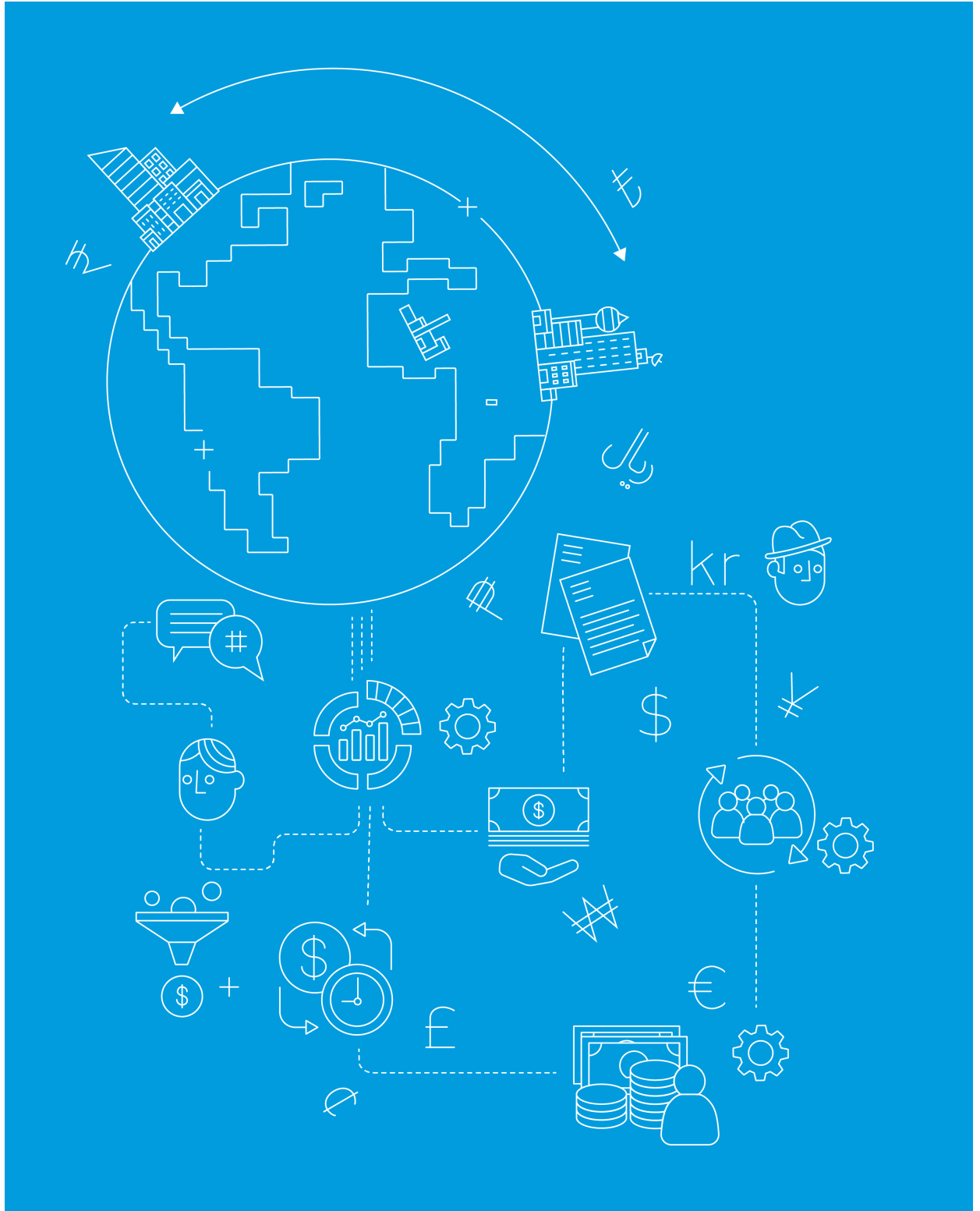


Cyprus Investment Funds (AIFs | UCITS)

Key Features and our Integrated Services





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Using an integrated and tailored approach, our Team of experts empowers you with proactive solutions and clear analysis to move your business forward with confidence.

You can rely on a team that is always on top of industry shifts.

The asset management sector has seen profound changes that will redefine the space. The rapid digital transformation and growing interest in digital assets to heightened regulations and emerging ESG practices, the industry is experiencing a seismic shift.

At the same time Cyprus is becoming a promising and emerging investment fund centre in Europe. The continuous efforts to upgrade its legislative and regulatory regime were fruitful creating the right framework for Funds and Fund Managers.

Adapting successfully will require the industry to invest in technology, increase efficiencies and smart practices. In this environment, selecting the right advisor makes all the difference.

RSM Cyprus together with our Global Network serves clients spanning all revenue categories, from startups to multi-billion-dollar entities.

We understand the complexities the industry is up against. We'll work closely with you on financial and regulatory compliance, general accounting and auditing, financial reporting and more.

Optimal outcomes are our goal.

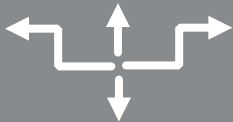


You get our best people
work for you



Key Benefits for Cyprus based Funds and Fund Managers

Flexibility



- Umbrella Structure available under different legal establishments
- Any asset can be included in the investment strategy of the AIF
- No investment restrictions for AIFLNP

Investor protection



- Obligatory reporting to Investors
- Constant monitoring and regulation for the Cyprus Securities and Exchange Commission (CySEC)
- Legal requirements for control functions, depository/custodian, administrator, external auditor, etc.

Robust tax system and incentives for the fund, the fund manager and the investors



- 12.5% Corporation Tax
- Notional Interest Deduction
- More than 60 Double Tax Treaties
- Tax incentives for the senior executives of the fund and the fund manager

Versatile and resilient jurisdiction



- Low set-up compared to other EU jurisdictions
- Fully harmonized and modern Fund Legislation
- EU license passporting for cross-border activities
- Access to MiFID services
- AML 5th directive

Quality of Support



- Local and international expertise (fund administrators, lawyers, accounting and audit firms).

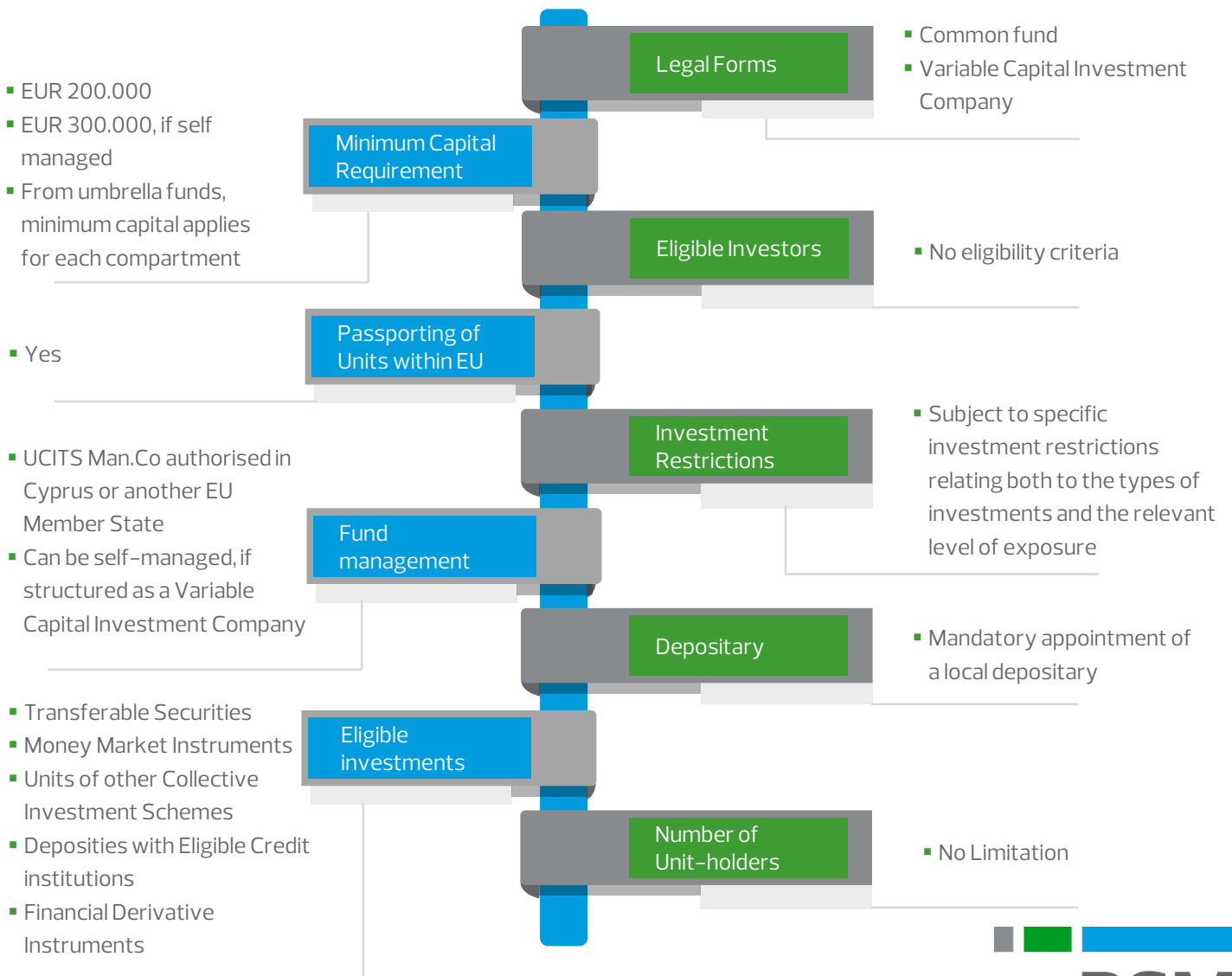
Undertakings for Collective Investment in Transferable Securities (UCITS)

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
- Which operates on the principle of risk-spreading
- The units of which are, at the request of investors, redeemed or repurchased, directly or indirectly, out of its assets

Reasons to set-up a UCITS:

- European branded fund product that can be marketed and sold in other EU member states
- Internationally regarded as one of the most efficient and distributed asset management vehicles
- Continuous growth of UCITS, distribution in Asia, Latin America, Middle East and Africa
- Robust regulation and legislative framework that increase the levels of investor's protection and interests



Overview

The establishment and operation of alternative investments funds (AIFs) in Cyprus is regulated by the Alternative Investments Funds Law of 2018 (124(I)/2018). The Cyprus Securities and Exchange Commission (CySEC) is responsible for issuing circulars and directives which also govern the operation and establishment of AIFs in Cyprus as secondary legislation.

The AIF Law applies to:

- AIFs
- AIFs with a limited number of persons (AIFLNPs), which can have a maximum of 50 unitholders
- Registered AIFs (RAIFs).

The EU AIF Managers Directive (2011/61/EU), which relates to fund managers, was transposed into national law by the Alternative Investment Funds Manager Law of 2013, 56(I)/2013 (AIFM Law), as amended from time to time.

AIFs are collective investment undertakings which:

- Raise capital from investors with a view to invest in accordance with a defined investment policy
- Private equity funds, real estate funds, venture capital funds, shipping funds and other similar structures fall within the scope of the definition of an AIF
- In principle, a collective investment vehicle that does not qualify as a UCITS is designated as an AIF
- It is a national product

Registered AIFs (RAIFs):

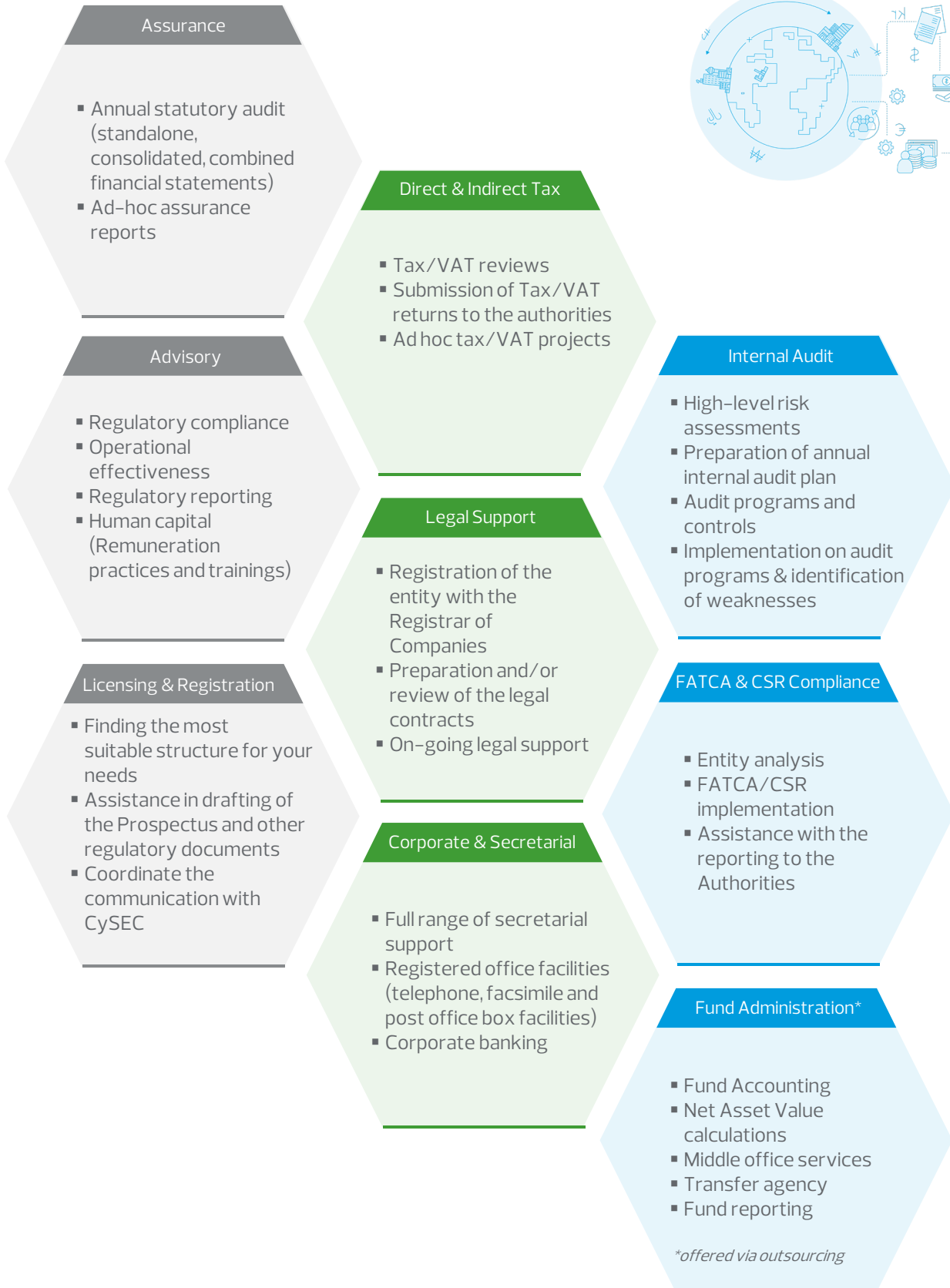
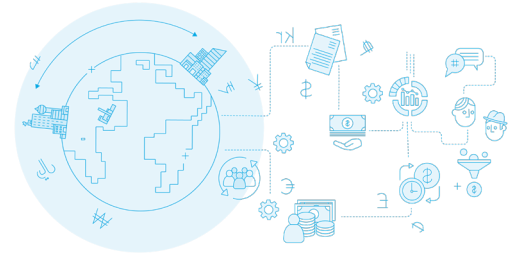
- RAIFs do not require authorisation by the CySEC in order to commence operations as long as they are externally managed by an AIFM established in Cyprus or within another EU Member State
- The establishment of a RAIF will need to be notified to the CySEC and be included in a special register that shall be maintained to this end.
- This process results to a significantly time efficient way for establishing AIFs in Cyprus.

Alternative Investment Funds (AIFs)



	AIFs	AIFs with Limited Number of Persons	Registered AIFs
Legal Forms	<ul style="list-style-type: none"> Common Fund Variable Capital Investment company Fixed Capital Investment Company Limited Partnership 	<ul style="list-style-type: none"> Variable Capital Investment Company Fixed Capital Investment Company Limited Partnership 	<ul style="list-style-type: none"> Common Fund Fixed Capital Investment Company Variable Capital Investment Company Limited Partnership
Type of Investors	<ul style="list-style-type: none"> Professional Well-informed Professional and well-informed Retail 	<ul style="list-style-type: none"> Professional Well-informed Professional and well-informed 	<ul style="list-style-type: none"> Professional Well-informed Professional and well-informed
Number of Unit-holders	Unlimited	Up to 50 natural persons	Unlimited
Minimum AUM within 12 months	EUR 500.000	EUR 250.000	EUR 500.000
Umbrella Structure	Yes	Yes	Yes
Internal Management	Yes	Yes	No
Eligible Managers	<ul style="list-style-type: none"> AIFM UCITS Man.Co Investment Firm Mini Manager 	<ul style="list-style-type: none"> UCITS Man.Co Investment Firm Mini Manager Special Purpose Company Third country Manager, under conditions 	<ul style="list-style-type: none"> AIFM UCITS Man.Co* Investment Firm* Mini Manager* Under conditions
Passporting of Units within EU	Yes, marketing to Professional Investors if managed by an AIFM	No	Yes, marketing to Professional Investors if managed by an AIFM
Minimum Capital Requirement	<ul style="list-style-type: none"> If self-managed: EUR 125.000 or EUR 300.000 for self-managed AIF/AIFM If externally managed: N/A 	<ul style="list-style-type: none"> If self-managed: EUR 50.000 If externally managed: N/A 	N/A
Assets Under Management	<ul style="list-style-type: none"> No restrictions if AIFM is appointed Up to EUR 100 million including leverage or EUR 500 million with no use of leverage and no redemption rights for 5 years if AIFM is not appointed 	Up to EUR 100 million including leverage or EUR 500 million with no use of leverage and no redemption rights for 5 years	<ul style="list-style-type: none"> No restrictions if AIFM is appointed Up to EUR 100 million including leverage or EUR 500 million with no use of leverage and no redemption rights for 5 years if AIFM is not appointed
Depository	<ul style="list-style-type: none"> Mandatory appointment of a local Depository if managed by an AIFM Cyprus, EU or third country based if AIFM is not appointed 	<ul style="list-style-type: none"> Cyprus, EU, or third country based Depository May be waived if one of the following criteria is met: <ul style="list-style-type: none"> total assets < EUR 5 million investors: up to 5 natural persons no more than 10% of total assets are subject to custody and; investors up to 25 natural persons and minimum investment per investor is at least equal to EUR 500.000 	<ul style="list-style-type: none"> Mandatory appointment of a local Depository if managed by an AIFM Cyprus, EU or third country based if AIFM is not appointed
Restrictions on Permissible Investments	Restrictions apply if addressed to retail investors	N/A	Cannot pursue money market or loan originating strategies
Diversification Rules	Restrictions apply based on type of strategy and type of investors	N/A	N/A

Our intergraded investment fund services



Who we are

RSM in Cyprus is amongst the leading providers of professional services offering a comprehensive range of audit, tax and consulting services with presence in Limassol, Paphos and Nicosia.

Over the years of our business operations, we provided our services to local and international clients across various industries, i.e. tourism, manufacturing, energy, real estate, shipping, insurance, retail, trading and others.

From the initial years of our foundation, we follow a proactive management approach that aims to effectively and efficiently address the challenges of the fast-paced business environment of the local and international market.

RSM Cyprus is part of RSM International, the 6th largest international audit, tax and consulting network globally, with firms in 120 countries, including the world's top 40 major business centres.

As RSM, we have a workforce of over 57.000 people and 830 offices across the regions of Africa, Asia Pacific, Europe, Latin America, MENA and North America.

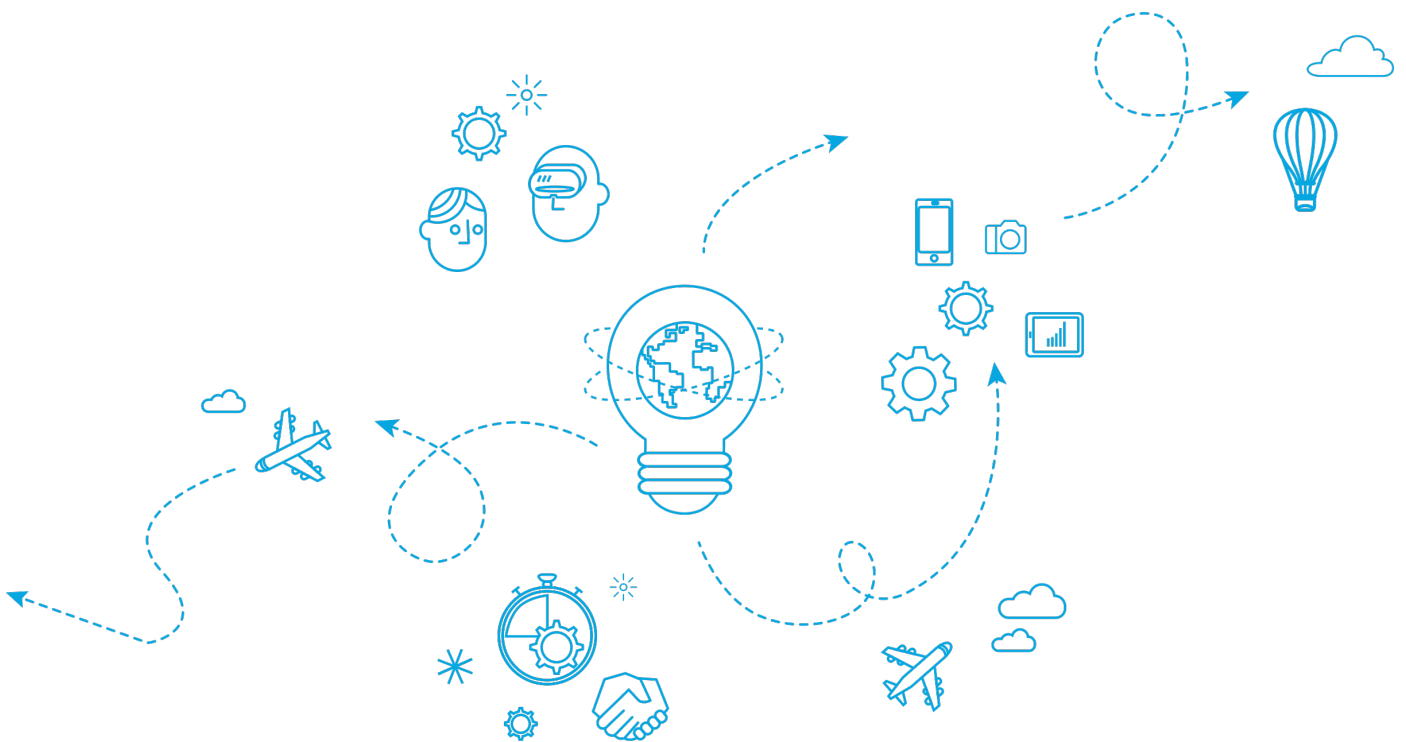
Our Services

- Audit and Assurance Services
- Accounting Services
- Tax Services
- Corporate Strategic Tax Planning
- Income Tax Consultancy Services
- Financial Advisory Services
- Management Consultancy Services
- Risk Management Services
- Forensic Accounting Services
- Payroll Services
- VAT and VIES Services
- Outsourcing Internal Audit
- Business Consultancy Services



Our client relationships are based on mutual respect, understanding, integrity and collaboration. We immerse ourselves in our clients' business to gain a deeper understanding of their goals and success measures so as to support and empower them at every step of the way towards maximizing their potentials.





THE POWER OF BEING UNDERSTOOD

EXPERIENCE THE POWER OF BEING

UNDERSTOOD is the principle we support and follow.

Whether serving public sector organizations, owner-managed businesses, private individuals or companies with overseas operations, our purpose is to assist and advise them to move forward with confidence and realize their business objectives.

We aim to fully understand your needs and business requirements to deliver the best possible advice,

guidance, and solutions based on your industry requirements, market trends, business objectives and strategies.

Building strong long-term relationships with our clients and being part of their business to support them on what matters the most is the norm we follow.

Mutual respect, integrity, teamwork, confidentiality, stewardship and delivering excellent quality services are the core values we serve and apply.

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