

PANORAMIC

MERGER CONTROL

Cyprus



LEXOLOGY

Merger Control

Contributing Editor

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Freshfields

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QUICK REFERENCE TABLE

The table below is for quick reference only.

Voluntary or mandatory system?	Mandatory system for concentrations that meet the jurisdictional thresholds.
Notification trigger/filing deadline	<p>There is no filing deadline per se, but a notifiable concentration cannot be implemented (in part or whole) without being cleared by the Commission for the Protection of Competition (CPC).</p> <p>The CPC can order the partial or complete dissolution of a concentration that was implemented without clearance, in addition to imposing administrative fines.</p>
Clearance deadlines (Phase I/Phase II)	<p>Within one month of the date of submission of the notification and payment of the filing fee (or the date of submission of any additional information requested by the CPC) the CPC must inform the notifying undertaking(s) of its decision on whether the concentration is cleared or a Phase II investigation will be conducted. The CPC can extend this one-month period by 14 days.</p> <p>In the case of a full investigation (Phase II), provided the Phase II filing fee has been paid, the CPC has four months from the date of submission of the notification (or the date of submission of any additional information requested by the CPC) to inform the notifying undertaking(s) of its decision.</p>
Substantive test for clearance	<p>In reviewing a concentration as to its compatibility with the competitive market, the CPC takes into account a number of criteria, including:</p> <ul style="list-style-type: none"> • the structure of the affected markets; • the market position of the participants;

	<ul style="list-style-type: none"> • the economic power of all the undertakings in the market; • any barriers to entry to the affected market; • the interests of the intermediate and end consumers of the products and services; and • the alternative sources of supply of the products and services that are traded in the affected markets, and of their substitutes. <p>A concentration that creates or strengthens a dominant position in the affected markets within Cyprus will be declared incompatible with the operation of the competitive market.</p>
Penalties	<p>Partially or completely implementing a concentration without the CPC’s prior approval may result in a fine of up to 10 per cent of the total turnover of the notifying undertakings in the financial year immediately preceding the notification, in addition to a fine of up to €8,000 for each day that the infringement persists. The CPC may also order the concentration to be unwound in part or in whole.</p> <p>Implementing a concentration without conforming to a condition imposed by the CPC may result in a fine of up to 10 per cent of the total turnover of the notifying undertakings in the financial year immediately preceding the notification, in addition to a fine of up to €8,000 for each day that the infringement persists.</p> <p>A fine of up to €50,000 may be imposed for a failure to provide information required under applicable law or for providing misleading or inaccurate information.</p>
Remarks	None.

Law stated - 30 March 2025

LEGISLATION AND JURISDICTION

Relevant legislation and regulators

What is the relevant legislation and who enforces it?

The [Control of Concentrations Between Undertakings Law 83\(I\) of 2014](#) (the Law) is the statute regulating the control of concentrations between undertakings in Cyprus.

Enforcement of the legislation rests with the Commission for the Protection of Competition (CPC). The CPC has overall responsibility for implementing the Law and is the competent independent authority for the control of concentrations.

The CPC declares whether a concentration is compatible or incompatible with the functioning of competition in the market. The investigation and procedural aspects of the notification of concentrations are carried out by the CPC's civil service.

Law stated - 30 March 2025

Scope of legislation

What kinds of mergers are caught?

The Law is applicable to transactions resulting in a change of control on a lasting basis. Such transactions are:

- mergers of two previously independent undertakings or parts thereof; and
- acquisitions by one or more persons already controlling at least one undertaking, or by one or more undertakings, directly or indirectly, whether by purchase of securities or assets, by agreement or otherwise, of control of one or more other undertakings.

Full-function joint ventures are also caught under the Law.

Law stated - 30 March 2025

Scope of legislation

What types of joint ventures are caught?

Joint ventures performing all functions of an autonomous economic entity in a permanent manner are caught under the Law.

Law stated - 30 March 2025

Scope of legislation

Is there a definition of 'control' and are minority and other interests less than control caught?

'Control' is defined under the Law as control stemming from any rights, agreements or other means that, either severally or jointly, confer the possibility of exercising decisive influence over an undertaking through:

- ownership or enjoyment rights over the whole or part of the assets of the undertaking; or
- rights or contracts that confer the possibility of decisive influence on the composition, meetings or decisions of the bodies of an undertaking.

Law stated - 30 March 2025

Thresholds, triggers and approvals

What are the jurisdictional thresholds for notification and are there circumstances in which transactions falling below these thresholds may be investigated?

A concentration will meet the jurisdictional thresholds if:

- at least two of the undertakings concerned achieve, at a worldwide group level, more than €3.5 million in turnover, respectively;
- at least two of the undertakings concerned achieve a turnover in the Republic of Cyprus; and
- at least €3.5 million of the aggregate turnover of all undertakings concerned (taken together) is achieved in the Republic of Cyprus.

Where the jurisdictional thresholds are not met, the Minister of Energy, Commerce and Industry of the Republic of Cyprus may declare a concentration as being of major importance on grounds of major public interest, with reference to public security, media pluralism and the principles of sound administration.

The CPC may refer a transaction to the European Commission even where the Cypriot thresholds are not met, under Article 22 of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings.

Law stated - 30 March 2025

Thresholds, triggers and approvals

Is the filing mandatory or voluntary? If mandatory, do any exceptions exist?

The filing of concentrations of major importance is mandatory; however, notification is not required in the following cases:

- credit institutions, financial institutions or insurance companies, the normal activities of which include transactions and dealing in securities for their own account or for

the account of third parties, hold, on a temporary basis, securities which they have acquired in an undertaking with a view to reselling them, provided that:

- they do not exercise voting rights in respect of those securities to determine the competitive behaviour of that undertaking; or
- they exercise such voting rights only with a view to preparing the disposal of all or part of that undertaking or of its assets, or the disposal of those securities, and such disposal takes place within one year of the date of acquisition (a period that the CPC may extend in certain circumstances);
- control is exercised pursuant to the applicable law on liquidation, bankruptcy or a similar procedure;
- acquisition by an investment company of direct or indirect control of the whole or parts of one or more other undertakings, provided that voting rights in respect of such a holding are exercised only to maintain the full value of those investments and not to determine, directly or indirectly, the competitive behaviour of those undertakings;
- property is transferred under a will or by intestate devolution; or
- it is a concentration between two or more undertakings, each of which is a subsidiary of the same entity.

Law stated - 30 March 2025

Thresholds, triggers and approvals

Do foreign-to-foreign mergers have to be notified and is there a local effects or nexus test?

Foreign-to-foreign mergers are caught under the Law. The test of whether a foreign-to-foreign merger is caught as a concentration of major importance is satisfied where the jurisdictional thresholds are met, with the local effects dimension being:

- at least two of the undertakings concerned achieve a turnover in the Republic of Cyprus; and
- at least €3.5 million of the aggregate turnover of all undertakings concerned (taken together) is achieved in the Republic of Cyprus.

Law stated - 30 March 2025

Thresholds, triggers and approvals

Are there also rules on foreign investment, special sectors or other relevant approvals?

Notwithstanding exceptions in relation to credit and financial institutions or insurance companies, there are no specific rules on foreign investments, special sectors or other approvals.

NOTIFICATION AND CLEARANCE TIMETABLE

Filing formalities

What are the deadlines for filing? Are there sanctions for not filing and are they applied in practice?

Filing

There are no statutory deadlines for filing in Cyprus; however, transactions caught under the Control of Concentrations Between Undertakings Law 83(I) of 2014 (the Law) must be notified to the Commission for the Protection of Competition (CPC) and obtain clearance prior to their implementation. Clearance in Cyprus is a prerequisite for the implementation of the entire transaction at a global level.

Filing can take place following the signing of the binding transaction documentation. It may also be possible to file before signing, where the undertakings concerned can substantiate their bona fide intention to conclude an agreement.

Sanctions

On becoming aware of a failure to file a notifiable transaction, the CPC will call upon the undertakings concerned to notify the transaction to it.

If a transaction is implemented prior to the transaction being notified to and cleared by the CPC (gun jumping), the CPC may impose a fine on the notifying undertaking or undertakings. This fine may comprise up to 10 per cent of the worldwide turnover of the notifying undertaking or undertakings, which may be followed by additional administrative fines of €8,000 for each day the infringement persists. The CPC also has the power to order the partial or total dissolution of the transaction under certain conditions.

Law stated - 30 March 2025

Filing formalities

Which parties are responsible for filing and are filing fees required?

Concentrations of major importance must be notified to the CPC's civil service (the Service) in writing, either jointly or separately by the undertakings participating in a merger or in the joint acquisition of control of another undertaking. In all other cases, the party responsible for notification is the undertaking acquiring control.

The filing fee for a Phase I assessment is €1,000. Where a concentration becomes subject to a full investigation (Phase II), a fee of €6,000 becomes payable to the CPC.

Law stated - 30 March 2025

Filing formalities

What are the waiting periods and does implementation of the transaction have to be suspended prior to clearance?

Within one calendar month of the date of submission of the notification and payment of the filing fee, the Service is required to inform the notifying undertaking of whether the concentration is cleared or whether it will proceed to a full investigation of the concentration (Phase II).

If, due to the volume of work or the complexity of the information contained in the notification, the Service is unable to comply with the one-month time frame, it must inform the notifying undertaking(s) that it will extend the assessment by 14 calendar days.

If the notification is not complete or if additional information is required by the CPC, the one-month statutory period commences on the date following the submission of a complete notification or the additional information requested by the CPC.

In a Phase II investigation, the Service must prepare a report of findings to the CPC within three months of the date of submission of the notification or such additional information necessary for the notification to be considered complete, provided that the relevant filing fee is paid.

In the case of a full investigation, the Service must inform the notifying undertaking(s) of the CPC's decision no later than four months from the date of submission of the notification or such additional information necessary for the notification to be considered complete.

Implementation of the transaction must be suspended pending the CPC's assessment.

Law stated - 30 March 2025

Pre-clearance closing

What are the possible sanctions involved in closing or integrating the activities of the merging businesses before clearance and are they applied in practice?

The CPC has the power to apply administrative fines of up to 10 per cent of the aggregate turnover of the notifying undertakings for gun jumping, which may be followed by additional administrative fines of €8,000 for each day the infringement persists.

The CPC also has the power to order the partial or total dissolution of a transaction that is implemented prior to obtaining clearance by the CPC.

Over the past five years, the CPC has imposed fines for gun jumping as well as for failure to provide information required under the Law. The CPC has yet to exercise its power to dissolve a transaction for gun jumping.

Law stated - 30 March 2025

Pre-clearance closing

Are sanctions applied in cases involving closing before clearance in foreign-to-foreign mergers?

Closing a foreign-to-foreign merger that is subject to clearance by the CPC prior to obtaining such clearance (gun jumping) may result in the following sanctions:

- an administrative fine of up to 10 per cent of the worldwide turnover of the notifying undertaking or undertakings, plus a fine of €8,000 for each day the infringement continues; and
- the CPC ordering the unwinding of the transaction.

Law stated - 30 March 2025

Pre-clearance closing

What solutions might be acceptable to permit closing before clearance in a foreign-to-foreign merger?

Temporary approval of a concentration is only possible during a Phase II investigation, where the undertakings concerned can establish, upon a relevant application to the CPC, that they will suffer substantial damage as a result of any additional delay to the implementation of the concentration.

Temporary approval does not prejudice the CPC's final decision on the concentration and may be subject to conditions set by the CPC.

Law stated - 30 March 2025

Public takeovers

Are there any special merger control rules applicable to public takeover bids?

A public takeover or the acquisition of a controlling interest that meets the jurisdictional thresholds must be notified to the CPC prior to its implementation.

Law stated - 30 March 2025

Documentation

What is the level of detail required in the preparation of a filing, and are there sanctions for supplying wrong or missing information?

The Law prescribes the information that must be included in a notification of a concentration to the CPC.

The notification must be made in one of the official languages of Cyprus (Greek or Turkish) and must be accompanied by supporting documents, including the binding transaction documents as well as the annual reports and financial statements of the undertakings concerned. The supporting documents may be submitted in English.

The CPC has the power to impose a fine of up to €50,000 for an undertaking's failure to provide requested information, or for providing misleading or inaccurate information in the context of a merger control filing.

Law stated - 30 March 2025

Investigation phases and timetable

What are the typical steps and different phases of the investigation?

Phase I

In Phase I, the Service assesses the notified concentration and submits a report to the members of the CPC with the Service's recommendation. The CPC issues a decision that may have three possible outcomes:

- the concentration does not fall within the ambit of the Law;
- the concentration falls within the ambit of the Law but does not raise any doubts in respect of its compatibility with the functioning of competition in the market, and is therefore declared compatible and cleared; or
- doubts exist in respect of the compatibility of the concentration with the functioning of competition in the market and a full investigation (Phase II) must be initiated.

The assessment period typically takes longer than the one-month statutory time frame, because of stop-the-clock provisions being invoked when the Service of the CPC sends a request for information to the notifying undertakings. The CPC is also able to extend the one-month period for a further 14 days by giving seven days' notice to the notifying undertakings.

Phase II

The CPC invites the parties to propose remedies to address the doubts identified in Phase I regarding the compatibility of the concentration with the functioning of competition in the market. Should the merger be cross-border, the CPC may liaise with the relevant foreign authorities in respect of applicable remedies. Furthermore, any remedies have to be limited to those reasonably necessary for the protection of competition.

In the context of Phase II, the CPC may carry out negotiations and hearings with any of the parties or any other interested persons.

The notifying undertakings must be informed of the CPC's decision no later than four months from the date of filing or the date on which the information requested by the Service of the CPC was provided.

Law stated - 30 March 2025

Investigation phases and timetable

What is the statutory timetable for clearance? Can it be speeded up?

In a Phase I assessment, provided the filing fee has been paid, within one calendar month of the date of submission of the notification (or the date of submission of any additional information the Service of the CPC may have requested) the Service must inform the notifying undertaking(s) of whether the concentration is cleared or it will be subject to a Phase II investigation.

If, due to the volume of work or the complexity of the notification, the Service is unable to comply with the one-month time frame, it must inform the notifying undertaking(s) of a 14-calendar-day extension to the assessment period.

In a Phase II investigation, the Service prepares a report of findings to the CPC within three months of the date of submission of the notification (or the submission of additional information the Service of the CPC may have requested).

The notifying undertaking(s) must be informed of the CPC's Phase II decision no later than four months from the date of submission of the notification (or the date of submission of additional information requested by the Service of the CPC).

Law stated - 30 March 2025

SUBSTANTIVE ASSESSMENT

Substantive test

What is the substantive test for clearance?

In assessing the compatibility of a concentration, the Cypriot Commission for the Protection of Competition (CPC) takes into consideration the following criteria:

- the need to maintain and develop conditions of effective competition in the relevant markets, taking into account, among other things, the structure of the affected markets, other markets upon which the concentration may have significant effects and the potential competition on behalf of undertakings;
- the position in the market of the undertakings concerned and undertakings connected thereto in a manner prescribed under Annex II to the Control of Concentrations Between Undertakings Law 83(I) of 2014 (the Law);
- the financial power of the undertakings;
- the alternative sources of supply of products or services in the affected markets or other markets upon which the concentration may have significant effects;
- any barriers to entry to the affected markets or other markets upon which the concentration may have significant effects;
- the interests of the intermediate and end consumers of the relevant products and services;
- the contribution to technical and economic progress and the possibility of the contribution being in the interest of consumers and not obstructing competition;
- the supply and demand trends for the relevant markets; and

- the contribution to the development of technical and economic progress, provided that it is to the consumer's advantage and does not form an obstacle to competition.

If a concentration significantly impedes effective competition in Cyprus or in a substantial part thereof, in particular as a result of the creation or strengthening of a dominant position, it will be declared incompatible with the functioning of competition in the market by the CPC.

Law stated - 30 March 2025

Substantive test

Is there a special substantive test for joint ventures?

A joint venture that is genuinely fully functional must be able to operate independently of its parents on an identifiable market. To do so, the joint venture must have management dedicated to its day-to-day operations and access to sufficient resources, including finance, staff and assets (tangible and intangible), to conduct its business activities on a lasting basis.

Where there is a change from sole to joint control, the joint venture will only be caught under the Law if it is fully functional.

The substantive test for the assessment of a fully functional joint venture is the same as that applied to the assessment of any other concentration falling under the ambit of the Law.

Law stated - 30 March 2025

Theories of harm

What are the 'theories of harm' that the authorities will investigate?

While the Law is silent in this regard, the CPC's approach and analysis of harm is substantially aligned with the corresponding approach of the European Commission. In addition to market shares, the assessment takes into account any anticompetitive effects that could potentially result from a concentration, such as coordinated and unilateral effects.

Law stated - 30 March 2025

Non-competition issues

To what extent are non-competition issues relevant in the review process?

The CPC only takes competition issues into account in assessing concentrations.

Law stated - 30 March 2025

Economic efficiencies

To what extent does the authority take into account economic efficiencies in the review process?

The CPC can take into account the transaction's contribution to the development of technical and economic progress, provided that it is to the consumer's advantage and does not form an obstacle to competition.

Law stated - 30 March 2025

REMEDIES AND ANCILLARY RESTRAINTS

Regulatory powers

What powers do the authorities have to prohibit or otherwise interfere with a transaction?

The Commission for the Protection of Competition (CPC) is able to revoke its decision relating to a transaction or amend any of the terms of a past decision where:

- the initial decision was based on false or misleading information, or necessary information was withheld by the parties; or
- a commitment imposed under a Phase II decision has not been satisfied or is no longer satisfied.

Separately, in the context of gun jumping, the CPC has the power to dissolve a transaction that was implemented prior to obtaining its clearance.

Where the Minister of Energy, Commerce and Industry disagrees with a clearance decision issued by the CPC on grounds of public interest (with reference to potential effects on public security, media pluralism and due process), the Minister can refer the concentration for assessment by the Council of Ministers.

Law stated - 30 March 2025

Remedies and conditions

Is it possible to remedy competition issues, for example by giving divestment undertakings or behavioural remedies?

The CPC can accept structural and behavioural remedies aimed at addressing the competition concerns identified by it in the context of Phase II investigations.

Law stated - 30 March 2025

Remedies and conditions

What are the basic conditions and timing issues applicable to a divestment or other remedy?

The Control of Concentrations Between Undertakings Law 83(l) of 2014 prescribes the form in which remedies should be submitted to the CPC. The CPC accepts both structural and behavioural remedies, and any remedies should be limited to those reasonably necessary for the protection of the competitive market.

Where the CPC's doubts regarding the compatibility of the concentration with the functioning of competition in the market remain, the CPC's civil service will commence negotiations with the undertakings concerned in respect of any modifications that may result in the elimination of those doubts.

Before reaching its decision, the CPC may carry out negotiations and hearings with any of the parties or other interested persons.

Law stated - 30 March 2025

Remedies and conditions

What is the track record of the authority in requiring remedies in foreign-to-foreign mergers?

There has been no foreign-to-foreign merger to date in which the CPC requested remedies.

Law stated - 30 March 2025

Ancillary restrictions

In what circumstances will the clearance decision cover related arrangements (ancillary restrictions)?

Related agreements will be covered by the CPC's decision if they are related to, and are necessary for, the implementation of the concentration.

Law stated - 30 March 2025

INVOLVEMENT OF OTHER PARTIES OR AUTHORITIES

Third-party involvement and rights

Are customers and competitors involved in the review process and what rights do complainants have?

During a Phase II assessment:

- the civil service (the Service) of the Commission for the Protection of Competition (CPC) may request information from third parties for the purposes of its assessment of the concentration; and
- third parties that will be directly affected by the decision of the CPC may apply to the Service to provide their views in relation to the concentration.

Law stated - 30 March 2025

Publicity and confidentiality

What publicity is given to the process and how do you protect commercial information, including business secrets, from disclosure?

The CPC publishes a description of the notification in the Official Gazette and on its website, indicating the names of the participants, the nature of the concentration and the economic sectors involved.

The CPC publishes a non-confidential version of its decision in the Official Gazette and on its website. The redactions that will be applied to its decision will be determined following an application by the notifying undertakings to the CPC, invoking specific grounds for which any part of the decision comprises confidential information or business secrets.

The members of the CPC and the Service are under a statutory duty of confidentiality, infringement of which is a criminal offence punishable with imprisonment of up to six months or a €1,500 fine, or both.

Law stated - 30 March 2025

Cross-border regulatory cooperation

Do the authorities cooperate with antitrust authorities in other jurisdictions?

The CPC cooperates with other national competition authorities in the European Union and the European Commission on the basis of the system of parallel competences, and the exchange of views and information within the European Competition Network.

Law stated - 30 March 2025

JUDICIAL REVIEW

Available avenues

What are the opportunities for appeal or judicial review?

The decisions of the Commission for the Protection of Competition (CPC) are administrative executive acts issued by a public authority and are subject to judicial review.

Law stated - 30 March 2025

Time frame

What is the usual time frame for appeal or judicial review?

The time frame to file an administrative recourse against a decision of the CPC is 75 days from the undertaking concerned being notified of the CPC's decision or the decision's publication in the Official Gazette (whichever occurs sooner).

Law stated - 30 March 2025

ENFORCEMENT PRACTICE AND FUTURE DEVELOPMENTS

Enforcement record

What is the recent enforcement record and what are the current enforcement concerns of the authorities?

Owing to the low turnover-based thresholds, a considerable number of transactions notified in Cyprus are foreign-to-foreign. The CPC dealt with markets such as the health sector, insurance sector, banking, hotels and food products, among other markets.

Law stated - 30 March 2025

Reform proposals

Are there current proposals to change the legislation?

The Control of Concentrations Between Undertakings Law 83(I) of 2014 (the Law) came into effect in June 2014 and replaced the previous merger control regime, which had been in place since 1999. The Law is currently under review.

Law stated - 30 March 2025

UPDATE AND TRENDS

Key developments of the past year

What were the key cases, decisions, judgments and policy and legislative developments of the past year?

A number of important issues have been considered by the Commission for the Protection of Competition (CPC) over the past few years that have shed more light on its decision-making practice.

The CPC dealt with markets such as the health sector, insurance sector, banking, hotels and food products, among other markets.

A major banking sector concentration that underwent a Phase II assessment was Eurobank's acquisition of control over Hellenic Bank. In the CPC's view, the concentration raised doubts as to its compatibility with the operation of competition in the market for the provision of deposit services and lending services. These doubts concerned the following issues in the said markets:

- the high market shares of the undertakings concerned, the degree of concentration in these markets, the fact that the parties concerned may be close competitors and the possibility of other banking institutions not being able to expand their services may result in non-coordinated effects on competition;
- the homogeneity of the products, the symmetry of the market shares of the largest and second-largest banks in the market, the degree of transparency in the banking sector, mainly in retail banking, as well as the potential inability of banking institutions that would not participate in possible coordination to react might lead to coordinated effects in relation to the horizontal overlap of the undertakings concerned.

The CPC cleared the *Eurobank/Hellenic Bank* concentration without any remedies. In clearing the transaction, the CPC cited the extensive information and feedback obtained from the parties as well as their competitors as grounds on which any doubts with respect to the compatibility of the merger with competition in the market had been lifted.

Law stated - 30 March 2025