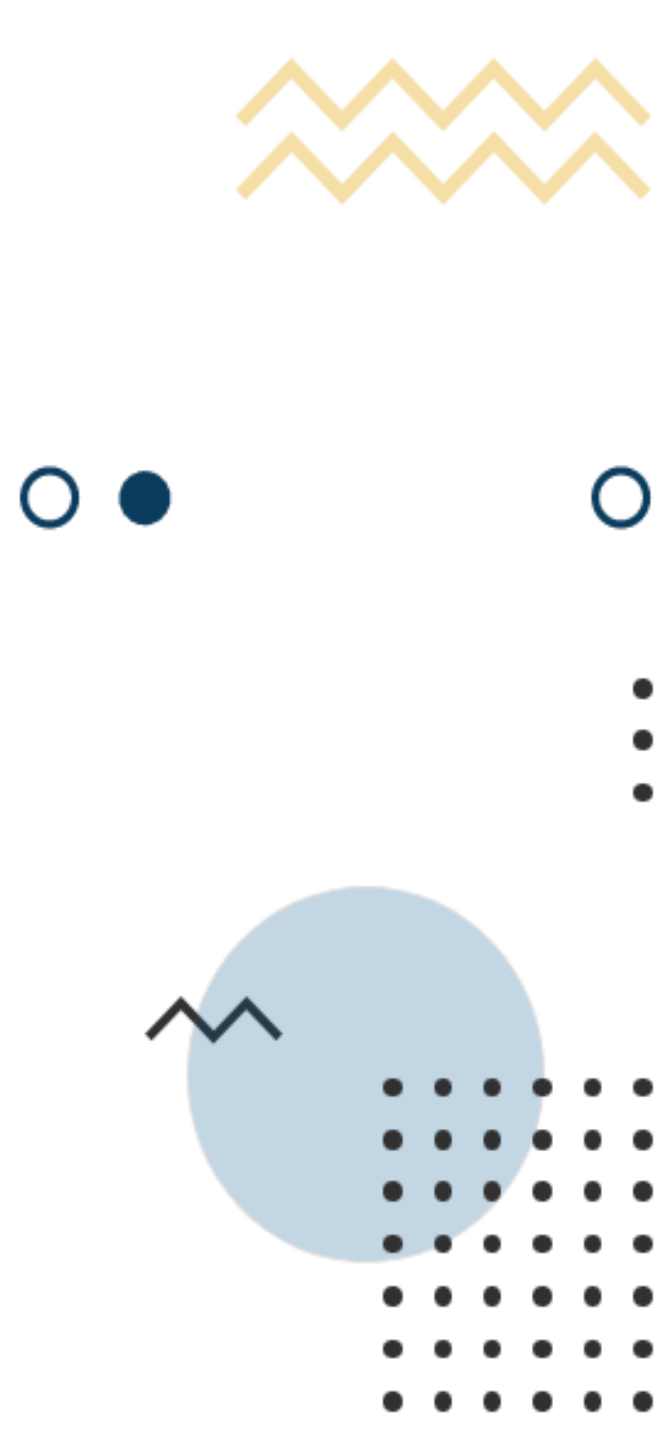




The Cyprus Funds Industry

An emerging Investment Funds
& Asset Management
jurisdiction

By: The Cyprus Investment Funds Association (CIFA) –
Training Committee

Industry Awareness campaign

Agenda



1

Introductions & Purpose of this presentation

2

Useful definitions

3

The Cyprus Funds industry - Recent evolution

4

Growth Reasons and Key Benefits

5

Ecosystem

6

Investment Funds Industry outlook

Introduction to CIFA

The Cyprus Investment Funds Association - CIFA was established in 2013.

Purpose and aspiration to become the collective voice and the reference point for all professionals and legal entities, offering services engaged in the Investment Funds industry in Cyprus.

Mission



Be engaged in related regulatory aspects



Provide support to our members



Encourage maintenance of industry Standards and professionalism



Promote the Cyprus investment fund industry

Purpose of the Presentation

Who we are

Members of CIFA &
Representatives of its
technical 'Training
Committee'

Our purpose

Amongst other things, our
purpose as CIFA's Training
Committee is to spread
awareness of the industry to
the general public and
especially future
professionals like
yourselves.

Presentation content

- Useful definitions
- Investment funds industry
outlook and evolution
- Key benefits – Cyprus
- Investment funds industry
ecosystem
- Career opportunities &
profiles of industry
professionals

Useful definitions

What is a Fund ?

A Collective investment scheme (CIS) whereby multiple investors invest money alongside to benefit from the inherent advantages of working as part of a group such as reducing the risks of investment by a significant percentage etc. Essentially, this means that a CIS is a vehicle in which profits or losses are shared through collective investment between the participants/investors.

Returns

Investments

Investors

What is an Investor ?

An investor is any person or entity who commits capital with the expectation of receiving financial returns.

Fund Manager

What is a Fund Manager ?

A fund manager is responsible for implementing a fund's investment strategy and managing its portfolio trading activities.



Regulatory bodies & Other industry stakeholders



1

The Cyprus Securities & Exchange Commission

2

The Central Bank of Cyprus

3

The Ministry of Finance

4

Invest Cyprus

5

Investors

6

Custodians/Credit Institutions

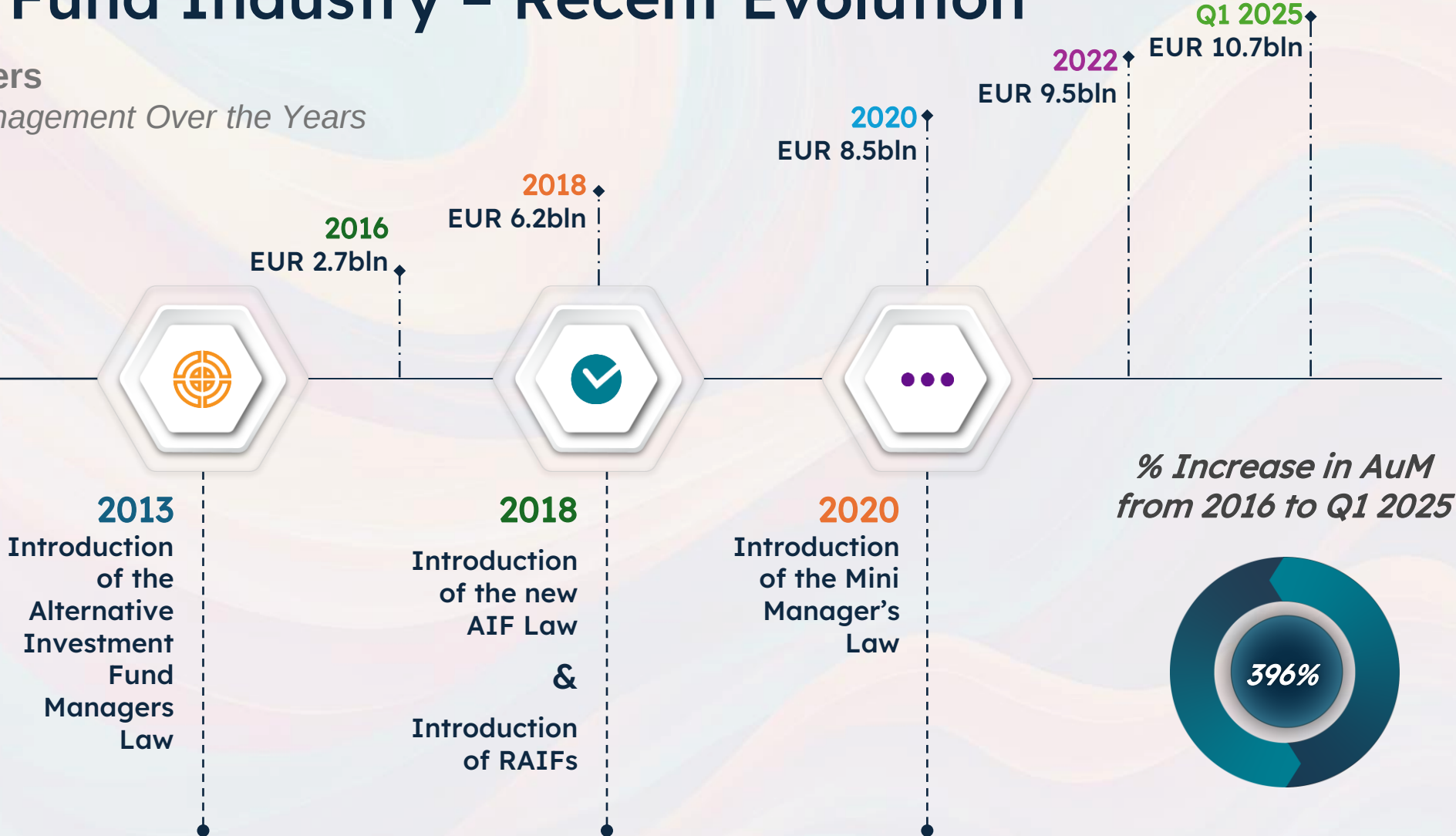
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Other service providers

The Cyprus Fund Industry – Recent Evolution

The growth in numbers
Total Assets Under Management Over the Years

Key Milestones



Key Growth Drivers
for the Cyprus Fund
Industry



EU & International Law
Compliant Jurisdiction



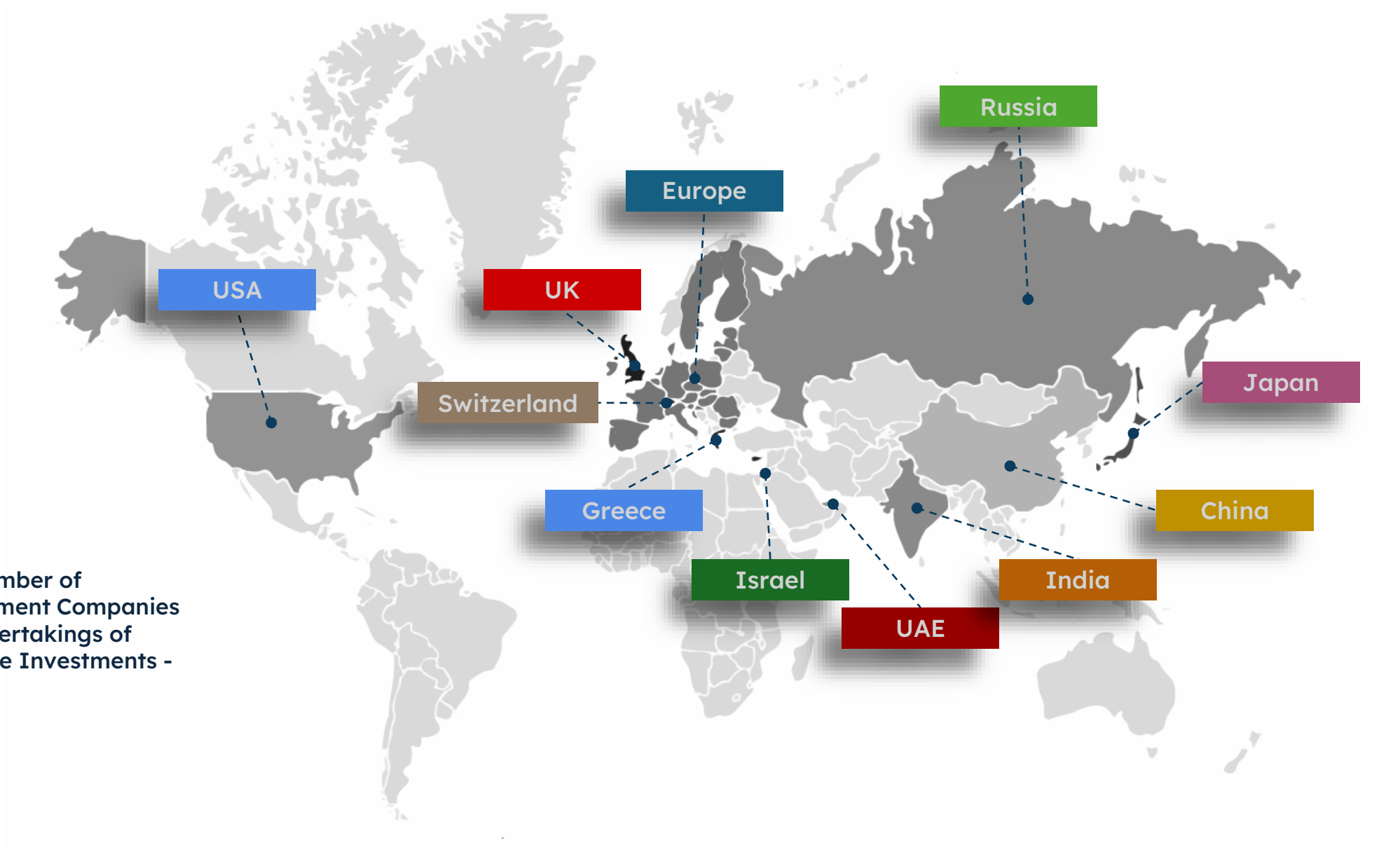
Less expensive compared to
other EU fund jurisdictions
(e.g. Luxembourg, Ireland)



Excellent Regulatory
Structure & Business
Friendly Environment

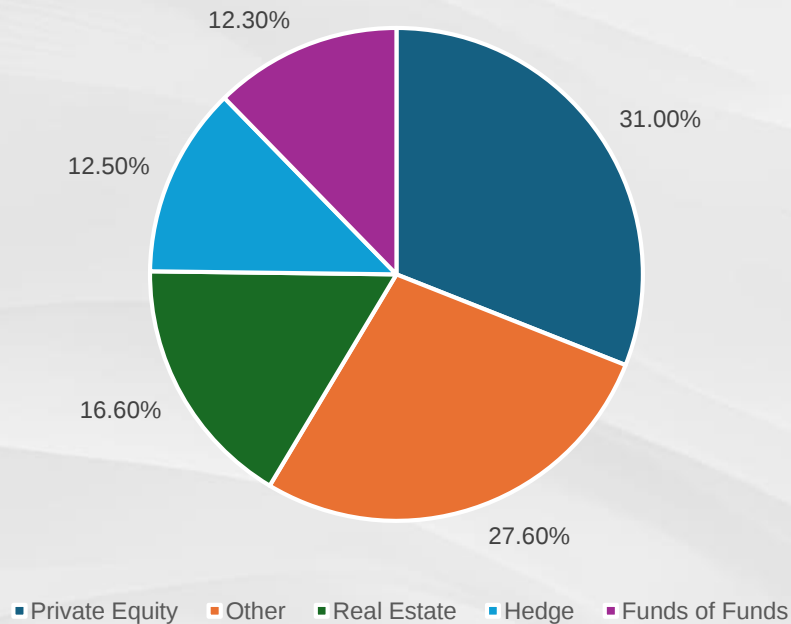
Industry outlook/demographics (1 of 2)

Total number of
Management Companies
and Undertakings of
Collective Investments -
322

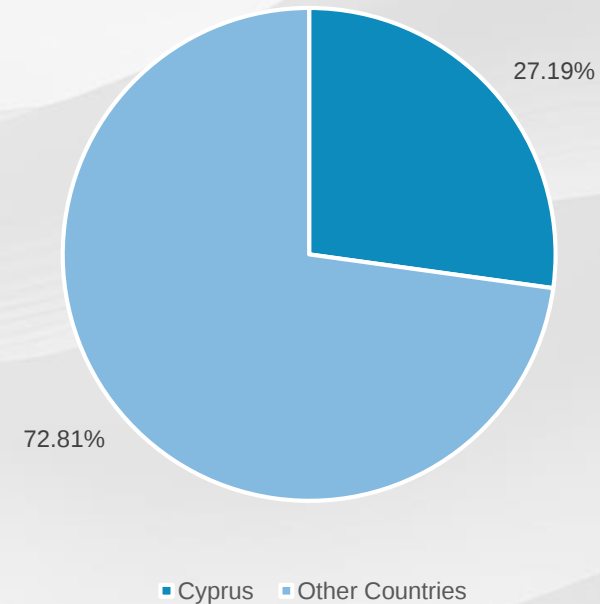


Industry outlook/demographics (2 of 2)

AuM - Investment Strategy Allocation



AuM - Invested in Cyprus & Abroad



Source: Cyprus Securities and Exchange Commission - Management Companies and Undertakings of Collective Investments - Sector Quarterly Statistics Q1 2025

Growth Reasons / Key Benefits

New Investment Opportunities

- Access to high-growth markets (EU, Middle East etc.)
- EU passporting rights
- Collective investments & reduced concentration risk

Transparency & Protection

- Well-regulated structures/internal control functions
- Frequent reporting to investors and competent authorities
- Multiple layers of watchdogs (Auditor, Administrator, Depository)

Skilled Local Work-Force

- Qualified accountants, lawyers, compliance, risk, AML officers, investment analysts
- Vast pool of local service providers to support operations

Low Set-Up & Maintenance Cost

Low Set-up & Maintenance Cost

- Easy and cost efficient to set up and maintain by comparison to other fund jurisdictions

Flexibility & Asset Handling

- Variety of structuring options
- Any asset class can be included in the investment strategy
- Segregation of assets between different compartments (ring-fenced)

Favourable Tax System

- Corporate Income Tax 12,5%, Withholding 0% on dividends
- No capital gains tax for alternatives (equities, real estate, venture capital etc.)
- Flat 8% rate on carried interest
- Double tax treaties (60+) & Great relocation tax benefits

Growth Reasons/Key Benefits

Counterparties involved / Career opportunities / Profiles of professionals involved (1 of 3)

Fund Manager

- **Key Responsibilities:**
 - Day to day front office operations
 - Investment decision-making
 - Portfolio Management
 - Risk assessment and mitigation
- **Background:** Degree in Finance, Economics, or Business Administration
- **Qualifications:** CFA, MBA

Fund Administrator

- **Key Responsibilities:**
 - Day-to-day back and middle office operations
 - Financial accounting and reporting (incl. regulatory reporting)
 - Computation of the Fund's Net Asset Value
 - Facilitation of investors' transactions
 - Bank and brokers' reconciliations
- **Background:** Degree in Accounting, Finance, Business Administration
- **Qualifications:** ACA, ACCA, AAT, CISI Fund Administration Certificate, CAIA

Legal Advisor

- **Key Responsibilities:**
 - Legal counsel
 - Regulatory compliance
 - Legal risk mitigation
 - Dispute resolution
- **Background:** Law degree
- **Qualifications:** Cyprus Bar Association, specialised courses in financial law

Counterparties involved / Career opportunities / Profiles of professionals involved (2 of 3)

Depository/Custodian

- **Key Responsibilities:**
 - Safe-keeping of assets
 - Cash-flow monitoring
 - Verification of ownership
 - Oversight
 - Transaction facilitation
 - Custody services
 - Corporate actions' execution
 - Lending
- **Background:** Degree in finance, banking, economics, business administration or related field
- **Qualifications:** CISI Investment Advice Diploma, Global Securities, CFA, MBA or specialised banking certifications

Tax Advisor

- **Key Responsibilities:**
 - Tax structuring
 - Registration to tax authorities
 - Tax advisory
 - Tax compliance
- **Background:** Degree in Accounting, Finance, Economics, or related subjects
- **Qualifications:** Member of ICPAC, ACA, ACCA, CIMA, CIA, ADIT

Auditor

- **Key Responsibilities:**
 - Financial examination
 - Regulatory compliance
 - Internal control assessment
 - Assurance provision
- **Background:** Degree in accounting, finance or related field
- **Qualifications:** Member of ICPAC, ACA, ACCA, CIMA, CIA

Counterparties involved / Career opportunities / Profiles of professionals involved (3 of 3)

Risk Manager

- **Key Responsibilities:**
 - Risk identification, assessment and mitigation
 - Risk assessment and management strategies
- **Background:** Degree in Mathematics, Statistics, Finance, or related fields
- **Qualifications:** FRM, PRM, IRM

Investment Analyst

- **Key Responsibilities:**
 - Investment research and analysis
 - Market trend analysis
 - Supporting fund manager
 - Tax planning and structuring
 - Regulatory compliance
- **Background:** Degree in Finance, Economics, or related fields
- **Qualifications:** Member of CFA, CAIA

CIFA Demographics

-Degree Level

- 78% of the survey participants have a postgraduate degree

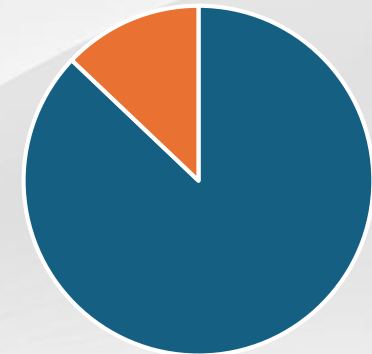
-Most common Professional Qualifications

- CySEC - Investments (advanced or basic)
- ACA/ACCA/ICAEW/Qualified Accountant
- CySEC - AML/Compliance
- CISI

Most common Capacity / Role

- Portfolio Manager
- AML/Compliance Officer
- Accountant
- Marketing Officer/ Relationship Manager
- Administrator/Officer
- Legal Advisor/Lawyer

Office Location



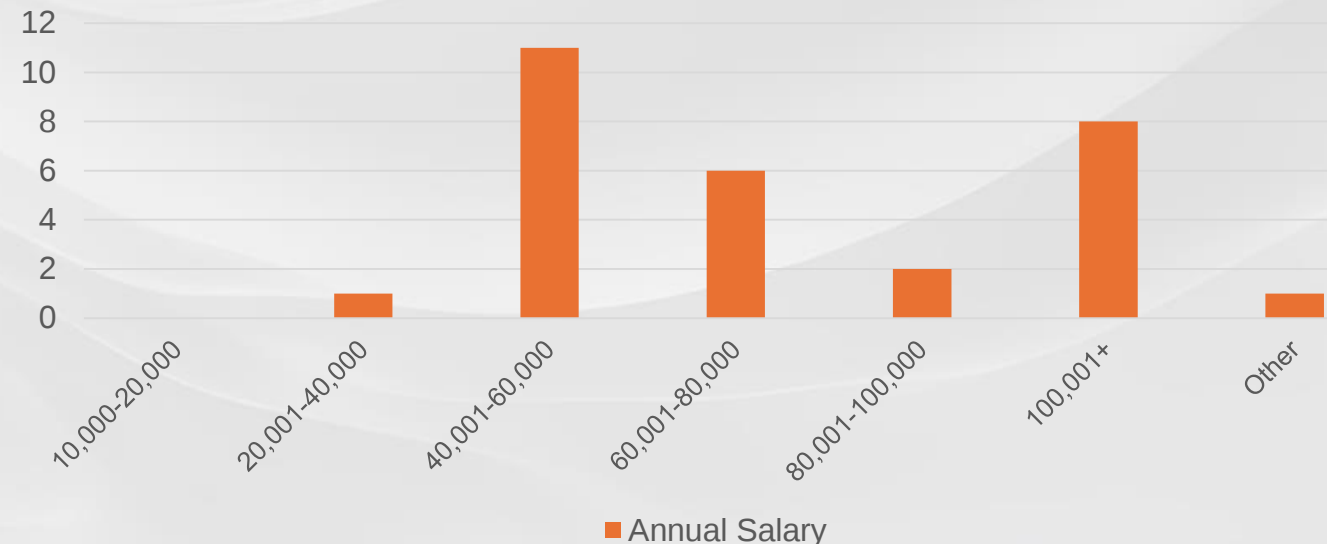
■ Nicosia ■ Limassol

Years of Industry Experience



■ 1-5 ■ 6-10 ■ 11-15 ■ 16-20 ■ 21+

Annual Salary Range in EUR



Future challenges

Ongoing Regulatory compliance



Economical & geo-political developments



Technological
(AI – disruptive tech.)



Regulatory & Tax Reforms



Q & A



Useful links

- The Cyprus Investment Funds Association (CIFA) website:

<https://www.cifacyprus.org/en/home>

- CySEC's Investments Industry Quiz – How much do you really know about investing? Test your knowledge by taking CySEC's online quiz:

<https://www.cysec.gov.cy/CMSPages/GetFile.aspx?guid=09c46632-c196-4071-b227-3eff2e47c559>

- CySEC's Smart Investor Booklet:

<https://www.cysec.gov.cy/CMSPages/GetFile.aspx?guid=9c8561c2-95d7-46d7-ae92-f1f1caad226e>

- CySEC's Quarterly Statistical Reports:

<https://www.cysec.gov.cy/en-GB/public-info/statistical-publications/quarterly-statistical-report/>



Thank you

ΤΡΑΝΚ ΛΟΝ