

Cyprus Financial Services

Brexit Implications and opportunities

Great Britain – Cyprus Business Association

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Managing Director

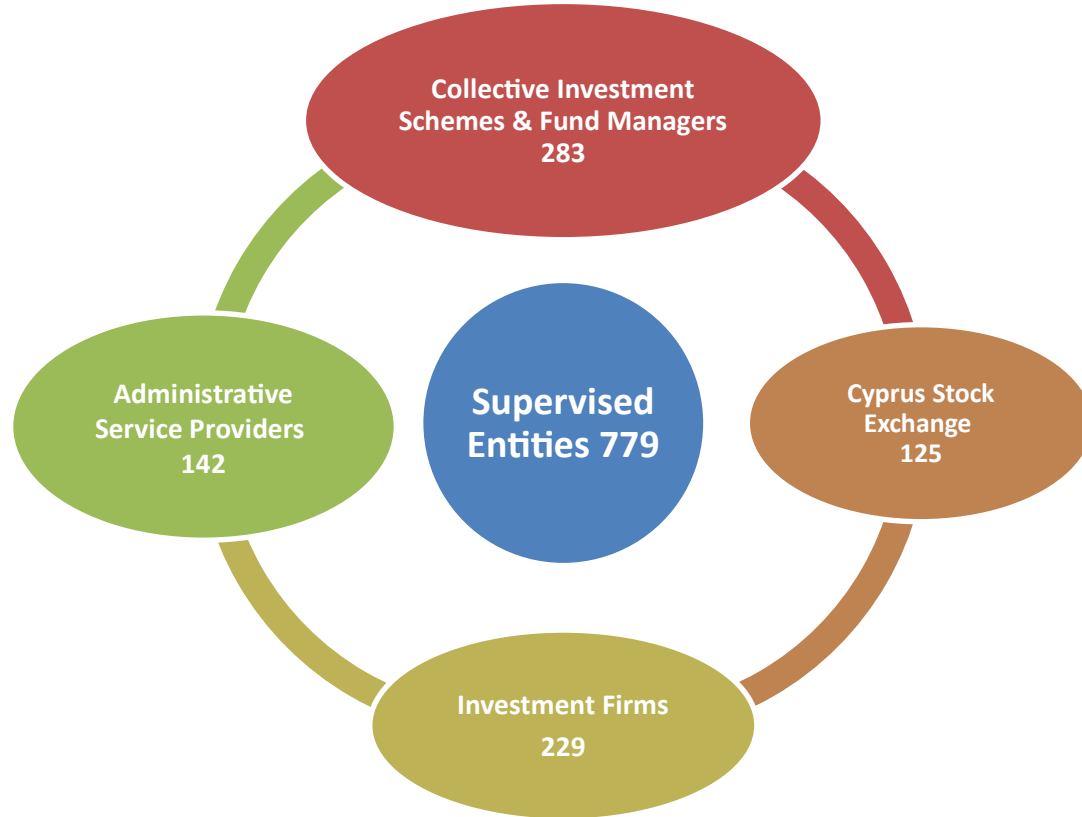
 **CX Financia**



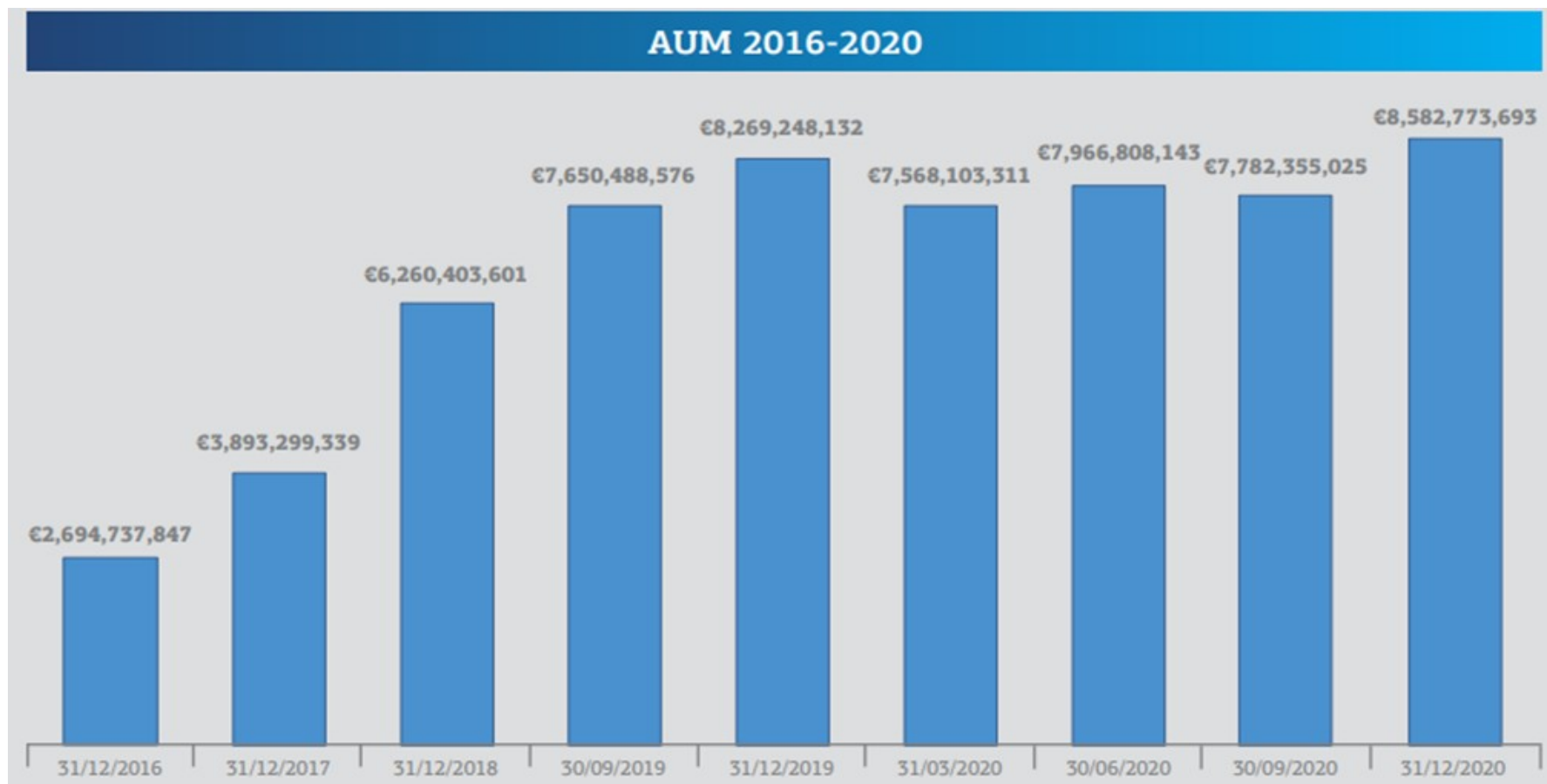
A.Overview – Cyprus Financial Services

- Major attraction for Foreign Direct Investment (FDI)
- One regulator for CIFs, UCITs and AIFs, (CySEC) which provides streamlined procedures and reduced bureaucracy
- High level of Professionalism
- Licence Hub – access to the territory of EEA under a single license
- Low cost operation and highly sought after prestigious license
- An emerging Investment Fund Hub
- Brexit-increased interest from UK to retain EU passport

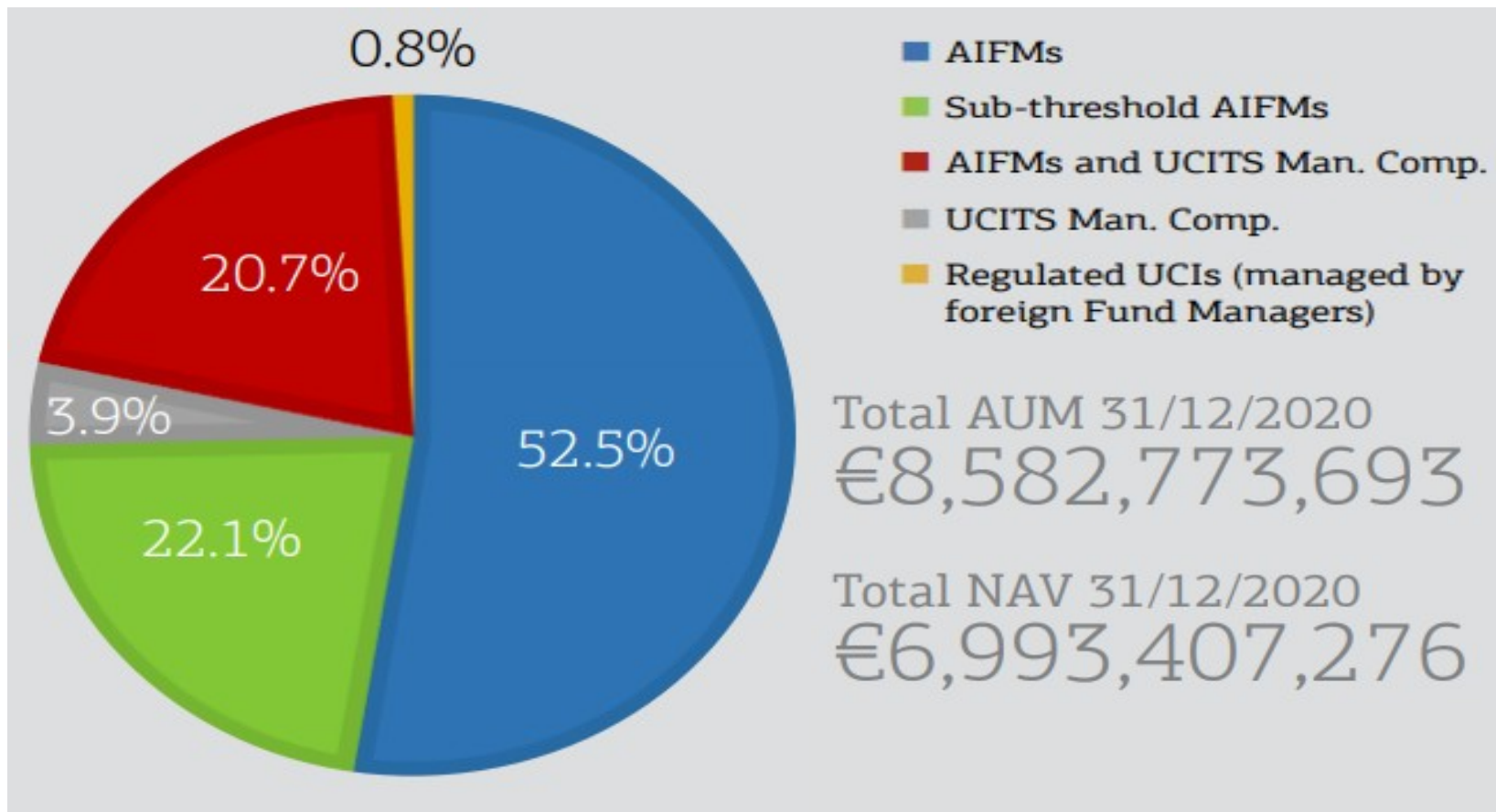
B.CySEC Statistics – Supervised Entities



B.CySEC Statistics – AUM



B.CySEC Statistics – AUM

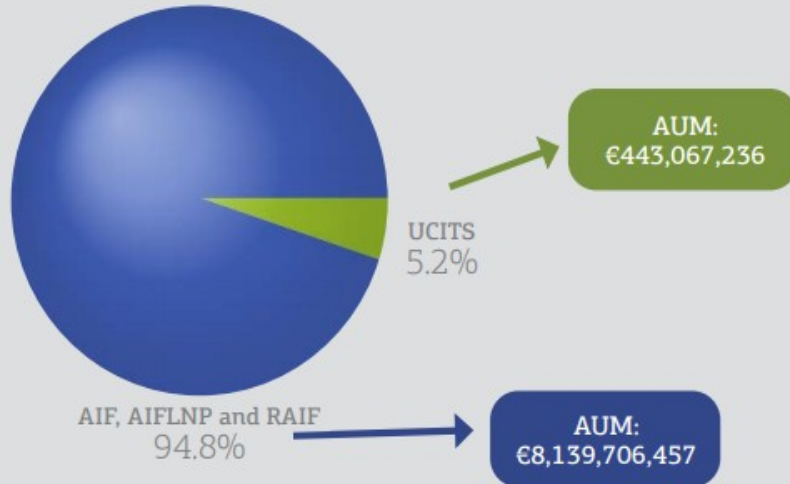


B.CySEC Statistics – AUM Strategy

TOTAL AUM

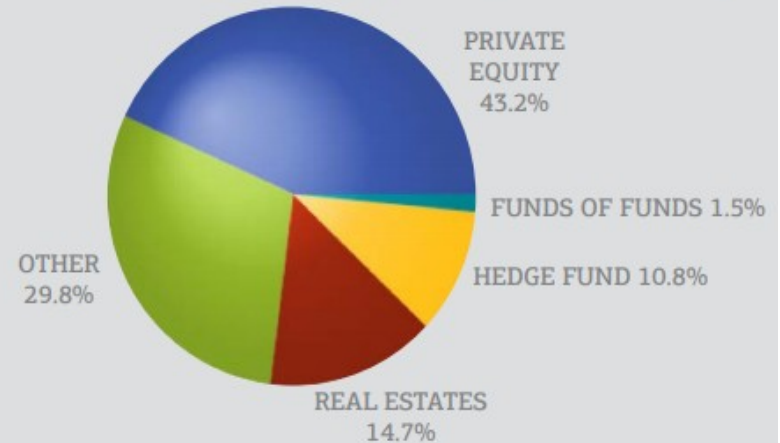
Graph 5

AUM
€8,582,773,693



AIF, AIFLNP AND RAIF INVESTMENT STRATEGY

Graph 7



C.Recent Amendments – Highlights

- Registered Alternative Investment Funds (RAIFs)
- Mini-Manager's legal framework
- Crowdfunding Directive
- Cyprus Investment Firms(CIFs) offering derivatives on virtual currencies
- Extended scope of 5th AML Directive – Definition of Cryptoassets and service providers

What are the implications of United Kingdom leaving the European Union for financial service providers?

- No EU passporting
- Subsidiaries will need a MiFID license to operate in EU
- Branches of UK investment firms in EU need to comply with national applicable law
- UK trading venues are 3rd country venues under MiFIR

The Brexit Information Hub contains:

- A comprehensive set of Q&As per regulated sector;
- All Brexit related announcements issued by CySEC; and
- All Brexit related Circulars addressed to CySEC regulated firms;

- EU Passporting
- Modern legal framework that automatically follows the latest EU regulations
- Attractive and transparent tax system
- Lowest costs compared to other competing jurisdictions
- Professional level of financial services offering
- Independent public supervisory authority which is considered among the strongest in EU

Average of 8 months considering that there are no exceptional circumstances surrounding the application.

- Month 1 – Preparation of application package and submission
- Month 2-6 – Examination of application package by the Regulator
- Month 7 – Conditional license which stipulate certain conditions to be met for the license to be activated
- Month 8 – Inspection for Activation
- Month 9 – Receive License

It is possible to utilize the fast track scheme of CySEC based on which there is an additional fee of EUR 25.000 paid to CySEC which can reduce the processing time of the application by CySEC

- Application Package
 - Preparation, review and advisory on paperwork (manual, policies, KYC evidence, source of funds evidence etc.)
 - Liaison with the Regulator and advice on communication
- Activation Stage
 - Initial engagement with key service providers (Liquidity, Depository, etc.)
 - Locating qualified Directors and key personnel
- License Maintenance
 - Full legal, accounting and auditing support
 - Compliance consulting and support
 - Executive training for personnel

Compliance services to start-ups, emerging and established firms requiring compliance support, on retainer, ad-hoc or project management basis

we assist with licensing of:

- Investment Firms (IFs) – Asset Managers & Advisers, Forex and Equity Brokers
- Investment Funds – Hedge Funds Private Equity & Venture Capital firms
- Investment Fund Managers – AIFMs, UCITs Managers
- Payment Service Providers (PSPs) and Electronic Money Institutions (EMIs)



Thank You!

Xenia Neophytou

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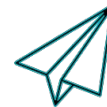


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