

**Monday, 06<sup>th</sup> November 2023**

**Subject: CYFA News / 11<sup>th</sup> AGM**

On Thursday, October 19, 2023, the 11th Annual General Meeting of the members of the Cyprus Fiduciary Association took place, at Lemon Park in Nicosia.

The General Meeting was addressed and honoured by the presence of the Honourable Minister of Finance, Mr. Makis Keravnos, the Deputy Minister of Research, Innovation and Digital Policy, Mr. Philippos Hadjizacharias, the Chairman of the Cyprus Securities and Exchange Commission, Dr. George Theocharides, the Registrar of Companies and Intellectual Property, Ms. Irini Mylona Chrysostomou and the General Manager of the Institute of Certified Public Accountants of Cyprus, Mr Kyriakos Iordanous. Other distinguished guests included the Chairperson of the Standing Committee for Energy, Trade, Industry & Tourism of the Parliament, Mr. Kyriacos Hadjiyiannis, party representatives and representatives of the Cyprus Chamber of Commerce and Industry, the Cyprus Employers and Industrialists Federation, STEP Cyprus and the Cyprus International Business Association.

In his brief greeting, the Minister of Finance, praised CYFA for its commitment to developing a sustainable international business environment within the Cypriot economy, while maintaining the highest professional standards and business integrity.

In his own words, "CYFA's journey since its inception in 2011 reflects the collective vision and commitment of its members, turning it into one of the most respected and recognizable organizations in the country."

In a constantly evolving business environment, the Minister recognized the rapid growth of Administrative Service Providers (ASPs).

"Administrative Service Providers have become irreplaceable partners, simplifying regulatory compliance, reducing administrative burden, and allowing businesses to focus on the ever-changing demands of the global business world," he added.

The Minister underlined the importance of reliable administrative services for companies and other organizations in the context of an international business center. "I am particularly pleased that CYFA has the necessary infrastructure, expertise, and capacity to provide training and guidance to its members and ensure its continued development in the global business market, maintaining the collective prosperity of this important sector," he noted. The Finance Minister also underlined the government's unwavering commitment to improving every aspect of the sector, including enhancing the quality of service providers and establishing a strong regulatory framework. He finally, drew attention to the Government's recent decision to conduct a comprehensive study to strengthen the governance and supervision of administrative service companies.

The Deputy Minister of Research, Innovation, and Digital Policy, Philippos Hadjizacharias, emphasized the active role of CYFA “in supporting the vital sector of investments in Cyprus.” Mr. Hadjizacharias praised CYFA for creating a link that brings together businesses and professionals who are actively engaged in the investment industry. “This coordinated community,” he said, allows them to unite their efforts “in representing their interests to various bodies and advocating for the safeguarding of their rights.” In addition, he said, CYFA's role in organizing seminars and networking events facilitates “the exchange of ideas and expertise among individuals providing administrative services in the investment sector.”

The Deputy Minister underlined the importance of investments for economic development in Cyprus, in various sectors. He referred to the importance of providing efficient services to professionals wishing to invest in Cyprus, as this contributes to “our country’s credibility, economic and social development, making it an even more attractive destination for further investors.” He continued by adding that “Cyprus is fortunate to occupy a strategically favourable position on the global map, a geostrategic location with access to Europe, Asia, and Africa while offering access to skilled talent, low cost of doing business, and an enviable lifestyle. With an attractive tax regime for corporates and individuals, strong business services, and support from the higher level to conduct business, Cyprus is the ideal place to be considered.”

In his speech, the Chairman of the Cyprus Securities and Exchange Commission (CySEC) Dr George Theocharidis addressed various aspects related to sanctions, focusing both on sanctions at the EU level and those imposed by the US and the UK. He emphasized that CySEC actively provides guidance and support to its supervised entities, with extensive information on its website covering legal frameworks, sanctions guidance, and implementation requirements. He also stated that the Commission supervises 135 Administrative Service Providers for compliance with the anti-money laundering directive, while an additional ten applications are currently under consideration.

In her speech, the Registrar of Companies and Intellectual Property Ms. Irimi Mylona Chrysostomou said “It is of paramount importance to provide our businesses with the tools to compete in the European Union and the global market by providing them with fast and high-quality services allowing them to evolve and flourish by facilitating the rapid and cost-effective initiation of business activity, establishment of companies, cross-border activities, protection of Intellectual Property Rights and access to accurate information in a timely manner.”

She cited her office's efforts to promote business, including a fast-track process for business approval and company registration, increased efficiency, and simplified and automated procedures.

The Director General of ICPAC, Mr Kyriakos Iordanou after thanking the Association for the invitation, referred to the importance of the services sector in general and more specifically to the administrative services, while pointing out the need for a constructive cooperation and coordination between the relevant stakeholders. Mr. Iordanou also commented on the challenges the sector still faces, emphasizing the necessity of implementing effective measures that will lay a solid foundation for a sustainable and healthy economic growth. He also stressed the need for Cyprus to comply with the European and international regulations that shape the current international business

landscape. Finally, he repeated the proposal submitted by ICPAC to the government, that the way forward is the establishment of an overarching Financial Services Authority that would govern, coordinate, harmonise and guide the individual competent authorities of the entire financial services spectrum.

In his speech, Mr. Chris Koutouroussis, President of our Association, emphasized the need for a more dynamic and robust administrative services industry in Cyprus, based on the country's trust and reputation.

He mentioned the importance of balancing compliance with business development. While he said, "compliance is welcome, one may counter-argue that over-regulation damages business development." He emphasized that CYFA members should seek to strike a balance and focus on onboarding long-term clients "even if this is at the expense of short-term profitability." He drew attention to Cyprus' small size and how it can be turned into an advantage, by fostering a flexible and adaptive system to navigate the global landscape of increased complexity something that "can only be achieved by improving our image and building an impeccable reputation."

He pointed out that "Reputation will not only lead to higher-caliber clients but will also attract more international providers in Cyprus." The President of CYFA spoke of the need to "raise the bar" by attracting larger clients and international banks, rejecting the "small-size mentality" and exploiting the unique advantages of Cyprus in the financial sector.

**CYFA, Nicosia**