The EU Pay Transparency Directive and Cyprus Equal Pay Law

An evaluation for HR managers and directors. Position as at August 2026.

Directive (EU) 2023/970 strengthens the principle of equal pay for equal work or work of equal value between men and women. It does three things. It increases pay transparency before and during employment. It introduces gender pay gap reporting, with a mandatory joint pay assessment where a gap of 5 percent or more in a category of workers cannot be objectively justified. And it strengthens enforcement, most significantly by shifting the burden of proof onto the employer where transparency or reporting duties have not been met. The transposition deadline was 7 June 2026.

How this aligns with existing Cyprus law

Cyprus is not starting from zero. The Equal Pay between Men and Women for the Same Work or for Work to which Equal Value is Attributed Law 177(I)/2002, as amended, has applied the same substantive principle for more than twenty years. It covers all forms of remuneration, applies to all employees, authorises inspections, investigations and penalties, and allows employees to complain to the competent authority or bring proceedings before a District Court or the Labour Disputes Court. Criminal sanctions already apply. The Commissioner for Gender Equality Law 108(I)/2024 added an institutional layer.

The Directive therefore does not change the principle in Cyprus. It changes where the effort sits. Equal pay moves from a right an employee must invoke and prove, to a set of duties an employer must document and demonstrate in advance. The transposing bill, titled the Strengthening of the Implementation of the Principle of Equal Remuneration between Men and Women for Equal Work or Work of Equal Value, through Wage Transparency and Enforcement Mechanisms Law of 2026, went to public consultation in November 2025 and was revised in January 2026. It adopts a wide definition of pay and, on current reporting, is expected to draw on the ERGANI system, which already holds employer-submitted salary data.

Practical adjustments for your organisation

- Build a gender-neutral job evaluation framework and define your categories of workers performing equal work or work of equal value. The European Commission and EIGE toolkit provides a tested method.
- Run a pay gap analysis on 2026 data now. Employers with 150 or more employees face a first report due 7 June 2027 covering the 2026 calendar year.
- Change recruitment practice: give candidates initial pay information before interview, remove salary history questions, and make job adverts and titles gender neutral.
- Document objective, gender-neutral criteria for pay setting and progression, and make them accessible to staff.
- Create a process to answer employee requests for pay information within two months, with a named owner.
- Remove pay secrecy clauses from contracts, offer letters and handbooks.
- Audit the accuracy of your ERGANI submissions, since that data set is likely to form the baseline for any assessment.

- Engage worker representatives early. Joint pay assessment is collaborative by design, and a first conversation held under enforcement pressure is a poor one.

The practical test is simple. For every pay gap of 5 percent or more between men and women doing equal work, can you explain it on objective, gender-neutral grounds, with evidence? Where you can, document it. Where you cannot, remediate it before someone else asks.

Status note

At the time of writing, the Cyprus transposing law had not been confirmed as adopted by the House of Representatives, and parliamentary adoption remained anticipated during 2026. Readers should verify the current position with the Department of Labour Relations or the Official Gazette. This summary is general information and not legal advice.

References

Directive (EU) 2023/970 on pay transparency, EUR-Lex: https://eur-lex.europa.eu/eli/dir/2023/970/oj/eng

Law 177(I)/2002 on Equal Pay between Men and Women, as amended by Laws 193(I)/2004, 38(I)/2009 and 151(I)/2014. Consolidated text available via CyLaw.

Cyprus draft transposing bill, public consultation, Department of Labour Relations: https://e-consultation.gov.cy

European Commission and EIGE toolkit on gender neutral job evaluation and classification: https://eige.europa.eu/gender-mainstreaming/toolkits/gender-neutral-job-evaluation

Member state transposition tracker, Pinsent Masons Out-Law: https://www.pinsentmasons.com/out-law/guides/eu-pay-transparency-directive-eu-member-states