

**The Societies and Institutions and other related Matters Law of 2017**  
**(104(I)/2017)**

**History of Amendments**  
**104(I)/2017, 76(I)/2018**

**Preamble**

The House of representatives enacts as follows:

**Short Title**

1. This law shall be referred to as the Societies and Institutions and other Related Matters Law of 2017  
104(I)/2017

**PART I PRELIMINARY PROVISIONS**

**Interpretation**

2. In this Law, unless otherwise provided in the text-

“minor” means a person under eighteen (18) years old;

“General Registrar” means the Director General of the Ministry of Interiors, who under this Law is responsible to supervise the implementation of the provisions of this Law and to coordinate the Registrars, for the uniform interpretation and application of this Law;

“Court” means the competent district court within the limits of the territorial jurisdiction of which, where applicable, the registered office of a society or institution or/and association is situated;

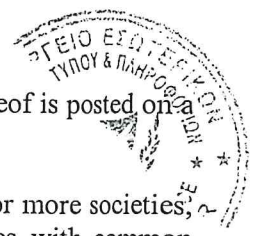
“Registrar” means the District Officer of the relevant District, who under the provisions of this Law, is responsible for the registration and operation of societies, institutions and federations and/or associations having their registered offices in this District;

“institution” means all the assets appropriated to serve a certain non-profitable object and for its incorporation the property appropriated may not be of value under one thousand euros (€1000)

“non profit”, in relation to a society or institution, means a society or institution which does not distribute any profits, which may arise from its activities, to its members, founders, administration or officers, but rather invests or uses them to carry on and achieve its objectives.

“Register” means the book kept by the Registrar and in which the societies, institutions and federations and/or associations are being registered under the provisions of this Law, where applicable:

It is understood that the Register is kept updated in electronic form and part thereof is posted on a relevant website;



“federation and/or association” means the cooperation framework of three or more societies, institutions, non-profit companies or other similar non-profit legal entities with common objects.

“person” means any natural or legal person;

“society” means an organized association of at least twenty persons for the attainment of a certain non-profitable object and does not include political parties or trade unions.

“Minister” means the Minister of Interior.

104 (I)/2017

76(I)/2018

### **Right to establish and participate in a society or institution or federation and/or association**

3. Subject to the provisions of this Law, and in particular to the provisions of article 4 thereof, everyone shall have the right to establish a society or institution or federation and/or association and participate therein.

104 (I)/2017

### **Unlawful object or operation of a society or institution or federation and/or association**

4. (1) A society or institution or federation and/or association which is unlawful within the meaning of article 63 of the Criminal Code or the object or operation of which aims or tends to undermine the Republic, the democratic institutions, the security of the Republic, the public order, the public safety, the public health, the public morals, the fundamental rights and freedoms of the individual or the rights of the persons with disabilities, shall have no legal existence and shall not be capable of being registered or if already registered, may be dissolved by Order of the Court declaring the society or institution or federation and/or association, where applicable, unlawfully.  
  
(2) Any person who is a member of the unlawful society or institution or federation and/or association under the provisions of subsection (1) shall be guilty of an offense and, if convicted, shall be liable to imprisonment not exceeding three (3) years or a fine not exceeding three thousand euros (€3,000) or to both such penalties.

104 (I)/2017

### **Legal personality of a society or institution or federation and/or association, extent and loss thereof**

5. (1) A society or institution or federation and/or association shall have a legal personality as from the date of their registration in the Register and the issue of a relevant certificate of registration by the Registrar under the provisions of this Law.  
  
(2) The capacity of a society or institution or federation and/or association which has acquired legal personality does not extend to legal relationships which presuppose the status of a natural person and the legal personality is lost upon their dissolution.

104 (I)/2017



### **Power to refuse a registration**

6. The Registrar may refuse to register a society or institution or federation and/or association when it is established that their object or operation is unlawful under the provisions of subsection (1) of Article 4 and/or when its founding members or proposed members by the administration have been convicted of a crime due to lack of honesty or moral disgrace:

It is understood that any negative response by the Registrar shall be notified in writing to the person concerned and shall be accompanied by a reasoned justification:

It is further understood that, in exercising his duties, the Registrar may request that the applicants submit a certificate of criminal record of the members proposed by the administration of the society or institution or federation and/or association, issued during the last three (3) months prior to the submission of the application, and/or a formal declaration by the founding members stating that the said founding members have not been convicted of a crime due to lack of honesty or moral disgrace:

It is further understood that in the case of a legal person the certificate and/or the formal declaration shall be submitted to the Registrar via the legal representative of the legal person.

(1A) Any person who makes a formal declaration under the second reservation of section (1), whose content or part thereof is not true, is guilty of a criminal offense and, if convicted, is subject to imprisonment for a period not exceeding one (1) year or a fine not exceeding two thousand euros (€2,000) or to both such penalties.

(2) Subject to the provisions of section (3), the Registrar may refuse to register any society or institution or federation and/or association which, in his opinion, is contrary to public security or public order; or public health or the protection of the rights and freedoms guaranteed by the Constitution of the Republic of Cyprus and the relevant Conventions concluded and ratified by the Republic of Cyprus or the public morals, taking into account the prevailing social perception:

It is understood that any negative response by the Registrar shall be notified in writing to the person concerned and shall be accompanied by a reasoned justification.

(3) In the event that the name under which a society or institution or federation and/or association is proposed to be registered is identical with that by which any other society or institution or federation and/or association or company has already been registered, or of any other existing organization, medical or any other, which, 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 or institution or federation and/or association or company, where applicable, the Registrar shall require the persons applying for registration, at least within one (1) month, to change the name stated in their application and he shall refuse to proceed to the registration, until such change has been made.

(4) In the event that any other law provides for the obligation to register a society or institution or federation and/or association in another register, the Registrar shall register the association or foundation or federation and/or association, where applicable, by stating in the certificate of registration that its operation is subject to the inclusion in the other register as well.

104 (I)/2017

76(I)/2018

### **Registration of a society or institution or federation and/or association whose activities and actions involve minors**

6A. The entry in the Register of a society or institution or federation and/or association whose activities and actions involve minors is only allowed subject to the prior submission on behalf of the applicants

to the Registrar of a relevant certificate for each proposed member of the administration of the society or institution or federation and/or association, issued the last three (3) months prior to the submission of the application, according to which the proposed member is not included in the Record kept under the provisions of Article 22 on the Prevention and Suppression of Sexual Abuse, Sexual Exploitation of Children and Child Pornography Law.

76(I)/2018

## PART II SOCIETIES

### Incorporation of Societies

7. (1) In order to register a society, the Registrar shall keep, in the prescribed form, a Register of Societies, in which he shall enter the information provided in subsection (2) and which shall be kept up to date and may be inspected by any interested party; the inspection may take place in the presence of a competent officer and without paying any fee, while at the same time, an updated list of operating societies, including their addresses, shall be posted on a relevant website, as defined by the Regulations issued under the provisions of this Law.

(2) In order to register a society in the Register, a written application shall be submitted to the Registrar by the founders or the board of directors of the society, to which must be attached the articles of association, the names and addresses of the administration members as well as their contact details, the articles of association duly signed by the founding members and bearing a relevant 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 and/or which shall be transferred to the society after its registration.

(3) In the application of a society's registration the exact postal address of the society shall be indicated, even if that is a temporary address.

(4) The Register shall examine the application at the earliest convenience and, provided that the legitimate terms and conditions are present under this Law and Regulations, accept the application, enter the society in the Register upon payment of the prescribed fee and issue a relevant certificate of registration in the prescribed form:

It is understood that the formalities granting registration under the provisions of this Law shall be examined without delay and in any case within three (3) months from the date of receipt of all the required and duly filled-in documents attached to the application for registration:

It is further understood that in case that the provisions of subsection (3) of Article 6 are applied, the above period of three (3) months shall be interrupted.

(5) A certificate of registration issued under the provisions of subsection (4) shall be published in the Official Gazette of the Republic and shall be conclusive proof of the date of registration of the society and of compliance with all legal requirements. The articles of association, certified by the Registrar, shall be kept in his file:

It is understood that certified copies of the certificate of registration shall be issued to any person with a legitimate interest in requesting so and upon payment of the prescribed fee.

(6) The Registrar may carry out inspections, acting on a complaint or on his own initiative, to ascertain whether the conditions laid down in this Law are fulfilled, particularly with regard to the provisions of Article 10, and the administrations of societies shall assist them to that end.

(7) In case that the request for issuing a certificate of registration is rejected, the Registrar shall state the reasons of its rejection and inform the applicant of the remedies available.

104 (I)/2017



### Articles of Association of a Society

8. The articles of association of a Society shall be valid and accepted for registration provided they prescribe and include:
- (a) the object, the name and the registered office of the society in a municipality or community located in the areas controlled by the Republic of Cyprus;
  - (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 and/or institution of representation of the society in Court and out of Court;
  - (e) the administrative organs of the society, the election process of the elected board members, as provided by the articles of association, the term of their office, the terms of formation, operation, the frequency of convening meetings and the dismissal of the administrative organs;
  - (f) the terms under which the meeting of members is convened, meetings are held, and decisions are taken, as well as the term that this meeting is convened and held at least once (1) a year;
  - (g) the terms of modifying the articles of the society;
  - (h) the mode of auditing the accounts of the society, pursuant to the principle of transparency;
  - (i) the terms of dissolution of the society or its merger with another society and the fate of its property in the event of dissolution, which, shall, in no case, be distributed among its members.

104 (I)/2017

76(I)/2018

### Entry of modification of articles of association

9. (1) Every modification of the articles of association of a registered society shall be valid only from the entry thereof in the Register, upon the submission of a relevant application pursuant to the provisions of subsection (2).
- (2) The board of directors of each society shall submit to the Registrar, after the adoption of every modification of the articles of association, without undue delay and no later than thirty (30) days from the date that the modification was adopted, a written application for registration of the modification in the Register.
- (3) The Registrar may refuse to register any modification of the Articles of Association if he deems that it is contrary to the provisions of this Law:

It is understood that a late submission of any such application shall not be itself a negligible consideration for refusing to register a specific modification in the Register.

104 (I)/2017



### **Mandatory notifications for the Registrar**

10. – (1) Within the first quarter of each year, the board of directors or the secretary of a registered society shall notify in writing the Registrar about-

(a) Numerically, any expulsion of members and registration of new members effected during the previous year;

(b) in the event of changes, the society's members of administration in office, as well as their respective office and contact details; and

(c) whether the minimum number of annual general meetings stipulated in the Articles of Association was held during the previous year.

(2) In case of change of address of the premises and/or of contact details of the society, the board of directors or its secretary, shall notify the new address and/or the new contact details as soon as the change is made.

(3) In case of non-compliance with the obligation under subsection (1), the Registrar shall request from the board of directors or the secretary of the society, by registered mail, to do so within thirty (30) days, with the possibility of extending this period for one month, if so requested. In case they fail to respond to the request of the Registrar, he may appeal to the Court, requesting the dissolution of the society based on the provisions of paragraph (c) of section 24 of Article (1) and, at the same time, he may publish his appeal in the Official Gazette of the Republic.

### **Entry of dissolution of society in the Register**

11. – (1) The dissolution of a society by any means, as well as the names of its liquidators, shall be noted in the Register alongside the registration.

(2) The entry of the dissolution shall be registered, after a written report to the Registrar, by the board of directors of the society or the person or authority that caused the dissolution, where applicable, and shall be submitted without undue delay and in any case no later than thirty (30) days from the date of the actual dissolution of the society.

104 (I)/2017

### **Admission, resignation and expulsion of members**

12. – (1) Unless the articles of association otherwise provide, the admission of new members shall always be allowed.

(2) The members shall always be entitled to resign from the society.

(3) The expulsion of members shall be allowed in such cases as prescribed in the articles of association, as well as in the case that a member, with his behavior, actions and omissions, brings about or causes shame or reduces the liability or the prestige of the society or affects its interests.

104 (I)/2017

### **Equality of members**

13. Unless the articles of association otherwise provide, all members of the society shall have equal rights.

104 (I)/2017 76 (I)/2018

### **Rights and obligations of retired members.**

14. Members of the society who have retired shall have no right on the property of the society and shall be bound to pay their subscriptions until the end of the financial year, unless the articles of association otherwise provide:

It is understood that, members who have not fulfilled their financial obligations towards the society, may, if provided by the articles of association, be deprived of their right to vote during the meeting that their expulsion is decided.

104 (I)/2017

### **Non-assignable status of members**

15. The status of being a member cannot be represented and shall not be assigned or inherited.

104 (I)/2017

### **Administration of Society**

16. – (1) Societies shall be administered by an board of directors of five (5) or more persons who shall, unless the articles of association otherwise provide, be members of the society. Decisions shall be taken by absolute majority of the members present, unless the articles of association otherwise provide.

(2) In case that a member of the administration of the society is convicted of a crime due to lack of honesty or moral disgrace, the Registrar, at the request of any member or on his own initiative, shall invite the competent body to take necessary action for the replacement of that member under the provisions of the articles of association of the society.

104 (I)/2017

### **Cases in which a member of the board of directors shall not be entitled to vote.**

17. – (1) A member of the board of directors shall not be entitled to take part in the conversation or the vote when 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 any relative by blood or by affinity up to the third degree or a legal transaction between the society on the one hand and the company, whether a single person company or a company limited by shares, on the other hand, in which or in the administration of which participates the member, or the member's spouse, or any relative by blood or by affinity up to the third degree.



(2) Without prejudice to the right of the society to bring an action against the liable members for any damages, due to a breach of legal duty, any decision taken in breach of the provisions of subsection (1) shall be void under the provisions of Article 23.

104 (I)/2017



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

18. –(1) The organ in charge of the administration shall attend to the affairs of the society, in compliance with the laws of the Republic, and shall represent the same in court and out of court, unless the certificate of incorporation or the articles of association otherwise provide.

(2) The scope of authority of the organ 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 body and the authority thereof, in case of doubt, shall also extend to any relevant act.

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

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

It is understood that, if that act or omission was made intentionally, fraudulently, in bad faith or due to serious negligence, the person or the persons responsible shall be jointly and severally liable to compensate the society for the damage suffered.

(5) The board of directors of the society is required to keep a fully updated register of its members, which shall be updated at least once a year and shall be available for inspection by the Registrar and any other third party with a legitimate interest.

104 (I)/2017

### **Provision of services without remuneration**

18A. No remuneration, of any kind, shall be paid for services offered to any member or officer of the administration of a society, unless the articles of association otherwise provide.

76(I)/2018

### **Meeting of members of the society and its responsibilities**

19. –(1) The meeting of members 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.

(2) The meeting, unless the articles of association otherwise provide, shall itself elect the members of the administration, appoint the auditors of the accounts of the society, 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.



(3) The meeting of the members of the society shall exercise supervision and control over the board members and shall be entitled to dismiss same under the provisions of the articles of association.

104 (I)/2017



### Calling a meeting

20. – (1) The board of directors shall call a meeting of members in such cases as specified in the articles of association, or when this is in the interest of the society.

(2) The meeting shall be held upon request of a minimum number of members as specified in the articles of association. In case that it is not so specified, one fifth of the total number of members may convene a meeting upon a written request and the agenda of the meeting shall also be set out therein.

(3) In case that the above request is not accepted, the Registrar may, at a written request of the interested members, authorize them to convene the meeting. The Registrar shall give instructions for the regulation of the meeting's chairmanship.

104 (I)/2017

### Decisions of meeting

21. – (1) All the decisions of the meeting of the members of the society shall be taken by absolute majority of the members present, considering also members present through videoconference, in case there are relevant provisions in the articles of association allowing so. A decision of the meeting on an issue not included in the invitation shall be null and void, unless the articles of association otherwise provide.

(2) Subject to the provisions of Article 22, a decision may be taken without a members' meeting having been convened, if at least two thirds of the members have given their consent in writing to a specific proposal.

(3) No member shall be entitled to take part in a conversation or vote if 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 or by affinity 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, in which or in the administration of which the member, or the member's spouse or a relative of the member by blood or by affinity up to the third degree takes part.

104 (I)/2017

### Modification of the articles of association, dissolution or alteration of the object of the society.

22. Unless the articles of association otherwise provide, for taking a decision on the modification of the articles of association or dissolution or alteration of the object of the society the consent of three quarters of the total members of the society shall be required:

It is understood that, in cases that the presence of three quarters of the members is made difficult, the Registrar may give his consent for the submission of an application to the Court for

the issue of an order enabling the requesting society to promote the decision-making process in the presence of at least two fifths of the total members of the society.

104 (I)/2017

### **Invalidation of decisions of meeting or of administration and suspension of execution of same**

23. – (1) Any decision of the meeting or of the board of directors of the society, 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 (6) months have elapsed since the decision of the meeting has been taken:

It is understood that, the set period of six (6) months may be extended for nine (9) more months if the person having a legitimate interest proves that he or she has become aware of the event at a later time from the time of the decision.

(2) The court may, in the context of the proceedings under the provisions of subsection (1), at the request of any party, suspend the execution of the contested decision on such terms and conditions as the Court may deem appropriate to impose.

104 (I)/2017

### **Dissolution of societies**

24. – (1) The society shall be dissolved –

- (a) At any time, by decision of the meeting of members taken under the provisions of section 22 of this Law;
- (b) when its members are reduced to less than twenty (20);

It is understood that the society does not automatically go into liquidation for this reason; it does so only after six (6) months from the reduction of the number of members and provided that until then the names of the new members that complete the required minimum number of members has not been notified to the Registrar:

It is further understood that the administration of the society is obliged to, no later than one (1) month after the reduction of the number of members to less than twenty (20), notify the Registrar of that fact, indicating the date on which this took place.

- (c) by a judgment of the Court, at the request of the board of directors of the society or of one fifth of the members or of the Registrar, -
  - (i) if due to other reasons, the election of an board of directors has been rendered impossible or if it is generally impossible for the society to carry on its operation under the provisions of the articles of association or due to breach of the obligations set out in the provisions of article 10; and/or
  - (ii) if the object of the society has been fulfilled or if its object is to make profit or if its object is now different than the one prescribed in the articles of association; and/or
- (d) by a Court decision, at the request of the Registrar, if due to inactivity, for a period of more than two (2) years, including the non-convocation or non-holding of the required by the



articles of association meetings of members and/or the failure to submit audited annual accounts, shall involve abandonment of the society's object, provided that the Registrar has previously given a written notice to the society's administrative organ, stating the reasons that activate these provisions, as well as a three (3) month period for restoring the society's operation.

(2) The dissolution of the society pursuant to the provisions of this article shall be published by the Registrar in two daily newspapers circulated in the Republic.

104 (I)/2017

### **Liquidation of a dissolved society**

25. – (1) Upon its dissolution, the society shall automatically go under liquidation and until the completion of the liquidation and for the requirements thereof, the society shall be deemed to be in existence.

(2) The liquidation, unless the law or the articles of association otherwise provide, or unless the Registrar has otherwise decided, shall be carried out by the persons responsible for the administration of the society. In such absence, one or more liquidators shall be appointed by the Court.

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

(4) On liquidation, the property of the society included in its assets shall be transferred to another entity, the objects of which shall be in conformity with the objects of the society under liquidation and shall be specified in its articles of association. Subject to the provisions of any law related to the administration of justice, in case that the dissolution is not voluntary, the Registrar shall have the right to intervene in the relevant proceedings for a better distribution of the assets of the society in the public benefit.

(5) 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, each of them shall be solely liable.

104 (I)/2017

## **PART III INSTITUTIONS**

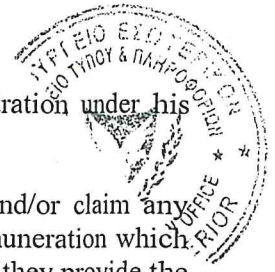
### **Incorporation of Institutions**

26. - (1) An institution shall be established upon registration in the Register of Institutions expressly kept by the Registrar and upon the issue by the Registrar of the prescribed in subsection (2) act of incorporation.

(2) Subject to the provisions of Article 27, the registration of an institution shall be effected at the written request of the founders or the commissioners of trusts or the executors of wills, and it shall be submitted in the prescribed form and accompanied by the act of incorporation and the relevant articles of association, which detail the way in which the institution operates, the names and addresses of the members of its board of directors, the manner in which they shall be succeeded, as well as the provision that no remuneration whatsoever shall be paid for services offered to any founding member or member of the board of directors thereof. The Registrar shall examine the application as quickly as possible and, if satisfied that the object or operation of the Institution is not unlawful under the provisions of Article 4, he shall proceed

with the registration in the Register and shall issue a certificate of registration under his signature, in the prescribed form:

It is understood that the board members of an institution may recover and/or claim any reasonable expenses incurred in the performance of their duties, including their remuneration which corresponds to research or other funded or co-funded programmes by third parties, if they provide the necessary documents, provided that the articles of association do not specify otherwise.



(3) An institution may be registered if its main object is to achieve one or more of the following purposes:

- (a) to prevent or alleviate poverty.
- (b) to promote education.
- (c) to promote health or save lives.
- (d) to promote citizenship and community involvement.
- (e) to promote the arts, culture, cultural heritage or science.
- (f) to promote amateur sports.
- (g) to promote human rights, settlement of disputes or reconciliation or to promote religious or national harmony or equality and peculiarity.
- (h) to promote the protection or ways to improve the environment.
- (i) to alleviate needs arising from young or old age, health problems, disability problems, financial difficulties or other disadvantages.
- (j) to promote animal welfare and protection.
- (k) any other reason, generally in the interest of the public or which is relevant to the purposes of the paragraphs (a) to (j) above:

It is understood that it is not necessary for the aspiration or objects of the institution to be of a public nature or in the interest of the public in general, but they may rather benefit a part of the community or particularly one or more persons or objects or persons within a group of persons.

(4) The formalities for the approval of the application under the provisions of this Law shall be examined without delay and always within a period of three (3) months from the receipt of all the required and properly filled-in documents, and an acknowledgment of receipt shall be issued for each application:

It is understood that, in case that the examination of the application is expected to take more than three (3) months from the date of its submission, the Registrar shall inform the applicants immediately, stating the reasons of the delay and specifying that the examination of the application shall not exceed the one (1) month.

(5) The certificate issued pursuant to the provisions of subsection (2) shall be published in the Official Gazette of the Republic and shall be a conclusive proof of the date of registration and in compliance with the legal requirements.

(6) In case that the request for issuing a certificate of registration is rejected, the Registrar shall state the reasons of its rejection and inform the applicant of the remedies available.

104 (I)/2017

→ *Εργασία δικηγόρου*  
**Act of incorporation and its contents**

27. – (1) The act of incorporation shall be effected either by an *inter vivos* trust instrument or by a will or testament:

It is understood that in the case of incorporating an institution by virtue of a will, the restrictions set out in paragraph (a) of Article 31 of the Wills and Succession Law, as amended, shall not apply and a legacy in favor of the institution established after the death of the institution's testator is considered to be valid in principle.

(2) The act of incorporation shall state the name and object of the institution, its registered office, its emblem, the property appropriated, the names, addresses and contact details of the board members, as well as the way in which they shall be succeeded and the articles of association of the institution:

It is understood that the term "act of incorporation", anywhere in this Part, shall include all contracts, wills or any other documents under which the institution is incorporated.

104 (I)/2017

**Amendment in the articles of association of an Institution**

28. The articles of association may be specified or supplemented or amended by decision of the Court, subject to the will of the founder and any supplementation or amendment of the articles of association may be effected under the same conditions and by a subsequent decision of the Court, to which the board of directors of the institution or the Registrar may appeal.

**Revocation of act of incorporation**

29. – (1) At the founder's request, the Court may allow the revocation of the act of incorporation on the grounds of the supervening destitution of the founder, caused after the incorporation or due to significant reasons that justify the revocation.

(2) No application for revocation can be made following the registration of the foundation.

104 (I)/2017

**Obligations of the founder**

30. As from the incorporation 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 be automatically transferred upon the incorporation of the institution.

104 (I)/2017

**Donations to the institution prior to its incorporation shall subsequently have the same result**

31. After the incorporation of any institution, under the provisions of this Law, any offer, donation and disposal of movable or immovable property made up to that time to or for the benefit of the proposed institution or the members of its administration or otherwise for the objects



thereof, shall be valid as if it was made on the name or for the benefit of the incorporated institution.

104 (I)/2017

### **Administration of Institutions**

32. – (1) The registered institutions shall be administered by three (3) or more persons and, unless otherwise provided in the act of incorporation, decisions shall be taken by majority of the members present and, in the event of a tie, the chairman shall have a casting vote:

It is understood that, in case that the institution is administered by three (3) persons, for determining a quorum, all three (3) of them shall be present.

- (2) In case that a member of the administration of the society is convicted of a crime due to lack of honesty or moral disgrace, the Registrar shall immediately take all appropriate judicial steps to remove that member from his duties and replace him so to have the anticipated number of members in the board of directors of the institution:

It is understood that, the pending procedure under the provisions of this subparagraph, does not prevent the other members from acting as and running the administration of the institution's current affairs and to take valid and binding decisions on behalf of the institution.

104 (I)/2017

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

33. – (1) A member of the board of directors shall not be entitled to participate in a conversation or vote if the decision relates to the business or 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 or by affinity 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 or the member's spouse or a relative by blood or by affinity up to and including the third degree takes part.

- (2) Without prejudice to the institution's right of action against the liable party for any compensation, due to breach of legal duty, a decision taken contrary to the provisions of subsection (1) shall be null and void and any invalidity thereof shall be accompanied by the pursuant to that act.

104 (I)/2017

### **Powers and duties of the board of directors**

34. – (1) The board of directors of the institution shall attend to the affairs of the institution and represent the same in court and out of court, unless the articles of association otherwise provide.

- (2) The extent of powers of the institution's board of directors 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.

104 (I)/2017





## Trusts

35. The provisions of the Trust Commissioners Law apply in all cases where the institution's board of directors manages a trust related to the property of the institution or which constitutes property of the institution.

104 (I)/2017

## Liability of the Institution

36. – (1) Legal transactions undertaken or signed by the board of directors of the institution and outside the limits of its powers shall be binding upon the institution.

(2) The institution shall be liable for any illegal acts or omissions of the organs or of the employees representing the same, provided the act or omission has taken place during the discharge of the power or duties assigned to them:

It is understood that, if that act or omission was made intentionally, fraudulently, in bad faith or due to serious negligence, the person or the persons responsible shall be jointly and severally liable to compensate the institution for the damage it suffered.

104 (I)/2017

## Appointment of an interim administration

37. In the absence of any member of the board of directors of the institution or where there is a conflict between their interests and those of the institution, the Court shall, at the request of the General Registrar or any person having a legitimate interest, appoint an interim board of directors, until such impediment is lifted.

104 (I)/2017

## Power of the Attorney-General of the Republic

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

(i) To take any judicial measures required for the enforcement of any trust created in the interest of any institution, either by an *inter vivos* trust instrument or by a will or testament;

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

104 (I)/2017

76(I)/2018

## Alteration of the articles of association contrary to the will of the founder

39. At the request of the board of directors of the institution, the Court may order the articles of association 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.

104 (I)/2017



### **Alteration of object**

40. – (1) In the case that the object of the institution has been rendered unattainable, at the request of the board of directors of the institution or the General Registrar, the Court may assign another similar object to the institution, according to the founder's most probable will.

(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.

It is understood that, in exceptional cases, by an extraordinary Court order, when the will of the founder is rendered unfeasible, the property appropriated may be used for another incidental object.

104 (I)/2017

### **End of institution**

41. - (1) The institution shall cease to exist in the cases specified in its act of incorporation or in its articles of association.

(2) The institution shall be dissolved by Court order, at the request of the board of directors of the institution or of the General Registrar, if –

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

(b) due to inactivity, for a period of more than two (2) years, including the non-convocation or non-holding of the required by the articles of association meetings of the board of directors and/or the failure to submit audited annual accounts, the result is the abandonment of the institution's object;

(c) it has deviated from its object or if its object or its operation have become unlawful, as provided in Article 4.

104 (I)/2017 76(I)/2018

### **Liquidation of a dissolved institution**

42. – (1) Upon its dissolution, according to the provisions of article 41, the institution shall automatically be under liquidation, and 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 by the law or the act of incorporation, or provided that the Registrar has not decided otherwise, the liquidation shall be carried out by the institution's board of directors. In such absence, the Court shall appoint one or more liquidators.

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

(4) The liquidator shall be liable to the institution or to his successors to pay compensation for any breach of his duties. If there are more than one liquidators, they shall be jointly and/or severally liable.

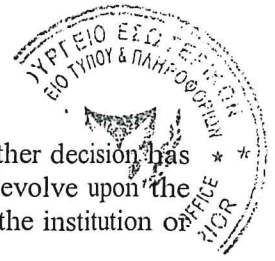
104 (I)/2017



## Property of the dissolved institution

43. If there is no provision to the contrary in the act of incorporation, or if no other decision has been taken by the Registrar, 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.

104 (I)/2017



## PART V FEDERATIONS AND/OR ASSOCIATIONS AND SUBSIDIARIES OR BRANCHES

### Incorporation and registration of a federation and/or association

44. - (1) Five (5) or more societies, institutions, non-profit companies or other similar non-profit legal entities, whether foreign or domestic, sharing common objects, subject to the provisions of the legislation applicable, may form federations and/or associations and be registered as such in a Register kept by the Registrar, provided that their articles of association stipulate that the applicable legislation governing their action is the legislation applicable in the Republic;

It is understood that, subject to the provisions of the European Convention on the Recognition of the Legal Personality of the International Non-Governmental Organizations (Ratifying) Law of 2003, such federations and/or associations may also be established with corresponding foreign organizations, subject to that their articles of association stipulate that the applicable legislation governing their action in the Republic is the legislation applicable in the Republic.

(2) For the registration of a federation and/or association in the Register, a written application shall be submitted to the Registrar by the founders or the representatives of the interested organizations forming the federation and/or association, to which shall be attached -

- (a) The articles of association of the federation and/or association, signed by the founding members and indicating its date of incorporation.
- (b) the articles of association of the interested organizations.
- (c) the act of incorporation.
- (d) the names and addresses of the members of the administration of the federation and/or association and their contact details.
- (e) any emblem of the federation and/or association. and
- (f) a description of the movable or immovable property or both, owned or held and/or transferred to the federation and/or association after its registration.

(3) In order to be valid and accepted for registration, the articles of association of the federation and/or association, as provided in the provisions of subsection (2), shall specify or include -

- (a) The object of the federation and/or association.
- (b) the name of the federation and/or association.

(c) the registered office of the federation and/or association, including the address for correspondence and/or contact, in a municipality or community located in the areas controlled by the Republic of Cyprus

(d) the terms of admission, resignation and expulsion of members, as well as their rights and obligations.

(e) the mode and/or institution of representation of the federation and/or association in Court and out of Court;

(f) the resources of the federation and/or association;

(g) the administrative organs of the federation and/or association, the terms under which the meeting of members is convened, meetings are held, and decisions are taken, as well as the term that no remuneration, whatsoever, shall be offered for services offered to any member or officer of its administration:

It is understood that, it may be determined that the members, including the board members or the founders, may recover and/or claim any reasonable expenses incurred in the performance of their duties, including their remuneration which corresponds to research or other funded or co-funded programmes by third parties, if they provide the necessary documents, provided that the articles of association of the federation and/or association do not specify otherwise.

(h) the terms under which the meeting of members is convened, meetings are held, and decisions are taken, as well as the term that this meeting is convened and held at least once (1) a year;

(i) the terms of modifying the articles of association;

(j) the mode of auditing the accounts of the federation and/or association, pursuant to the principle of transparency;

(k) the terms of dissolution of the federation and/or association and the fate of its property in the event of dissolution:

It is understood that for the registration of a federation and/or association, shall by analogy apply the provisions of subsections (3) to (7) of article 7:

It is further understood that, the Registrar may, by analogy, refuse to register any federation and/or association for the same reasons referred to in the provisions of articles 4 to 6, for the case of a society or institution.

(4) Every federation and/or association established and registered under the provisions of subsection (1) shall, upon the issue of the relevant registration certificate, acquire its own legal personality and its own administrative organs which are different from its constituent entities.

(5) The provisions of Article 9, referring to the amendment of an institution's articles of association, shall apply mutatis mutandis to the amendment of the articles of association of a registered federation and/or association.

(6) The provisions of Articles 10 to 25 shall apply mutatis mutandis in the case of federations and/or associations, except that the administration of a federation and/or association shall consist of at least three (3) members and that, on liquidation of a federation and/or association the assets may be distributed to its members.



### **Establishment of subsidiaries or branches**

45. (1) A society or institution registered under the provisions of this Law, referred to as the “parent entity” for the purposes of this Article, may operate subsidiaries or branches, provided that such provision is made in its articles of association:

Provided that, the subsidiaries or branches are bound by the articles of association of the parent entity, they do not have a separate legal personality and follow the policy established and decided by the parent entity.

- (2) Specific regulations about the registration, administration, organization and operation of the subsidiaries or branches shall be determined by Regulations issued pursuant to the provisions of this Law.

104 (I)/2017

## **PART V MISCELLANEOUS PROVISIONS**

### **Recognition of legitimate action of a society, institution, federation and/or association or non-governmental organization having a legal personality in a foreign country**

46. – (1) A society, institution, federation and/or association or non-governmental organization, having a legal personality in a country that has concluded and ratified the European Convention on the Recognition of the Legal Personality of International Non-Governmental Organizations, valid in the Republic as from the 21.3.2003 under the provisions of the European Convention on the Recognition of the Legal Personality of the International Non-Governmental Organizations (Ratifying) Law of 2003, may apply for recognition of the right to legitimate action within the Republic, provided it submits all the documents establishing the legality of its action, accompanied by a certificate from the competent governmental authority of the country concerned:

It is understood that a society, institution, federation and/or association or non-governmental organization which has a recognized legal personality in a country which has ratified and applies the above Convention may be registered in a special section in the Register:

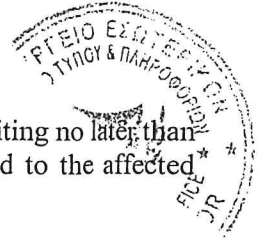
It is further understood that a legitimate basis in the Republic is recognized only if the registration does not conflict with the national and public security, the prevention of crime, the protection of health and public morals, and the protection of the freedoms and rights of third parties and is not likely to endanger transnational relations or the maintaining of international peace and security.

- (2) Regulations issued pursuant to the provisions of this Law may regulate the establishment, registration, administration, organization and operation of the cases referred to in subsection (1).

104 (I)/2017

### **Lodging an appeal**

47. - (1) Any person may lodge a hierarchical appeal in writing against any decision of the Registrar or the General Registrar which concerns or directly affects him or her, to the General Registrar or to the Minister, respectively, where appropriate, and/or appeal against that decision to the Administrative Court under Article 146 of the Constitution.



(2) The hierarchical appeal referred to in subsection (1) shall be lodged in writing no later than thirty (30) days from the date that the contested decision has been notified to the affected person, by paying a fee of one hundred euros (€100).

(3) The General Registrar or the Minister, where appropriate, shall examine the hierarchical appeal and, after hearing the appellant or after giving him/her the opportunity to support in writing the grounds on which the appeal is based, shall make his/her decision, under the provisions of subsection (4) and no later than ninety (90) days from the date of submission, and shall forward that decision to the appellant.

(4) The General Registrar or the Minister, where appropriate, may adopt one of the following decisions:

- (a) To ratify the contested decision,
- (b) to annul the contested decision,
- (c) to amend the contested decision,
- (d) to take a new decision to replace the contested decision:

It is understood that any decision for acceptance or rejection of the hierarchical appeal cannot be taken against the criteria, conditions or terms stipulated in this Law for the registration, operation or deletion of a society, institution or federation and/or association.

(5) The decision referred to in subsection (1) shall become enforceable upon expiration of the deadline for lodging a hierarchical appeal before the General Registrar or the Minister, where applicable, and, in the case of lodging a hierarchical appeal, from the moment that the decision of General Registrar or the Minister, where appropriate, on the hierarchical appeal shall be notified.

104 (I)/2017 76(I)/2018

### **Consequences of late service or lodging and of omission**

48. Under the provisions of this Law, whenever it is required the service or lodging of any request, notification, notice, report or other information for the Registrar, within a given period, a late service or lodging or failure of such service or lodging, except for the consequences expressly provided for in this Law, constitutes a breach of legal duty and the Registrar may impose on the person who has not complied with the relevant requirements an administrative fine not exceeding one hundred euros (€ 100).

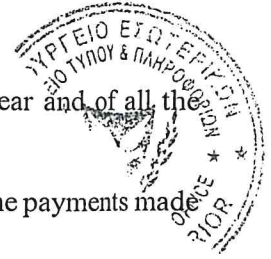
104 (I)/2017

### **Bookkeeping and Auditing**

49. —(1) The board members of a society, institution, federation and/or association shall be required to keep accounting books in which all transactions of the society, institution, federation and/or association shall be recorded, where appropriate, and at the end of each financial year to draw up the following accounts:

- (a) an account of the gross income of the society, institution, federation and/or association, where appropriate, for the financial year;

- (b) an account of its credit balance at the beginning of the financial year and of all the money received on its behalf during that year;
- (c) an account of all the amounts owed by them or owed to them and of the payments made during the same financial year.



(2) The accounts of societies, institutions, federations and/or associations shall be audited by an approved auditor, at their own expense:

It is understood that for societies, institutions, federations and/or associations with annual revenues not exceeding €40,000, it is not required to prepare accounts audited by an approved auditor.

(3) The board members of a society, institution, federation and/or association shall be required to transmit to the Registrar, no later than seven (7) months after the end of the financial year, the accounts and the relevant auditor's report, as provided in subsections (1) and (2), respectively.

104 (I)/2017

#### **Power of the Court to order the auditing of accounts**

50. - (1) The Registrar or any person who may establish a legitimate interest, may go to Court and request the issue of an order for auditing the accounts of a society, institution, federation and/or association registered under the provisions of this Law.

(2) The auditing provided for in subsection (1) shall be carried out by the Auditor General of the Republic or by another person or persons designated and/or authorized by the Court to that end:

It is understood that, in case that based on the results of the auditing, the General Registrar deems that such auditing was justified, the society, institution, federation and/or association shall be obliged to pay the auditing rights specified, otherwise these shall be covered by the Republic or by the person who went to Court requesting the issue of an order under the provisions of subsection (1), where applicable.

104 (I)/2017 76(I)/2018

#### **No effect of entities governed by a specific law**

51. The provisions of this Law shall not apply or affect in any way societies, institutions, associations, organizations, associations of persons or federations specifically governed by a specific law, the provisions of which shall continue to apply to them.

104 (I) / 2017

#### **Compliance with the Prevention and Suspension of Money Laundering Activities Law**

52. The administrative organs of societies, institutions, federations and/or associations shall be obliged to comply with and apply the provisions of the Prevention and Suspension of Money Laundering Activities Law of 2007, as amended.

104 (I) / 2017

## Regulations

53. –(1) The Council of Ministers may issue Regulations for the determination or regulation of any matter which, under this Law, shall be stipulated or able to be stipulated and, generally, for its better implementation.
- (2) In particular, and without prejudice to the generality of the provisions of subsection (1), these Regulations may,
- (a) Regulate any matter which pursuant to the provisions of this Law shall or may be determined;
  - (b) provide for the registration of societies, institutions, federations and/or associations, the amendment of their articles of association, as well as for their dissolution or liquidation;
  - (c) provide for the determination of registration fees and renewal of registration for societies, institutions, federations and/or associations;
  - (d) determine the specific elements that shall be kept in the relevant registers, as well as the way in which these shall be posted online;
  - (e) determine in particular the establishment of federations and/or associations
  - (f) provide for penalties, not exceeding one (1) year of imprisonment or a fine of two thousand euros (€2,000) or both of these penalties, for any breach of the provisions of the Regulations issued under this Article.
- (3) The Supreme Court may issue Procedural Regulations to regulate the practice and the procedure which shall be followed by the Court in adjudicating cases arising from the application of the provisions of this Law.

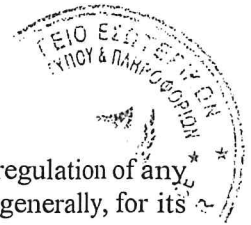
104 (I) / 2017

## Repeals and Safeguards

54. - (1) Subject to the provisions of subsection (2) of this article and of the provisions of articles 55 and 56, with the entry into force of this Law, the Societies and Institutions Law of 1972 and the Club Registration Law, as amended, shall be repealed:

It is understood that the provisions of the Club Registration Law, as amended, shall continue to apply to the clubs registered under its provision until the expiry of their registration period, where applicable.

- (2) Notwithstanding the repeal of the Laws referred to in subsection (1) -
- (a) The Regulations issued pursuant to the Laws repealed by this Law which were in force prior to the date of entry into force of this Law, shall be deemed to have been issued under the provisions of this Law and shall continue to be in force and apply, as long as they do not violate the provisions of this Law, and until they are amended or replaced by new Regulations issued under the provisions of this Law;
  - (b) each society and each institution, along with their articles of association and any amendments thereto, which have been registered and entered in the relevant registers pursuant to the provisions of the laws repealed by this Law, shall be deemed to have been registered and



entered in the Registers that shall be kept pursuant to the provisions of this Law, without paying any fee;

(c) any register held pursuant to the laws repealed by this Law, including the registers of clubs until the expiry of the relating to the clubs' transitional provisions of this Law, shall be deemed to form an integral part of the respective register that shall be kept under the provisions of this Law;

(d) any decumbent, and any details contained therein, used for the objects of any of the laws repealed by this Law, shall continue to be used as though it had been determined pursuant to the provisions of this Law, until new documents are prepared;

(e) any benefits acquired for tax purposes by the societies or institutions established as charities, pursuant to the law repealed by the Societies and Institutions Law of 1972, as amended, shall not be affected, subject to the provisions of subsection (3) of Article 55 and the provisions of Article 56:

It is understood that any reference contained in any law, regulation or legal document and refers to any provision of the law repealed by this Law, shall be construed as a reference to a corresponding provision of this Law.

### **Transitional provisions**

55. (1) Any application and procedures of the registration of societies, institutions or clubs which had been initiated pursuant to the provisions of the law repealed by this Law and which have not been completed on the date that this Law was entered into force shall be processed and completed in accordance with the relevant provisions of this Law.

(2) Time limits for carrying out any act or for serving or submitting any notice or report, which started to run in accordance with the law repealed by this Law, shall continue to run and shall be completed pursuant to the relevant provisions of this Law, but under no circumstances will they be completed in less than fifteen (15) days from the date that this Law was entered into force of this Law.

(3) In cases that, in compliance with the provisions of this Law, the existing societies, institutions or clubs, shall be required to amend their articles of association or take any other actions, they have until the 31<sup>st</sup> of December 2019, to do so.

### **Societies, institutions and clubs approved on the basis of the repealed Laws**

56. (1) Any societies, institutions and clubs established and registered under the laws repealed by this Law shall be deemed to have been approved under the provisions of this Law, provided that they make the necessary adjustments and amendments to their articles of association within the limit set in subsection (3) of Article 55;

“Provided that, notwithstanding the provisions of articles 24 and 41, the Registrar, within fifteen (15) days as of the date of entry into force of the Societies and Institutions and other Related

Matters (Amending) Law of 2020, notifies his intention to initiate dissolution proceedings for specific societies, institutions and clubs included in a notification published in two daily newspapers and posted on the official website of the Ministry of Interior and the date of publication or posting shall be deemed as the date of service of notification of the initiation of dissolution proceedings on the management body of the society, institution or club, were appropriate.”

Provided further that the notification of the intention of dissolution includes in detailed tables the registration number, the name and registered office of the society, the institution or club, where appropriate, and that all societies, institutions and clubs are notified at the same time:

Provided further that the societies, institutions and clubs included in the above notification may within two (2) months as of its publication submit a request for deletion from the notification’s tables by submitting to the Registrar all relevant documents to support their request. At the expiration of the above deadline the Registrar shall publish a new notification with the final tables with the names of societies, institutions and clubs under dissolution that failed to submit a founded request for deletion from the notification’s tables.

(2) Subject to the provisions of paragraphs (1) and (3), clubs registered under the Club Registration Law repealed by this Law, as amended may retain the word “Club” in their name and after the expiry of the period specified in subsection (1).

(3) Subject to the provisions of paragraph (1) and after the publication of the second notification set out in the provisions thereof, the Registrar shall automatically delete from the Register the societies, institutions and clubs contained in the said notification and ensures the continuation and completion of the dissolution proceedings before the court:

Provided that the deleted societies, institutions and clubs under dissolution, as specified in articles 25 and 42, on pain of nullity of their decisions shall lose their right to carry out any activity referred to in their Statutes, including the right to enter into contract and alienate any property, other than the activities connected to their dissolution, while their boards should inform any third party concerned or/and contracting party of the progress of the dissolution proceedings:

Provided further that for the purposes of dissolution of a society, institution or club, all the provisions of this Law shall apply, including the dissolution proceedings.

### **Special Provisions for clubs**

Any club registration pursuant to the provisions of the Club Registration Law repealed for a period expiring on the 30<sup>th</sup> of June 2018 shall be deemed to remain in force until the 30<sup>th</sup> of June 2019 until the date on which the club companies with the provisions of this Law, provided that the Club has made the necessary adjustments and amendments to its articles of association pursuant to the provisions of Articles 55 and 56, whichever date is earlier.