



# EMPLOYMENT LAW



## WHO WE ARE

Our Cyprus employment law practice is the largest in the country, offering extensive expertise and strategic insight across the full range of employment-related issues. As the designated Cyprus member of the Employment Law Alliance—the world's largest network of labour and employment lawyers—our team is renowned for delivering top-tier legal counsel to leading domestic and multinational companies, employees, employers, and foreign diplomatic missions in Cyprus. We have a strong history of securing successful outcomes for our clients across multiple industries, navigating complex employment and compensation processes.

With a deep understanding of Cyprus employment law, we provide comprehensive support, from drafting employee contracts and resolving disputes to registering provident funds and negotiating with government bodies and trade unions.

### OUR SPECIALISED SERVICES INCLUDE:

- Legal advice on all Cyprus employment law issues, to ensure compliance and to enable you to take informed decisions.
- Employment-related documents such as employment contracts, statutory notices, policy documents and handbooks. Support in liaising with authorities such as the
- Ministry of Labour and Social Insurance, trade unions and the Registrar of Provident Funds and employee representatives or work councils.
- Workplace dispute resolution and litigation: representation before the courts, the Ministry of Labour and Social Insurance, and other bodies

## A GUIDE TO EMPLOYMENT LAW IN CYPRUS

Cyprus employment law is a blend of statutory regulations and case law. Statutory provisions govern key aspects of employment, such as termination, working hours, annual leave, and social insurance contributions. However, since every employment relationship is contractual in nature, general contract law applies to any aspects not specifically regulated by legislation.

Employment law in Cyprus is generally regarded as a form of social legislation, aimed at protecting the more vulnerable members of society.



### EMPLOYEE OR SELF-EMPLOYED

Distinguishing between an employee and a self-employed individual is crucial for determining liability for taxes, social insurance contributions, and statutory rights and benefits, which apply exclusively to employees. Independent contractors are governed solely by general contract law. To assess whether a person is an employee or self-employed, all facts and circumstances of the relationship must be considered, not just the terms of a written agreement, with special attention to the overall integration and economic realities between the parties.

### EMPLOYMENT CONTRACTS

Employment contracts in Cyprus can be either for a fixed term or an indefinite term. Generally, a fixed-term contract is deemed to end automatically upon its expiration. However, termination at the end of a fixed term may not be lawful if the Industrial Disputes Court determines that the contract was effectively for an indefinite period, such as in cases involving long-term employment through successive fixed-term contracts. Additionally, if an individual is continuously employed under one or more fixed-term contracts for more than 30 months, the employee contract is automatically considered to be of indefinite duration unless the employer can demonstrate objective grounds for the fixed term.

Collective agreements in Cyprus are not legally enforceable, and disputes arising from them cannot be settled in court unless their terms are incorporated into employment contracts. Collective bargaining disputes between employers and trade unions are typically resolved in accordance with the provisions of the Industrial Relations Code.

### EMPLOYEE RIGHTS & BENEFITS

Employees in Cyprus are entitled to a range of statutory rights, including protection from unlawful dismissal, clear information about their terms of employment, equal opportunities, and protection from workplace discrimination. They also have the right to join trade unions, receive annual and maternity leave, take parental leave and emergency family leave, and be informed and consulted on workplace matters.

Health and safety regulations, daily and weekly rest periods, and a minimum salary are also guaranteed. Additionally, depending on their contributions to state funds, employees are eligible for various

### OBLIGATIONS UNDER EMPLOYMENT

In Cyprus, employees not only enjoy specific rights and benefits but also have statutory and common law duties toward their employers. These include performing their work to a satisfactory standard, following the employer's reasonable and lawful instructions, maintaining loyalty, and upholding confidentiality. Failure to meet these obligations may result in disciplinary actions, including, in severe cases, termination of employment.

It is good practice for employers to implement performance evaluation systems and maintain handbooks or policies addressing key areas such as disciplinary procedures, dress codes, the use of telephones and the internet at work, personal data processing, and confidentiality. Employers must exercise disciplinary powers cautiously to ensure fair treatment and minimize the risk of legal disputes, especially when considering termination. Courts are generally reluctant to accept that an employee's behaviour justifies dismissal, and the burden of proof lies with the employer.

Employers should stay informed about the statutory framework and developments in case law to manage their workforce effectively, balancing the needs of both employees and the company. Common labour issues include performance management systems, remote working policies (particularly in response to COVID-19), the posting of workers to other EU member states, drafting employment contracts for executive employees who also serve as directors, creating separation agreements for mutual terminations, redundancy assessments, and addressing cross-disciplinary matters involving GDPR or tax considerations.

Elias Neocleous & Co LLC is one of the largest law firms in Cyprus and a leading firm in the South-East Mediterranean region, with offices located in Limassol, Nicosia, Paphos, Brussels, Budapest, Kiev, and Prague. We are renowned for our expertise and jurisdictional knowledge across a broad spectrum of practice areas, spanning all major transactional and market disciplines, to bring strategic solutions to global clients operating in key industries worldwide.





## EMPLOYMENT LAW

### LIMASSOL

Neocleous House  
195 Makarios III Avenue  
P.O.Box 50613  
CY-3608 Limassol, Cyprus  
T: +357 25110110  
F: +357 25110001

### NICOSIA

5 Lemesou Avenue  
2nd Floor  
P.O.Box 26821  
CY-1648 Nicosia, Cyprus  
T: +357 22110300  
F: +357 22110001

### PAFOS

S.P. Business Centre  
4th Floor, Offices 410-411  
17 Neophytos Nikolaidis Ave. @ Kilkis  
P.O.Box 61297, CY-8132 Pafos, Cyprus  
T: +357 26110390  
F: +357 26110001



LIMASSOL | NICOSIA | PAFOS | PRAGUE | KIEV | BRUSSELS | BUDAPEST



neo.law

This content is for general information purposes only. It is not meant as a legal advice on any transaction and appropriate legal advice should be sought. Elias Neocleous & Co LLC. January 2026. All rights reserved ©

