



Corporate and Business Law (CYP) (F4)

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REVIEW OF PAST EXAM RESULTS

NEW SYLLABUS

December 2007 – pass rate approximately 50%

June 2008 – pass rate = 44%

OLD SYLLABUS

June 2007 – pass rate > 50%

December 2006 – pass rate = 40%



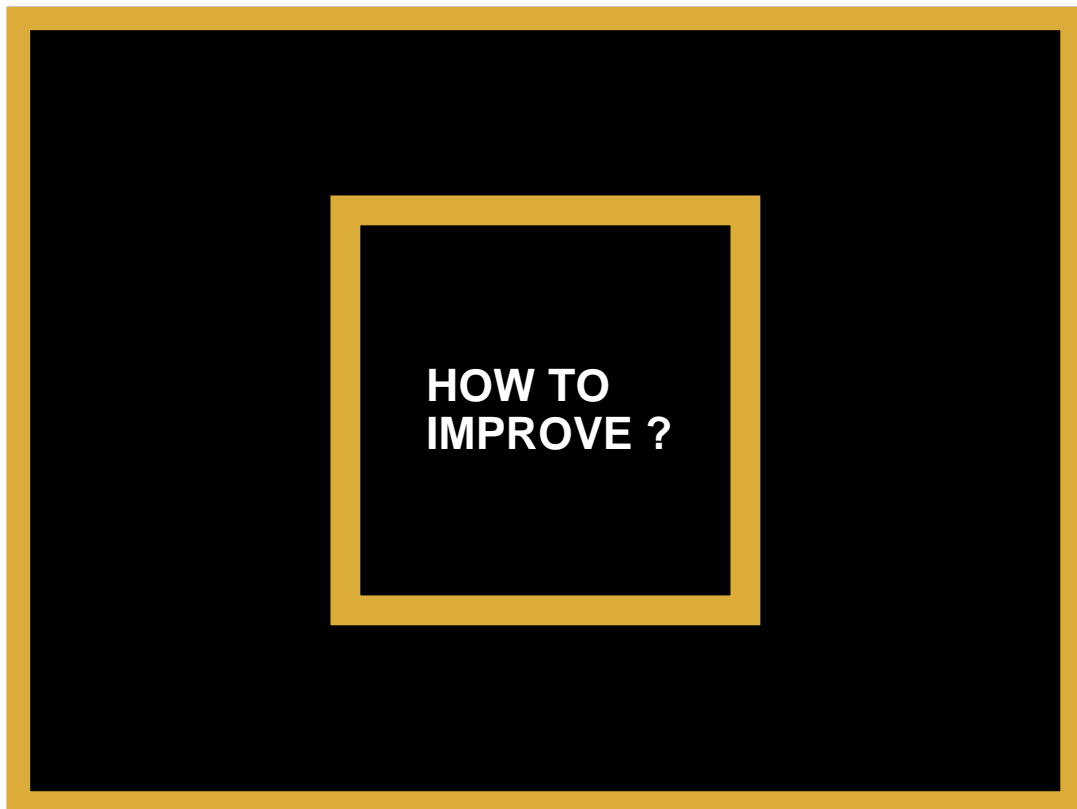
1.Candidates have generally improved their skills of applying the legal principles to the facts of the questions. Therefore questions 8-10 (the problem-based questions) are generally better-answered now than in the past.

2.Candidates seem to be familiar with the new aspects of the syllabus e.g. money laundering legislation / duty of care owed by auditors.



WHAT WASN'T DONE WELL?

1. A common mistake is failing to focus an answer to the particular question asked – instead candidates often attempt to reiterate their knowledge on the general subject-matter of the question.
2. Lack of understanding of the legal principles is sometimes evident in candidates' answers.



1. Attempt all questions.
2. Make successful citations to relevant case law / legislation.
3. In relation to the problem-based questions, candidates should pay attention to all the facts because there will almost always be a reason why they were mentioned.
4. NOTE: Model answers are “suggested” answers – they are used as a guideline only.



EXAMINABLE DOCUMENTS IN FUTURE EXAMS

Cypriot Legal System - General knowledge of the Constitution is required. General familiarity with other Cyprus legislation relating to the legal system, e.g. the European Convention of Human Rights, the Courts of Justice Law 14/60, and the Administration of Justice (Miscellaneous Provisions) Law 1964.

The Law of Obligations - Knowledge of the Contract Law, Cap. 149; little knowledge of the Civil Wrongs Law, Cap. 148 (in particular, negligence / defences).

Employment Law - Knowledge of the Termination of Employment Law 24/67 is required.

Agency and Partnership - Knowledge of the Contract Law, Cap. 149 and the Partnerships Law, Cap. 116 is required.

Company Law - Knowledge of the Companies Law, Cap. 113.

Governance and ethical issues relating to business - Knowledge of the Insider Dealing and Market Manipulation (Market Abuse) Law 116(I)/2005 and the Prevention and Suppression of Money Laundering Activities Laws is required.



Contents

The new syllabus for Corporate and Business Law starts with an introduction to the overall legal system of Cyprus and then leads into the area of the law of obligations including contracts and torts. The syllabus further covers a range of specific legal areas relating to various aspects of business, relating to employment and mainly company law.

New Exam-Style

The examination for F4 is a three-hour paper-based examination. The examination consists of seven 10 mark questions, assessing knowledge of the law, and three 10 mark application questions. All questions on the paper are compulsory, and there is no choice. The seven 10 mark questions assessing knowledge of the law have the same format as questions in Section A of the 2.2 paper. The three 10 mark application questions have the same format as questions in Section B of the 2.2 paper, although questions are now shorter since they only carry 10 rather than 20 marks.

NEW SYLLABUS

Cypriot Legal System

The Law of Obligations

Employment Law

Agency and Partnership

Companies Law

Governance and Ethical Issues Relating to Business

Cypriot Legal System – (i) Court Structure, (ii) Sources of Law, and (iii) Human Rights. The sections on Harmonization with European Union Law and Arbitration, which were included in the old syllabus, are no longer examinable.

The Law of Obligations – Contracts and torts. The F4 syllabus on contract law remains the same. The law of torts is a new area, focusing on negligence and its defences, the existence and breach of duty of care, and in particular the duty of care of accountants and auditors.

Employment Law - No additions to this area of the law. However, the topic of discrimination which was examinable in paper 2.2 is no longer examinable in the new qualification.

Agency and Partnership - No changes in these areas of the law.

Company Law - the company law syllabus is the same with the following exceptions:

(i) The whole area on the majority control and minority protection, including the rule in *Foss v Harbottle*, the exceptions to the said rule and the statutory protection relating to oppression of minorities, which was examinable in 2.2 is no longer examinable in F4.

(ii) A small section on the role, duties and liabilities of company promoters has been incorporated in the new syllabus area covering company formations.

Governance and ethical issues relating to business - This is a new area in the syllabus. It covers corporate governance, and fraudulent behavior. Fraudulent behavior and insider dealing were incorporated in the old syllabus, although more emphasis is now given to this area of the law. The section on fraudulent behavior now covers fraudulent trading, insider dealing and money laundering. A section has been incorporated on the policies and procedures required to be maintained by accountants and auditors to prevent money laundering, as well as potential criminal liability in the operation, management and winding up of companies. The section on corporate governance covers the idea, extra-legal codes and legal regulation of corporate governance.



