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Q&A on Agency Agreements

Part 1: Introduction

Council Directive 86/653 (EEC) on the coordination of the laws of the Member States relating to self-employed commercial agents (the “Directive”) harmonizes the laws, regulations and administrative provisions of Member States governing the relations between the parties to commercial agency agreements.

As the Directive constitutes a minimum harmonization, the Member States are free to set higher standards applicable to agency agreements. In addition, on various aspects the Directive leaves room for further elaboration in national law.

In order to facilitate the use of this Q&A, for each relevant issue the position under the Directive is compared with the position under the relevant implementing rules of the Cypriot Law ("Cypriot Agency Law"). The starting point is always the minimum harmonisation reflected in the Directive. The Q&A then aims to identify any deviations or additions from the regime reflected in the Directive.

Part 2: Legislative Framework

Q1. Which rules constitute the transposition of the Directive into Cypriot Agency Law (a)? Where available, please also include a link to the official publication of the applicable rules (e.g., relevant link to the Official Gazette) (b) and to the English translation of the regulatory framework (c).

a. Legislative Framework:

Commercial agency is regulated by:

- Regulation of Relations Between Commercial Agent and Principal Law of 1992 (Law 51(1)/1992) as amended by Law 149(I)/2000) (“Cypriot Commercial Agents Act”)
- Art. 151-154 Contract Law, Cap. 149 ("Cypriot Contract Law")
- Art. 6(2) Protection of Competition Law (Law 13(I)/2008) ("Cypriot Competiton Law")

b. Link(s) to official publication:

- The Greek version of the Cypriot Commercial Agents Act is accessible via this link.
- The Greek version of the Cypriot Contract Law is accessible via this link.

- The Greek version of the Cypriot Competiton Law is accessible via this link.

c. Link(s) to English translation:

- The English version of the Cypriot Commercial Agents Act is not available.
- The English version of the Cypriot Contract Law is accessible via this link.
- The English version of the Cypriot Competiton Law is accessible via this link.

Part 3: Scope

Q2. The Directive (Article 1(2)) defines a commercial agent as a self-employed intermediary who has continuing authority to negotiate the sale or the purchase of goods on behalf of another person (the "principal"), or to negotiate and conclude such transactions on behalf of and in the name of that principal. Is the definition in the Cypriot Agency Law the same?

Yes. See, Art. 2 Cypriot Commercial Agents Act.

Q3. Do other intermediaries fall within the scope of the Cypriot Agency Law?

No.

Q4. The Directive (Art 2(2)) entitles the Member States to exclude from the scope of application parties whose activities as commercial agents are considered secondary in nature. Has Cypriot made use of this possibility?

No.

Part 4: Contractual phase

A. Form of agency agreements

Q5. The Directive (Art 13) provides that, as a minimum, each party shall be entitled to receive from the other on request a signed written document setting out the terms of the agency agreement including any terms subsequently agreed. Does the Cypriot Agency Law provide for such obligation?

No. Although Art. 14 Cypriot Commercial Agents Act imposes an obligation on both parties to the agreement to conclude and sign a written agreement which will set out the terms of the commercial agency agreement and any other subsequent terms which are to be agreed, it does not say expressly that each party is entitled to have a copy of the duly signed agreement.

Q6. Are there any (other) requirements under the Cypriot Agency Law as to the form of the agency agreement in

order for it to be valid and enforceable?

Yes. See, Q5 and Art. 14 Cypriot Commercial Agents Act.

B. Content of agency agreements

B.1 - RIGHTS AND OBLIGATIONS OF PRINCIPAL AND COMMERCIAL AGENT

Q7. The Directive (Art 3) provides that a commercial agent has the following minimum obligations:

- to look after his principal's interests and to act dutifully and in good faith;
- to make proper efforts to negotiate and, where appropriate, conclude the transactions he is instructed to take care of;
- to communicate to his principal all the necessary information available to him;
- to comply with reasonable instructions.

Are these minimum obligations provided for in the Cypriot Agency Law?

Yes. See, Art. 3 Cypriot Commercial Agents Act.

Q8. Does the Cypriot Agency Law explicitly impose any other obligations on the commercial agent that go beyond the aforesaid minimum?

No.

Q9. Does the Cypriot Agency Law provide that a commercial agent may appoint sub-agents?

No.

Q10. The Directive (Art 4) provides that a principal has the following minimum obligations:

- to act dutifully and in good faith;
- to provide his commercial agent with the necessary documentation relating to the goods concerned;
- to obtain the information necessary for the performance of the agency agreement;
- to notify the commercial agent within a reasonable period once he anticipates that the volume of commercial transactions will be significantly lower than that which the commercial agent could normally have expected;
- to inform the commercial agent within a reasonable period of his acceptance, refusal, and of any non-execution of a commercial transaction which the commercial agent has procured for the principal.

Are these minimum obligations provided for in the Cypriot Agency Law?

Yes. See, Art. 4 Cypriot Commercial Agents Act.

Q11. Does the Cypriot Agency Law explicitly impose any other obligations on the principal that go beyond the aforesaid minimum?

No.

B.2 - LEVEL AND CALCULATION BASIS OF REMUNERATION

Q12. Are there mandatory rules under the Cypriot Agency Law that limit the freedom of the parties to fix the level of the remuneration of the commercial agent?

No.

Q13. The Directive (Art. 6(1)) provides that, in the absence of an agreement on the level of the remuneration, the commercial agent is entitled to the remuneration that is customarily allowed in the place where he carries on his activities and, in the absence of such customary practice, to a reasonable remuneration taking into account all the aspects of the transaction. Do these principles also represent the default regime under the Cypriot Agency Law?

Yes. See, Art. 5 Cypriot Commercial Agents Act..

Q14. The Directive (Art 6(2)) provides that any part of the remuneration which varies with the number or value of business transactions shall be deemed to be commission. Does this principle also represent the regime under the Cypriot Agency Law?

Yes. See, Art. 6 Cypriot Commercial Agents Act.

Q15. Does the Cypriot Agency Law impose any criteria with regard to the type of the agent's remuneration (i.e. fixed amount or commission)?

No. Remuneration may be in the form of a commission or a fixed amount or both. See, Art. 7 Cypriot Commercial Agents Act.

Q16. Does the Cypriot Agency Law impose any criteria with regard to the calculation of the agent's remuneration?

No.

B.3 - REMUNERATION BY MEANS OF A COMMISSION (DURING)

Q17. According to the Directive (Art 7(1)) a commercial agent is entitled to a commission during the period covered by the agency agreement:

- where the transaction has been concluded as a result of his action; or
- where the transaction is concluded with a third party whom he has previously acquired as a customer for transactions of the same kind.

Are both cases reflected in the Cypriot Agency Law?

Yes. See, Art. X.8 CEL.

Q18. The Directive (Art 7(2)) provides for an additional case of entitlement to a commission and has left it to the Member States to choose between two options:

- Option 1: the transaction is entered into with a customer belonging to a specific geographic area or group of customers entrusted to the commercial agent; or
- Option 2: the transaction is entered into with a customer belonging to a specific geographical area or group of customers in respect of which the commercial agent enjoys exclusive rights.

Which option has been retained in the Cypriot Agency Law?

Another option has been retained. Art. 8(c) Cypriot Commercial Agents Act provides that a commercial agent shall be entitled to a commission on commercial transactions concluded during the period covered by the agency agreement where the commercial agent is entrusted with a specific geographical area and/or a specific group of customers, and where the transaction has been entered into with a customer belonging to that specific area or with a customer belonging to that group even if the transaction was negotiated by a person other than the commercial agent or a different agreement was reached by the commercial agent.

B.4 - REMUNERATION BY MEANS OF COMMISSION (AFTER TERMINATION)

Q19. According to the Directive (Art 8) a commercial agent is entitled to a commission after the agency agreement has terminated if:

- the transaction is mainly attributable to the commercial agent's efforts during the period covered by the agency agreement and if the transaction was entered into within a reasonable period after that agreement terminated; or
- the order of the third party reached the principal or the commercial agent before the agency terminated and the conditions applicable to entitlement during the term of the agency are met.

Are both cases reflected in the Cypriot Agency Law?

Yes. See, Art. 9 Cypriot Commercial Agents Act.

Q20. Are there any additional cases provided for in the Cypriot Agency Law?

No.

Q21. According to the Directive (Art 9) a commercial agent is not entitled to the commission, if that commission is payable, to the previous commercial agent, unless it is equitable because of the circumstances for the commission to be shared between the commercial agents. Do these principles also represent the regime under the Cypriot Agency Law?

Yes. See, Art. 10 Cypriot Commercial Agents Act.

Q22. According to the Directive (Art 10(1)) the commission shall become due as soon as and to the extent that one of the following circumstances obtains:

- the principal has executed the transaction; or
- the principal should, according to his agreement with the third party, have executed the transaction; or
- the third party has executed the transaction.

Are these circumstances reflected in the Cypriot Agency Law?

Yes. See, Art. 11(1) Cypriot Commercial Agents Act.

Q23. Are there any additional circumstances provided for in the Cypriot Agency Law?

No.

Q24. The Directive (Art 10(2)) provides that the commission shall be due at the latest when the third party has executed his part of the transaction or should have done so if the principal had executed his part of the transaction, as he should have. Does the Cypriot Agency Law apply the same deadline?

Yes. See, Art. 11(2) Cypriot Commercial Agents Act.

Q25. The Directive (Art 10(3)) provides that the commission needs to be paid no later than on the last day of the month following the quarter in which it became due. Does the Cypriot Agency Law apply the same deadline?

Yes. See, Art. 11(3) Cypriot Commercial Agents Act..

Q26. The Directive (Art 10(4)) stipulates that parties cannot by agreement derogate from the principles included in Art 10(2) and 10(3) to the detriment of the commercial agent. Does the Cypriot Agency Law impose the same restriction on the parties?

Yes. See, Art. 11(4) Cypriot Commercial Agents Act.

Q27. According to the Directive (Art 11(1)) the right to commission can be extinguished only if and to the extent that:

- it is established that the agreement between the third party and the principal will not be executed; and
- that fact is due to a reason for which the principal is not to blame.

Does the Cypriot Agency Law impose these cumulative conditions?

Yes. See, Art. 12 Cypriot Commercial Agents Act.

Q28. Does the Cypriot Agency Law allow for other cases where the agent's entitlement to commission is extinguished?

No.

Q29. According to the Directive (Art 11(2)) any commission which the commercial agent has already received must be refunded in case the right to it is extinguished. Does the Cypriot Agency Law also provide for such an obligation of restitution?

Yes. See, Art. 12(2) Cypriot Commercial Agents Act.

Q30. The Directive (Art 12(1)) provides that the principal must supply his commercial agent with a statement of the commission due. This statement must be supplied no later than the last day of the month following the quarter in which the commission has become due, and shall set out the main components used in calculating the amount of the commission. Do these principles also represent the default regime under the Cypriot Agency Law?

Yes. See, Art. 13(1) Cypriot Commercial Agents Act. In addition, Art. 13(3) provides that the parties cannot contractually derogate from the principles included in Art. 13(1).

Q31. Does the Cypriot Agency Law impose that the parties cannot by agreement derogate from the principles included in Art 12(1) of the Directive to the detriment of the commercial agent?

Yes. See, Art. 13(3) Cypriot Commercial Agents Act.

Q32. Does the Cypriot Agency Law impose any additional requirements with regard to the statement of the commission due?

No.

Q33. The Directive (Art 12(2)) entitles the commercial agent to demand to be provided with all the information, and in particular an extract from the books, which he needs to check the amount of the commission due to him. Does the Cypriot Agency Law grant the commercial agent the same right?

Yes. See, Art. 13(2) Cypriot Commercial Agents Act. In addition, Art. 13(3) provides that the parties cannot contractually derogate from the principles included in Art. 13(2).

Q34. Does the Cypriot Agency Law broaden this right to information of the commercial agent?

No.

Q35. Does the Cypriot Agency Law impose any criteria with regard to the calculation of the commission?

No.

Q36. Do specific rules and/or restrictions apply to:

- non-solicitation clauses;
- minimum sales quota;
- specific sectors?

No such specific rules and/or restrictions are imposed by the Cypriot Commercial Agents Act. However, such matters may become relevant to allegations of abuse of economic dependence on the basis of Art. 6(2) Cypriot Competition Law which prohibits abuse of a relationship of economic dependence. This provision is explicitly applicable to agency relationships.

B.5 - NON-COMPETE CLAUSE

Q37. The Directive (Art 20(2)) provides that a non-compete clause shall only be valid if and to the extent that:

- it is concluded in writing; and
- it relates to the geographical area or the group of customers and the geographical area entrusted to the commercial agent and to the kind of goods covered by the agency agreement.

Does the Cypriot Agency Law impose these cumulative criteria?

Yes. See, Art. 20(2) Cypriot Commercial Agents Act.

Q38. Does the Cypriot Agency Law impose any additional criteria in order for a non-compete clause to be valid?

No.

Q39. The Directive (Art 20(3)) provides that a non-compete clause shall be valid for not more than 2 years after termination of the agency agreement. Does the same maximum period apply under the Cypriot Agency Law?

Yes. See, Art. 20(3) Cypriot Commercial Agents Act.

Q40. The Directive (Art 20(4)) provides that national law may impose other restrictions:

- on the validity or enforceability of non-compete clauses, or
- which enable the courts to reduce the obligations on the principal or the commercial agent.

Does the Cypriot Agency Law impose any such restrictions?

The Cypriot Commercial Agents Act does not expressly impose such restrictions. However, Art. 20(4) thereof provides that the provisions of Art. 20 shall not affect any law or regulation, which regulates or imposes other restrictions on the validity or enforceability of non-compete clauses or which enable the courts to reduce the obligations of the parties resulting from such an agreement.

Q41. Does the Cypriot Agency Law provide any criteria with regard to the calculation method of the indemnification in case of a violation of the non-compete clause?

No.

B.6 - LIABILITY

Q42. Under the Cypriot Agency Law, can the parties agree that the commercial agent shall be liable (in whole or in part) for the breach of third party-customers with whom he/she has negotiated and/or concluded an agreement on behalf of the principal, by including a so-called *del credere* clause?

Yes. There is nothing in the Cypriot Commercial Agents Act or the Cypriot Contract law which prohibits such arrangements. Furthermore, the common law fully permits the inclusion of such arrangements as part of an agent-principal arrangement.

Q43. If yes, are such clauses subject to certain rules and/or restrictions?

No.

Q44. Are there liability-related clauses that must be mandatorily included in agency agreements?

No.

C. Term and termination

C.1 - TERM

Q45. According to the Directive (Art 14) an agency agreement for a fixed period which continues to be performed by both parties after that period has expired shall be deemed to be converted into an agency agreement for an indefinite period. Does this principle also represent the default regime under the Cypriot Agency Law?

Yes. See, Art. 15 Cypriot Commercial Agents Act.

Q46. Does the Cypriot Agency Law contain particular rules and/or restrictions in relation to the term (incl. renewal) of agency agreements?

No.

C.2 - TERMINATION BY NOTICE

Q47. According to the Directive (Art 15(1)) an agency agreement that is concluded for an indefinite period may by either party be terminated by notice. Does this principle also represent the regime under the Cypriot Agency Law?

Yes. See, Art. 16 Cypriot Commercial Agents Act. In addition Art. 16 provides that such notice must be in writing and that the period of notice shall be the same for both parties.

Q48. According to the Directive (Art 15(2)) the notice period is 1 month for the first year, 2 months for the second year commenced, and 3 months for the third year commenced and subsequent years. Do these notice periods also represent the regime under the Cypriot Agency Law?

Yes. See, Art. 16(2) Cypriot Commercial Agents Act.

Q49. According to the Directive (Art 15(3)) the notice period for the fourth, fifth and sixth year and subsequent years may be respectively 4, 5 and 6 months. Do these notice periods also represent the regime under the Cypriot Agency Law?

Yes. See, Art. 16(2) Cypriot Commercial Agents Act.

Q50. If yes, can the parties agree to a shorter notice period?

No. The Parties may not agree on shorter periods of notice than those expressly stated in Art. 16(2). See, Art. 16(2) Cypriot Commercial Agents Act.

Q51. According to the Cypriot Agency Law, if no notice period has been agreed, is there a notice period that always applies irrespective of the duration of the agency agreement?

No.

Q52. According to the Directive (Art 15(4)), if a principal and commercial agent agree on longer notice periods than those laid down in Art 15(2) and (3) of the Directive, the notice period to be respected by the principal must not be shorter than that to be observed by the commercial agent. Does the same default regime apply under the Cypriot Agency Law?

Yes. See, Art. 16(3) Cypriot Commercial Agents Act.

Q53. According to the Directive (Art 15(5)), unless otherwise agreed by the parties, the end of the notice period must coincide with the end of a calendar month. Does the same default regime apply under the Cypriot Agency Law?

Yes. See, Art. 16(4) Cypriot Commercial Agents Act.

Q54. Does the Cypriot Agency Law provide how the termination notice must be notified to the other party?

Only that notice of termination must be given in writing See, Art. 16(1) Cypriot Commercial Agents Act and Q47.

Q55. According to the Directive (Art 15(6)), the answers to questions 47 to 53 also apply to agency agreements having a fixed term if they are converted to agency agreements having an indefinite term due to the continuation of the agreement beyond the fixed term, provided that the earlier fixed period must be taken into account in the calculation of the notice period. Does the same default regime apply to agency agreements having a fixed term under the Cypriot Agency Law?

Yes. See, Art. 16(5) Cypriot Commercial Agents Act.

C.3 - TERMINATION FOR CAUSE

Q56. According to the Directive (Art 16) an agency agreement may immediately be terminated:

- because of the failure of one party to carry out all or part of his obligations; or

- where exceptional circumstances arise.

Are both termination grounds reflected in the Cypriot Agency Law?

Yes. See, Art. 17 Cypriot Commercial Agents Act.

Q57. Are there additional termination grounds provided in the Cypriot Agency Law?

No.

Q58. Does the Cypriot Agency Law provide that the parties may not derogate from the regime on termination for cause to the detriment of the commercial agent before the agency agreement is terminated?

No.

Q59. Is it possible to terminate the agency agreement based on certain grounds for termination (breach or other) included in the agency agreement?

Yes. It follows from the principle of freedom to contract that it is possible to terminate the agency agreement based on grounds for termination included in the agency agreement. However, care should be taken not to breach Art. 6(2) Cypriot Competition Law in such cases. That article provides that any abuse by one or more undertakings of a relationship of economic dependence (where an undertaking stands compared to that or those undertakings, which is either a client, supplier, producer, representative, distributor or commercial collaborator) shall be prohibited. The imposition of unfair terms or a sudden termination of such a relationship without adequate justification can lead to a breach. For indefinite duration agreements, it should be ensured that minimum duration periods are respected unless one will rely on Art. 17 Cypriot Commercial Agents Act.

Q60. If yes, is prior judicial intervention required in order for the termination of the agreement to take effect?

No.

Q61. Are there any other particular rules and/or restrictions as regards the termination of the agency agreement (e.g. trial period, etc.)?

No.

C.4 - INDEMNIFICATION

Q62. The Directive (Art 17(2)(a)) provides that the commercial agent is entitled to an indemnification if and to the extent that he has brought the principal new customers or has significantly increased the volume of business with existing customers and the principal continues to derive substantial benefits from the business with such customers. Does the Cypriot Agency Law provide for this criterion?

Yes. See, Art. 18(2)(a)(i) Cypriot Commercial Agents Act.

Q63. The Directive (Art 17(2)(a)) also provides that the commercial agent is entitled to an indemnification if and to

the extent that the payment of this indemnification is equitable having regard to all circumstances and, in particular, the commission lost by the commercial agent on the business transacted with such customers. Does the Cypriot Agency Law provide for this criterion?

Yes. See, Art. 18(2)(a)(ii) Cypriot Commercial Agents Act.

Q64. Is under the Cypriot Agency Law the application of a non-compete clause a circumstance on the basis of which the commercial agent is presumed to be entitled to an indemnification (cfr. Art. 17(2)(a), second indent of the Directive)?

Yes. See, Art. 18(2)(a)(ii) Cypriot Commercial Agents Act.

Q65. Other than the criteria set forth in Art. 17(2)(a) of the Directive, are there any specific rules or precedents derived from the Cypriot case law on the basis of which the indemnification is calculated?

No.

Q66. The Directive (Art 17(2)(b)) provides that the amount of the indemnification may not exceed a figure equivalent to an indemnification for 1 year calculated from the commercial agent's average annual remuneration over the preceding 5 years, and if the agreement goes back less than 5 years the indemnification shall be calculated on the average for the period in question. Does the same regime apply under the Cypriot Agency Law?

Yes. See, Art. 18(2)(b) Cypriot Commercial Agents Act.

Q67. According to the Directive (Art 18), indemnification or compensation for damage is not payable where

- the principal has terminated the agency agreement because of default attributable to the commercial agent which would justify immediate termination of the agency agreement;
- the commercial agent has terminated the agency agreement, unless such termination is justified by circumstances attributable to the principal or on grounds of age, infirmity or illness of the commercial agent in consequence of which he/she cannot reasonably be required to continue his/her activities; and/or
- with the agreement of the principal, the commercial agent assigns his rights and obligations under the agency agreement to another parties.

Do these principles also represent the default regime under the Cypriot Agency Law?

Yes. See, Art. 19(1) Cypriot Commercial Agents Act.

Q68. According to the Directive (Art 17(5)), a commercial agent may lose his/her entitlement to the indemnification or compensation for damage if within 1 year following termination of the agency agreement he/she has not notified the principal of his/her intention to pursue the entitlement. Does this principle also represent the

default regime under the Cypriot Agency Law?

Yes. See, Art. 18(5) Cypriot Commercial Agents Act.

C.5 - ADDITIONAL COMPENSATION

Q69. The Directive (Art 17(2)(c)) provides that the commercial agent, in addition to the indemnification, is entitled to seek damages for breach of agreement, failing to respect the notice period, etc. Does the same regime apply under the Cypriot Agency Law?

Yes. Art. 18(2)(c) Cypriot Commercial Agents Act provides that the right to seek indemnification does not prevent the agent to claim compensation for damage it has suffered.

Q70. If yes, do specific rules and/or restrictions apply to the damage that can be compensated in addition to the indemnification under Art. 17(2) of the Directive?

Yes. Normal common law contract law principles governing the awarding of compensation and quantum will apply to claims made under national law for compensation for damage suffered.

Some of these principles were codified in Art. 73 Cypriot Contract Law:

- Art. 73(1) provides that when a contract has been broken, the party who suffers by such breach is entitled to receive, from the party who has broken the contract, compensation for any loss or damage caused to him thereby, which naturally arose in the usual course of things from such breach, or which the parties knew, when they made the contract, to be likely to result from the breach.
- Art. 73(3) provides that in estimating the loss or damage arising from a breach of contract, the means which existed of remedying the inconvenience caused by the non-performance of the contract must be taken into account.

It should be borne in mind that when assessing the amount of damages to be awarded the Cypriot Courts will apply the common law damages principle that prevents the double recovery in respect of the same loss.

Q71. The Directive (Art 17(3)) provides that the commercial agent is entitled to compensation for damage suffered as a result of the termination of the agency agreement. Does the same default regime apply under the Cypriot Agency Law?

Yes. See, Art. 18(3) Cypriot Commercial Agents Act.

Q72. According to the Directive (Art 17(3)) such damages shall be deemed to occur particularly when the termination takes place in circumstances:

- depriving the commercial agent of the commission which proper performance of the agency agreement would have procured him whilst providing the principal with substantial benefits linked to the commercial agent's

activities; and/or

- which have not enabled the commercial agent to amortize the costs and expenses that he had incurred for the performance of the agency agreement on the principal's advice.

Does the Cypriot Agency Law take the same circumstances into account?

Yes. See, Art. 18(3) Cypriot Commercial Agents Act.

Q73. Are there any other specific rules or precedents, than the criteria set forth in Art. 17(3) of the Directive, derived from case law on the basis of which the compensation is calculated?

No.

Q74. The Directive (Art 17(4)) provides that a commercial agent is entitled to indemnification or compensation for damage where the agency agreement is terminated as a result of the commercial agent’s death. Is this default entitlement available under the Cypriot Agency Law?

Yes. See, Art. 18(4) Cypriot Commercial Agents Act.

Q75. The Directive (Art 19) stipulates that the parties may not derogate from Art. 17 and 18 to the detriment of the commercial agent before the agency expires. Does the Cypriot Agency Law impose the same restriction on the parties?

Yes. See, Art. 18(6) and 19(2) Cypriot Commercial Agents Act. We note however that the phrase “before the agency expires” is not expressly included in any of those articles.

Q76. Are the parties under the Cypriot Agency Law free to opt for either indemnification or compensation?

Yes. In addition, as noted, Art. 18(2)(c) Cypriot Commercial Agents Act provides that the award of an indemnification will not create a bar to the claiming of compensation for any damage suffered. This provision ensures that claims for damages under domestic law will also not be barred.

Q77. Must the commercial agent under the Cypriot Agency Law claim the indemnification or compensation within a certain period of time after termination of the agency agreement?

Yes. According to Art. 18(5) Cypriot Commercial Agents Act, the commercial agent loses its right to claim indemnification or compensation if it has not notified the principal that he intends to make such a claim within 1 year after the termination of the agency agreement. It would appear that this provision will not limit any claims for damages under national (contract) law.

Q78. Are there other specific rules with respect to compensation or indemnification following the termination of the agency agreement?

No.

Part 5: Dispute resolution

Q79. Do any specific rules and/or restrictions apply as regards the choice of forum and/or jurisdiction under the Cypriot Agency Law?

No.

Q80. Can the parties opt for arbitration?

Yes.

Q81. If yes, are there any rules and/or restrictions as regards the enforceability of arbitration clauses in agency agreements?

No.

Q82. Does the Cypriot Agency Law provide for a statute of limitations that is applicable to claims regarding the performance of agency agreements?

Yes. As stated in Q77, according to Art. 18(5) Cypriot Commercial Agents Act, a commercial agent shall lose its entitlement to claim compensation or indemnification unless he notifies the principal that he intends to exercise such a right within one year following the termination of the commercial agency agreement.

The filing of claims in court for agency agreements, either by the commercial agent or the principal, is subject to the limitation period in Art. 7 Limitation of Actionable Rights Law of 2012 (Law 66(I)/2012) which provides that any action based on a contractual claim must be brought within 6 years from the day of completion of the basis of the claim. The “basis of the claim” is defined in Art. 2 of the said Law as “all events that give rise to an actionable right concerning a claim”.