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Introduction

Current matrimonial property regime in Cyprus and the relevant legislation, drew from Greek Civil Law, especially Family Law, in which continental law is dominant and the contribution to augmentation of matrimonial property is the basic characteristic. The previous matrimonial property regime in Cyprus, which was applied until 1991, was subject to the common law and the principles of equity. Both regimes present between them inherent differences since they originate in different legal systems. The new statute as was passed in 1991, inserted related to the previous regime was an innovating legislation, different perceptions, and a fundamental differentiation approaching of the matrimonial property. The appliance of common law and equity despite new legislation is discussed.

LEGISLATIVE HISTORICAL BACKGROUND

With the independence of the island after the armed struggle instead of its union with Greece, in addition to the constitutional improvisation of the Constitution of the Republic of Cyprus in 1960, the application of English law continued with the adoption of the Chapters of Cypriot Legislation. Kriton Tornaritis in his book Private International Law in Cyprus on page 96, characterizes this continuation in the application of the common law as "a donor of a legal system, unknown to the Cypriot people and foreign to the legal conscience." It is during the same period around 1960 when a portion of Cypriot students study law at Greek universities.

According to the Constitution of Cyprus as it results from all the regulations and as mainly defined in art. 1 - 5 of the Constitution, the citizens of the Republic belong to two communities: the Greek and the Turkish. Greek also includes three religious groups, the minorities of the island's inhabitants, the Catholic, the Maronite and the Armenian. Minorities that exist until today and as citizens of the Republic, the disputes are resolved by the Cypriot Courts. The no. 111 of the Constitution, as in force with the establishment of the Republic, the Greek Orthodox Cypriot Church secured exclusive jurisdiction over matters of personal institution, such as marriage, engagement, divorce, cohabitation or separation, and family relations.

FAMILY LAW

From 1989 and specifically with the legislative regulation of Law 95/1989 until nowadays, the resolution of family law disputes, was transferred as a jurisdiction from the ecclesiastical courts to the jurisdiction of the civil courts. In the context of the reformulation of the jurisdiction of the civil courts in matters of family law in Cyprus law, in the following years since 1989 intense legislative activity followed. This included the introduction of Laws 21/1990 about the Civil Marriage Law of 1990, 22/1990 the Attempted Conciliation and Intellectual Divorce Law 1990, 23/1990 The Family Courts Law 1990 and 232/1991 The 1991 Law on the Regulation of Spouses' Property Relations. Each law was introduced with the respective regulation of each.

With the introduction of Law 232/1991 and its subsequent amendments in the following years, the Cypriot legislator introduced and adopted a foreign law, which addressing the issue of resolving the property disputes of the spouses after the collapse of their marital cohabitation. This foreign law was Greek relevant law and it did not or even today does not differ from the regulation of the same issue by Greek law with the introduction of Law 1329/1983.

CONNECTION WITH GREEK FAMILY LAW

Much later in 1960 and 6 years after the reform of Greek family law, in the year 1989, the House of Representatives amends article 111 of the Constitution of Cyprus with Law 95/1989 so that family relations (par. 2A) are addressed by exclusive jurisdiction the Family Courts in its removal from the ecclesiastical courts: "Every issue of those belonging to the Greek Orthodox Church, related to divorce, separation from a husband and wife or the cohabitation of spouses or family relations is diagnosed by family courts." What is "family relations" is attributed to the usual grammatical interpretation as it is attributed to the branch of law known as "Family Law, part of Civil Law in Greece". The above were decided by the Supreme Court in the decision of Dadakaridis v. Dadakaridou and at the present stage of the investigation the issue does not develop further.

It is obvious that the Cypriot legislator followed the steps of the Greek legislator while reforming the family law, in such a way that it is considered that the modern Cypriot family law is related to the Greek family law as amended by Law 1329/1983. Was it something unexpected or was it expected if someone considers that Greek law has left an "indelible mark" on the Cypriot legal system?

The above are recorded because it is necessary to recall the historical and political environment that accompanies the current Cypriot law. Furthermore this is to emphasize that the comparison that is attempted is functional after examining regulations with similar function.

The rules governing the issues of family law and its institutions have been inextricably linked to Greece, to greek culture, greek language and respectively to Greek law over the years. During the years this was occurred in a way that provided stability in these areas to the subjects of application of the rules (a couple, husband and wife, children, the marriage), despite the alternation of conquerors and the subsequent attempt to introduce foreign law. The connecting element that maintained the stability in the legal regulation of family relations was one: the religion of the Greeks of Cyprus. The church remained in close and strict relationship with the family all the years. Greek law (in every of its enforcements in Greek territory) applied to those Cypriots who belonged to the Greek community (main criterion was the religious and secondly the spoken language) of the island. At the same time saved over the years the direct relationship with it in the settlement of personal matters. The importance of

the legal and social reality, which the introduction and espousal of the Greek institution attempted to resolve, is vital.

A crucial question arose: which social problem did the legislator try to solve? The joint effort of the spouses in the community of their life is manifested with the help of each other, something that can have different financial effects for the spouse in terms of property: increase or decrease. The manifestation of help can be immediate and obvious (eg: job offer or financial assistance) but it can also be indirect, unknown to third parties (eg counseling, psychological support, creating a suitable atmosphere for living together or out of work, saving cohabitation costs). Even if this help is mutual, it certainly does not bring the same financial results due to various factors such as the type of professional occupation of each spouse or even if one of the two deals only with household chores. So how will the socio-economic problem that will arise when during the collapse of the joint life of the spouses it is necessary to "share" the acquisitions?

When in 1991 and in view of the content of the legal rules under consideration that regulate the problem (property regime), those do not differ significantly while fulfilling the same function, that is, the regulation of the property disputes of the spouses after the collapse of their married life. This finding is made with the knowledge and acknowledge that it is common, institutions with the same name, similar legal concepts, to function in a different way in their national legal application and to have a different content.

The issue of language and the need to use sources in their original language, is not raised in this case, because as it should be mentioned for the sake of completeness of the comparative work, the language in Cyprus and Greece is common both as colloquial and as the language of legal sources, in particular Greek language. It was initially known that research would not address this kind of inherent problem that often encountered in comparing law.

THE CYPRUS LEGAL SYSTEM

Cypriot law is characterized by elements of Anglo-Saxon common law and elements of European continental law (civil law) in a way that belongs to the family of "mixed legal systems". As in many cases of transfers or concessions of state, similarly in Cyprus the law was created during the colonial period by the British between 1878 and 1960. The codified form and the principles of common law and equity were "transplanted" in Cyprus as well as in other English colonies.

COMMON LAW

Although the British took possession and administration of the island in 1878 as a result of its concession by the Ottomans, English law formally and completely replaced Ottoman law in 1935, despite the Ottomans' departure from the island. The replacement was done gradually. A fact fully in line with the ancient and well-established principle of the common law that in every new land which is annexed by colonization, the colonialists bring with them the law of the motherland or that which can be applied to any new land, in contrast to the case of new territories acquired by conquest or concession, in which the existing law remains in force until amended. by the new rulers. In Cyprus, Ottoman law remained in force until 1935 and during this period it was enforced by English judges with English procedural rules. Characteristically, Ch. Clerides states "English ethics to fill gaps in Ottoman law in Cyprus!"

The Law on Courts Law 14/1960, one of the first Laws enacted after independence, points out that the "law applicable" by the Cypriot courts shall be the Constitution, the laws and as

pointed in the third section the common law and equity except in the cases where a statutory law is held and as far as they are not contradicting with the Constitution¹.

That is, that applicable law by the Cypriot courts insofar as they do not contradict the Constitution and the laws, is the English law and the principles of equity. Indeed, over time and to this day, Cypriot law applies where necessary the English law and the principles of equity while interpreting the laws that are directly related to the English law of 1960 with it. The Supreme Court from very early in the decision *Universal Advertising and Publishing Agency v. Panayiotis A. Vouros* found that the codes of the principles of English law are not exhaustive and the opposite position would fragment English law, disrupting its harmony.

Due to the nature of Cypriot law and the application of the procedural rules of proof that have been introduced and have been in force since 1960, the issues of proving the components of property disputes and their procedural aspect are governed as in all areas of law by them. Evidence and procedural rules of England in force in 1960.

JUDICIAL PRECEDENT

Judicial precedent by the Supreme Court is binding and involves a form of authority, in application of the principle *ratio decidendi* or "stare decisis" or "doctrine of judicial precedent". The "Practice Note of the House of Lords" has been recognized by Cypriot jurisprudence as an authority and as such is followed by the Cypriot courts. Freedom to deviate from the decisions of the Supreme Court exists and is granted only to the Supreme Court, especially when it conflicts with the provisions of the Constitution. A descendant of the common law is also the controversial legal system which characterizes the Cypriot legal system which is explained in a series of decisions such as *Christodoulou v. Sofroniou*.

The decisions of the Supreme Courts of England also have a binding impact, mainly in the form of "authority" as they reflect the "application of the law" to the extent that there is no decision of the Supreme Court which is considered as authority on a matter.

Contract law, which was introduced in 1931, and torts, the Civil Offenses Act, introduced in 1933, are incorporated and interpreted on the basis of English precedent, and this is often repeated by the Supreme Court through case law. Continental law is applied by the Administrative Courts (formerly the Supreme Court Cyprus which was treated as a court of first instance and in a single composition) during the examination of appeals under no. 146 of the Constitution, for the revision and annulment of administrative acts and on these issues, resorts to the Greek texts, the Greek theory and the decisions of the Council of State as too the French legal theory and the decisions of the *Conseil d'Etat*. Since the amendment of the Family Law legislation, family law is basically interpreted according to the Greek theory and the Greek literature and is important for what is recorded as "hybridity of the system" referring to the Cypriot legal system.

Today, the two systems are implemented and coexist peacefully despite the fact that the principles of law, jurisdiction and jurisdiction, although found in the two major European legal systems.

¹ (γ) το κοινόν δίκαιον (common law) και τας αρχάς της επιεικίας (equity) εκτός εάν άλλη πρόβλεψις εγένετο ή θα γίνη υπό οιοδήποτε νόμου εφαρμοστέου ή γενομένου δυνάμει του Συντάγματος ή οιοδήποτε νόμου διατηρηθέντος εν ισχύϊ δυνάμει της παραγράφου (β) του παρόντος εδαφίου, εφόσον δεν αντιβαίνουν ή δεν είναι ασυμβίβαστοι προς το Σύνταγμα

CHANGES AFTER THE LAW 232/1991

Did the need for a similar regulation and introduction of the almost identical one in Cypriot law by Greek law, arise from the common factors that determine the similarities and differences between the legal orders or was it this introduction that regulated the specific socio-political similarities in this direction? Although the question is not particularly far from the rhetoric, and largely disappointing question of the people "did the hen lay the egg or the egg the hen" it is one of the questions posed in the present study with full knowledge and awareness that a comparator cannot refer extensively and define relationships as the science of sociology, history, etc. would do.

Is it because of the history of Cyprus and its conquest constantly by different peoples, that its modern legal system, that is, after independence, has not yet found its identity? Professor Spyridon Vrellis in his book "Comparative Law", characterizes the issues of family and inheritance law as "particularly charged by moral imperatives and feelings".

HOW THE RELATIONSHIP WAS REGULATED BEFORE 1991

"Equity treats as done that which ought to have been done"

Common law is an important characteristic element and vital to Cypriot law, both in its application and in its development. Pursuant to art. 29 of the Law on Courts (Law 14/60) is a source of law in the Cypriot legal system:

"The common law is a living organism that should not be stifled by the past; its principles are intended to serve changing needs of society and should be interpreted in a diachronic perspective. Moreover, in Commonwealth countries its application should reflect the particular need of individual societies"

Common law, that is, law common to all, was applied, in its creation in England, to the Courts which did not apply the law of equity. Equity is one of the arms of English law, it is an additional source of law and was applied by the Court of Chancery, and common law as part of customary law of England by the Common Pleas, Exchequer and Kings Bench. The law of equity is part of English law, which was last "inherited" through the Constitution in Cyprus during the independence of the island as no. 188.1 of this stipulates.

Neither common law nor the law of equity is static, in the sense that the application of its principles was limited to situations previously resolved by reference to it. Former Judge George Piki notes the report of the American Judge Cardozo, that there is a direct dialectical relationship between the principles of law and the social reality that characterizes the formulation of law. But the law evolved to meet the needs of English society, and in equity the principles of extraterritorial justice were reflected in correcting the applicable law.

In its application (in due course) the law of mercy, is based and operates on the principles of ethics and provides equitable relief on the basis of principles, conscience and natural justice. In it, universal law is transformed and fills the gaps created by the uncertainty of the law as to its predictability, allowing the courts that apply it to grant justice (to do justice) in a complementary way, when the law omits and does not provide something. For the way of its operation, George Piki mentions with reference to Winkworth Edward v. Baron Development Co. that grace is not a computer: "it operates, as indicated, on the conscience of a person but is not influenced by sentimentality." Although non-static, it is no longer created but evolves through case law in terms of its application and interpretation.

Trusts

The greatest invention of equity is the legal instrument of trust, which contributes to international law, since it is applied in the Commonwealth countries and in the United States

of America and concerns the "safeguarding of confidential relations". In general, trusts are established in all vital aspects of human relations that are not covered by positive law and are categorized with reference to their origin. Examples are charitable trusts (family trusts with beneficiaries other family members to secure the family property) or public trusts, for tax purposes, blind trusts, unit trusts, pension trusts and trusts. With the trust is divided the property into legal one that is in the hands of the trustee and the equitable one.

The jurisprudence of the Supreme Court in Cyprus in relation to trusts is generally rich. It mainly concerns constructive trusts, the property block (promissory estoppel) and to a lesser extent the explicit trusts and obligations of the trustees, etc. and its development is based on English case law, but adapted to the Cypriot reality. In other words, it is the actual applicable law in Cyprus and not law as it may have been amended by English law.

In the context of all the above, common law and equity have retained their importance in order to be applied to reflect the need of Cypriot society.

APPLICATION OF THE LAW OF EQUITY

Prior to year 1991 and due to the lack of legislation or positive regulation of property settlement issues between the spouses, the application of the law of equity was inevitable. And this was actually happened.

In *Miltiadous v. Miltiadous* (1982) 1 CLR 797, the former spouses appealed to the District Court, in which the wife sought to share her contribution to the construction of their house in 1/2 share - and the house at the time of their separation was already registered in the name of her husband in full. The wife's contribution to the acquisition of the family home, constituted and created a resulting trust (known is the law is the distinction of resulting, implied or constructive trust). The husband, as the "legal ownership" of all real estate, maintained it for the benefit of his wife ("for the benefit of his wife") and acted as administrator and custodian, ie as the "trustee" of the share. To this end, he could not become the sole owner of the property and he had to return what he kept for the benefit of the beneficiary, that is, his wife, to her.

Trusts (or trusts) are divided into those created by the parties themselves (trusts arising by acts of the parties) which are the explicit - Express and Implied and those created and arising by the application or by operation of the Law. Those are known and divided in constructive and resulting. Inductive (or interpretive) constructive trust is created regardless of the intention of the property owner, in cases where it would be an abuse of trust on his part to withhold property for his own benefit.

As far as apportionment is concerned, it depends on the contribution of each party, direct or indirect. As far as it concerns indirect contribution: "indirect contributions, may; in appropriate circumstances, take the form of the assumption of family burdens by one party, usually the wife, that makes possible the release of funds for the finance of the acquisition". The Court with reference to the authorities, as it characterizes it, of English law *Gissing v. Gissing* [1970] 2 All E.R. 780, *Falconer v. Falconer* [1970] 1 W.L.R. 1333 concludes:

"The existence of a trust has been implied whenever spouses or couples in cohabitation have made a joint contribution to the setting up of a house for common use. (See, *Cooke v. Head* [1972] 2 All E.R. 38; *Kowalczuck v. Kowalczuck* [1973] 2 All E.R. 1042; *Williams & Glyn's Bank v. Boaland* [1979] 2 W.L.R. 550; *Dennis v. McDonald* [1981] 2 All E.R. 632).

A trust is deemed to arise upon the coincidence of two things

(a) The pooling of resources and/or the exertion of efforts for the acquisition of immovable property, provided the contribution made by each is substantial; and

(b) the existence of such a relationship as to justify the attribution of a common intention to enjoy the use of the property together.

Thereafter, if co-habitation is terminated and the object of the enterprise is frustrated, equity requires a fair apportionment according to the contribution of each to the acquisition of the property.”

The wife's contribution, however, did not prove to be particularly significant, less than $\frac{1}{2}$ which was her claim in the first-instance proceedings, with the result that the Court calculated her at $\frac{1}{6}$ of the value of the property.

The Miltiadous decision was adopted in subsequent decisions concerning the status before the amendment of the legislation and in particular in *Theodoulou v. Theodoulou* (1987) 1 CLR 1010, *Pentavkas Mr. Pentavkas* (1991) 1 CLR 547 and *Stylianou Mr. Stylianou* (1999) 1 CLR 1833.

In *Orphanides Mr. Orphanides* (1998) 1 AAD 179, although issued after the amendment of the law, the Court records the pre-existing legal status. Referring to English courts:

"The Court has mobilized a principle and an institution of the Law of Grace, for the settlement of family property disputes of this nature. The principle of legal impediment, (equitable estoppel) which has the purpose of excluding dishonest behavior in transactions, and the institution of trusts (trusts) which provides the opportunity for the commitment, the legal owner of property, to return all or part to a third party, provided he has conscientiously undertaken to do so. These principles formed the basis for claiming property rights in two main areas, family housing and bank accounts. The same principles apply between persons living together as androgynous. "

With reference to *Pettit v. Pettit* [1970] A.C. 777 and in *Gissing v. Gissing* [1971] A.C. 886, the Court records the conditions for the acquisition of a share in assets registered in the other spouse: a) the existence of an explicit or implied agreement for the joint ownership of the property b) the share of each is equal to the contribution to the acquisition of the property.

Invoking the axiom of "equality is equity" if the contribution is substantial and there is no precise evidence of the amount, the share is determined. If the testimony is positive in terms of the substance of the contribution, and ineffective in terms of its size, the invocation of the office may be justified.

As further deleted, the criterion for the acquisition of a share is the existence of an agreement, express or implied, and the object of sharing is the asset "itself".

The principle of "equality is equity" is one of the axioms that have been established as basic principles of mercy and reflect in their entirety the objects and purposes of mercy. If the conduct of a party is contrary to the principles of equity, it may be found to be reprehensible and the Court may refuse to issue an order:

1. Equity will not suffer a wrong to be without a remedy
2. Equity follows the law,
3. Where there is equal equity, the law shall prevail,
4. Where the equities are equal, the first in time shall prevail,

5. He who seeks equity must do equity,
6. He who comes into equity must come with clean hands,
7. Delay defeats equities, or, equity aids the vigilant and not the indolent,
8. Equality is equity,
9. Equity looks to the intent rather than to the form,
10. Equity looks on that as done which ought to be done,
11. Equity imputes an intention to fulfill an obligation,
12. Equity acts in personam

For example, for the issuance of an interim injunction to settle a matter which the successful party achieves upon unilateral request (and by sterilization at an early stage of the other party to be heard) he must appear before the Court with clean hands, as the unilateral application has been justified as "of the highest faith (uberrima fides)". Equally important is the principle of oligarchy (note principle 7), which is known in law as the doctrine of "laches", is raised as a defense and it punishes the laziness and negligence of the applicant or plaintiff in raising treatment and claim a claim relating to the law of equity - but not when there is legislative provision for limitation, and when this inaction has affected the rights of the other party.

A spouse's contribution to the construction of a house, which consisted of assistance in digging pits, helping to tear down walls, and assisting in plumbing and electrical work, was considered a minimum offer in the case of Konstantinos Mr. Demosthenous and as such could not create an obedient or interpreted trust (constructive implied or constructive trust) to entitle the spouse a share.

The establishment of the trust as a basis for claiming property acquired after the marriage was set out in *Gissing v. Gissing* and concerned the financial contribution of the wife during the marriage and did not cover the case of the wife who remained at home and was involved in the care of the children and the work she performed as a common housewife.

The division of the property into two equal shares was not the rule, but the Court had the discretion to take into account all the facts of the case to reach different percentages. As pointed out by Judge Denning in *Falconer v. Falconer* [1970] 1 WLR, "The House (of Lords) did, however, sound a note of warning about proportions. It is not in every case that the parties hold in equal shares. Regard must be had to their respective contributions. This confirms the practice of their Court. In quite a few cases we have not given half-and-half but something different."

The above are adopted by the Supreme Court as English case law in the decisions of *Pentavkas, Miltiados and Theodoulou*. In *Pentavkas*, *Gissing* is adopted and it is stated that in order to create a trust, there must be evidence that basically before the acquisition of property, "some agreement, settlement or there was an understanding" that the spouses will be co-owners. If there is no such evidence then only a direct contribution to the market price can lead to a finding of trust.

The decision of *Pentavkas* was issued on 25.6.1991, just six months before the enactment of the law on the Regulation of the Spouses' Property Relations L.232 / 1991 dated. 30.12.1991, and in its text it is noted as obiter dictum in comparison with the English legislation *Matrimonial Causes Act 1973* that "the latter legislation,..., gives the Court broad power,

after the dissolution of the marriage, to proceed to a fair and reasonable distribution of the property acquired by the couple during it, so that the parties can start their new life free from the stress of financial need. "As far as we know, such legislation is on the verge of being adopted by the House of Representatives and we hope that this will be done as soon as possible."

English law offers extensive powers to the court: to modify existing rights, to grant and revoke property rights, and more generally to redefine economic relations between spouses in the light of past, present and expected future conditions. The competent courts there have ruled that it is fairer to divide the proceeds from the sale of the marital home between the spouses than to order a transfer of the title to the spouse, without further instructions for payment of an amount between the spouses. In the event of the existence of a marital home again, the courts may issue an order suspending the transfer of a share between the spouses until the children reach adulthood, an order known as the Mesher order which has been criticized because critically looking at such an order more problems rather than regulating them.

THE AFTER THE AMENDMENT REACTION

It remains unknown what the judiciary had in mind when 6 months before the enactment of Law 232/1991 it made this remark: did it hope for a similar legislative regulation as the English one? Did he expected an arrangement that would give the Court broad jurisdiction in the sense of the right to transfer property to someone who did not previously have it or the return at its discretion? Or it was preferred "the fair and reasonable distribution of property?" The only thing that is certain is that the need to settle the issue of the spouses' property relations had already been recognized, so that the parties - ex-spouses could move on with their lives having fully settled the financial consequences of the divorce. However, the need for a clear and precise definition of the jurisdiction of the Family Courts as a whole was expressed by the Supreme Court on 19.7.1990 in the issuance of the Dadakaridis decision, "as is done in other European countries".

Finally, it remains to be clarified that the decisions adopted by the Cypriot courts, namely *Miller v. Miller*, *McFarlane v. McFarlane*, they are recent regulations by the common law based on the fact that the marriage may not change the property relations of the spouses but in case of divorce the courts have "a very wide discretion to re-allocate property and award other remedies".

It seems, then, that at least from the decision of Miltiades, the Cypriot judge, by applying and referring to English decisions, approached the issue of regulating the property relations of the spouses, as a law belonging to the common law. An inevitable course if one considers the equity, which is vital in shaping the law, which offered the most solutions to this issue.

It must also be concluded that from 1888, during British colonial rule, equity was introduced by English judges, at least until the time before the amendment of the Law (but even today), the latter became a legal conscience for Cypriot lawyers and judges and its long-term practical application was a catalyst.

However, what exactly has been achieved after the amendment of the legislation is demonstrated by the course of time itself, in terms of the case law that has been formed. The most important development concerning the present research is found in the definition of "property" and in the sense of "contribution", in the sense that the increased property is owned or appears to be owned by a third party other than that of the spouses.

From a very early stage in the decision *Re Manolis Giagkou* (No. 1) (1999) 1 AAD 703 it was decided that a claim based on a trust created between the spouses falls within the jurisdiction of the Family Courts. The dispute is adjudicated by the Family Court, even if the claim is formulated with remedies under the law of equity. As mentioned above, the law governing trusts is governed by the principles of the law of equity. The same treatment was followed in the decision of *Logginou Mr. Logginou* (2000) 1 AAD 1347, where one spouse owned as property a trustee property of the other spouse. In other words, the evolution of the definition of the term "property relations" was recognized, and the assets include movable or immovable property acquired by each spouse, even that which is acquired by or on behalf of or on behalf of this or the other spouse.

In fact, it is observed in *Pericleous'* decision that this extension is conceptually and legally permissible because otherwise the provisions of the legislation would be violated. Because if there is an asset that belongs to a third party but with its consent is used for the benefit of one of the spouses for the purposes of the marriage (such as the house where the spouses lived), this asset is part of the property and in this regard contribution. Third party intervention does not neutralize the contribution. That could be a trust express, implied or constructive.

The law of equity is saved and survived because it has a timeless application, the principles of which preserve transactions, away from formal and inflexible rules in order to deliver true justice. It is one of the ways to prove your contribution. Likewise, treatment offered through the principles of equity has its significant place in family disputes, even if the interpretation of the term family relations refers to the section of law known in Greece as the Family Law, section of the Civil Code and to books that interpret the Greek Law 1329/1983. The complete and perfect treatment summarized in the phrase "the eye of the equity" and means that the issues of trust define the interest of the spouses as beneficial interest. Thus, equity can act as a basis for treatment but also as a cure. Equity principles are used as base for acquisition of matrimonial property rights.

It is not excluded from the application of the principle of equity as applicable in the family law and family relationships, because it would be unreasonable even if the item held by the third person is done accidentally or with the intent to defraud. The treatment of equity law is not limited to cases where there is a relationship of trust between a trustee and a beneficiary of trust but extends to any relationship governed by a fiduciary relationship, to the possibility of locating "tracing" even if it is in a fund.

This development was inevitable because on the one hand, as mentioned above, the law and the principles of equity are an integral part of Cypriot law according to no. 29 (1) (c) of the Law on Courts Law 14/60 and on the other hand the Family Courts are not prevented from applying the Law and the principles of leniency (no. 14 (b) of Law 23/90).

Prior to the introduction of the 1991 legislation, property was distributed only on the basis of trust, exclusively and merely on the basis of the principles of equity and only in the event that it had created the trust in favor of one of the spouses. Although legislation has been introduced, it seems that both the Cypriot judge and the Cypriot lawyers continued to seek remedies and solutions to emerging issues, resorting to the law of equity, which is dear and familiar to them. The beginning was made by the application of trusts not only between the spouses but also by extension to third parties. It remains to be seen in the evolution of the case law in relation to the specific legislation, whether the application of the law will be extended to other cases of its application such as undue influence, duress, set off, equitable assignment. In the case of *Apostolos Mr. Ioannou*, the Supreme Court accepted to consider in relation to property relations between spouses issues concerning the alter ego of a party through a company, analyzing the issue of removing the corporate veil.

However, the abolition of equity law as the competent jurisdiction regarding matrimonial regime if a marriage is annulled, or dissolved, or if the parties have been separated case Law held that is acceptable applicable law to be originated either in common law principles, in equity law or in Statute. It is possible that the manner of augmentation of matrimonial property and the evidence of “contribution” of spouses, pass through other areas of law such as trusts (express, implied or constructive), dominant characteristic of equity principles. Therefore, one of the most representative characteristics of Cyprus Law as a “mixed legal system” is evident during the evolution of Family Law in Cyprus. The legal dualism in the area of Family law, creates both incongruities and equally expansion of the “matrimonial property” term.

