



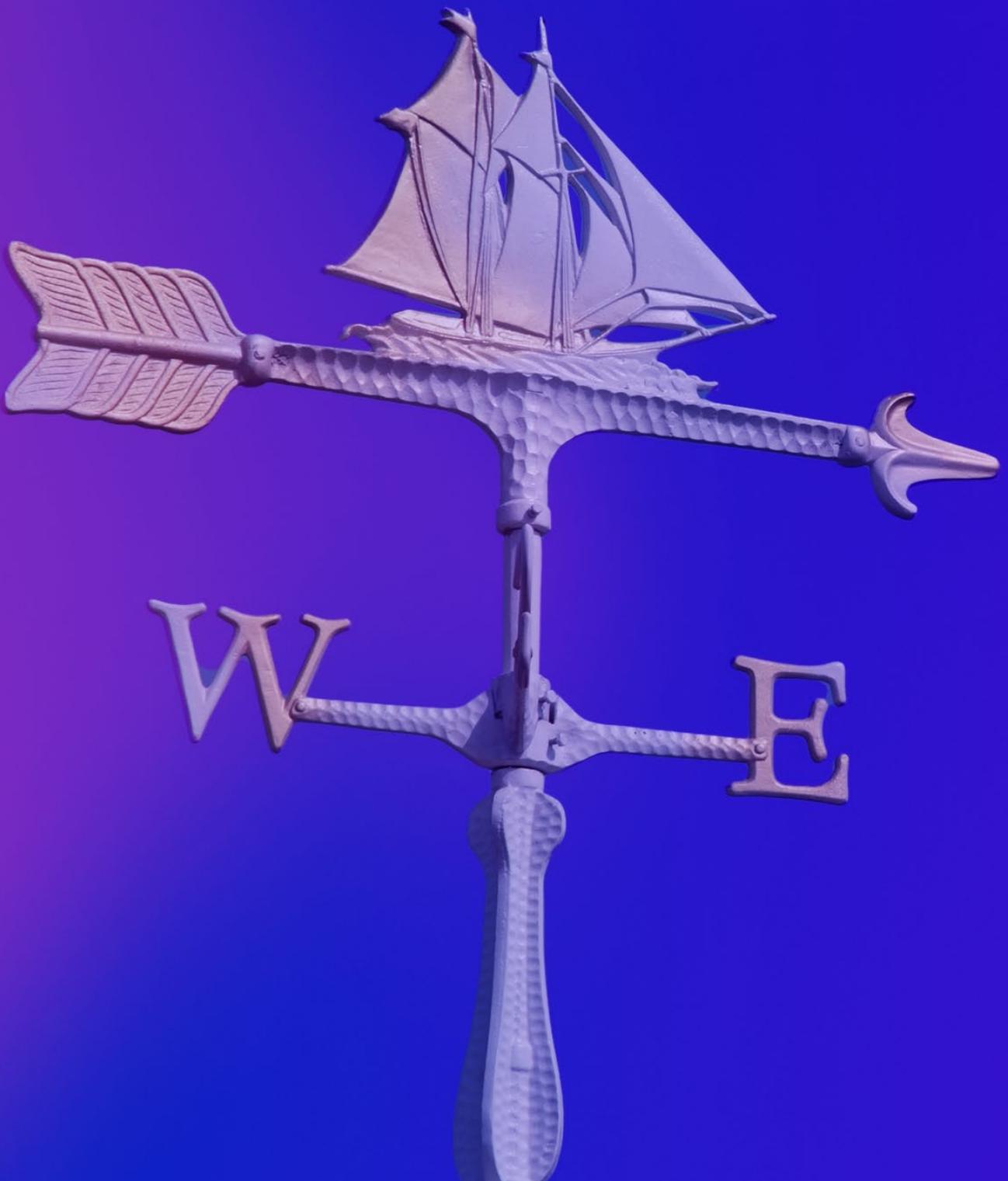
# A guide to UCITS funds in Cyprus

Fund Services

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# Introduction

Undertakings for Collective Investment in Transferable Securities (“UCITS”) are collective investment schemes, principally designed for retail investors, established and authorised under the harmonised European Union (“EU”) framework.

The main objective of the European UCITS framework has been to create a single European market for retail investment funds and to facilitate cross-border investment fund offers for retail investors. At the same time it seeks to establish a defined level of investor protection through strict investment limits, as well as capital, organisational and disclosure requirements. These objectives were introduced by the UCITS I Directive 85/611/EC adopted on 20 December 1985, which has been further amended by a number of subsequent EU Directives aiming in continuously improving the product. The latest recast, known as the UCITS V Directive, came into force on 17/09/2014 to supplement Directive 2009/65/EC (known as UCITS IV) for the purposes of addressing discrepancies between national provisions regarding the duties and liabilities of the depositary, remuneration policy and sanctions.

As a result of such continuous developments, UCITS can be marketed and sold to the public within the EU on a passporting basis, based on its authorisation in one EU Member State. Furthermore, the UCITS brand has become recognised as a stable and well regulated product outside the EU which explains the continuous growth of UCITS distribution in Asia, Middle East and Latin America.

## A UCITS is an undertaking:

- the sole object of which is the collective investment of capital raised from the public in transferable securities and/or other liquid financial instruments, as such are referred to in the UCI Law;
- which operates on the principle of risk spreading; and
- the units/shares of which are, at the request of the investor, redeemed or repurchased, directly or indirectly, out of this undertaking's assets.

## A UCITS is not:

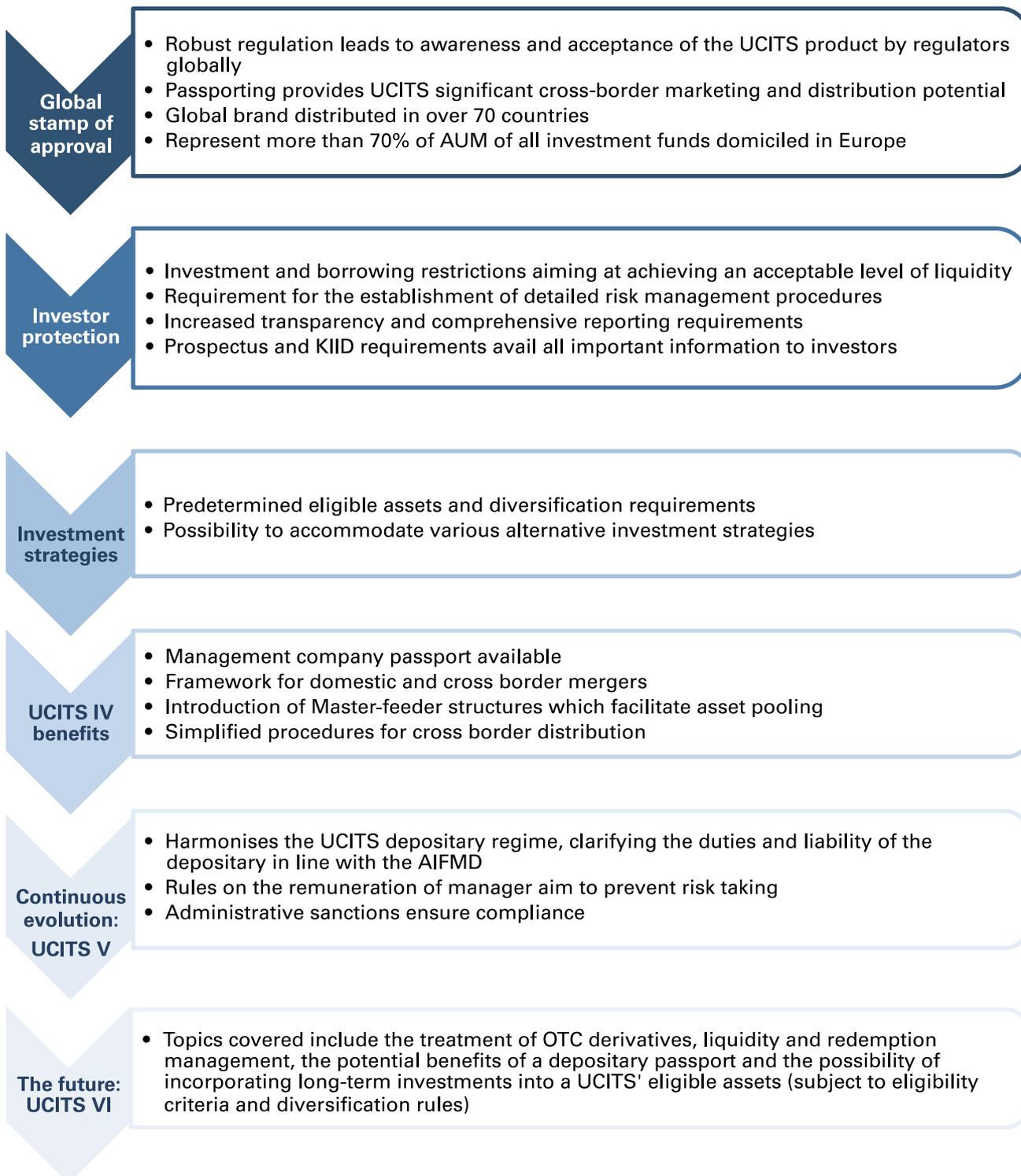
- a closed-ended undertaking for collective investment;
- an undertaking for collective investment which raises capital without promoting the sale of its units/shares to the public within the EU or any part of it;
- an undertaking for collective investment the units/shares of which, under the terms of their constitutional documents, may be sold only to the public in third countries; or
- an undertaking for collective investment whose investment and borrowing policies do not comply with the conditions set in Chapter VII and article 83 of Directive 2009/65/EC.

A UCITS can not be converted to a non-UCITS.



## Why UCITS?

UCITS are considered a safe and transparent investment product due to their liquidity, transparency, risk management and high degree of regulation, which collectively offer increased levels of investor protection and oversight. While being addressed to retail investors, most UCITS are in fact targeted at institutional investors who recognise the brand as representing one of the highest standards in the asset management industry.

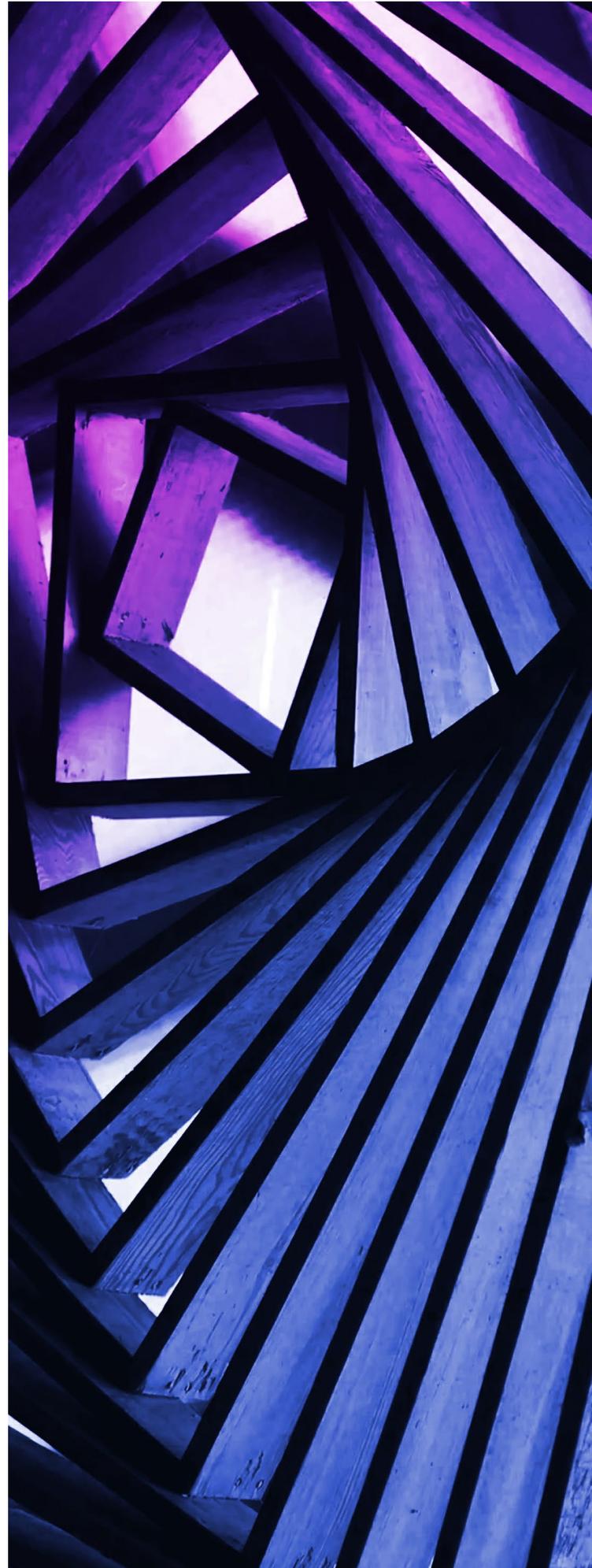


## Why Cyprus for UCITS?

Cyprus is an attractive UCITS jurisdiction with its clear and prudent process for authorisation and supervision, cost effective fee structure, high calibre service providers and efficient tax framework.

### Cyprus – an attractive solution for the establishment and operation of UCITS:

- Attractive tax environment with one of the lowest corporate income tax rates in the EU and Eurozone at 12,5%, while fully complying with the EU Directives and OECD requirements. Further, Cyprus offers full exemption from tax on gains from trading in securities
- An extensive network of double tax treaties, giving significant possibilities for international tax planning through the island
- Rigorous anti-money laundering regulations complying with EU Directives
- Modern and transparent legal system based on Common Law
- Significant number of multinational companies and international banking units, further enforcing the productive and positive nature of the national economy
- Multilingual and highly educated workforce possessing international professional qualifications
- Highly skilled service providers specialised in servicing the fund industry, offering a wide range of customised services in fund and acquisition structuring, fund administration, custody and audit services
- Highly competitive professional services fees compared to other European jurisdictions, without compromising the level of quality of the service provided. A UCITS applying for authorisation in Cyprus will have the possibility to submit all required documentation as well as subsequent reports and documents only in English, reducing even more the costs of authorisation and marketing
- Strategically located in the eastern Mediterranean sea in the middle of three continents – namely Asia, Europe and Africa – and offering a gateway to the Middle East, providing access to investors in wealthy regions for effective capital raising possibilities.



# UCITS investment policies

In an effort to offer adequate safeguards to investors, UCITS are subject to specific investment restrictions – relating both to the types of investments and the relevant level of exposure. Despite these restrictions, UCITS may accommodate an admittedly broad spectrum of investment strategies.

## Eligible Assets

UCITS are in summary permitted to invest in:

- **Transferable Securities (“TS”) and Money Market Instruments (“MMI”)** which are either admitted to official listing on a stock exchange in an EU or non-EU Member State or which are dealt in on another regulated market which operates regularly and is recognised and open to the public
- **Recently issued TS** which will be admitted to official listing on a stock exchange or on another regulated market (as described above) within one year of issue
- **MMI, other than those dealt in on a regulated market** provided that the issue or the issuer is itself regulated for the purpose of protecting investors and savings
- **Units/shares of other UCITS or Undertakings for Collective Investment (“UCI”)** which are subject to prudential regulation and supervision (subject to certain conditions)
- **Deposits with eligible credit institutions** which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months and
- **Financial Derivative Instruments (“FDIs”)** dealt in on a regulated market or over the counter (“OTC”) which meet certain criteria, among which that the underlying of the derivative consists of financial indices, interest rates, foreign exchange rates, or currencies.

Some additional investment characteristics of a UCITS include:

- A UCITS may invest in TS and MMI other than those referred to above ( i.e unlisted TS and MMIs or those not traded on a recognised exchange), but not exceeding more than 10% of its assets
- A UCITS cannot acquire either precious metals or certificates representing them, but is not prohibited from investing in TS or MMI issued by a corporation whose main business is concerned with precious metals. This does not preclude the use of commodity ETFs
- A UCITS may hold ancillary liquid assets (cash)
- A UCITS established as a Variable Capital Investment Company may acquire movable or immovable property which is essential for the direct pursuit of its business.

## Permitted investment Limits

For the purposes of risk spreading and investor protection, UCITS are subject to certain investment limits and restrictions (expressed as a percentage exposure on its assets), as defined in the UCI Law. The UCI Law allows UCITS to derogate from the permitted investment limits for six months following the date of its authorisation.

### I. TS and MMI

- (a) 10/5/40 No more than 10% of its assets in TS and MMI issued by the same body.  
 $(\sum \text{ of all issuer exposures } >5\%) \leq 40\%$   
The aggregate value of TS and MMI in which the UCITS invests more than 5% of its assets in a single body, shall not exceed 40%.  
Such limitation shall not apply to deposits or OTC derivatives transactions made with financial institutions subject to prudential supervision.
- (b) 25/5/80<sup>1</sup> The 10% limit in (a) above increases to 25% where bonds are issued by a credit institution which is established in a Member State and is subject by law to special public supervision designed to protect bond-holders.  
 $(\sum \text{ of exposures to single body } >5\%) \leq 80\%$   
The aggregate value of bonds issued by a single issuer in which the UCITS invests more than 5% of its assets shall not exceed 80%.
- (c) 35<sup>1</sup> The 10% limit in (a) above increases to 35% if the TS or MMI are issued or guaranteed by a Member State, by its local authorities, by a third country or by a public international body to which one or more Member States belong.
- (d) 100/6/30 Under specific authorisation from CySEC, the limit of 35% in (c) above increases to 100% if CySEC considers that unitholders have protection equivalent to that of UCITS unitholders and subject to certain conditions.  
In such a case, the UCITS shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the total assets of the UCITS.

1. These investments are not taken into account for the purpose of applying the 40% limit in the first rule.

### II. Units/Shares of other UCITS or UCIs<sup>1&2</sup>

- (a) 20 No more than 20% of its assets in units of a single UCITS or other UCI (each sub-fund of an underlying umbrella UCITS may be regarded as a separate UCITS in this regard).
- (b) 30 Investments made in UCIs other than UCITS shall not exceed 30% in aggregate.

1. A UCITS may acquire no more than 25% of the units/shares of the underlying UCITS or UCI (or the aggregate amount invested in one or more sub-funds of an umbrella UCITS).

2. Such UCITS or UCI cannot itself invest more than 10% in other UCITS or UCIs.

### III. Deposits with Credit Institutions

- (a) 20 No more than 20% of its assets in deposits made with the same body.

### IV. Financial Derivative Instruments<sup>1</sup>

- (a) 10 The risk exposure to a counterparty of the UCITS in an OTC derivative transaction shall not exceed 10% of its assets when the counterparty is a credit institution having its registered office in a Member State or, if in a third country then provided that it is subject to prudential rules considered by CySEC as EU equivalent.
- (b) 5 The risk exposure to a counterparty cannot exceed 5% of its assets in all other cases.

1. UCITS that use derivatives either for investment or for Efficient Portfolio Management (“EPM”) purposes must prepare a relevant Risk Management Process Statement which sets out the types of derivatives that the UCITS will use, the risk associated with such derivatives, and how those risks are managed and controlled. It must also make appropriate disclosures in the UCITS Prospectus.



## V. Combined limits per issuer

- (a) 20 Notwithstanding the limits noted in I(a), (b) & (c), and III(a) above, a UCITS shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
- TS or MMIs issued by that body;
  - Deposits made with that body; or
  - Exposures arising from OTC derivative transactions undertaken with that body.
- (b) 35 The limits provided for in I(a), (b) & (c), III(a), and IV(a) & (b) above shall not be combined, and thus investments in TS or MMIs issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with these rules shall not exceed in total 35% of the assets of the UCITS.
- (c) 20 Companies included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349/EEC or in accordance with recognised international accounting standards, shall be regarded as a single body for the purposes of calculating investment limits; the cumulative investment in companies within the same issuing group is permitted up to a limit of 20% of the UCITS' assets.

## VI. Financial Indices

- (a) 20 A UCITS whose objective under the basis of its constitutional documentation replicates the composition of a certain stock or debt securities index may have a maximum exposure to shares or debt securities issued by a single body of 20% of its assets (instead of 10%).
- (b) 35 This 20% limit increases to 35% for maximum one issuer where that proves to be justified by exceptional market conditions (eg. regulated markets where certain TS or MMI are highly dominant).

## VII. Efficient Portfolio Management (“EPM”) techniques and instruments

A UCITS is permitted to use EPM techniques and instruments relating to TS and MMI, including securities lending, reverse repurchase/repurchase transactions and financial derivatives subject to certain restrictions prescribed in the UCI Law. Such transactions are to be economically appropriate and shall be exclusively entered into for one or more of the following specific aims: (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for the UCITS with a level of risk which is consistent with the risk profile of the UCITS and the risk diversification rules applicable to them. Financial derivatives used for EPM purposes must comply with normal rules applicable in the UCI Law for investment in financial derivative instruments (IV above).

The use of EPM techniques and a description of the inherent risks, as applicable, must be explicitly disclosed in the UCITS' Prospectus.

## VIII. UCITS with guaranteed assets or guaranteed performance

A UCITS with guaranteed assets or guaranteed performance is permitted where the guarantee is provided by a credit institution established in Cyprus or another Member State but with a branch in Cyprus and cannot be the Depositary or any other credit institution to which depositary services have been delegated.

## Prohibition to acquire control

A UCITS shall not acquire any shares carrying voting rights which would enable them to exercise significant influence over the management of an issuing body.

A UCITS may acquire no more than:

- 10% of the non-voting shares of a single issuing body; or
- 10% of the debt securities of a single issuing body; or
- 25% of the units of a single UCITS or other UCI; or
- 10% of the MMI of a single issuing body.

The above three limits may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the MMI, or the net amount of the securities in issue, cannot be calculated.

All the above limits are disapplied in certain circumstances such as TS and MMI issued or guaranteed by a Member State or its local authorities.

## Borrowing restrictions and prohibition of credits and guarantees

In principle neither a UCITS, nor a Management Company acting on behalf of a UCITS, may borrow. There are three exceptions to this rule:

- (1) Provided that such borrowing is on a “temporary basis” (i.e may not exceed a certain duration) and represents no more than 10% of the net asset value of the UCITS; or
- (2) To enable the acquisition of immovable property essential for the direct pursuit of its business, in the case of a Variable Capital Investment Company, but representing no more than 10% of the net asset value of the UCITS.
- (3) To acquire foreign currency by means of a “back-to-back” loan, under certain conditions.

The combined amounts of borrowings under (1) and (2) above shall not exceed 15% of its net asset value in total.

It is important to note that despite the above, UCITS can be leveraged up to 100% of its net assets through the use of FDI's.

A UCITS shall not grant loans or act as a guarantor on behalf of third parties. This does not preclude the acquisition of TS which are not fully paid.



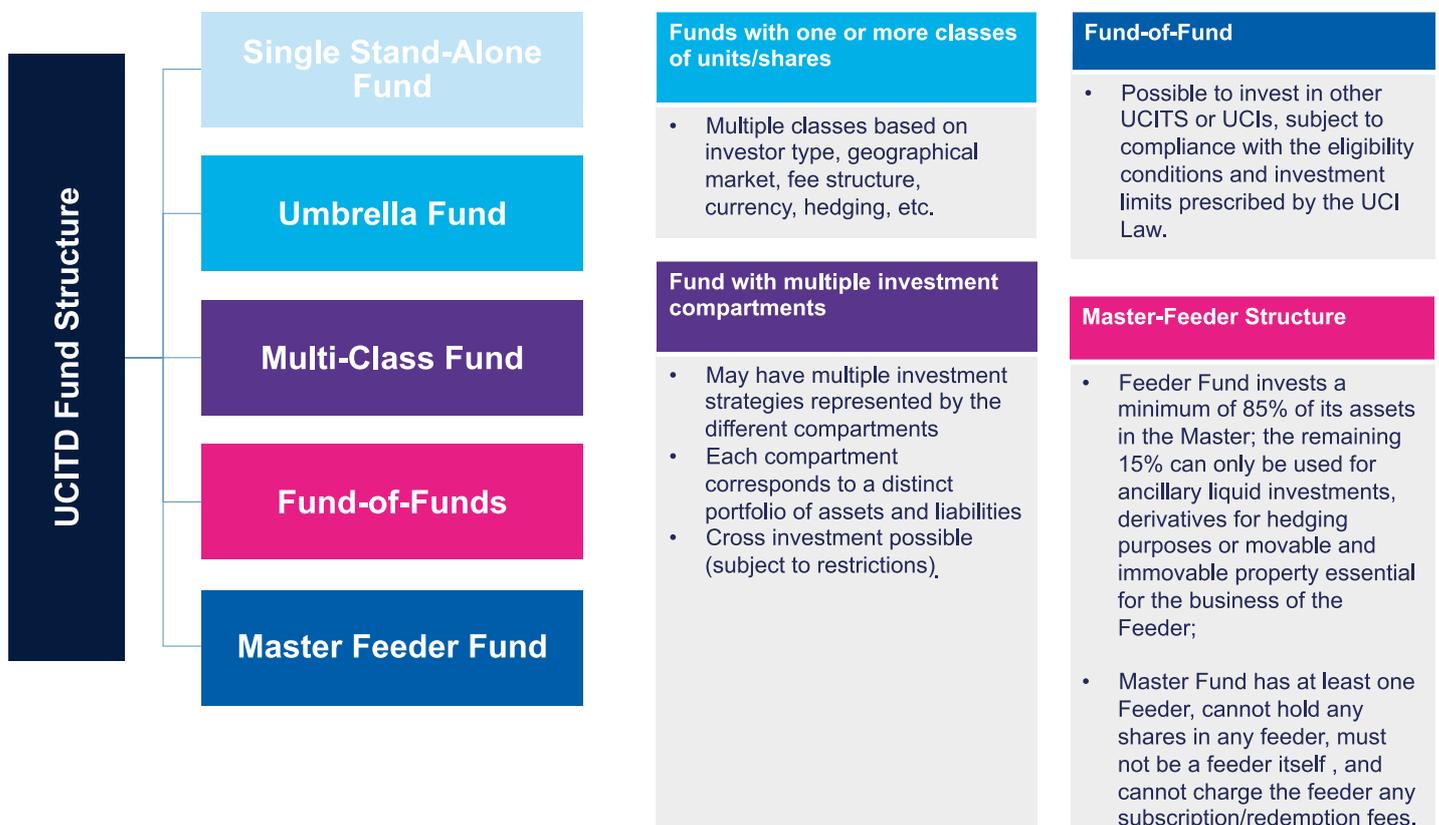
## UCITS Investment strategies

Investment strategies that may be pursued by UCITS, subject always to compliance with the rules on eligible assets and permitted investment limits in the UCI Law, range from relatively plain vanilla equity and bond products through to alternative strategies previously confined to funds targeting institutional investors or high net worth individuals. Indeed, asset managers may choose to replicate alternative strategies under UCITS as a means to access capital from retail investors that are more comfortable investing in more regulated structures and concurrently from institutional investors who may be restricted from investing in unregulated or lightly regulated products.

Examples include:

- Money market funds
- Capital or Performance Guaranteed funds
- Fund-of-Funds
- Index Tracking funds
- Exchange Traded funds (ETFs)
- Structured products
- Futures funds
- Long/short equity funds (eg. 130-30)
- Socially Responsible Investments
- Absolute Return funds

## UCITS structuring possibilities



# Legal framework of Cyprus UCITS

## The Law

UCITS funds in Cyprus are governed by Law No.78(I)/2012 (the "UCI Law") as last amended on 22 April 2016 by Law 52(I)/2016 to transpose the UCITSV Directive into national law, and are regulated by the Cyprus Securities and Exchange Commission ("CySEC").

## Regulator

CySEC is the independent public authority responsible for the supervision of the investment services market and transactions in transferable securities carried out in Cyprus. Among others, it is the regulatory and supervisory authority with powers to grant operation licences to all investment funds - UCITS and AIFs - UCITS Management Companies, Alternative Investment Fund Managers (AIFMs), and Investment Firms licenced and operating under the implementing legislation of Markets in Financial Instruments Directive (MiFID).

A key strength of CySEC is its flexibility and accessibility as a regulator, which has been achieved through its close cooperation with the private sector and its willingness to be open to discussions and suggestions from the industry on ways to improve its services and the sector. CySEC operates an open-door policy and is willing to meet with fund promoters and work through practical solutions. It is further committed to the continuance and enhancement of cross-border collaboration, both at an EU level and with third countries.

## Legal forms

In Cyprus, UCITS can either take the form of a Common Fund or a Variable Capital Investment Company. The main characteristics of each of the legal structures are given in the table below.



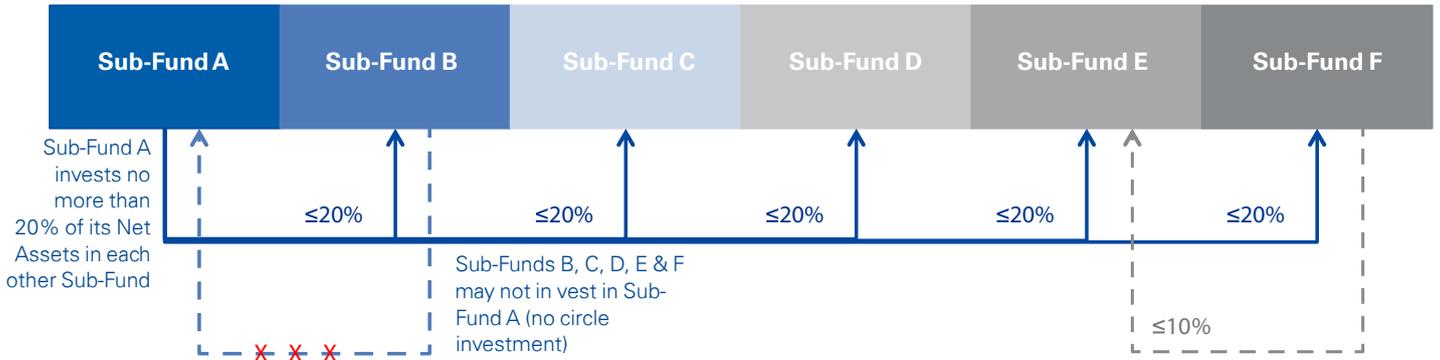
	<b>Common Fund (CF)</b>	<b>Variable Capital Investment Company (VCIC)</b>
<b>Legal structure &amp; constitutional documents</b>	Contractual vehicle; Constituted under Contract Law by way of a Common Fund regulation drawn jointly by the Management Company and Depository).	Corporate vehicle; Incorporated under the Companies Law Cap 113 as a public company with liability limited by shares; Memorandum and Articles of Association.
<b>Key features</b>	Has no legal personality and acts through the Management Company; Undivided co-ownership of assets between unitholders.	Increase or reduction of share capital is automatic, without following the formalities of the Companies Law Cap. 113
<b>Legal requirement for appointment of a Management Company</b>	Yes.	Yes, unless self-managed.
<b>Governance body</b>	Board of Directors of Management Company.	Board of Directors.
Participation	Fully paid up and registered units of no par value; Fractions of units can be issued.	Same as CF.
<b>Tax transparency</b>	Yes.	No.
<b>Role of Investors</b>	Advisory role, whose decisions at a meeting do not bind the Management Company.	Investors may decide on the dissolution and merger of the VCIC.
<b>Reporting</b>	Audited annual report; Unaudited semi-annual report.	Same as CF.
<b>Financial year</b>	Calendar year; First financial year ends on the 31 December of the first calendar year of operation of the UCITS.	Same as CF.
<b>Issue price of units/shares</b>	Based on NAV per unit.	Based on NAV per share.
<b>Frequency of calculation and publication of value of units</b>	At least every fortnight, on the first business day.	Same as CF, and daily calculation in the case of a tradable UCITS.
<b>Valuation of assets and liabilities</b>	Valued at fair value in accordance with IFRS.	Same as CF.
<b>Listing</b>	Possible.	Possible.

## Umbrella Funds

The Law allows for the creation of a UCITS, regardless of its legal form, as an Umbrella fund with several investment compartments (i.e. sub-funds) where each compartment corresponds to a distinct portfolio of assets and liabilities of the UCITS:

<b>Objective</b>	<p>May accommodate different:</p> <ul style="list-style-type: none"> <li>• investment policies;</li> <li>• reference currencies;</li> <li>• categories of investors; and</li> <li>• structure of fees and minimum subscription requirements.</li> </ul>
<b>One single entity</b>	The UCITS constitutes a single legal entity.
<b>Ring fencing</b>	Each compartment is liable for the obligations arising from its constitution, operation or dissolution unless the constitutional documents of the UCITS provide otherwise.
<b>Conversion</b>	Possibility to convert from one compartment to another.
<b>Cross-investment</b>	<p>A compartment of a UCITS may invest in another compartment of the same UCITS (compartment target), if provided in its Constitutional Documentation, subject to conditions (see graph below).</p> <p>The investment restrictions imposed by the UCI Law also apply to the cross-investment of a UCITS compartment into another compartment of the same UCITS.</p> <p>In such a case:</p> <ul style="list-style-type: none"> <li>• Voting rights (if any) corresponding to the units/shares invested in the target are suspended;</li> <li>• The value of the units/shares invested in the target is not calculated twice in the valuation of the net assets of the UCITS;</li> <li>• There is no duplication of management, distribution, redemption or re-purchase fees concerning investments of one compartment into another compartment of the same UCITS.</li> </ul>
<b>Dissolution / Liquidation</b>	Each compartment is dissolved and goes into liquidation separately; the dissolution or liquidation of a compartment does not lead to the dissolution or liquidation of the other compartments of the UCITS.

## Umbrella Fund



**Total Investments of Sub-Fund A into the other Sub-Funds must not exceed 25% of the Net Assets of the entire Umbrella Fund**

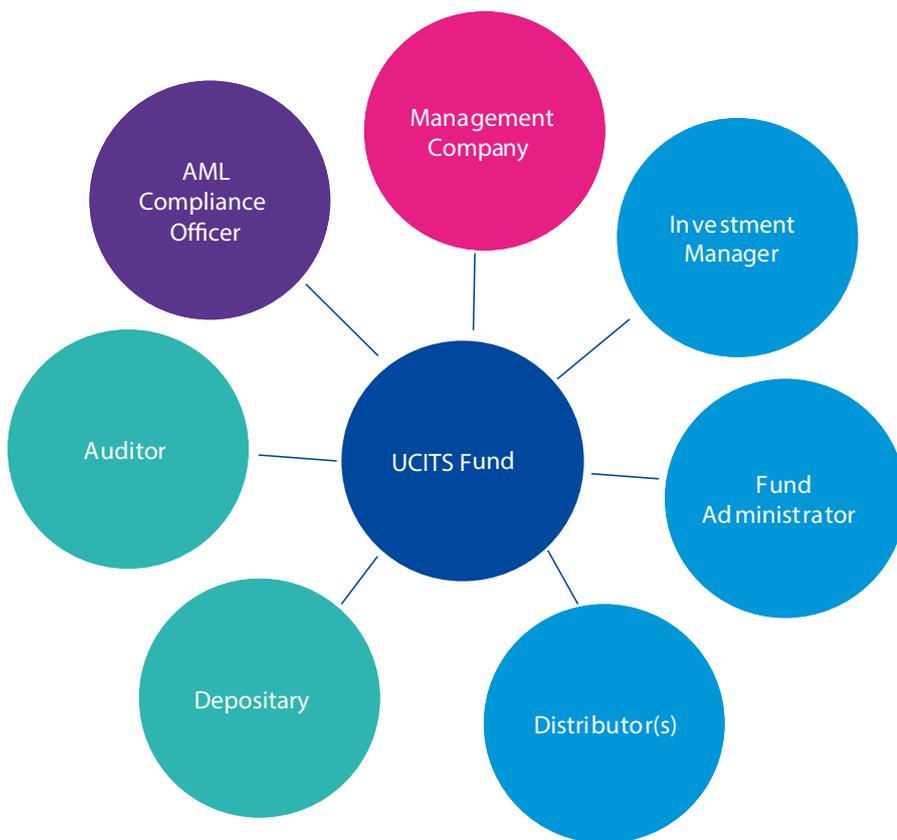
**A Sub-Fund is not allowed to invest in another Sub-Fund if the latter has invested more than 10% of its assets in other UCITS or UCIs**





# Main UCITS counterparties

A UCITS needs to appoint a number of key counterparties which are:



If appointed; otherwise, Board of Directors of self-managed VCIC

Delegate (if appointed) of Management Company or Board of Directors of self-managed VCIC

Required independent party

May be performed by a member of the Board of Directors of Management Company or of self-managed VCIC

The appointment and/or replacement of any of the key counterparties (except the Distributor and Auditor) of a Cyprus UCITS, and the terms of the agreement to which the appointment is subject, must be approved by CySEC prior to such appointment.

## Management Company

<p><b>Activities</b></p>	<p>The management of a UCITS, for the purposes of the Law, shall include the following functions:</p> <ul style="list-style-type: none"> <li>• Investment Management;</li> <li>• Administration: <ul style="list-style-type: none"> <li>• Legal and UCITS management accounting services;</li> <li>• Provision of information and service of the UCITS' unit-holders;</li> <li>• Valuation of the UCITS' portfolio and pricing of units, including taxation issues;</li> <li>• Regulatory compliance monitoring;</li> <li>• Maintenance of unit-holder register;</li> <li>• Distribution of profits of the UCITS;</li> <li>• Unit issue, redemption and repurchase;</li> <li>• Settlement of contractual obligations, including the dispatch of documents and certificates;</li> <li>• Record keeping;</li> </ul> </li> <li>• Advertising of the UCITS and the promotion of its units (marketing).</li> </ul> <p>Management Companies are also authorised to provide additional services, such as discretionary management of individual client portfolios, or as non-core services, investment advice or safekeeping and administration of UCI units. The provision of such additional services requires compliance with MiFID regulations as applicable in the Member State of authorisation.</p>
<p><b>Authorisation</b></p>	<p>The Management Company has to be authorised in Cyprus or any other EU Member State under the provisions of the UCITS IV Directive. Once authorised, it is granted a passport for performing its services cross-border.</p> <p>Authorisation of a UCITS Management Company in Cyprus can be granted by CySEC, provided a number of conditions are met:</p> <ul style="list-style-type: none"> <li>• Capital of EUR 125,000 plus additional own funds of 0.02% of assets under management exceeding EUR 250 million, subject to a maximum of EUR 10 million; at no time be less than 25% of the preceding year's fixed overheads;</li> <li>• Fit and proper persons (minimum two) conducting the business of the Management Company;</li> <li>• The application must be accompanied by a document containing the programme of activity, risk management process, the organisational structure, human and technical infrastructure, delegation arrangements, details of shareholding, and of external auditor.</li> </ul>
<p><b>Localisation requirement</b></p>	<p>The UCITS Management Company may be located in Cyprus or any other EU Member State.</p>
<p><b>Delegation</b></p>	<p>The Management Company is authorised to delegate any of its functions subject to certain conditions and eligibility requirements as prescribed in the UCI Law. In addition the following conditions must be satisfied:</p> <ul style="list-style-type: none"> <li>• Disclosure of the delegation in the Prospectus;</li> <li>• Extent of delegation may not reduce the Management Company or self-managed UCITS to a letter box entity;</li> <li>• Initial and ongoing due diligence on the delegate;</li> <li>• Delegation must not prevent effectiveness of supervision;</li> <li>• Implementation of control arrangements to access data documenting the activities of the delegate;</li> <li>• Possibility to give instructions to the delegate and to withdraw the mandate with immediate effect.</li> </ul>

## Depositary

<b>Activities</b>	<p>The Depositary is entrusted with the following duties:</p> <p>Safekeeping duties</p> <ul style="list-style-type: none"><li>• Holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books, and all financial instruments that can be physically delivered to the Depositary, in segregated accounts that can be clearly identified as belonging to the UCITS at all times</li><li>• Verifying the ownership of all other assets and maintaining relevant records</li></ul> <p>Oversight duties</p> <ul style="list-style-type: none"><li>• Ensuring that the issue, the marketing, the redemption, the re-purchase and the cancellation of units/shares, entries of any kind in the Unit/Share-holders' Register, as well as the valuation of units/shares are properly carried out in accordance with the applicable legislation and the UCITS constitutional documents;</li><li>• Ensuring that the value of units/shares is calculated in accordance with applicable legislation and the UCITS constitutional documents;</li><li>• Carrying out the instructions of the Management Company or the UCITS, unless they conflict with applicable legislation or the UCITS constitutional documents;</li><li>• Ensuring that in transactions involving the assets of the UCITS any consideration is remitted to the UCITS within the usual time limits;</li><li>• Ensuring that the UCITS income is applied in accordance with applicable legislation and the UCITS constitutional documents.</li></ul> <p>Cash flow monitoring</p> <ul style="list-style-type: none"><li>• Ensuring that all payments made by or on behalf of unitholders for subscription of units/shares have been received,</li><li>• Ensuring that all assets of the UCITS are booked in cash accounts which are opened in the name of the UCITS, the Management Company or the Depositary, with the Central bank, or a credit institution, or a bank authorised in a third country, or a qualifying money market fund and are safeguarded in accordance with the principles of section 18 of CySEC Directive 144-2007-01 of 2012.</li></ul>
<b>Eligibility requirements</b>	<p>Must be an authorised credit institution, or another entity on condition that it is entitled under its relevant operation license to provide depositary services, and is further subject to (among others) capital adequacy requirements and prudential regulation and ongoing supervision.</p> <p>Such an institution can act as depositary of a UCITS only if it is approved to do so, and provided it can demonstrate that it has the necessary human and technical infrastructure in place to properly fulfil its duties and obligations.</p> <p>The Management Company or the UCITS being a VCIC may not act as Depositary simultaneously.</p>

## Depositary (Continues)

<b>Localisation Requirement</b>	Must have its registered office in Cyprus, or its seat in a Member State and a branch in Cyprus.
<b>Delegation</b>	<p>The delegation of oversight and cash monitoring duties is not allowed. Safekeeping may be delegated to a third party provided that:</p> <ul style="list-style-type: none"> <li>(i) such duties are not delegated with the intention of avoiding to comply with the provisions of the law,</li> <li>(ii) there is an objective reason for the delegation;</li> <li>(iii) the Depositary has exercised due skill, care and diligence in the selection and appointment of the delegate and continues to review and monitor on an ongoing basis of the delegated tasks and the arrangements for the delegation</li> </ul> <p>Third parties to whom safekeeping duties are delegated are subject to fulfilling certain conditions such as (among others) having the necessary organisational structure and infrastructure in exercising the delegated tasks, be subject to prudential regulation and minimum capital requirements</p>
<b>Conflicts of interest</b>	The depositary shall not carry out activities that may create conflicts of interest between the UCITS, its unitholders, the Management Company and itself, unless it has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the unitholders
<b>Liability Regime</b>	<ul style="list-style-type: none"> <li>• Is liable to the Management Company and unit/share-holders for any losses suffered by them as a result of its negligent or intentional failure to properly fulfil its obligations pursuant to the law.</li> <li>• The Depositary, in case of loss of a financial instrument held in custody, must return a financial instrument of an identical type or the corresponding amount without undue delay unless the loss was due to an "external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.</li> <li>• The Depositary's liability shall not be affected by any delegation of custody of whole or part of the assets to a third party. Unlike the AIFMD there can be no contractual discharge of liability to a third party.</li> </ul>
<b>Re-use of assets</b>	<p>It is allowed only when,</p> <ul style="list-style-type: none"> <li>(i) such re-use is conducted on behalf of the UCITS;</li> <li>(ii) the Depositary is acting on the orders of the UCITS;</li> <li>(iii) such re-use is to the benefit of the UCITS and the unitholders;</li> <li>(iv) the transaction is covered by liquid, high quality collateral received by the UCITS under a title transfer arrangement</li> </ul>
<b>Exemptions</b>	UCITS whose units have been admitted to official listing in Cyprus or another EU stock exchange are not required to appoint a Depositary, subject to fulfilling certain conditions

## Other Service Providers

<b>Fund Administrator</b>	<p>Is subject to CySEC prior approval.</p> <p>May be appointed by the Management Company or UCITS itself, as the case may be, to perform the administration tasks noted under the Management functions of the UCI Law.</p> <p>Must be of sufficient repute and experienced enough and have the necessary human and technical infrastructure in place to properly fulfil its duties and obligations.</p>
<b>Investment Manager</b>	<p>Is subject to CySEC prior approval. Must be authorised for the purpose of asset management and is subject to prudential regulatory supervision.</p> <p>The investment manager does not need to be located in Cyprus. If located in third countries, there must be a cooperation agreement between CySEC and the supervisory authority of the investment manager.</p>
<b>Distributor</b>	<p>Is an intermediary either actively participating in the marketing of the shares/units of the UCITS or appointed as being authorised to receive subscription and redemption orders.</p> <p>The distributor can be the Management Company itself, a credit institution, a firm providing investment services or other Management Companies.</p> <p>The marketing of the UCITS units is effected in accordance with the provisions of the Investment Services and Activities and Regulated Markets Law which regulate the investment services of reception and transmission of orders.</p>
<b>Auditor</b>	<p>Must be located in Cyprus.</p> <p>Must be independent of the Management Company or the UCITS itself, as the case may be.</p> <p>Responsible for, among others:</p> <ul style="list-style-type: none"> <li>• Reviewing the annual accounts;</li> <li>• Reviewing the activities of the UCITS and its compliance with domestic rules and the constitutional documents;</li> <li>• Carrying out specific reporting duties to CySEC: prompt reporting of any fact or decision of which it has become aware and which is likely to constitute a material breach of law or the constitutional documents; any situation which might lead to the refusal to certify the accounts or require the expression of qualifications thereon.</li> </ul>
<b>Anti-Money Laundering ("AML") Compliance Officer</b>	<p>An AML Compliance Officer needs to be appointed in accordance with the CySEC Directive 144-2007-08 issued in February 2009. The names and positions of persons appointed from time to time should be communicated to CySEC.</p> <p>The AML Compliance Officer may also be a member of the Board of Directors of the Management Company or the UCITS itself, as the case may be.</p> <p>The AML Compliance Officer is responsible for the implementation of the Anti-Money Laundering Manual of the UCITS which provides the guidelines that should be followed throughout to assist in the detection and/or prevention of money-laundering activities in accordance with the relevant instruments issued by CySEC.</p>

# Authorisation procedure

The application is submitted by the Management Company or UCITS itself, if self-managed. The operation licence once granted is valid for all EU Member States.

The Management Company or UCITS itself, as the case may be, shall give notice to CySEC of any change that may occur as regards any information on the basis of which the operation licence is granted.

The main requirements for obtaining authorisation are set out below, depending on the legal form.

## Common Fund

<b>Minimum capital requirements</b>	<p>EUR 200.000 payable within three months from the grant of the licence.</p> <p>For umbrella funds, minimum capital applies for each compartment.</p>
<b>Fund documentation</b>	<ul style="list-style-type: none"> <li>• Application form completed by proposed Management Company;</li> <li>• Declaration of undertaking the obligation to pay initial minimum capital;</li> <li>• Draft Common Fund regulation;</li> <li>• Draft Prospectus;</li> <li>• Draft Key Investor Information;</li> <li>• Declaration of Depositary;</li> <li>• Material Agreements;</li> <li>• Risk Management Process Statement (if investing in or using derivatives).</li> </ul>
<b>Management Company approval</b>	<p>UCITS Management Company authorised under UCITS IV Directive, with head and registered offices in Cyprus or another EU Member State.</p> <p>If established in another EU Member State, need an Information Flow Agreement with the Cyprus-based Depositary.</p>
<b>Depositary approval</b>	<p>Must be a credit institution or another entity (on condition that it is authorised to provide depositary services and is further subject to (among others) capital adequacy requirements and prudential regulation and ongoing supervision), with registered office in Cyprus, or registered seat in another member state and a branch in Cyprus.</p> <p>Must dispose of necessary infrastructure for performing the tasks of safe-keeping and monitoring.</p> <p>Must designate at least two Directors of sufficient repute and experience responsible to manage or monitor the activity of the CF.</p>



## VCIC

<b>Minimum capital requirements</b>	<p>EUR 200.000 fully paid-up in cash upon constitution;          EUR 300.000 if self-managed.</p> <p>For umbrella funds, minimum capital applies for each compartment.</p>
<b>Fund documentation</b>	<ul style="list-style-type: none"> <li>• Application form completed by proposed Management Company or Board of Directors (if self-managed);</li> <li>• Confirmation regarding the existence of initial minimum capital;</li> <li>• Draft Memorandum &amp; Articles of Association;</li> <li>• Draft Prospectus;</li> <li>• Draft Key Investor Information;</li> <li>• Declaration of Management Company (if appointed);</li> <li>• Declaration of Depositary (if appointed);</li> <li>• Material Agreements;</li> <li>• Risk Management Process Statement (if investing in or using derivatives);</li> <li>• Personal Questionnaire completed by each member of the Board of Directors;</li> <li>• Confirmations of the Auditor, Legal Advisor and promoter of the application.</li> </ul>
<b>Additional documents where the VCIC is self-managed</b>	<ul style="list-style-type: none"> <li>• At least two executive Directors of sufficient repute and experience in relation to the type of investment pursued;</li> <li>• Business Plan (programme of activities);</li> <li>• Programme of operation including the organisational structure and risk management systems, sound administrative and accounting procedures, control and safeguard arrangements for electronic data processing and adequate internal control mechanisms including, in particular, rules for personal transactions by its employees.</li> </ul>
<b>Management Company approval</b>	<p>If appointed, UCITS Management Company authorised under UCITS IV Directive, with head and registered offices in Cyprus or another EU Member State.</p> <p>If established in another EU Member State, need an Information Flow Agreement with the Cyprus-based Depositary.</p>
<b>Depositary approval</b>	<p>Must be a credit institution or another entity (on condition that it is authorised to provide depositary services and is further subject to (among others) capital adequacy requirements and prudential regulation and ongoing supervision), with registered office in Cyprus, or registered seat in another member state and a branch in Cyprus.</p> <p>Must dispose of necessary infrastructure for performing the tasks of safe-keeping and monitoring.</p> <p>Must designate at least two Directors of sufficient repute and experience responsible to manage or monitor the activity of the VCIC.</p> <p>Exemption from the obligation to appoint a Depositary where at least 80% of the shares of the VCIC have been admitted to official listing in a stock exchange operating in the Republic or another Member State and other requirements are met.</p>

## Approval time

In the case of a UCITS that has appointed a Management Company, such Management Company shall be informed within two months from the submission of the complete application file whether the operation licence of the UCITS has been granted or not.

In the case of a self-managed VCIC, the UCITS shall be informed within six months from the submission of the complete application file whether the operation licence of the UCITS has been granted or not.

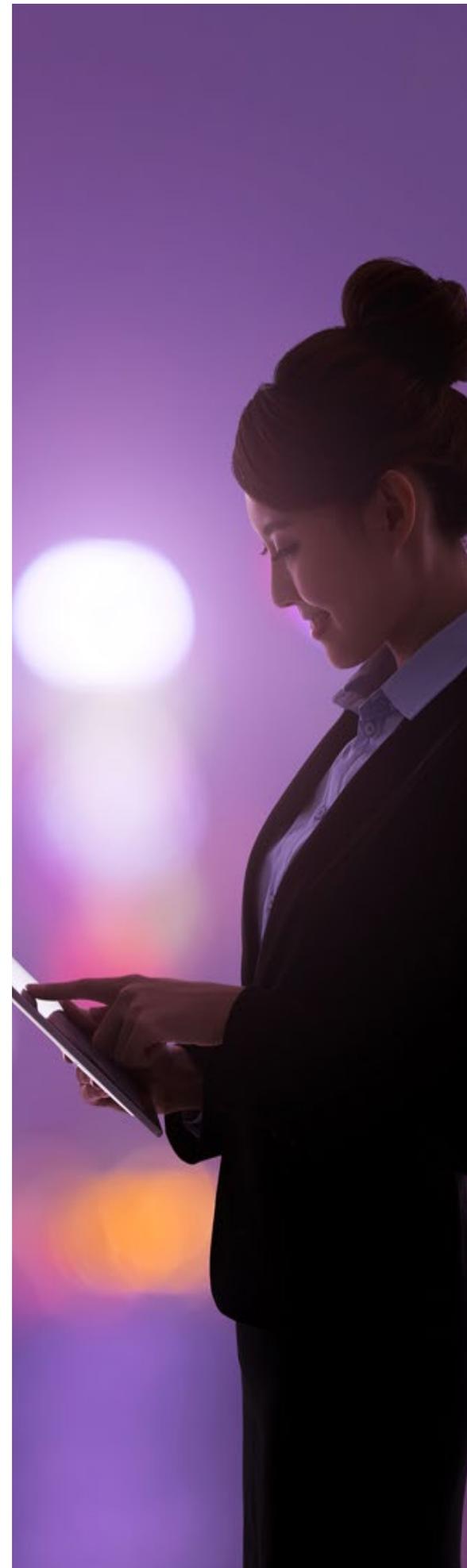
Reasons shall be given where the grant of a licence is refused. In case of a VCIC, whether or not it has appointed a Management Company, the decision of CySEC not to grant the operation licence shall be also communicated to the Registrar of Companies within the above time period, as the case may be.

## Application and Annual Fees\*

Description	Application (€)	Annual (€)
Operation licence of a UCITS with no investment compartments.	1.800	1.800
Operation licence of a UCITS with several investment compartments.	1.800 plus: (i) sub-funds 2-15, 400 each; (ii) sub-funds 16+, 250 each	1.800 plus: (i) sub-funds 2-15, 400 each; (ii) sub-funds 16+, 250 each
Operation licence of self-managed VCIC with no investment.	2.500	1.800
Operation licence of self-managed VCIC with several investment compartments.	2.500 plus: (i) sub-funds 2-15, 400 each; (ii) sub-funds 16+, 250 each	1.800 plus: (i) sub-funds 2-15, 400 each; (ii) sub-funds 16+, 250 each
Amendment to constitutional documents.	250	
Transfer of Cyprus UCITS to another Member State.	250	

\* in accordance with CySEC Directive DI78-2012-34 dated 15/10/ 2012.

UCITS which have not started operating within the calendar year they are granted the licence, shall pay annual fees to CySEC for the specific calendar year. In this case and in the case of a newly established UCITS, the annual contributions shall be calculated in proportion, based on the date of communicating to the Management Company or to the UCITS itself, as the case may be, the grant of licence by CySEC.



# Marketing

Within the EU, UCITS benefit from the EU “passport” available under the UCITS directive and are thus freely marketed on a public basis within all Member States without additional authorisation from the competent regulatory authority of each “host” Member State. This is subject to a successful completion of a “notification” process described below. Outside the EU UCITS must satisfy local regulations significantly more complex and time consuming than the notification process introduced under UCITS IV.

It is important to note that the UCITS may be advertised only after the operation licence is communicated to the Management Company or the UCITS itself, as the case may be.

Furthermore, distribution of UCITS funds into selective jurisdictions via private placement is becoming increasingly common as opposed to public distribution.

## Marketing of units/shares of Cyprus UCITS in the EU - regulator-to-regulator notification

The required steps are as follows:

- A UCITS authorised in Cyprus that proposes to market its units/shares in a Member State other than Cyprus, shall previously submit a notification letter to CySEC.
- The notification letter shall include information on arrangements made for marketing units of the UCITS in the host Member State, including, where applicable, the categories of units/shares to be marketed.
- In the case that the units/shares of a UCITS are marketed by its Management Company, in the context of its cross-border business within the territory of the UCITS’ host Member State, either through the establishment

of a branch or under the freedom to provide services, accordingly the notification letter shall include an indication of this fact.

A UCITS shall enclose with the notification letter, the latest version of the following documents:

- constitutional documents;
- prospectus;
- latest annual and half-yearly report (if applicable); and
- Key Investor Information Document.

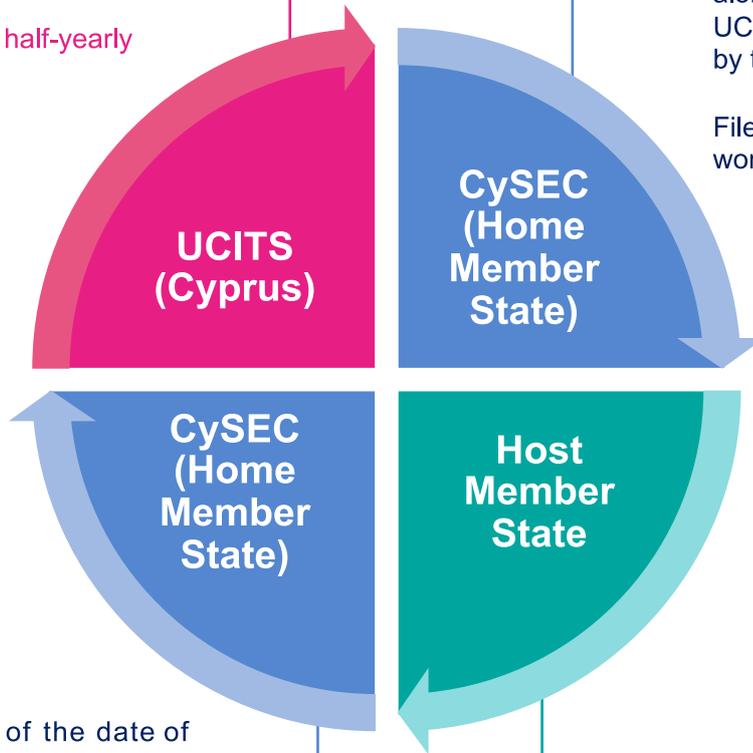
The above documents shall be translated into the official language of the host Member State or into a language approved by the competent authorities of that Member State or (for documents other than the KIID) into a language customary into the sphere of international finance.

CySEC shall verify the completeness of the documentation submitted and in case it considers it complete, it shall transmit to the competent authorities of the Member State where the UCITS shall market its units/shares the information and the documentation along with an attestation that the UCITS fulfils the conditions imposed by the UCITS IV Directive no later than 10 working days of receipt of the notification letter accompanied by the complete documentation. Upon the transmission of the documentation, CySEC shall immediately notify the UCITS about the above transmission. The transmission and filing of the information, documentation, and of the above attestation may also be performed via electronic means.

The UCITS may start marketing its units/shares within the territory of the UCITS’ host Member State as from the date CySEC notifies it of the above transmission to the competent authorities of the UCITS’ host Member State.

Submits notification file including a notification letter accompanied by:

- Constitutional documentation
- Prospectus
- Latest annual and half-yearly report
- KIID



If file is considered complete, it shall transmit it to the competent authorities of the Host Member State along with an attestation that the UCITS fulfils the conditions imposed by the UCITS IV Directive;

File is transmitted no later than 10 working days from receipt.

Notifies UCITS of the date of transmission;

UCITS may be marketed in the Host Member State as of the date of the above notification from CySEC.

Host Member State performs ex-post checks of marketing arrangements in accordance with local marketing rules

As such, a UCITS authorised in one EU Member State can not be prohibited from selling or promoting the sale of its units/shares to the public in any other EU Member State, provided that the competent regulatory authority in that other Member State has been notified of its intended activities. The UCITS must, however, comply with local marketing and advertising requirements. Indeed, the UCITS directive does not harmonise or include rules regarding the way in which the UCITS should be sold in each Member State. As an example, in almost all Member States, a UCITS must appoint a local paying agent in addition to ensuring it remains in compliance with each jurisdiction's marketing and selling rules.

### Marketing of units/shares of Cyprus UCITS outside the EU

The UCITS passporting regime is not available when considering the marketing of units/shares of UCITS outside the EU. A UCITS must therefore be registered under the local

regime and comply with all local registration and compliance requirements.

### Marketing of units/shares of Cyprus UCITS via private placement

An alternative to authorisation for public distribution is by way of private placement. This is a strategy that may be adopted by UCITS that seek to target a small number of larger institutional investors. However, there are no harmonised rules within the EU surrounding private placement and thus fund promoters must contend with the specific local regulations governing private placement in every jurisdiction of intended distribution.

# Reporting

## Reporting to the Regulator and the investors

The Management Company or the UCITS itself, if self-managed, draws up and submits to CySEC and makes available to the investors at all selling points of units/shares the following:

<p><b>Prospectus</b></p>	<ul style="list-style-type: none"> <li>• Shall include, among others:             <ul style="list-style-type: none"> <li>• information necessary for investors to be able to make an informed judgement of the investment proposed to them, and in particular, of the risks attached thereto;</li> <li>• a clear and easily understandable explanation of the UCITS' risk profile;</li> <li>• an indication of the categories of assets in which the UCITS is authorised to invest;</li> <li>• disclosure of whether transactions in financial derivatives instruments are authorised, in which case it shall include a prominent statement indicating whether those operations may be carried out for the purpose of hedging or with the aim of meeting investment goals, as well as the possible outcome of the use of financial derivative instruments on the risk profile;</li> <li>• procedures and conditions for the issue/sale and redemption of units/shares;</li> <li>• determination of the issue/sale price and the redemption price of units/shares as well as all related costs and charges; and</li> <li>• identification of the appointed key counterparties.</li> </ul> </li> <li>• The essential elements of the Prospectus shall be kept up to date.</li> </ul>
<p><b>Key Investor Information Document ("KIID")</b></p>	<ul style="list-style-type: none"> <li>• A two-page document (three-page for structured products) containing appropriate information about the essential characteristics of the UCITS concerned, which is to be provided to investors so that they are reasonably able to understand the nature and the risks of the investment product that is being offered to them and, consequently, to take investment decisions on an informed basis;</li> <li>• Shall be delivered to the prospective investor (or intermediaries) prior to their investment in the UCITS.</li> </ul>
<p><b>Annual Report</b></p>	<ul style="list-style-type: none"> <li>• Prepared for each financial year, within four months from the end of the period to which it refers.</li> <li>• Shall include in particular:             <ul style="list-style-type: none"> <li>• a statement of financial position or a statement of assets and liabilities, and a detailed income and expenditure account for the financial year;</li> <li>• a report on the activities of the financial year;</li> <li>• any significant information which will enable investors to make an informed judgment on the development of the activities of the UCITS and its results; and</li> <li>• other information as provided in Schedule II of the Annex of the UCI Law (such as number of units in circulation, net asset value per unit) as this may be required by CySEC.</li> </ul> </li> <li>• The accounting information given in the annual report shall be audited by one Auditor according to International Audit Standards. The Auditor's report, including any reservations of the Auditor, shall be reproduced in full in each Annual Report.</li> </ul>

## Half-Yearly Report

- Drawn up in accordance with International Accounting Standards covering the first six months of the financial year, within two months from the end of the period to which it refers.
- Shall include in particular:
  - interim financial statements;
  - other information provided for in Schedule II of the Annex of the UCI Law and as this may be required by CySEC.
- Where a UCITS has distributed or intends to distribute an interim dividend, the figures contained in the report shall indicate the results after the deduction of the tax, charges and other rights or expenses for the half-year concerned as well as the interim dividend that has been distributed or is to be distributed.

In case the UCITS comprises more than one investment compartment, a single prospectus, KIID, and single reports and statements as referred to above shall be prepared for each investment compartment of the said UCITS.

## Key Investor Information

### Features and content

The KIID shall be written in a concise manner and non-technical language that is comprehensible to retail investors, and provide information on the following essential elements in respect of the UCITS concerned:

- identification of the UCITS, including the share class or investment compartment (if applicable);
- identification of the Management Company appointed (if applicable);
- a short description of its investment objectives and investment policy;
- risk/reward profile of the investment (via the use of a synthetic indicator, further explained below), including appropriate guidance and warnings in relation to the risks associated with investments in the relevant UCITS;
- costs and associated charges;
- past-performance presentation (if available) based on the net asset value of the UCITS; and
- other practical information such as identification of depositary appointed, as well as where, how and in which language to obtain the Prospectus and any other further information about the UCITS.

The synthetic indicator mentioned above should rank the UCITS and depict the information accordingly on a scale of 1 to 7 on the basis of its volatility record using weekly or monthly returns concerning the previous five years (if applicable).

### Publication

The KIID is available in paper copies and also uploaded on the website of the Management Company or the VCIC, and is provided to the potential investors either in a durable medium

or through the internet. A paper copy shall be delivered to the investor on request and free of charge. In addition, an up-to-date version of the KIID shall be made available on the website of the Management Company or the VCIC.

### Review and update

A review of the KIID shall be carried out at least every 12 months and any update shall be made available promptly. A KIID with duly revised presentation of past performance of the UCITS shall be made available no later than 35 business days after 31 December each year.

In addition, a review shall be carried out prior to any proposed change to the Prospectus and/or constitutional documents. A revised KIID in such case shall be made available promptly and prior to such change coming into effect.

### Key Information Document (KID) under the PRIIPS legislation

UCITS made available to retail investors in the EU need to provide a Packaged Retail Insurance-Based Investment Products Key Information Document (PRIIPs KID) as of January 1, 2023. When a Cyprus UCITS fund draws up a PRIIPs KID CySEC will consider this document as satisfying the requirements applicable to UCITS key investor information documentation (KIIDs). As such the KIID will not be additionally required.

### Publication of other information

The UCITS' net asset value, the number of its current units/shares, the unit/share net asset value, the subscription and redemption or repurchase price are calculated every fortnight on the first business day (or, in the case of a tradable UCITS, daily) by the Management Company and are published the business day after the aforementioned calculation, on the website of the Management Company.

# Taxation of UCITS in Cyprus

## Corporate Taxation

Adhering to tax residency requirements and maintaining management and control in Cyprus, a UCITS in the form of a VCIC will be eligible for the enjoyment of:

- 12,5% Corporate Income Tax rate on income accrued from the carrying out of the UCITS operations following the deduction of expenses incurred wholly and exclusively in the production of income including but not limited to office costs, payroll and outsourcing costs; and
- no withholding tax on income repatriation by the UCITS to non-resident shareholders.

## Other Tax considerations

Cyprus offers a number of tax benefits, including:

- Exemption from tax on incoming dividends subject to moderate conditions;
- No minimum participation threshold or holding period requirement on inbound dividends to qualify for tax exemption;
- Exemption from tax on income arising from trading in securities. The term 'Securities' includes but is not limited to: shares and share options as well as other options on titles, debentures, bonds and rights of claims thereon, participations in companies, units in open-ended or closed-ended collective investment schemes such as Mutual Funds, Alternative Investment Funds (AIFs) and other Undertakings for Collective Investments in Transferable Securities (UCITS);
- Interest received by regulated UCITS will be considered 'active' interest income and therefore taxed only at 12,5% corporate income tax;
- Extensive Double Tax Treaty Network (more than 45 treaties concluded); and
- Full harmonisation with all EU Tax Directives.

## Indirect Tax

The Cyprus VAT Act (N95(I)/2000) provides that services with regards to the management (fund management services) of mutual funds are exempted for VAT purposes (Schedule 7, Table B, paragraph 3 (f)). The Cyprus VAT Act provides specific guidance with respect to the meaning of "mutual funds" and "fund management services" that qualifies for the VAT exemption.

## Concept of mutual funds

As per guidance provided by the Tax Authorities, the concept of a mutual fund includes the following organisations (qualifying funds):

- Organisations of open-ended collective investment funds in floating securities (UCITS) which receive establishment permission from the Securities and Exchange Commission;
- International Collective Investment Schemes of a closed type, namely collective investment organisations with fixed capital;
- UCITS registered in other Member States adopting the European Directive 85/611/EC which are approved by the Securities and Exchange Commission;
- Investment funds (in floating securities) by Member States not adopting the European Directive as well as by non-Member States to which a necessary approval is granted by the Securities and Exchange Commission to make available in the Republic, either directly from the management company or by its accredited representatives;
- Any collective investment schemes approved by the Central Bank of Cyprus.

## Fund management services

The following fund management services can benefit from the VAT exemption. Specific guidance is provided by the Tax Authorities as to what services are included under each of the below categories of services:

- Investment management;
- Administration;
- Promotion and Marketing.

A fund management company providing fund management services needs to examine whether (a) the services it provides fall under each of the above categories and (b) if these services are provided to a qualifying fund. Where the services provided do not fall under the provisions of the fund management services or they not provided to a qualifying fund then these will be subject to the standard rate of VAT (currently 19%).

## VAT registration in Cyprus

The transactions carried out by UCITS in the form of a VCIC may constitute economic activities for VAT purposes. In such case, the UCITS VCIC may be liable for VAT registration in Cyprus where it receives taxable services from abroad exceeding the registration threshold of EUR 15.600.

# How can KPMG help?

KPMG Cyprus holds a market leader position in the area of fund services.

We operate through fully integrated teams that include professionals across our Audit, Tax and Advisory practices who combine a wide range of skills and experience tailored to meet the individual requirements of our clients. All teams have a rich experience and commitment, ensuring that clients will be working with teams that understand them, their needs and the market. We have been and are continuously involved in the development of policy and regulation in this sector in Cyprus.

Our Services in connection with the establishment and operation of a UCITS include, but are not limited to:

## Regulatory and Compliance Services

License application

- support in UCITS licence applications (which includes acting as Promoter of the UCITS throughout the application process with CySEC) or UCITS registrations;
- complete/review necessary application forms/questionnaires of the shareholders/directors;
- prepare/review documentation, including the following, related to the application prior to submission:
  - Prospectus;
  - Regulations or instruments of incorporation;
  - KIID;
- identify service providers and facilitate agreement between them and the UCITS.

Operational compliance

- review and amendment of regulations or instruments of incorporation and/or Prospectus in order to safeguard compliance with the UCI Law;
- review of delegation agreements and other agreements to be entered into by the UCITS and its key counterparties (depository, administrator, etc) to safeguard compliance with the requirements of the UCI Law, performing notifications to the relevant supervisory authority in case of delegation of tasks by the Management Company;
- periodic reviews on compliance of UCITS with applicable laws and regulations.

## Audit and Regulatory Reporting Services

- conduct audit of the statutory annual financial statements based on International Financial Reporting Standards;
- provide support in the design and implementation of the required reporting framework under the UCI Law.

## Direct and Indirect Tax Services

- fund structuring and transaction analysis;
- preparation and submission of corporate tax returns;

- tax due diligence services examining and ensuring the correct implementation of the relevant laws;
- reports that address and aim to detect and correct issues that may violate tax laws, as well as provide alternative solutions to management so as to be updated on the possible tax implications that may arise and deter the possibility of omissions in the future;
- international tax planning and implementation of cross-border investments and transactions with the best possible tax management, fully taking advantage of the provisions of the European acquis;
- review of the activities of the UCITS in order to identify potential VAT registration and VAT recoverability position;
- obtain a VAT ruling from the Tax Authorities with regards to the VAT treatment of the UCITS company activities;
- assistance with the UCITS' VAT registration;
- assistance with the preparation and submission of VAT returns;
- review of the agreements for the fund management services in order to establish whether they fall under the VAT exemption;

## Advisory Services

We can also assist you in a variety of other services, including, but not limited to:

- provide Transaction Advisory services throughout each phase of a deal process for all types of transactions;
- assist on valuation and accounting treatment of different financial instruments;
- fund listing;
- locate qualified executive and non-executive directors;
- design a reporting and governance framework;
- review existing risk management and governance processes of the fund and identify areas for improvement and cost efficiencies;
- set up quantitative measures for the management of credit market liquidity and concentration risk;
- conduct an enterprise risk assessment, evaluating the current state of risk management practice and the development of a practical road map for achieving the desired risk management end-state;
- develop an Anti-Money Laundering Procedures Manual within the context of the law, for the prevention and suppression of money laundering activities and terrorist financing;
- assist in the design and implementation of an IT architecture and automation of business processes;
- develop and implement business continuity and disaster recovery plans;
- FATCA compliance services.

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