CONSTITUTION

OF

THE CYPRUS INVESTMENT FUNDS ASSOCIATION

June 2013
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CONSTITUTION OF THE

“CYPRUS INVESTMENT FUNDS ASSOCIATION”

Article 1: Name and Seat

An Association is established with the name “CYPRUS INVESTMENT FUNDS ASSOCIATION” (CIFA) having its seat in Nicosia.

Article 2: Objectives

The objectives of the Association are:

2.1. To promote and project Cyprus as an international centre for the management of Investment Funds.

2.2. To represent the sector of Cyprus Investment Funds in foreign countries and international organisations and agencies.

2.3 To provide help and support to its members in monitoring developments in the investment fund management market and to protect the interests of its members.

2.4 To cooperate with the competent Supervisory Authorities and to submit suggestions on the creation of an institutional framework that would be conducive to the promotion and development of the Investment Funds sector in Cyprus.

2.5 To upgrade the professional qualifications, the credibility, professional ethics and quality of services provided by its members.

2.6. To protect investors in the investment funds sector.

2.7. To become member and participate in the activities of the European Fund Assets Management Association (EFAMA).

2.8 To cooperate with Investment Management Organisations or other organisations having similar activities.

2.9. To set up Archives and to systematically monitor developments in the Investment Funds market.

2.10. To cooperate with the competent government services and Supervisory Authorities in the furtherance of its objectives.

Article 3: Ways to achieve the objectives

In order to achieve its objectives, the Association:

3.1 Organises seminars, congresses, educational programmes, lectures, events and publications in the print and electronic media or to any other means in Cyprus and abroad.
3.2. Cooperates with other associations, foundations and organisations having similar objectives in Cyprus and abroad.

3.3. Undertakes legal actions and uses any lawful means which may be deemed to serve its purposes.

3.4. Analyses the economic situation and prepares studies.

3.5. Prepares reports and makes them available to interested parties.

3.6. Works for the creation of the necessary infrastructure

3.7. Publishes, prints and circulates in the written and electronic press bulletins, leaflets, books, journals and magazines related to its activities.

3.8. Secures the necessary resources for its operation through the organisation of events and through contributions, grants, donations and bequests from any person, organisation or the Government in Cyprus and abroad and by any other lawful means.

3.9. Manages properly its property or assets.

3.10. Employs persons for the execution of specific work.

**Article 4: Membership**

The members of the Association are classified into a) Ordinary Members and b) Honorary Members.

4.1. **Ordinary members** may become any corporate bodies or natural persons, provided that they are registered and licenced by the competent Supervisory Authorities in Cyprus to carry out business in the Republic of Cyprus and abroad, irrespective of their legal form.

Indicatively, the organisations and persons having the right to apply to become members of the Association are:

4.1.1. Collective investment management companies and other investment organisations.

4.1.2. Providers of services in the management of collective investments market such as:

   4.1.2.1. banks or credit institutions
   4.1.2.2. investment funds and asset management companies
   4.1.2.3. investment managers
   4.1.2.4. investment consultants
4.1.2.5. other financial sector professionals

4.1.2.6. independent auditors

4.1.2.7. legal advisers

4.1.2.8. other consultants and service providers offering specialized services in the sector of collective investments.

4.2 The Members of the Association which are corporate bodies are registered in the Register for Corporate Bodies. The members of the Association who are natural persons are registered in the Register for Natural Persons.

4.3 Corporate bodies which are Members of the Association have the right to nominate a number of their employees, as specified in Article 15 who, provided that they fulfill the requirements of Article 4.1 and following the submission of an application under Article 5, are registered as Ordinary Members.

4.4. Persons who have made a distinguished contribution to society or can provide outstanding services in the attainment of the objectives of the Association may be designated by the Board as Honorary Members. The decision is taken by a two thirds (2/3) majority of the members of the Board.

4.5 The corporate bodies which are Members of the Association may designate additional employees to those provided for in article 15 for registration under Article 4.3 as Ordinary Members, but in no case shall the number of employees of a corporate body who are registered as Ordinary members be more than twelve (12).

**Article 5: Registration of Members**

5.1. A person who meets the provisions set out in Article 4 and wishes to become a Member of the Association may submit to the Board a written application on a special form which will be provided by the Association. The application must be supported by at least one Member of the Association. Along with the application, the application fee as provided for in Article 15.1 of the present Constitution shall be paid. The registration fee is not refundable in case of rejection of the application.

5.2. The Board is required to consider the applicant's request at its next meeting and decide to approve or reject it. The decision of the Board shall be recorded in the minute book and communicated to the applicant.

5.3 A person whose application was rejected may appeal by submitting a written application to the immediately next General Meeting of the Members of the Association. The decision of the General Meeting is final.
Article 6: Obligations of Members

6.1 All Members shall make every effort to promote the aims of the Association in the framework of legitimacy.

6.2 Members shall pay the registration fees and/or annual subscription, which may be fixed by the Board and approved by the immediately next General Meeting.

Article 7: Rights of Members

7.1 Ordinary Members have the right to elect and be elected in the elections for the Members of the Board, provided they attend the meeting in person. Honorary members do not have such a right.

7.2 An Honorary Member may attend meetings of the Board or General Meetings upon invitation, but without voting rights.

7.3 Any Member may submit a written resignation, or request to be struck off the register of members.

7.4 Striking off a Member from the register shall be permitted only in cases provided for in Article 8 of the Constitution.

7.5 Membership is not open to representation and is not transferable or inheritable.

Article 8: Striking off Members

8.1 The Board has the right to strike off the register any Member who has manifestly conflicted by word or deed with the objectives of the Association. The decision must be taken by at least a two-third (2/3) majority vote of the Members of the Board and ratified by the General Meeting.

8.2 A Member is struck off the register when the Member refuses or omits or fails to pay the annual subscription.

8.3 The member is struck off upon his written request to the Board.

Article 9: Representation of the Association

9.1 The Association is represented out of court or before any Judicial, Administrative or other Governmental or other Authority by the President of the Board, or when he is unable to do this, by the Vice President, and if he too is unable, by the Secretary.

9.2 Without prejudice to subsection 9.1 above, in special cases where specialized knowledge is required, the Board may appoint for that purpose any of its Members and/or any Member of the Association or other person.
**Article 10: Administrative Organs**

The Administrative of the Association are:

10.1 The General Meeting

10.2 The Board

**Article 11: Board**

11.1 The Board of the Association shall consist of thirteen (13) members elected by the Electoral General Meeting.

11.2 The composition of the Board shall be made in such a way that:

11.2.1 Employees of the same corporate body Member of the Association shall not have more than one place on the Board.

11.2.2 No more than three Members of the Board may come from each of the following categories:

- Banks or credit institutions
- Investment Fund Managers and Investment Consultants
- Providers of Administrative Services for Investment Funds
- Practicing Auditors
- Practicing Lawyers

11.3 The members of the Board within seven days of their election shall meet and elect among themselves the President, Vice President, Secretary, Treasurer and other officials. The Board may establish committees to assist its work in specialized areas, which may include non-Board members.

11.4 The term of the Board is three years.

**Article 12: Powers, Duties, Election, Mode of Operation and Termination of Board Members**

12.1 The Board shall have the following powers / competences / duties:

12.1.1 Handles matters concerning the Association, its assets, manages its work and generally ensures the achievement of its objectives.

12.1.2 Ensures that the provisions and stipulations of the Constitution of the Association are applied.
12.2 Ordinary and Extraordinary Meetings

The Board meets at regular intervals and extraordinarily when invited by the Secretary following a decision of the President or when requested in writing by more than half of the members of the Board, stating the reason or reasons for the request.

12.3 Quorum in the Board

There shall be a quorum in the Board when a majority of members is present.

12.4 Decision-Making by the Board

The decisions are taken by majority vote. In case of a tie, the President has a casting vote or, in the absence of the President, the Vice President, or if he too is absent, the person presiding over the Board has a casting vote.

12.5 Vacant position in the Board

12.5.1 The Board shall declare vacant the post of any member who has resigned or has been absent without a serious reason from three (3) consecutive meetings or is terminated as provided for in Article 12.7, and appoints in his place the first runner-up from the last election of the Board.

12.5.2 If the runner-up refuses, the next one is appointed etc. If there is no runner-up, the Board may appoint any member of the Association, whose term will expire at the end of the term of the Board.

12.6 Commitments of the Association

Unless otherwise provided in the present constitution, the Association is generally bound by the signatures of the President and the Secretary, when they sign together.

12.7 Termination of Board members

12.7.1 The Board may request the termination or terminate any of its members, if the said member:

12.7.1.1 behaves in a way which is not line with the purposes of the Association as set out in this Constitution, and / or

12.7.1.2 has committed any offense that would tend to offend the Association, its members, or is per se impermissible behavior.

12.7.2 It is understood that a decision to terminate a Member for any of the above-mentioned reasons shall be taken by more than two-thirds of the Board Members, with the exception of the Member who is under termination.

12.7.3 It also understood that if any Member of the Board is terminated in accordance with Article 12.7.1, he may seek the annulment of the decision at an
Extraordinary General Meeting, which the Board is obliged to convene if requested in writing by the said Member.

12.7.4 The right to seek annulment may be exercised by the member within two weeks from the day the decision of the Board was communicated to him in writing.

**Article 13: General Meetings**

**13.1 Annual General Meeting**

13.1.1. The General Meeting meets once a year at such time and place determined by the Board, and is chaired by the President of the Board.

13.1.2. The convening of the General Meeting shall be notified at least thirty (30) days in advance with an individual invitation to the members of the Association sent electronically or by mail.

13.1.3. The invitation shall indicate the date, time, place and the agenda items of the General Meeting.

13.1.4 The agenda items of the General Meeting are as follows:


13.1.4.2. Information on the cash position of the Association.

13.1.4.3. Adoption of the audited accounts and the report of the External Auditor.

13.1.4.4. Appointment of External Auditor each year.

13.1.4.5. Miscellaneous.

**13.2. Electoral General Meeting:**

13.2.1. The Electoral General Meeting which is held every three years elects the thirteen (13) members of the Board.

13.2.2. For the carrying out of the work of the Electoral General Meeting Members present shall elect:

13.2.2.1. A Presiding Committee made up of three (3) members, one of whom presides over the Meeting.

13.2.2.2. A Returning Committee made up of a President and two (2) Members to oversee the elections.

13.2.2.3. The election of thirteen (13) members of the Board shall be by secret ballot. Each voter shall vote for 8-13 candidates.

13.2.2.4. Subject to the provisions of Article 11, the thirteen (13) members of the Board shall be elected among the members of the Association who are nominated by other members of the Association or submit their candidacy themselves.
Candidacies for election to the Board must be made in writing at least 7 days before the date of the Election Meeting.

13.3. Extraordinary General Meetings:

13.3.1. All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings. These shall be convened when the Board deems it necessary, or when requested by more than one third (1/3) of the members of the Association by a signed letter, for a specific purpose set forth clearly in the request.

13.3.2. The letter shall be addressed to the Board and shall clearly mention the topics that the persons requesting the Extraordinary Meeting want to come up for discussion.

13.3.3. Extra-ordinary General Meetings shall also be called by the Board, if a request is made by any terminated member of the Board, according to Article 12.7 of the Constitution.

13.4. Quorum in General Meetings:

13.4.1. The General Meeting shall be in quorum when more than half the number of Members entitled to vote is present.

13.4.2. If there is no quorum, the Meeting shall stand adjourned for 30 minutes, when all the Members present constitute a quorum. All the Members who have settled their subscriptions before the start of the General Meeting shall be entitled to vote. Corporate bodies Members of the Association are represented by their employees who are registered as Ordinary Members. Corporate bodies which do not have employees registered as Ordinary Members shall designate in writing to the Board the person who will represent them. The relevant representation document shall be submitted to the Board before the General Meeting.

13.5. Decisions of General Meetings

13.5.1 The decisions of General Meetings are taken by majority vote, unless otherwise provided for in the Constitution.

13.5.2 A decision of the General Meeting on a subject not mentioned in the notice shall be valid, if the matter is inscribed in Miscellaneous at the beginning of the General Meeting, and before the report on the activities of the Board is presented.

Article 14: Powers, Duties and Responsibilities of Board Members

14.1. President:

14.1.1 Chairs the meetings of the Board.

14.1.2 Together with the Secretary signs all outgoing documents of the Association.
14.1.3 Convenes a meeting of the Board by a written invitation that sets the day hour, location and items on the agenda.

14.1.4 Convenes a meeting of the Board when at least four (4) of its Members request this in writing.

14.1.5 Together with the Secretary represents the Association in its relations with third parties.

14.1.6 Authorizes the Treasurer of the Association to make payments approved by the Board on the basis of receipts.

14.1.7 Gives an account to the General Meeting, and

14.1.8 Has a casting vote in case of a tie at the meetings of the Board.

14.2 **Vice-President:**

14.2.1 Assists the President in his duties as listed in the Constitution.

14.2.2 Acts for the President in his absence.

14.3 **Secretary:**

14.3.1 Acts for the President and the Vice President when they are absent.

14.3.2 Keeps the minutes of meetings of the Board.

14.3.3 Is responsible for conducting the correspondence of the Association.

14.3.4 Together with the President signs all outgoing documents and correspondence of the Association and keeps a record of all incoming and outgoing documents of the Association.

14.3.5 Maintains the register of members which he updates unfailingly.

14.3.6 Is responsible for keeping records of the minutes of Board meetings, the Certificate of Registration and generally the records of the Association.

14.3.7 Together with the President, represents the Association in its relations with third parties.

14.3.8 Is responsible for the safekeeping of the seal of the Association with which stamps all outgoing documents and letters.

14.4 **Treasurer**

14.4.1 The Treasurer ensures the maintenance of proper accounting records in respect of all money received and expended by the Association and the matters in respect of which receipts and payments are made.
14.4.2 Makes all payments authorized by the Board in respect of which he has the approval of the President and keeps all relevant receipts in a special file.

14.4.3 Keeps the book of the Association’s assets.

14.4.4 Is personally responsible for the money of the Association, as well as any other documents, or title deeds of movable and immovable property of the Association.

14.4.5 Upon the decision of the Board opens an account or accounts in the name of the Association in banks and / or other financial institutions.

14.4.6 Signs together with the President and / or Vice President and / or Secretary, and / or any member of the Board, as the Board may determine from time to time, the cheques issued and the payments relating to the obligations of the Association.

14.4.7 Is required to deposit immediately in bank / or other credit institution, any amount over eighty five euros (€ 85) in his possession.

14.4.8 Provides information to the Board on the financial situation of the Association whenever requested or upon his resignation or to the General Meeting or whenever the General Meeting requests such information.

14.4.9 Gives accurate account of all receipts and payments made by him, of the remainder of the money in his possession and of any other property of the Association entrusted to him since the day of his appointment.

14.4.10 Gives the relevant books he keeps to the external auditor of the Association at the end of each year for audit and also when the General Assembly or the Board so decides.

**Article 15: Resources of the Association**

The Association’s resources may come from:

15.1 The registration fee which is fixed as follows:

15.1.1. For natural persons or corporate bodies employing 1-10 persons: € 200.

15.1.2. For corporate bodies employing 11-50 persons: € 400.

15.1.3. For corporate bodies employing 51 - 100 persons: €800.

15.1.4 For corporate bodies employing more than 100 persons €1000

15.2 The annual subscription which is fixed as follows:

15.2.1 For natural persons or corporate bodies employing 1-10 persons: € 200.

15.2.2 For corporate bodies employing 11-50 persons: € 400.

15.2.3 For corporate bodies employing between 51 and 100 persons: € 800.
15.2.4. For corporate bodies employing more than 100 persons: €1000.

15.3 Corporate bodies have the right to nominate their employees for registration as Ordinary Members under Article 4.3, without paying an additional registration fee or additional annual subscription as follows:

15.3.1 Corporate bodies employing 1-10 persons: 1 employee

15.3.2 Corporate bodies employing 11-50 persons: 2 employees

15.3.3 Corporate bodies employing 51-100 persons: 4 employees

15.3.4 Corporate bodies employing more than 100 persons: 5 employees.

15.4 Subject to the provisions of Article 4.5, corporate bodies may nominate for registration as Ordinary Members additional employees to those referred to in Article 15.3. For each additional employee a registration fee of €200 and an annual subscription of €200 in addition to the amounts mentioned in Articles 15.1 and 15.2. shall be paid.

The amounts listed in paragraphs 15.1, 15.2. and 15.4 may be revised by the Board and approved by the next Annual General Assembly.

15.5 Donations, contributions, grants, bequests and income from various events and activities or from members.

15.6 Any other income that accrues to the Association in a lawful manner, but not from activities relating to dealings in land or exploitation of real estate or other speculative activities.

**Article 16: Use of the Association’s Funds**

16.1. The funds of the Association may be used only for the objectives of the Association.

16.2. The funds of the Association may be invested anywhere following a decision taken by a majority of the total number of Members and their yield shall be available every year for the objectives of the Association.

16.3. Any remaining funds shall be deposited by a Board decision in a Commercial Bank or other Credit Institution, for use in subsequent years.

**Article 17: Inspection of Books**

Two or more members of the Association may, upon request to the President of the Board, examine the books and the accounts of the Association, on a mutually acceptable date.
**Article 18: External Auditor**

The External Auditor who I appointed under Article 13.1.4.4. audits the relevant books of the Association and prepares receipts and payment accounts as well as the balance sheet at the end of the year and when he is so requested by the Board for any shorter period.

**Article 19: Bylaws and Operating Procedures**

The Board by resolution may adopt Bylaws and Operating Procedures relating to the various activities of the Association, the operation of working groups, the Evaluation Criteria for financial aid etc.

**Article 20: Emblem / Seal of the Association**

The Emblem / Seal of the Association shall be determined in Annex "A" of the present Constitution.

**Article 21: Amendment of Constitution**

21.1 The Constitution may be amended or replaced by decision of a Constitutive General Meeting, which requires the presence of more than half of the members of the Association who have paid their contributions, by a majority vote of three fourths (3/4) of the members present.

21.2 In case less than half the Members of the Association is present, the Meeting stands adjourned for 7 days.

21.3 In the event that there is no quorum at the adjourned Constituent General Meeting, as mentioned in Article 21.2, the Meeting is adjourned for half an hour, when the Members present form a quorum.

**Article 22: Dissolution of the Association and Disposal of its Property**

22.1 The Association is dissolved in accordance with the provisions of section 24 of the Associations and Institutions Law N.57/72 and its liquidation is done as provided for by Article 25 of the Law.

22.2 Once all obligations of the Association are paid, the remainder of its property is transferred to a charitable organisation.
ANNEX “A”

“The emblem/seal of the Association shall be attached as adopted.”