



# CYPRUS CAN FILL THE REGIONAL ADR GAP

ADR CAN PROVIDE SIGNIFICANT SAVINGS, REGARDING THE TIME AND COST NEEDED TO RESOLVE DISPUTES COMPARED WITH TRADITIONAL LITIGATION

**C**YPRUS IS RIGHTLY PROUD OF ITS INDEPENDENT, TRANSPARENT JUDICIAL SYSTEM. The courts in Cyprus can be relied on to provide justice without fear or favour and they are an essential safeguard to democracy. However, the thoroughness of the court system frequently leads to severe delays. In the words of William Gladstone, the nineteenth century British statesman, “Justice delayed is justice denied” and in Cyprus, as in other countries across the world, ways are being sought to reduce the pressure on the court system.

**PROCESSES SUCH AS MEDIATION** (in which an independent mediator helps the parties to a dispute to come to a mutually acceptable compromise) and arbitration (in which an independent expert arbitrator or panel of arbitrators has the power to impose a settlement) have proved to be a highly effective alternative to litigation and have gained widespread acceptance in recent years. Together with some related techniques they have come to be known as Alternative Dispute Resolution (ADR).

**ADR HAS PROVED EFFECTIVE** in a wide range of disputes, from family law issues to large commercial contracts, particularly in disputes with a high technical content, such as in construction or civil engineering. ADR can provide significant savings, regarding the time and cost needed to resolve disputes compared with traditional litigation, and free up court time to deal with cases which require the full formal litigation process. The European Mediation Directive, which EU countries including Cyprus are required to implement by 30 June 2011, obliges member states to create alternative, extrajudicial procedures for dispute resolution in order to improve access to justice. It applies to civil or commercial disputes involving parties from more than one European member state but individual member states may also opt to apply it to purely national disputes.

**BUSY AND WELL-RESPECTED** ADR centres have developed in London, New York, Paris and Singapore. However, there is a clear gap in geographical coverage in the Eastern Mediterranean region. An ADR centre in this region would have great benefits for businesses in Eastern Europe, the Middle East and

indeed the entire Mediterranean area. Cyprus is the ideal location for such a centre to serve this region. It has an Anglo-Saxon legal system, which is the basis for most arbitration and mediation; it has excellent communications, infrastructure and professional services and, perhaps most importantly, a well-deserved reputation as an international financial centre of integrity and fair dealing.

**INDEED, THERE IS A WIDELY-HELD VIEW** that the establishment of an effective international ADR centre in Cyprus is an essential next step for the island to consolidate and develop its position as an international business centre. It will put Cyprus on the map alongside major global centres and bring business to the island, not only for those directly involved in the ADR process but also for hotels and transport services. The current opportunity may not last much longer, as other jurisdictions such as Dubai may seek to fill the gap instead. They may lack Cyprus’s advantages, but fortune favours the brave and Cyprus should not risk being left behind. It is precisely for this reason that steps are now being taken to establish a Cypro-Mediterranean ADR centre as a credible regional centre.

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