale or other disposition of any property belonging to the institution, if convinced that such sale or disposition is for the benefit of the institution.

Alteration of
organization
contrary to the will
of the founder.

41. Upon application of the administration the court may order the organization of the institution to be altered, even contrary to the will of the founder, if such alteration is imposed for the preservation of the property of the institution or the attainment of its object.

Alteration of
object.

42.-(1) In the case where the object of the institution has been rendered unattainable, another similar object may be given to the institution by order of the Court according to the most probable will of the founder.

(2) Any alteration of the content or of the conditions of the act of incorporation contrary to the provisions thereof for the benefit of its public or charitable purposes shall be prohibited. Except by a special order of the Court, when the will of the founder is rendered unfeasible, the property promised may be used for another incidental object.

END OF INSTITUTION

End of institution. 43.–(1) The institution shall cease to exist in the cases specified in the act of incorporation or in its organization.

(2) The institution shall be dissolved by order of the Court-

(a) if its object has been fulfilled or has become unattainable;

(b) if it has deviated from its object or if the object or its function has become illegal as provided in section 3.

Liquidation of dissolved institution.

44.–(1) Upon its dissolution the institution shall, *ipso jure*, be in liquidation. Until the liquidation has been completed and for the purposes thereof it shall be deemed to be in existence.

(2) Save as not otherwise provided in the law or the act of incorporation, or provided that the competent organ has not decided otherwise, the liquidation shall be carried out by the persons in charge of the administration of the institution. In such absence, the Court shall appoint one or more liquidators.

(3) The liquidator shall have the status of administrator of the institution. His powers shall be limited to the needs of the liquidation.

(4) The liquidator shall be liable to pay damages for any infringement of his duties due to his fault. Where there are more than one liquidator they shall be jointly liable.

Property of dissolved institution.

45. Where there is no provision to the contrary in the law or in the act of incorporation, or where no other decision has been taken by the competent organ, the property of a dissolved institution shall devolve upon the Republic, which is bound to use such property in carrying out the object of the institution or another incidental object.

PART IV – MISCELLANEOUS

Provisions of other laws shall continue to apply without having been affected by this Law.

46. Nothing in this Law contained shall apply or shall in any way affect associations of persons or institutions governed by another specific law the provisions of which shall continue to apply to such associations or institutions.

Savings for existing societies or institutions.

47. Every society or institution established and registered under the repealed Laws of the Greek Communal Chamber shall be deemed to have been established from the date of its incorporation by virtue of this Law and shall be registered respectively in the relevant Register without payment of any fee.

Regulations.

48.—(1) The Council of Ministers may make Regulations to be published in the official Gazette of the Republic for the better carrying into effect of the provisions of this Law.

(2) Without prejudice to the generality of the provision of section (1) Regulations made under this Law may provide for the following matters-

- (a) any matter which under the provisions of this Law is required or may be prescribed;
- (b) matters relating to the registration of societies or institutions, dissolution of societies and liquidation of societies or institutions;

(c) penalties not exceeding imprisonment of one year or a fine of five hundred and twelve euros* or both such imprisonment and fine for any contravention of the Regulations.

(3) Regulations made under this section shall be laid before the House of Representatives. If within twenty one days from the date of such laying the House of Representatives does not by resolution amend or annul the Regulations so laid, in whole or in part, they shall then, soon after the expiry of the period hereinbefore mentioned, be published in the official Gazette of the Republic and shall come into force as from such publication. In the event of their amendment, in whole or in part, by the House of Representatives, such Regulations shall be published in the official Gazette of the Republic as amended by the House and shall come into force as from such publication.

Repeal
of Laws.
2 of 1962
3 of 1962.

49. The Institutions Law, 1962 and the Societies Law, 1962 of the Greek Communal Chamber are hereby repealed.

* P.I. 312/2007 issued pursuant to section 9(1) of the Adoption of the Euro Law, 2007 (L. 33(I) of 2007, as amended).