



REPUBLIC OF CYPRUS

SHIPPING DEPUTY MINISTRY TO THE PRESIDENT

Circular No. 31/2022

21 December 2022

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To all Registered Owners, Registered bareboat charterers
Managers and Representatives of ships flying the Cyprus flag
and to the:

Cyprus Shipping Chamber

Cyprus Union of Shipowners

Cyprus Bar Association

Institute of Certified Public Accountants of Cyprus

Subject: “The Shipping Limited Liability Company (S.L.L.C.) Law of 2022”

I wish to refer to the above subject and inform you of the enactment of The Shipping Limited Liability Company (S.L.L.C.) Law of 2022 (Law 161(I)/2022). This was published in the Official Gazette of the Republic of Cyprus No. 4916, Supplement I(I), dated 27 October 2022. An unofficial translation of this Law is available on the website of the Shipping Deputy Ministry at the following link: www.shipping.gov.cy (click Info Center / Legislation).

2. The enactment of Law 161(I)/2022 constitutes the implementation of action no. 14 of the new Long-Term National Strategy for Cyprus Shipping "Sea Change 2030", adopted in October 2021 by the Council of Ministers and aims to simplify the procedures and operating regime of Cypriot shipping companies that own Cyprus ships.

3. To this end a new type of limited liability company is created, the “*Shipping Limited Liability Company (S.L.L.C.)*”, whose sole purpose is the **ownership** and **operation** of **Cyprus ships**. This new Law regulates the process of incorporation and registration of the Shipping Limited Liability Companies.

4. A Registry of S.L.L.C. is also created, which will be supervised by the Shipping Deputy Ministry. The Permanent Secretary of the Shipping Deputy Ministry (who by law is also the Registrar of Cyprus Ships) will also act as Registrar of S.L.L.C..

In practice, this will result in the creation of a one-stop shop in the SDM, with very positive effects on the competitiveness of the services offered.

5. The S.L.L.C. Law has been largely inspired by the basic provisions of the *Companies Law, Cap.113*, and in order to make the S.L.L.C. more flexible and attractive, it includes provisions aimed at simplifying various procedures and aspects (e.g. amendment of the



memorandum of association/ increase and reduction of the share capital / preparation of financial statements/ introduction of an administrative fine / related fees).

6. As provided in Part XV of the S.L.L.C. Law, shipping companies who are owners of Cyprus ships that are already registered in the Register of the Registrar of Companies may, under specific conditions, apply for the transfer of such companies to the Register of S.L.L.C..

7. The S.L.L.C. Law has NOT yet entered into force. It will enter into force on a date which will be determined following a decision of the Council of Ministers published in the Official Gazette of the Republic, once the necessary subsidiary legislation is prepared and the relevant administrative infrastructure is in place.

Relevant subsidiary legislation, i.e. implementing Notifications provided in Law 161(I)/2022 will be issued progressively and published in the Official Gazette of the Republic in the coming weeks.

Further details as to the implementation of the S.L.L.C. Law will also be provided in new SDM Circulars and specific information will be posted on the website of the Shipping Deputy Ministry.



Liana Charalambous Tanos
Acting Permanent Secretary

CC:

- Permanent Secretary, Ministry of Finance
- Permanent Secretary, Ministry of Energy, Commerce and Industry
- Registrar of Companies, Department of Registrar of Companies and Intellectual Property
- Maritime Offices of the Shipping Deputy Ministry abroad
- Diplomatic Missions and Honorary Consular Officers of the Republic