

Year in Review

2023



CYPRUS FIDUCIARY ASSOCIATION

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President's Foreword

Looking back at 2023, I believed that the Russia - Ukraine war would be the last significant event in the industry for a while. When I wrote the same foreword twelve months ago, I was confident that Lebanon and Israel would have a positive impact on the industry. Unfortunately, I did not anticipate that another war would break out nine months later, significantly impacting both neighbouring countries. The situation remains unresolved, and more countries in the region are getting involved, increasing the likelihood of escalation.

In times of uncertainty, entrepreneurship is often adversely affected. However, our services have not been impacted in the same way. Cyprus can be a haven for asset protection, estate planning, and risk diversification for active businesses in the region. But we need to be selective in the opportunities we pursue.

As someone who values reputation and high standards, I urge all of us to conduct thorough research before onboarding any clients and avoid working with clients of dubious backgrounds. Sanctions and adverse media are becoming more common methods of setting trends and providing guidance to markets on what to avoid. After focusing on anti-money laundering and compliance for over a decade, we should have no difficulty successfully navigating the current financial environment. Our goal is for Cyprus to emerge as a reputable and impeccable jurisdiction where we all aspire to operate.

As for the past year, it was a year in which the Cyprus Fiduciary Association achieved its set targets. We consolidated our position as a reliable and committed stakeholder in the Cyprus economy while managing to grow during adverse conditions. Our voice is heard, and our opinion counts on all matters that affect our industry.

I would like to express my gratitude to all our members for their invaluable contribution and to the staff of the Association for their hard work and dedication. As we embark on another year, we reiterate our commitment to building on the solid foundations we have laid and strengthening the Association even further. I hope that 2024 turns out to be an uneventful, borderline-boring year of much-needed respite for the sector!



Chris Koutouroussis
President

GM's Review

On behalf of the management of the Cyprus Fiduciary Association it is my pleasure to address the 2023 Year in Review publication and brief you on the Association's news, initiatives, and actions.

Recapping though on the main activity pillars and targets set, I can confidently conclude that the Association has managed to achieve most of the key goals set. In relation to our educational activities, the Association enhanced even further its dynamic plan and successfully delivered 11 seminars on topics of interest for the industry. Delivered both through a physical and online mode, our educational programme received excellent feedback and was attended by more than 800 participants in Nicosia, Limassol and Larnaca. In addition, as outlined in the sections to follow, numerous - member's only - events were organised with great success, providing members the opportunity to network, exchange ideas and be briefed on current developments.

Further the Association had during the year a very active role in promoting members' interests and successfully engaged in various consultations with government authorities, industry regulators and other working groups. The Association also enhanced its collaboration with key industry stakeholders and has managed to maintain and develop new communication platforms for the benefit of members. At the same time, we engaged in multiple actions to enhance awareness and communication with members and other interested parties with very positive outcomes.

In concluding, I would like to express my appreciation to the Association's Administrative Officer, to all the Committees representatives and of course the Board of Directors for the invaluable support and assistance. Through the combined efforts of these professionals, the Association has been able to deliver timely consultations on proposed draft legislations, enhance business relationships, develop further the Association's best practices and hence continue contributing to the development of the fiduciary industry in Cyprus.



Christoforos Ioannou
General Manager

Foreword

Message from Committee Presidents

Andis Petrou - PR and Communications Committee President

2023 was a PR nightmare. Cyprus was accused of violating sanctions against Russia, placing the island's professional services in the crosshairs once again allowing those with vested interests to take a cowardly, yet justified shot. And all that just as the Middle East erupted plunging the region and the world into uncertainty, once again.

A brainstorming event organised by CYFA in September 2023, came to a realisation.

It was first admitted that we've brought this upon ourselves. And it was then suggested that Cyprus must break free from past practices and establish a new business model that will allow it to evolve and re-establish itself as an international business center.

CYFA has a pivotal role to play in this. Being the sole representative body of all regulated Administrative Service Providers (ASP's) in Cyprus, CYFA's leadership possess the knowledge, perseverance and ethics to step forward before the government, the parliament and the public and spearhead an effort to change, improve and redeem.

Already CYFA is regularly consulted by decision makers on issues that are hurting our industry and our voice is becoming louder and louder.

The CYFA PR & Communications committee will continue to work hand in hand with the Board of Directors and the Management of the association to support efforts to safeguard the interests of our members and protect our industry from hurdles that are strewn along our way, either by ignorance, malice, greed or incompetence.

Valentinos G. Pavlides - Tax and Legal Affairs Committee President

Another remarkable year has come to an end, and it is with great pleasure that I reflect on the collective achievements and strides made by the CYFA Tax and Legal Committee. In our pursuit of understanding and reshaping the landscape of taxation, each member has played an integral role in contributing to the vibrancy of our discussions and initiatives. Throughout the year, we have not only expanded our knowledge but also forged lasting connections within the members. The CYFA Tax and Legal Committee stands as a beacon of collaboration, providing a platform for professionals to exchange ideas, share experiences. As we take stock of the accomplishments and lessons of the past year, let us carry forward the momentum and enthusiasm into the upcoming challenges and opportunities.

I express my deepest appreciation to each member for their hard work and dedication!

Maria Chan - AML and Compliance Affairs Committee President

The ongoing war in Ukraine and the Israel-Hamas conflict continued to present challenges and risks during 2023 with Sanctions compliance remaining and top priority and impact of non-compliance being identified as a major risk for the industry. Sanctions compliance remained a theme for several events and educational sessions of the association throughout the year. The 4th CYFA Brainstorming event was organised in September 2023 giving opportunity to members to come together to discuss major challenges and significant topics affecting our industry. The AML and Compliance Affairs Committee lead the round table on Compliance, Risk and Regulatory Challenges with discussions focusing on Sanctions Compliance & Risks and Current Regulatory Challenges, noting the maturity of the sector and ability of the industry to adapt and create growth in a compliant manner. The need was identified for the sector to be regulated in a unified and consistent manner, with harmonised supervision and monitoring ensuring common playing field, increased compliance, and enhancement of reputation for the sector and for Cyprus. The AML and Compliance Affairs Committee remains focused to monitoring developments and pro-actively liaising with relevant stakeholders to address issues of concerns and challenges faced by our industry.

Events

Business Opportunities for Cyprus-based Service Providers via International Insurance

Wednesday, 1st February 2023 | Hilton Hotel, Nicosia

CYFA hosted a discussion event called "The Russia/Ukraine Crisis - New Risks for Cypriot ASPs and New Challenges: Feedback from the Insurance Market". The event, presented by Mr. Christos Gavriel, aimed to give attendees a better understanding of the role of ASPs in their clients' insurance purchasing and administration process, and to explore possibilities of expanding their firms' service offerings and value propositions to clients through insurance.



4th Brainstorming Event

Wednesday, 6th September 2023 | Radisson Blu Hotel, Larnaca

The Association organized the 4th Brainstorming Event on September 6th, 2023, at the Radisson Blue Hotel in Larnaca. The event provided member firm representatives with an opportunity to discuss, analyse, and exchange ideas about the specific challenges facing the industry, aiming to identify possible actions to address these challenges.

Round table discussions were held on various topics, including how to improve Cyprus' reputation as a jurisdiction, current tax issues, regulatory challenges, and primary banking-related issues. The Association intends to continue organizing similar platforms for constructive discussions to benefit its members and the industry as a whole.



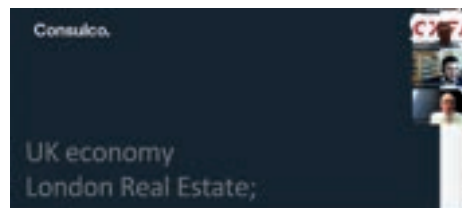
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Events

The UK Economy & Housing Market: Overview and Analysis

Monday, 16 October 2023 | Live-Online

On Monday, the 16th of October, CYFA and Consulco Group jointly hosted an online presentation and discussion event titled "The UK Economy & Housing Market: Overview and Analysis." The event was presented by Mr. David King and Mr. Stavros Aristodemou, with the primary objective of aiding participants in assessing the UK economy and gaining a better comprehension of the mechanics of the UK real estate market. Through this event, attendees were able to explore the current state of the UK economy and the critical factors impacting the housing market. The presenters provided an in-depth analysis of the current market trends and highlighted the challenges and opportunities that exist in the industry. The event was a success, and attendees gained valuable insights into the UK economy and real estate market.



11th Annual General Meeting

Thursday, 19 October 2022 | Lemon Park, Nicosia

The 11th Annual General Meeting of the Cyprus Fiduciary Association was held on Thursday, October 19, 2023, at Lemon Park in Nicosia. The meeting was addressed by 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. Irimi Mylona Chrysostomou, and the General Manager of the Institute of Certified Public Accountants of Cyprus, Mr. Kyriakos Iordanous. Other notable guests included the Chairperson of the Standing Committee for Energy, Trade, Industry & Tourism of the Parliament representatives of political parties, and representatives of the Cyprus Chamber of Commerce and Industry, the Cyprus Employers and Industrialists Federation, STEP Cyprus, and the Cyprus International Business Association.



“Cyprus can be a haven for asset protection, estate planning, and risk diversification for active businesses in the region. But we need to be selective in the opportunities we pursue.”

-Chris Koutouroussis

Year in Review 2023

Events

Cyber Security & Awareness

Friday, 1 December 2023 | Live-Online

On December 1st, CYFA organized a free two-hour online presentation and discussion with Mr. Stelios Dafereras from A.C. Slashopt Ltd.

The topic of the event was "Cyber Security & Awareness". During the presentation, Mr. Dafereras provided a detailed insight into common security threats, password security, MFA, and suggested security practices. The event was a unique opportunity for attendees to gain knowledge about the latest developments in cybersecurity and understand the significance of staying secure.



CYFA Annual Networking Dinner

Thursday, 7 December 2023 | Amathus Beach Hotel, Limassol

The annual networking dinner of the Cyprus Fiduciary Association was held at the Amathus Beach Hotel in Limassol on Thursday, December 7, 2023. The event provided an excellent opportunity for members, friends, and associates to socialize and network in a friendly and casual environment. It was also an occasion to celebrate the season with each other and to raise a glass to the coming New Year.

The event was attended not only by CYFA member firms but also by several distinguished guests, including the Chairman and Vice Chairman of the Cyprus Securities and Exchange Commission (CySEC), the Registrar of Companies and Intellectual Property, the Vice-President of the Cyprus Chamber of Commerce & Industry, a Member of the Board of Directors of OEB, the President of the Cyprus Integrity Forum, and representatives from the Association's sponsors, which included the Bank of Cyprus, Complytek, the European Legal Training Centre, A.C. Slashopt Ltd and Renaissance Insurance Brokers Ltd.



Seminars

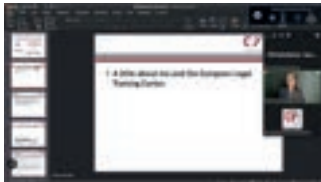
**CYFA 2023 Seminar 1:
“Sanctions Overview: A
Practical Approach”**

Speakers: Mr Evis Zenios,
Ms. Nadia Constantinidou
Speakers: Mr. Stavros
Pavlou, Ms. Stella Strati,
Ms. Aljona Sakharova



**CYFA 2023 Seminar 3:
“Substance and Control in
Cyprus”**

Speaker: Ms. Androulla
Poutziouris



**CYFA 2023 Seminar 5:
“Anti-Money Laundering:
Practical Considerations
for Regulatory
Compliance”**

Speakers: Ms. Haroulla
Arkade and Mr. Haig
Assadourian



**CYFA 2023 Seminar 2:
“Crypto Asset Service
Providers & Cryptos:
CySEC Registration,
Legal Issues & AML
Implications”**

Speaker: Mr. Haig
Assadourian, Mr. Michail
Kamperis, Mr. Michalis
Spyrou



**CYFA 2023 Seminar 4:
“Induction Course in
Administrative Services”**

Speakers: Ms. Xenia
Neophytou, Ms. Stella
Strati, Mr. Michalis
Eleftheriou



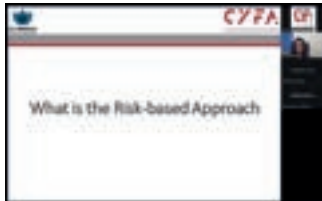
**CYFA 2023 Seminar 6:
“Cracking the Crypto
Code: Navigating
Financial Crimes, Digital
Forensics and Regulatory
Compliance in the World
of Blockchain and Crypto
Assets”**

Speaker: Mr. George
Agathangelou



Seminars

CYFA 2023 Seminar 7:
**“AML Considerations:
Effective Implementation
of the Risk-Based
Approach”**
Speaker: Ms. Xenia
Neophytou



CYFA 2023 Seminar 8:
**“Trusts in Practice: An
Essential Guide”**
Speaker: Ms. Nicky
Xenofontos



CYFA 2023 Seminar 9:
**“Advanced AML: How
does Theory work in
Reality? Theory, Practice
and Case Studies”**
Speakers: Ms. Athena
Yiallourou, Ms. Niki
Charilaou, Mr. Haig
Assadourian



CYFA 2023 Seminar 10:
**“Local Direct Tax and VAT
Developments”**
Speakers: Mr. Andreas
Papagavriel, Mr. Valentinos G.
Pavlidis



CYFA 2023 Seminar 11:
**“Sanctions Applied:
Updates & Practical
Considerations”**
Speakers: Mr. Stavros
Pavlou, Ms. Stella Strati,
Ms. Aljona Sakharova



News

1. Official Meetings and Representation

Throughout the year, representatives of the Association met with government authorities, regulators, and stakeholders to discuss various issues affecting the industry and promote the interests of its members. CYFA held meetings with:

- Members of Parliament
- Ministry of Finance Officials
- Department of the Registrar of Companies
- Cyprus Securities and Exchange Commission (CySEC)
- Institute of Certified Public Accountants of Cyprus (ICPAC)
- Cyprus Bar Association (CyBAR)
- Cyprus Chamber of Commerce and Industry (CCCI)
- STEP Cyprus
- Cyprus Investment Fund Association (CIFA)
- Invest Cyprus
- Cyprus International Business Association (CIBA)

2. Public Consultations / Position Papers / Ad-Hoc Committees

The Association as part of its overall efforts to promote and protect member's interests has participated in various public consultations and has submitted relevant positions:

Banking Sector:

The Association held a meeting with the Association of Cyprus Banks (ACB) to exchange views on various matters faced by the ASP industry regarding banking practices and procedures. During the meeting, the Association had the opportunity to comment on the limitations and the challenges posed to the industry due to the implementation by banking institutions of a stricter AML/FT regulatory framework, enhanced client onboarding procedures, and a widely adopted de-risking strategy. Additionally, CYFA is part of the Ad-Hoc Working Committee formed by the Central Bank of Cyprus to discuss issues faced with banking procedures and to identify possible improvements.

EU 'Unshell Directive':

In relation to the draft Council Directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU (the Directive), published in December 2021 by the European Commission (EC), the Association throughout 2023 actively engaged in the consultation process initiated by the Ministry of Finance and collaborated with key stakeholders to identify the key challenges and make relevant proposals.

UBO Registry:

CYFA actively engaged and communicated industry concerns to the relevant government authorities and managed to identify viable solutions to the issues that arose with the implementation of the UBO Registry final solution phase.

Cyprus Tax System Reform:

CYFA is part of the ongoing consultation process and is in contact with key industry stakeholders to ensure that any proposed tax regime will be for the benefit of the industry and the economy as a whole.

News

RBSF-ASP's Form Version 6 (CySEC):

Throughout 2023, the Association engaged in a productive consultation process with CySEC, whereby industry feedback and concerns were provided to assist in identifying solutions to various reporting issues faced by members while providing accurate statistical information. Numerous CYFA recommendations were adopted by the Regulator as communicated to members through relevant industry announcements.

FDI Screening Law Framework:

During 2023, CYFA continued to consult with stakeholders regarding the enactment of a law that establishes a framework for screening foreign direct investments. This law aims to apply specific provisions of Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019.

Trust Registry (CyTBOR System):

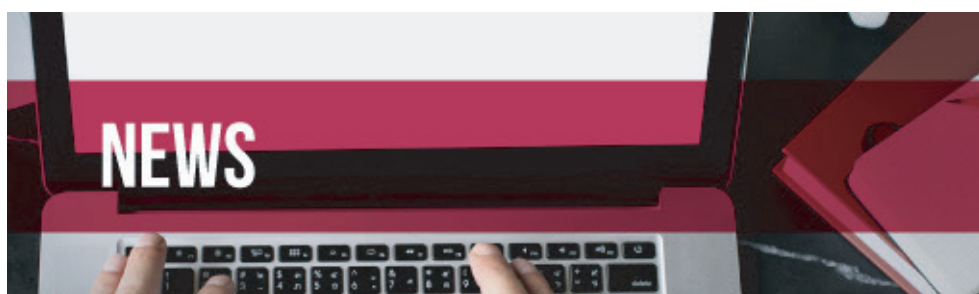
After the launch of the CyTBOR system in 2022, CYFA and STEP Cyprus worked together to provide CySEC with recommendations on how to improve the system's efficiency and functionality. We are happy to report that many of our suggestions have been accepted, while a few others are still being considered.

EU/US Sanctions:

Throughout 2023, CYFA has been actively consulting with the Ministry of Finance and relevant key industry stakeholders to identify key issues and ensure the smooth application of restrictive measures related to the sanctions being imposed on Russia. The Association also participated in relevant Parliamentary discussions related to the impact of US sanctions on the industry. The aim was to identify possible measures that would assist the industry in addressing the challenges faced.

Amendment of The Companies Law:

CYFA participated in the consultation process initiated by the Department of the Registrar and Intellectual Property Rights regarding the proposed amendment of The Companies Law. The amendment aims to harmonize it with Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019, which amends Directive (EU) 2017/1132. The amendment focuses on the use of digital tools and processes in company law.



News

3. Promotional Activities

Communication with Members

Throughout 2023, the Association made consistent efforts to improve communication with its members. Regular updates were sent out to keep members informed of the Association's news, enhancing transparency and promoting the transfer of relevant information to industry members. Additionally, the Association's social media platforms were regularly updated with information regarding its activities and actions to keep members and other interested parties up to date.

International Press - USA Today

In November 2023, the Association was featured in the prestigious American newspaper USA Today's special economic and business publication about Cyprus. In an up-to-date and insightful interview, Mr. Chris Koutouroussis, President of CYFA, provided valuable insights into the fiduciary industry in Cyprus. The business and investment environment in Cyprus, the current practices in place, the key competitive advantages, as well as the latest progress and achievements made were discussed, providing readers with a comprehensive overview of the Cyprus corporate services industry. The feature appeared both in the print edition (New York, Washington & Philadelphia editions), as well as in the digital edition.

Conference Exposure

Throughout 2023, the Association supported multiple conferences, increasing industry awareness and exposure. Members benefited from significant discounts for relevant events.

Membership in Professional associations

CYFA remained a member of the Cyprus Chamber of Commerce and Industry (CCCI), Cyprus Employers & Industrialists Federation (OEB), and the Cyprus Investment Funds Association (CIFA) in 2023. These memberships provide CYFA with the chance to engage in industry discussions, share ideas with important industry stakeholders, and better advocate for the interests of its members.

Memorandum of Understanding (MoU) signed between CYFA and the Cyprus Fiscal Council

CYFA is pleased to announce that an MoU was signed with the Cyprus Fiscal Council in 2023. The memorandum aims to establish working groups and organize workshops for the mutual exchange of expertise in matters related to the development prospects of the Cypriot economy. The Fiscal Council is an important economic state body that ensures the sustainability and resilience of public finances. This collaboration will benefit the Association by allowing them to better communicate their positions to promote the interests of its members.

News

Donation - Europa Donna Cyprus

At CYFA, we believe that it is our responsibility to give back to those who have dedicated their lives to helping those in need. In 2023, our association donated to Europa Donna Cyprus, the "home" that has been providing support to women and men facing breast cancer and gynecological cancer for over two decades. Their primary objective is to raise awareness about breast cancer, and encourage the Cypriot population to advocate for improved breast cancer education, appropriate screening, optimal treatment, and increased funding for research. We would like to express our gratitude for all the valuable work that they do.



Exclusive Sponsors 2023

We are delighted to announce that Bank of Cyprus, ComplyTek, Renaissance Insurance Brokers, ELTC, and AC Slashopt Ltd have collaborated with our Association as official and exclusive sponsors for the year 2023. Throughout the year, we have worked closely with all the sponsors to increase brand awareness, establish new relationships, and create business opportunities. Moreover, the sponsors' contribution, knowledge, and expertise in their respective fields proved invaluable for the successful organization and delivery of seminars and events, as well as the Association's activities.



4. New members

CYFA is pleased to announce that eight new firms have been admitted as members during 2023.



News

5. Honorary Members

The Association would like to express gratitude to its Honorary Members for their close collaboration and collective work to benefit our industry.



About us

Cyprus Fiduciary Association

The Cyprus Fiduciary Association was established in November 2011 by the initiative of leading firms in Cyprus providing fiduciary, management and administration services to companies engaged in international business activities or involved in international business structures. The objective of the Association is to serve the Administrative Services Providers (ASPs) by promoting their interests, supporting their operations and educating their staff. The aim is to assist in creating a solid and strong fiduciary and a wider international business sector in Cyprus, operating on high professional standards and integrity. The Association is recognised as a representative body of ASPs in Cyprus before public and regulatory authorities, other associations and the business community in Cyprus and abroad.

Exclusive Sponsors 2023



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CYFA

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