



# **CENTRAL BANK OF CYPRUS**

## **INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES:**

### **Policy Statement and Guidelines**

### **Regulations**

### **Documentation and Application Forms**

**Policy Statement and Guidelines  
on the establishment and management of  
International Collective Investment Schemes**

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**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**  
**(NO. 47 (I) OF 1999)**

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**1. Regulatory and supervisory authority**

The International Collective Investment Schemes Law (No. 47(I) of 1999) (“the Law”) came into force in May 1999. The Central Bank of Cyprus (“the Bank”) has been designated under the Law as the competent authority with the responsibility for the recognition, regulation and supervision of ICISs. The Bank is also the supervisory authority for the managers and trustees of ICISs.

Under this Law, the Bank may issue regulations covering **investment restrictions, directions** and **codes of conduct** for ICISs, managers and trustees.

**2. Laws of Cyprus which are in force and applicable to International Collective Investment Schemes**

The Cyprus Companies Law and the Partnership and Business Names Law, are applicable to ICIS, except for those sections which are specifically disapplied by the Law. The International Trusts Law is applicable to ICIS to its totality.

**3. Legal forms and structure of International Collective Investment Schemes**

**3.1 *Legal form of ICISs***

An ICIS can take one of the following legal forms:

- International Fixed Capital Company;
  - International Variable Capital Company;  
(The above two are known as “international investment company”)
  - International Unit Trust Scheme;
  - International Investment Limited Partnership.
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The sole object of an ICIS must be the collective investment of funds of unitholders. The units issued by an ICIS must be, at the option of unitholders redeemed or repurchased directly out of the assets of the ICIS (unless provided otherwise by the Law or any other law applicable thereto).

Under the Law, a **unitholder** is the owner of units (share, participation or interest in a scheme). A unitholder may be (a) an ICIS or (b) an international business company (“offshore enterprise”) or (c) a person not being a permanent resident of Cyprus for the purposes of the Exchange Control Law.

All four types of ICIS may be established with unlimited or limited duration and may be structured in such a way as the promoters may determine provided, however, that adequate protection is afforded to the unitholders.

### **3.2 Type of ICISs**

Upon application to the Bank and having regard to the investment policy and the particular investment objectives of the applicant, an ICIS may be designated as:

- an ICIS marketed to the general public; or
- an ICIS marketed solely to experienced investors; or
- a private international collective investment scheme.

## **4. ICISs marketed solely to experienced investors and private ICISs**

### **4.1 Definition of “experienced investor”**

**A.** A person, legal or natural, may be regarded as an experienced investor in the following circumstances:

1. A person who itself provides financial services to the public; or
  2. A person who frequently enters into investment transactions which, on average, are of substantial size and such person, having regard to all relevant facts, can
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reasonably be expected to appreciate the risks inherent in investment transactions.

**B.** An ICIS designated to be marketed to experienced investors must contain in its constitutional documentation and offering memorandum clearly defined rules and procedures in order to ensure that marketing of the ICIS is restricted to persons who fall within 1 or 2 above.

#### **4.2 *Minimum subscription***

The **minimum subscription** by investors in ICISs which are marketed solely to experienced investors has been set by the Bank to **US\$50.000** or its equivalent in any other currency. ICISs marketed to the general public and private international collective investment schemes do not need to have a minimum subscription.

#### **4.3 *Private ICISs***

A private international collective investment scheme means a scheme which by its constitutional documentation, restricts the right to transfer its units **and limits the number of its unitholders to one hundred**. A private ICIS is prohibited from making any invitation in any part of the world to the public to purchase units in the scheme.

The Bank regards a private ICIS as a private arrangement, and therefore because it needs less regulation it is not obliged to appoint a manager or a trustee.

#### **5. Issue of bearer units**

Both private international collective investment schemes and ICISs marketed solely to experienced investors are prohibited from issuing bearer units. ICISs marketed to the general public may issue bearer units, provided the prior approval of the Bank is obtained.

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**6. Processing of applications for a recognition as an International Collective Investment Scheme**

***6.1 Preliminary enquiry***

It must be noted that the Bank encourages applicants to approach its officers responsible for the processing of applications in order to discuss their preliminary proposals at an early stage. In this respect, prospective applicants are asked to complete the **Preliminary Application Form (Form P.A.)**, which can be found in **Schedule 1**, and to submit, where applicable, draft documentation and business plan, seeking the Bank's preliminary comments and views.

***6.2 Application for a recognition***

Once the Bank's preliminary views and comments have been received, an applicant may proceed with the formal application in order to obtain a recognition under section 4, 10, 18 or 21 of the Law, as applicable, as an ICIS. The applicant company, international trust or investment limited partnership, as appropriate, must at this stage submit to the Central Bank of Cyprus together with the **Standard Application Form (Schedule 3 refers)** the **documentation** which is outlined in **schedule 2** together with the prescribed **application fee**. There is no prescribed time within which the Bank is required to process an application for recognition under the Law, nor is it possible to give an indication of the average processing time as each application is unique.

***6.3 The Fit and Proper Test***

A person, whether natural or legal, submitting an application to the Central Bank of Cyprus to be involved with the establishment, management or administration

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of an ICIS, must be a “fit and proper person”. In determining whether a person is “fit and proper”, the Bank takes into account relevant educational and professional qualifications, experience, reputation and capital resources available to it.

**7. Application and annual inspection fee**

**7.1 *Application fee***

The application fee has been set to:

- **US\$1.500** for schemes which will be marketed to the public at large;
- **US\$1.000** for schemes which will be marketed only to experienced investors; and
- **US\$500** for private international collective investment schemes.

If the applicant is successful in passing the vetting procedure of the Bank and a recognition is granted, then the application fee paid will be considered to be the first year's annual supervisory fee. If the application is not successful the application fee paid will not be refunded to the applicant.

**7.2 *Inspection fee***

It must be noted that the **annual supervisory fee** for each type of recognised scheme will be equivalent to the application fee indicated above, i.e. **US\$1.500** for schemes marketed to the general public, **US\$1.000** for schemes marketed only to experienced investors and **US\$500** for private international collective investment schemes.

**8. Guidance as to the form and content of applications for recognition in respect of the different legal forms of ICISs**

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**8.1 International Investment Companies – fixed capital or variable capital companies**

(i) The Bank accepts written applications by or on behalf of companies which have been incorporated in the Republic, wishing to be recognised as either international fixed capital companies or as international variable capital companies (both known as international investment companies).

To obtain a recognition under either section 4 or 10 of the Law as an ICIS, the **Standard Application Form** which can be found under **Schedule 3** must be completed and be returned to the Bank duly signed by two directors of the company or two other duly authorised persons acting on behalf of the proposed international investment company. The application must be accompanied by the appropriate **application fee**. The **documentation** as set out in **Schedule 2** must be submitted to the Bank.

In order to recognise a company as an international investment company, the Bank must be satisfied that the competence and probity of its directors and promoters in respect of matters concerning international investment companies is such as to render them suitable to act as directors and promoters of the applicant company. In this respect, all directors, promoters and controlling shareholders (if different from the promoters), of the proposed international investment company, who are natural persons must each complete a **Personal Questionnaire (Form “P.Q.”)** which can be found in **Schedule 4**, or if they are legal persons a **Questionnaire for Legal Persons (Form “L.P.”)** which can be found in **Schedule 5**.

No appointment shall be made to the office of the director of an international investment company without the prior approval of the Bank.

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## Section A

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(ii) International investment companies are required by the Law to appoint a manager and a trustee. The provisions of section 4 and 10 of the Law, include a requirement that the manager and the trustee of the ICIS, must act independently of each other and must be approved by the Bank.

In this respect, the Bank vets the proposed manager of the scheme as indicated in paragraph 7 below and ensures that the manager meets the requirements of section 39 of the Law. A copy of the relevant management agreement must be submitted to the Bank.

The Bank may exempt an international investment company from the requirement to appoint a manager. In such a case, the **directors** of that company must satisfy the Bank on a continuing basis that the company has sufficient management resources at its disposal to effectively conduct its business with due and proper regard being always had for the protection of the interests of unitholders.

The Bank ensures that the trustee of the proposed scheme meets the requirements of section 45 of the Law and the trustee is vetted as indicated in paragraph 8 below. The arrangements which the applicant has made with the trustee are examined, and a copy of the relevant trust agreement must be submitted to the Bank.

The Bank may exempt an international investment company from the requirement to appoint a trustee. In such a case, the Bank must be satisfied that the necessary arrangements have been made by the ICIS so that the interests of the unitholders in the international investment company will not in any way be prejudiced by the absence of a trustee. Such arrangements include among other, a listing on a Stock Exchange and an appointment of an external auditor to verify at least once a month that the calculation of the Net Asset Value ("NAV") of the units of the ICIS is calculated in accordance with the Law and the ICIS's constitutional documentation.

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(iii) The Bank examines the content of the constitutional documentation, as well as of the offering memorandum and other material contracts of the proposed scheme in order to ascertain that all the information needed by potential investors to make an informed judgement of the investment proposed to them is contained therein.

(iv) The **initial minimum capital requirement** (issued and fully paid-up) for ICISs which take the legal form of an **international fixed capital company** and which will be marketed to the public at large or to experienced investors has been set at **US\$100.000** or the equivalent in any other currency. Fixed capital companies which are private international collective investment schemes are exempt from the requirement of having a minimum capital.

## **8.2 International Unit Trust Schemes**

(i) An application for the recognition of an international unit trust scheme must be submitted to the Bank by the **trustee** of an international trust created under the International Trust Law.

For an international trust to obtain a recognition under section 18 of the Law as an ICIS, the **Standard Application Form** which can be found under **Schedule 3** must be completed and be returned to the Bank, duly signed by two directors of the trustee of the proposed scheme. The application must be accompanied by the appropriate **application fee**. The **documentation** as set out in **Schedule 2** must be submitted to the Bank.

(ii) An International unit trust scheme must always have a manager and a trustee, which must act independently of each other and be approved by the Bank.

In this respect, the Bank vets the manager of the proposed scheme as indicated in paragraph 7 below and ensures that the manager meets the

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## Section A

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requirements of section 39 of the Law. Copies of the relevant management agreement must be submitted to the Bank.

The trustee of a unit trust scheme must fulfil the requirements of section 45 of the Law and is vetted as indicated in paragraph 8 below.

(iii) The content of the trust deed the offering memorandum and any other material contract, are examined in order to ascertain that they contain all the information needed by potential investors to make an informed judgement of the investment proposed to them.

### **8.3 International Investment Limited Partnerships**

(i) An application for a recognition as an international investment limited partnership must be submitted to the Bank by the **general partner** of a limited partnership registered in Cyprus in accordance with the Partnership and Business Names Law.

For a limited partnership to obtain a recognition under section 21 of the Law as an ICIS, the **Standard Application Form** which can be found under **Schedule 3** must be completed and be returned to the Bank, duly signed by two directors of the general partner of the proposed scheme (If the general partner is not a body corporate, then the application form must be signed by two chief executives who will assume a managerial role in the ICIS). The application must be accompanied by the appropriate **application fee**. The **documentation** as set out in **Schedule 2** must be submitted to the Bank.

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(ii) An international limited partnership, must always have a general partner, which is the **manager** of the ICIS. The general partner must therefore meet the requirements of section 39 of the Law and be vetted as indicated in paragraph 7 below. A copy of the relevant management agreement must be submitted to the Bank.

An international investment limited partnership must appoint a trustee who must fulfil the requirements of section 45 of the Law. The trustee will be vetted as indicated in paragraph 8 below. The arrangements which the applicant has made with the trustee are examined and a copy of the relevant trust agreement must be submitted to the Bank.

The Bank may exempt an international investment limited partnership from the requirement to appoint a trustee. In this case the ICIS must submit the necessary information to the Bank indicating that it has made adequate arrangements so that the interests of the unitholders in the partnership will not in any way be prejudiced by the absence of a trustee. Such arrangements should include among other, a listing of the partnership's units on a Stock Exchange, and the appointment of an external auditor to verify at least once a month that the NAV of the units of the scheme is calculated in accordance with the Law and the scheme's constitutional documentation.

(iii) The Bank examines the content of the partnership agreement, the offering memorandum and any other material contracts of the proposed scheme in order to ascertain that all the information needed by potential investors, to make an informed judgement of the investment proposed to them is contained therein.

#### **8.4 Alterations to recognised schemes**

Once an ICIS has been granted a recognition, any **proposed** alteration to the ICIS or any proposal to replace the manager or trustee, must be notified **in writing**

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to the Bank. No proposed change or alteration may be effected unless the Bank has approved the proposal.

**9. Conditions and Regulations for Recognised Schemes, their managers and trustees**

The Bank may under section 67 of the Law issue **regulations** to specify **investment restrictions, directions and codes of conduct**.

**9.1 Conditions attached to recognitions**

Every scheme which is recognised by the Bank as an ICIS will be issued with a certificate of recognition. Conditions may be attached to an ICIS's recognition, which will vary, depending on the particular investment objectives and policy of each scheme.

In addition, conditions may be imposed by the Bank regarding the activities of a manager or trustee of an ICIS.

**9.2 Regulations**

**(i) Regulations on investment restrictions**

An ICIS which is designated to be marketed to the general public must comply with the **investment restrictions** as set out in "**Regulations on Investment Restrictions for International Collective Investment Schemes**".

An ICIS which is designated to be marketed solely to experienced investors may, with the prior approval of the Bank, not apply all or any of the investment restrictions stated above.

An ICIS which has been designated as a private international collective investment scheme is not required to apply any of the said investment restrictions.

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**(ii) Regulations on sundry matters**

The Bank has issued the following regulations:

(a) “Regulations on:

1. Criteria for regarding a person as “experienced investor”.
2. Minimum initial subscription in ICISs marketed solely to experienced investors.
3. Fees.
4. Criteria for determining whether a person is “fit and proper”.
5. Minimum share capital of international fixed capital companies”.

(b) “Regulations on the basic information that must be contained in the Offering Memorandum of an ICIS”

(c) “Regulations on annual and half-yearly reports”

(d) “Regulations on books and records to be kept by the manager of the ICIS and/or its trustee”

(e) “Regulations on the valuation of the property of an ICIS”

**(iii) Regulations on codes of conduct**

The Bank has issued three codes of conduct i.e. “**Principles which must be observed by the manager of an ICIS**” (or where there is no manager by the directors of the company), “**Basic obligations of the manager of an ICIS**” and “**Guidelines as to investment advertisement of ICIS**”.

The Bank may vary or issue further regulations covering investment restrictions, sundry matters and codes of conduct at any time as it deems appropriate.

**10. Managers of International Collective Investment Schemes**

**10.1 Requirement to appoint a manager**

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All ICISs, unless specifically exempted by the Bank or unless they are designated as private international collective investment schemes, must appoint a manager which in accordance with section 39 of the Law must be approved by the Bank. No appointment shall be made to the office of the director of a manager without the prior approval of the Bank. In this respect, the **documentation** as set out in **Schedule 6** must be submitted to the Bank by managers seeking the approval of the latter.

**10.2 Eligibility criteria to act as a manager of an ICIS**

A manager must on an ongoing basis, satisfy the Bank that, having regard to the investment policy and the particular investment objectives of the scheme for which it wishes to act as manager, it has sufficient financial and operational resources at its disposal to meet its liabilities and to enable it to conduct its business effectively. Moreover, it must have sufficient investment expertise at its disposal to conduct its business in accordance with the investment objectives and policy as set out in the constitutional documentation of the scheme.

**10.3 Questionnaire to be completed by managers**

All managers are required to complete a **Questionnaire (Form “M”)** which can be found in **Schedule 7**. It must be noted that officers and significant shareholders of managers who are **natural persons** must each complete a **Personal Questionnaire (Form “P.Q.”)** which can be found in **Schedule 4**. Controlling shareholders which are legal persons must complete the **Questionnaire for legal persons (Form “L.P.”)** which can be found in **Schedule 5**.

The Bank may at its discretion exempt any officer or shareholder from completing the above questionnaires.

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**10.4 Place of business**

A manager must have a place of business in the Republic, from where to conduct its business. This requirement will only be waived by the Bank in exceptional cases.

**10.5 Delegation**

The Bank wishes to ensure that the level of protection afforded to unitholders of an ICIS is maintained at all times. If the manager, therefore, delegates any of its functions to third parties (delegates), the principles which govern eligibility and conduct of the manager, apply also to such delegates. If the manager therefore intends to delegate any of its functions to third parties sufficient information concerning such parties must also be submitted to the Bank to enable the latter to be satisfied as to their expertise, integrity and adequacy of financial resources.

The manager should therefore take responsibility for the actions or omissions, as though they were its own, of any person to whom it delegates any part of the provision of services to an ICIS.

Any person to whom functions or duties have been delegated shall be subject to the provisions of the Law and the administrative acts issued under the Law in performing such functions or duties as if it was a manager.

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## 11. Trustees of International Collective Investment Schemes

### 11.1 *Requirement to appoint a trustee*

All ICISs, unless specifically exempted by the Bank or unless designated as private international collective investment schemes, must appoint a trustee to hold the assets of the scheme.

### 11.2 *Eligibility of a Trustee*

A trustee of an ICIS must under section 45 of the Law be:

- (a) A **bank** either licensed to carry on business in or from within the Republic or in a country which in the opinion of the Bank exercises adequate banking supervision in its jurisdiction. (The Bank expects that the bank which will act as a Trustee of an ICIS, will have a minimum paid-up capital of **Cy£3 million or the equivalent in any other currency**); or
- (b) any other person, other than a bank referred to in paragraph (a) above, which provides trustee services to the public at large in or from within the Republic and which is adequately supervised or established in a country which in the opinion of the Bank exercises adequate financial regulation; or
- (c) a company incorporated in Cyprus which is a subsidiary of either a bank or a trustee company referred to in (a) and (b) above provided that its liabilities are fully guaranteed by its parent company.

### 11.3 *Questionnaires to be completed by trustees*

The trustee will need to demonstrate to the Bank that it has the capability to provide trustee services to an ICIS. In this respect, trustees must complete a **Questionnaire (Form "T")** which can be found in **Schedule 8**. All officers of the trustee must be persons of integrity and have an appropriate level of knowledge and experience and the significant shareholders must, in the opinion of the Bank, be fit

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and proper persons. For this purpose, all officers and significant shareholders who are natural persons must complete the **Personal Questionnaire “P.QT”** which can be found in **Schedule 9** and every significant shareholder which is a legal person **Questionnaire “L.P.”** which can be found in **Schedule 5**.

The Bank may at its discretion exempt any officer or shareholder of the trustee from completing the above questionnaires.

**11.4 Exemption from the requirement to appoint a trustee**

ICISs which take the form of an international investment company or an international investment limited partnership may be exempt from the requirement to appoint a trustee, provided that the Bank is satisfied that the interests of the unitholders in the ICIS will not in any way be prejudiced by the absence of a trustee and that:

- (a) the units of the scheme are or are expected to be listed on a Stock Exchange ; and
- (b) the scheme assumes the obligation to ascertain the net asset value of its units and communicate it to the Bank and the unitholders at least every fifteen days and its auditor ensures at least once monthly that the net asset value of the scheme is calculated in accordance with the Law and the scheme’s constitutional documentation.

The trustee must take under its control all the property of the scheme and hold it in trust for the unitholders, in accordance with the provisions of the Law and the scheme’s constitutional documents. The liability of the trustee for any loss suffered by the unitholders as a result of its unjustifiable failure to perform its obligations or its improper performance of them cannot be affected by the fact that it has entrusted to a third party all or some of the assets in its safekeeping.

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**11.5 Place of business**

A trustee must have a place of business in the Republic, from where to conduct its business, unless such requirement is specifically waived by the Bank.

**11.6 Independence**

A trustee must act independently of the manager and must always act in the best interest of unitholders.

**12. Publication of offering memorandum**

**12.1 Offering memorandum to be approved by the Bank**

All schemes offering to the public units for purchase must publish an offering memorandum, which must be dated and the essential elements of which must be kept up to date. The offering memorandum, before it is published, circulated or distributed by any person, should be approved by the Bank. Any amendments thereto, must also be communicated to the Bank.

The offering memorandum must be offered to prospective unitholders free of charge before the conclusion of a contract.

All publicity comprising an invitation to purchase the units of a scheme must indicate that an offering memorandum exists and the place where it may be obtained.

**12.2 Information to be contained in the offering memorandum**

The offering memorandum must contain sufficient information for prospective unitholders to make an informed judgement of the investment proposed to them. The **minimum information** which an offering memorandum of an ICIS must contain is set out in “**Regulations on the basic information that must be contained in the Offering Memorandum of an ICIS**”.

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**12.3 Disclaimer of the Bank of any liability which may arise by virtue of its recognition**

In all offering memoranda, it must be stated that the recognition of the ICIS is not an endorsement of the ICIS by the Bank, nor is the Bank responsible for the contents of the offering memorandum. In this respect, all offering memoranda, must incorporate the following statement:

**“The Bank shall not be liable by virtue of its recognition of the ICIS or by reason of its exercise of the functions conferred on it by the International Collective Investment Schemes Law. Recognition of the ICIS does not constitute a warranty by the Bank as to the creditworthiness or financial standing of the various parties to the ICIS”.**

**13. Publication of annual and half-yearly reports**

Every ICIS must prepare an annual and a half yearly report, which must be sent to the Bank and the unitholders within **three months** of the end of the financial year (in the case of the annual report) and **within two months** of the end of the half year (in the case of the half-yearly report). The **minimum contents of the annual and half yearly reports** are set out in **“Regulations on annual and half-yearly reports”**.

The financial accounts of the ICIS must form an integral part of the annual and the half-yearly report. The manager of ICISs, or in the case of an international investment company which is exempt from the requirement to appoint a manager, its directors, is/are responsible for the preparation of the financial accounts. The manager or directors as appropriate, must ensure that the financial statements give a true and fair view of the state of affairs of the ICIS. The said financial statements should be signed by two directors of the ICIS or by two directors of the manager as appropriate. The **contents of the report of directors/manager**, which must be

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included in the annual and half-yearly reports of ICIS is set out in “**Regulations on annual and half-yearly reports**”.

The annual report of every ICIS must include the report prepared by the trustee of the ICIS on the conduct of the manager in its management of the scheme.

The latest annual report and any half-yearly report must form an integral part of the offering memorandum and must be annexed thereto, unless the public is informed in the offering memorandum that on request it will be sent to any interested party, free of charge.

#### **14. Auditors of ICISs**

Every scheme is required to appoint an auditor who shall audit the information given in the scheme's annual report in accordance with International Auditing Standards and who shall prepare a relevant report which shall be reproduced in its entirety in the annual report of the scheme.

Additionally, the auditor of a scheme must undertake to report to the Bank annually and in writing whether in his opinion and to the best of his knowledge the scheme has complied with its obligations under the Law or any administrative act issued under the Law.

#### **15. Keeping of books and records**

The ICIS, the manager and trustee must keep proper books of account, so as to clearly indicate all sums of money received and expended. Such proper books of account shall be kept as is necessary to give a true and fair view of the state of the affairs of the ICIS, its manager and trustee and to explain their transactions for the period. The minimum books and records which must be maintained by schemes is set out in “**Regulations on the books and records to be kept by the manager of the ICIS and/or its trustee**”.

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**16. Supervision of ICIS**

In accordance with section 3 of the Law, the Bank is the regulatory and supervisory authority in the Republic of Cyprus for ICIS, their managers and trustees.

The Bank shall discharge its regulatory duties in relation to ICIS by means of conditions attached to the recognition granted and by issuing regulations governing the operation of ICIS, their managers and trustees.

The Bank shall discharge its supervisory duties in relation to ICIS by means of on-site inspections and off-site monitoring of ICIS, their managers and trustees.

On-site inspections will be conducted at regular intervals by officers of the Bank, to the place of business of the schemes, the managers or trustees of schemes as appropriate with a view to reviewing their books and records in order to satisfy itself that their operations are in accordance with the Law, any administrative act issued thereunder, the constitutional documents of the scheme and any conditions attached to the certificate of recognition of the scheme issued by the Bank.

Off-site monitoring by the Bank of schemes, their managers and trustees as appropriate comprise the submission of various returns to the Bank at regular intervals as specified by the Bank. Proformas of these returns may be obtained from the Bank.

It must be noted that the Bank has adequate powers under the Law to protect investors' interest, including but not limited to revoking an ICIS's recognition, freezing the assets of an ICIS, or stopping the use of an offering memorandum which is not considered appropriate.

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The Bank may also apply to the Court in order to appoint an inspector to investigate the affairs of the ICIS, its manager or trustee and where the Court considers necessary, the affairs of any associated undertakings of any of the aforementioned.

**17. Asset valuation and pricing**

It is a fundamental principle that the price of units of an ICIS be based on the net asset value of the ICIS which must be determined on a regular basis in accordance with international accounting practices. In this respect, please refer to “**Regulations on the valuation of the property of an ICIS**” issued by the Bank which states the basic rules to be applied by ICIS when calculating the net asset value of ICIS.

An ICIS must sell, redeem or repurchase its units at the request of unitholders, in accordance with its constitutional documentation. Units may not be issued as partly paid and may not be sold unless the equivalent of the net issue price is paid. Basic Rules for the calculation of sale, redemption or repurchase price can be found in “**Regulations on the valuation of the property of an ICIS**”.

**18. Taxation of ICISs, their managers and trustees**

In parallel with the introduction of the International Collective Investment Schemes Law, changes have been made to the Income Tax Laws so as to regulate and provide for the taxation of all types of profits or gains realised by ICISs. Any gains or profits generated by an ICIS of any type, including a unit trust or an investment limited partnership, are subject to an effective tax rate of 0,425%, while no further tax is imposed on any dividends or other distributions made by an ICIS to its unitholders. The income of managers and trustees, if not permanent residents of the Republic, which is generated from services they offer to ICISs is exempt from income tax.

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**Regulations**  
**issued pursuant to Section 67**  
**of the International Collective Investment Schemes Law**  
**(No. 47(I)) of 1999**

The Regulations include  
investment restrictions, directions and codes of conduct

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    - (c) Fees
    - (d) Criteria for determining whether a person is “fit and proper”
    - (e) Minimum share capital of international fixed capital companies
  
  - **Regulations on annual and half-yearly reports (*Regulation No: 313/99*)**
  
  - **Regulations on the basic information that must be contained in the Offering Memorandum of an ICIS (*Regulation No: 314/99*)**
  
  - **Regulations on books, records and other documents to be kept by the manager of the ICIS and/or its trustee (*Regulation No: 315/99*)**
  
  - **Regulations on the valuation of the property of an ICIS (*Regulation No: 316/99*)**
  
  - **Regulations on codes of conduct (*Regulation No: 317/99*)**
    - I. Principles of conduct for managers of an ICIS
    - II. Basic obligations of the manager of an ICIS
    - III. Guidelines as to advertising of ICISs
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(311/99)

**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**

**(NO. 47 (I) OF 1999)**

The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by section 67 of the International Collective Investment Schemes Law (No. 47 (I) of 1999) (“the Law”) makes the following regulations which may be cited as “Regulations on Investment Restrictions for International Collective Investment Schemes (“ICISs)”.

1. An ICIS may invest no more than 10% of its assets in securities other than:
  - (a) securities which are either admitted to official listing on a stock exchange or which are dealt on a market which is regulated, liquid, recognised and open to the public and which has been approved by the Bank or is provided in the constitutional documentation of the ICIS;
  - (b) recently issued securities which will be admitted to official listing on a stock exchange or other market, as described above, within one year.
2. An ICIS, may invest no more than 10% of its assets in securities issued by the same body provided that the total value of securities held by the ICIS in the issuing bodies in which it invests more than 5% of its assets does not exceed 40% of the value of the assets.
3. The limit referred to in paragraph (2) above may be raised from 10% to 35% if the securities are issued or guaranteed by a central or local government of any country or any public international body accepted by the Bank from time to time and such securities are not taken into account in applying the 40% limit referred to in (2) above.
4. The limit referred to in paragraph (2) above is raised from 10% to 25% if the securities take the form of bonds issued by a credit institution, which is established in a country which, in the opinion of the Bank, provides adequate regulatory and supervisory procedures designed to protect bond holders. If the ICIS invests more than 5% of its assets in these particular bonds issued by one issuer, then the total value of these investments must not exceed 80% of the value of the assets of the ICIS.
5. The limits referred to in paragraph (2), (3) and (4) above may not be combined, so that the maximum the ICIS can invest in securities of any one body is 35% of the value of its assets.
6. The Bank may authorise an ICIS to invest up to 100% of its assets in different securities issued or guaranteed by the government or a local authority of a country or

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by a public international body accepted by the Bank from time to time. The following conditions shall apply to such an ICIS:

- (a) The ICIS shall hold securities from at least six different issues; securities from any one issue may not account for more than 30% of its assets;
- (b) The ICIS shall specify in its constitutional documentation and/or its offering memorandum the names of the issuers in whose securities it intends to invest more than 35% of its assets.

7. An ICIS should notify the Bank and should receive authorisation from the Bank if it intends to invest in another ICIS or an equivalent scheme set up in another jurisdiction, managed by the same manager or a company which is an associated undertaking of the Manager as defined in the Law.

If the option referred to in the above paragraph is availed of, the manager may not charge any fees or costs on account of transactions relating to the assets of the ICIS.

8. (a) Subject to the provisions of its constitutional documentation, an ICIS may employ techniques and instruments for the purpose of

- (i) efficient portfolio management and
- (ii) providing protection against exchange risks.

(b) ICISs wishing to employ the techniques and instruments referred to in paragraph 8(a) above should inform the Bank of their intention to do so and should operate subject to the conditions which may be specified by the Bank.

9. Subject to the provisions of its constitutional documentation, an ICIS may borrow an amount equivalent to up to a maximum of 10% of its assets, which borrowing may be secured on the assets of the ICIS. Cash held and amounts receivable may not be set-off against borrowings when determining the percentage of borrowings outstanding.

10. An ICIS, may not acquire either precious metals or certificates representing them.

11. An ICIS, may acquire movable and immovable property which is required for the purpose of its business.

### **General outline of the term "securities"**

For the purposes of this regulation of the Law "security" means any of the following:

1. Shares etc.

Shares and stock in the share capital of a company.

2. Debentures

Debentures, including debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness, not being instruments falling within paragraph 3 below.

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3. Government and public securities

Loan stock, bonds and other instruments creating or acknowledging indebtedness issued by or on behalf of a government, local authority or public authority.

4. Instruments entitling to securities (Warrants, Rights etc.)

Warrants or other instruments entitling the holder to subscribe for investments falling within paragraph 1, 2 or 3 above.

5. Certificates representing securities

Certificates or other instruments which confer -

- (a) property rights in respect of any investment falling within paragraph 1, 2, 3 or 4 above;
- (b) any right to acquire, dispose of, underwrite or convert an investment, being a right to which the holder would be entitled if he held any such investment to which the certificate or instrument relates; or
- (c) a contractual right (other than an option) to acquire any such investment, otherwise than by subscription.

6. Units in ICISs or in an equivalent scheme set up in the Republic or in another jurisdiction.

7. Any other investment as may be specified by the Bank from time to time.



**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**

**(NO. 47 (I) OF 1999)**

The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by section 67 of the International Collective Investment Schemes Law (No. 47 (I) of 1999) makes the following regulations which may be cited as “Regulations on:

1. **Criteria for regarding a person as “experienced investor”.**
2. **Minimum initial subscription in ICISs marketed solely to experienced investors.**
3. **Fees.**
4. **Criteria for determining whether a person is “fit and proper”.**
5. **Minimum share capital of international fixed capital companies”.**

**I. Criteria for regarding a person as “experienced investor”**

1. A person, legal or natural, may be regarded as an experienced investor in the following circumstances:
  - (a) A person who itself provides financial services to the public; or
  - (b) A person who frequently enters into investment transactions which, on average, are of substantial size and, having regard to all relevant facts, such person can reasonably be expected to appreciate the risks inherent in investment transactions.
2. An ICIS designated to be marketed to experienced investors must contain in its constitutional documentation clearly defined rules and procedures in order to ensure that marketing of the ICIS is restricted to persons who fall within 1(a) and 1(b) above.

**II. Minimum initial subscription in ICISs marketed solely to experienced investors**

The minimum initial subscription in an ICIS marketed solely to experienced investors is US\$50.000 or its equivalent in any other currency.

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### **III. Fees**

1. Each application for recognition must be accompanied by the following fees:

- (a) ICIS marketed to the public at large: US\$1.500
- (b) ICIS marketed only to experienced investors: US\$1.000
- (c) Private ICIS: US\$500

2. Every ICIS shall pay annually on or before the anniversary of its recognition the following fees:

- (a) ICIS marketed to the public at large: US\$1.500
- (b) ICIS marketed only to experienced investors: US\$1.000
- (c) Private ICIS: US\$500

### **IV. Criteria for determining whether a person is “fit and proper”**

In determining whether a person is “fit and proper”, the Bank shall take into account the following:

- Relevant educational and professional qualifications;
- Relevant experience;
- Reputation; and
- Capital resources available to it.

### **V. Minimum share capital of international fixed capital companies**

1. An international fixed capital company shall have a minimum issued and fully paid up share capital of US\$200.000 or the equivalent in any other currency.

2. An international fixed capital company which is a private ICIS is exempt from the requirement to have a minimum share capital.

**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**  
**(NO. 47 (I) OF 1999)**

The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by section 67 of the International Collective Investment Schemes Law (No. 47 (I) of 1999) makes the following regulations which may be cited as “Regulations on annual and half-yearly reports”.

The annual and half-yearly reports prepared by managers in relation to each ICIS shall contain as a minimum the following:

**I. ANNUAL REPORTS**

**1. Financial Statements**

- (a) The balance sheet of the ICIS as at the date of the report with comparative figures for the corresponding date of the previous financial year; the assets and liabilities of the scheme shall be grouped according to a classification appropriate to the stated investment objectives of the ICIS;
- (b) In the case of international investment companies and unit trusts a profit and loss account of the scheme and in the case of a partnership an income and expenditure account for the period covered by the report with comparative figures for the corresponding period of the previous financial year;
- (c) A cash flow statement for the financial year;
- (d) The movement in the capital and reserves of the ICIS during the financial year under review;

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## 2. Further information on the financial statements

- (a) A statement describing the tax status of the ICIS, showing the tax paid;
- (b) A statement of the sources from which the total income of the ICIS has been generated;
- (c) A statement of duties, charges and fees paid out of the ICIS property;
- (d) A statement of income distribution or allocation to the unitholders during the period under review;

## 3. Information on borrowing

- (a) A statement of any borrowings by the ICIS and any interest paid thereon. Where there are 'back-to-back' loan arrangements, these should be specified;
- (b) Details of any stocklending activities engaged in by the ICIS in the relevant financial year, including the volumes involved, techniques and instruments employed for hedging purposes and the net income/loss accruing to the ICIS from these activities;

## 4. Portfolio information

- (a) A statement of the investment portfolio and its valuation at the date of the report;
- (b) A statement of the number of units of the ICIS in issue at the date of the report compared with the number of units in issue at the previous year end as well as the net asset value of the units as at the date of the report and at the previous year end;
- (c) A comparative table for the last 3 calendar years, or if the ICIS has not been in existence during the whole of that period, over the whole period in which it has been in existence, showing:
  - (i) The highest and lowest price of a unit of each class in issue during each of those years;
  - (ii) The net income per unit of each class distributed (or in the case of accumulation units, allocated) during each of those years;
  - (iii) The net asset value of a unit of the ICIS and the number of units in issue at the end of each of those years.

If in the periods covered by the said table any exceptional or non-recurring event had a material impact on net asset value or the number of units in issue or if there have been significant changes in the investment objectives of the ICIS, an indication of this event or change should be included as a footnote to this table.

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- (d) Details of techniques and instruments employed by the ICIS for the purpose of efficient portfolio management and protection against exchange risks.

## **5. Other information**

The manager should provide information about the following:

(a) The Directors of the ICIS:

- The names of the directors;
- The period of their service, if they did not serve for the whole of the period under review;

(b) The Manager of the ICIS:

- Its name;
- Its legal form;
- Its directors;
- Its country of origin/incorporation;
- If a subsidiary company, the name of its ultimate holding company and the country of incorporation of the holding company;
- The address of its registered office;
- A description of its principal business activities.

(c) The Trustee of the ICIS:

- Its name;
- Its legal form;
- Its country of origin/incorporation;
- Its directors;
- If a subsidiary company, the name of its ultimate holding company and the country of incorporation of the holding company;
- The address of its registered office;
- A description of its principal business activities;

(d) The Investment Adviser of the ICIS:

- Its name;
- Its legal form;
- Its directors;
- Its country of origin/incorporation;

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- If a subsidiary company, the name of its ultimate holding company and the country of incorporation of the holding company;
  - Any relationship through ownership with the manager or trustee;
  - The address of its registered office;
  - A description of its principal business activities.
- (e) The name and address of the auditor of the ICIS;
- (f) A description of the legal form of the ICIS;
- (g) A brief description of the investment objectives of the ICIS and the policy for achieving these objectives;
- (h) A review of the ICIS's investment activities during the period to which the annual report relates;
- (i) Particulars of any significant changes to the ICIS's constitutional documentation and/or offering memorandum in the period under review;
- (j) Any other information which would be reasonably required in order to enable the users of the annual reports to make an informed evaluation of the activities of the ICIS's, the results of these activities and future prospects.

*Note:* The “general partner” in the case of an investment limited partnership is the manager of the ICIS. If the general partner is not a body corporate, but it is a partnership, the names of the partners and their liability status should be given.

## **6. Report by trustees**

A copy of the report of the trustee to the unitholders into the conduct of the manager in its management of the ICIS, pursuant to section 47(1)(h) of the Law, should be included in the annual report.

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## **7. Report by auditors**

A copy of the report prepared by the auditor of the ICIS pursuant to section 65(3) of the Law, should be included in the annual report.

## **II. HALF YEARLY REPORTS**

### **1. Financial Statements**

- (a) The balance sheet of the ICIS as at the date of the report with comparative figures for the corresponding date of the previous financial year; the assets and liabilities of the scheme shall be grouped according to a classification appropriate to the stated investment objectives of the ICIS ;
- (b) In the case of international investment companies and unit trusts a profit and loss account of the scheme and in the case of a partnership an income and expenditure account for the period covered by the report with comparative figures for the corresponding period of the previous financial year;

### **2. Further information on the financial statements**

- (a) A statement of the sources from which the total income of the ICIS has been generated;
- (b) A statement of duties, charges and fees paid out of the ICIS property;
- (c) A statement of income distribution or allocation to the unitholders during the period under review;

**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**  
**(NO. 47 (I) OF 1999)**

The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by Section 67 of the International Collective Investments Schemes Law (No.47(I) of 1999) makes the following regulations to be cited as “Regulations on the basic information that must be contained in the Offering Memorandum of an ICIS”.

All ICISs offering units to the public must publish an offering memorandum which shall contain as a minimum the following:

**1. Particulars of the ICIS**

- (a) The name of the ICIS;
- (b) The date of establishment, date of obtaining a recognition from the Bank as an ICIS, legal form and type of designation;
- (c) If it is of limited duration, the date on which the ICIS may be terminated;
- (d) The address in Cyprus for service of notices and other documents;
- (e) Its base currency;
- (f) Its maximum and minimum capital; and
- (g) The circumstances under which it may be wound up as well as a summary of the procedure for and the rights of unitholders under such a winding up.

**2. Investment objectives and policy**

- (a) Sufficient information to enable a unitholder to ascertain:
  - (i) the investment objectives (e.g. capital growth or income) of the ICIS or of each sub-fund, if the ICIS is an umbrella scheme,
  - (ii) the ICIS’s investment policy for achieving these investment objectives, including the general nature of the portfolio and any intended specialisation (e.g. economic sector, geographical area or type of investment), and



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- (b) A full description of any investment restrictions which shall be applied to the ICIS including, without limitation, details of any techniques or instruments which may be used for the purposes of efficient portfolio management and exchange risk management and details of any quantitative restrictions on the levels of borrowing which the ICIS may adopt.

### **3. Distributions**

- (a) The date on which the ICIS's financial year ends;
- (b) The date(s) in each year on or before which distribution of income is to be made or accumulation of income to take place and, if there are holders of bearer units, how they are to identify themselves for the purposes of receiving distribution;
- (c) A description of the rules for determining and applying the income of the ICIS.

### **4. The characteristics of units**

- (a) A description of the units of the ICIS including, where appropriate, details of any variations on rights attaching to different classes of units in the same ICIS;
- (b) Voting rights of unit holders;
- (c) If the ICIS is authorised by the Bank to issue bearer shares, how the unitholders may exercise their voting rights;
- (d) In what circumstances, if any, a mandatory redemption or repurchase of units may be required (for instance, if the unitholder does not satisfy the requirements of the Law).

### **5. Issue, sale, redemption or repurchase of units**

- (a) The rules adopted by the ICIS for the purposes of determining the issue, sale, , redemption or repurchase price of its units;
- (b) The dealing days and times in the dealing day on which the ICIS will be available to receive requests for the issue and redemption of units;
- (c) The procedures for effecting sale and redemption of units and for settlement of transactions;
- (d) Whether certificates will be issued in respect of registered units;
- (e) The circumstances in which the redemption of units may be suspended;

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- (f) The amounts of the following minima (if they apply) for each type of units in the ICIS:
- (i) the minimum number of units which any one unitholder may hold;
  - (ii) the minimum value of units which any one unitholder may hold;
  - (iii) the minimum number of units which may be the subject of any one transaction of sale or redemption,
  - (iv) the minimum value of units which may be the subject of any one transaction of sale or redemption;
- (g) Where and when the most recent price will be published; and
- (h) The investment exchanges (if any) on which units in the scheme are listed or dealt.

## **6. Valuation of assets**

A description of the valuation methods which shall be used by the ICIS for the purpose of valuing its assets.

## **7. Fees, charges and expenses**

Details of any fees, charges or expenses to be paid out of the ICIS's property. The amount of preliminary and redemption charges to be paid by unitholders must be clearly stated.

## **8. Auditor**

The name and address of the auditor of the ICIS.

## **9. Manager**

- (a) The name of the manager and the address of its place of business in the Republic;
- (b) The names and details of the relevant experience of the officers of the manager;
- (c) Date of establishment and date of obtaining the authorisation from the Bank to act as manager of the ICIS.

## **10. Trustees**

- (a) The name of the trustee and the address of its place of business in the Republic;
- (b) The names and details of the relevant experience of the officers of the trustee;

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- (c) Date of establishment and date of obtaining authorisation from the Bank to act as trustee of the ICIS.

## 11. **General**

- (a) When annual and half-yearly reports will be published;
- (b) The address at which copies of the constitutional documentation and the most recent annual and half-yearly reports may be inspected and copies obtained;
- (c) How the ICIS will publish for the benefit of unitholders of bearer shares, notice:
- (i) of the fact that annual and half-yearly reports are available for inspection and how copies may be obtained,
  - (ii) when a distribution of income is made and how it may be collected,
  - (iii) of meetings,
  - (iv) of the winding up the ICIS (or the termination of a sub-fund) or the revocation of its recognition,
  - (v) that amendments have been made to the constitutional documentation,
  - (vi) that a significant alteration has been made to the offering memorandum;
- (d) A description of any commission arrangements which may be entered into by the service providers to an ICIS;
- (e) A description of the categories of persons who shall not be entitled to hold units in the ICIS.
- (f) In the case of an international investment company, statement of the directors' responsibilities concerning the preparation of the offering memorandum and, in the case of an international unit trust scheme and an international investment limited partnership, statement of the manager's responsibilities concerning the preparation of the offering memorandum;
- (g) An explanation of the risks associated with the investment in the ICIS;
- (h) Details regarding important contracts between any of the following: the ICIS, its manager, its trustee, persons who specialize in the management of ICISs or similar schemes established in another jurisdiction and in the provision of investment advice as well as information about the place where such contracts may be inspected;
- (i) A statement to the effect that the authorisation of the ICIS by the Bank is not an endorsement or guarantee of the ICIS by the Bank.

**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**  
**(NO. 47 (I) OF 1999)**

The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by section 67 of the International Collective Investment Schemes Law (No. 47 (I) of 1999) makes the following regulations which may be cited as “Regulations on books, records and other documents to be kept by the Manager of the ICIS and/or its trustee”.

**BOOKS, RECORDS AND OTHER DOCUMENTS TO BE KEPT BY THE MANAGER**

1. Managers are required to maintain such books, records and other documents in relation to the affairs of the ICIS so as to enable the discharge of all duties imposed by the Law or any administrative act issued thereunder. As a minimum, managers should maintain books, records and other documents of the following:

- a) Money received and paid by the manager on behalf of the ICIS and details of each transaction in connection with which money was received or paid ;
- b) Income earned and expenses incurred by the manager on behalf of the ICIS;
- c) Full details concerning transactions involving units in the ICIS ie name of client, person from whom instructions were received, date and time of instructions and the transaction, number and description of units, unit price, details of the consideration received for the transaction, details on the commission charged, taxes and other charges, income distribution or allocation to each unitholder etc.;
- d) Investment portfolio under management and movement therein as well as information where the title documents are kept;
- e) Anything else deemed as necessary by the manager with a view to enabling the latter to discharge the duty of accountability towards unitholders and the trustee.

2. The manager shall ensure that at regular intervals, proper reconciliation is carried out between the manager’s own books and records and books and records maintained by third parties concerning the manager’s activities in relation to the ICIS.

**BOOKS, RECORDS AND OTHER DOCUMENTS TO BE KEPT BY THE TRUSTEE**

1. Trustees are required to maintain such accounting and other books and records in relation to the affairs of the ICIS so as to enable the discharge of all duties imposed by the Law or any administrative act issued thereunder. As a minimum, trustees should maintain books and records of the following:

- a) Money received and paid by the trustee on behalf of the ICIS and details of each transaction in connection with which money was received or paid;

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- b) Income earned and expenses incurred by the trustee on behalf of the ICIS;
  - c) Instructions given to or received by the manager concerning transactions in the units of the ICIS with details of each transaction;
  - d) Instructions received from unitholders for the sale, redemption or repurchase of units;
  - e) Details concerning the investment portfolio under management and the movement therein as well as information on where the file documents of the property are kept;
  - f) Anything else deemed as necessary by the trustee with a view to enabling the latter to discharge the duty of accountability towards unitholders, the Manager and the Bank.

2. The trustee shall ensure that at regular intervals, proper reconciliation is carried out between the trustee's own books and records and books and records maintained by third parties concerning the trustee's activities.

**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**  
**(NO. 47 (I) OF 1999)**

**The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by section 67 of the International Collective Investment Schemes Law (No. 47 (I) of 1999) makes the following regulations which may be cited as “Regulations on the valuation of the property of an ICIS”.**

1. All ICISs must include in their offering memorandum and/or their constitutional documentation provisions outlining the manner in which their property must be valued and the manner in which the price of sale, redemption or repurchase of their units should be determined.
  
2. With regard to the valuation of property, the offering memorandum and/or the constitutional documentation must:
  - (a) define the method by which the property of an ICIS will be valued,
  - (b) specify the frequency of the valuation of the property of the ICIS, and
  - (c) provide that
    - (i) in the case where the property of the ICIS includes investments in securities for which both a buying and a selling price is quoted the securities shall be valued at the mid-market closing price of the business day immediately preceding the day of the valuation;
    - (ii) any parts of the property of an ICIS which are not securities shall be valued at fair value;
    - (iii) foreign currency translation shall be at mid-market opening rates of exchange ruling on the day of the valuation.

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3. With regard to the determination of the price of sale, redemption or repurchase of units, the offering memorandum and/or the constitutional documentation of the ICIS:

- (a) must provide that the units of an ICIS shall be sold at a price arrived at by dividing the net asset value of the property of the ICIS, calculated on the basis of the above, by the number of units outstanding. Such price may be increased by duties, charges and fees, as specified in the offering memorandum and/or the constitutional documentation of the ICIS;
  
- (b) must provide that the redemption or repurchase of units in an ICIS shall take place at a price arrived at by dividing the net asset value of the property of the ICIS calculated on the basis of the above, by the number of units outstanding. Such price may be decreased by charges relating to the redemption or repurchase as specified in the offering memorandum and/or the constitutional documentation of the ICIS;
  
- (c) must state the frequency with which such valuations must be carried out and the manner in which the resulting sale, redemption or repurchase price of units shall be made available to unitholders.

**INTERNATIONAL COLLECTIVE INVESTMENT SCHEMES LAW**  
**(NO. 47 (I) OF 1999)**

The Central Bank of Cyprus (“the Bank”) in exercising the powers conferred on it by section 67 of the International Collective Investment Schemes Law (No. 47 (I) of 1999) makes the following regulations which may be cited as “Regulations on Codes of Conduct on:

- I. Principles of Conduct for managers of an ICIS
- II. Basic obligations of the manager of an ICIS
- III. Guidelines as to advertising of ICIS

I. **PRINCIPLES OF CONDUCT FOR MANAGERS OF AN ICIS**

(Where a manager is not appointed, this code applies to the directors of the ICIS)

1. **Integrity**

A manager should observe high standards of integrity and fair dealing while acting in the best interest of the ICIS. High standards of market conduct should be maintained. In addition to its investment responsibilities, the manager should also ensure that the assets of the ICIS are adequately protected and segregated from its own assets.

2. **Capital adequacy**

A manager must have sufficient financial and operational resources at its disposal to meet its liabilities and to enable it to conduct its business effectively.

3. **Skill, care and diligence**

A manager must conduct its business and organise its affairs with due skill, care and diligence. This includes arranging adequate protection for investor’s assets when responsible for them.

4. **Management and control**

A manager must organise and control its affairs effectively. This will include:



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- (a) Having directors and senior managers who are all fit and proper and operating adequate arrangements for securing the services of suitable persons who carry out functions on its behalf;
  - (b) Apportioning duties and responsibilities among its senior managers and directors in such a way that -
    - their individual duties and responsibilities are clear, and
    - the business and affairs of the manager are adequately monitored and controlled at senior management and board level;
  - (c) Operating arrangements for meeting the standards and requirements of the regulatory system and for guarding against involvement in market abuse or financial crime (including the detection and prevention of money laundering); and
  - (d) Keeping adequate and orderly books, records and other documents of its business and internal organisation.

## **5. Powers and duties**

The manager has a duty to operate within the scheme's investment policy in order to secure the objectives of the ICIS. The manager should manage the property of the ICIS and make decisions as to the constituents of its property, in accordance with the most recently published principal constitutional documents in the exclusive interest of unitholders. The manager should not exceed its powers which are defined in the constitutional documentation of the ICIS.

## **6. Relations with the Central Bank of Cyprus**

A manager must deal with the Central Bank of Cyprus in an open and co-operative way. This will include notifying the Central Bank of Cyprus promptly of anything which the Central Bank of Cyprus would reasonably expect prompt notice or to provide any other information which relates to its business, the business of the scheme for which he is the manager or of any associated undertakings of the scheme.

## **II. BASIC OBLIGATIONS OF THE MANAGER OF AN ICIS**

(Where a manager is not appointed, this code applies to the directors of the ICIS)

1. The manager must prepare and keep up-to-date the constitutional documents that give information about the constitution, objectives and operation of the ICIS.
2. The manager shall manage the property of the ICIS and make decisions as to the constituents of its property, in accordance with the most recently published principal constitutional documents in the exclusive interest of the investors.

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3. The manager shall comply with every statement in the most recently published constitutional documents, which indicate how the manager performs its functions in connection with the ICIS for which it acts as manager.
  4. The manager must be willing to redeem or repurchase units in the ICIS, at a price related to the net asset value of the property to which the units relate, unless the principal constitutional documents provide otherwise.
  5. In effecting a transaction for account of an ICIS, the manager shall take all reasonable steps to ensure that the counterparty is reliable and that the terms of the transaction are the best available on the relevant market, at the time, for transactions of that size and that nature.
  6. The manager shall not charge unfairly or excessively for the services it provides to the ICIS.
  7. The manager shall not effect a transaction with or for an ICIS, if it has directly or indirectly an interest in the transaction concerned and which will, therefore, create a conflict with its duties towards the ICIS, unless the manager is authorised by the constitutional documents of the ICIS to effect the transaction.
  8. The manager shall establish and maintain procedures for the supervision of each employee, ensuring that each such person does not give advice or provide services of a nature which is beyond its competence to give or to provide.
  9. The manager shall not effect any sale of units to any person, until it has offered that person, free of charge, a copy of its most recent annual report and the ICIS's offering memorandum.
  10. The manager shall comply with any directions given to it from time to time by the trustee of the ICIS, being directions designed to secure that the ICIS is properly managed and administered in accordance with the constitutional documents.
  11. The manager must, on the request of the Trustee, supply the latter with such information concerning the management and administration of the ICIS as the trustee may reasonably require.
  12. The manager shall keep a daily record of units held by it, including the type of such units, which have been issued or redeemed/repurchased.
  13. The manager must send a copy of all reports and accounts and revised offering memorandum issued by the ICIS to each unitholder.

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### **III. GUIDELINES AS TO ADVERTISING OF ICIS**

#### **1. Existence of offering memorandum**

All publicity comprising an invitation to purchase units of an ICIS must indicate that an offering memorandum exists as well as the places where copies of it may be obtained.

#### **2. Correct disclosure of information**

Advertising must not contain information which is false or misleading or presented in a manner which is deceptive. It should refer to the ICIS's offering memorandum and must not be inconsistent with it.

#### **3. *Advertising standards***

ICISs marketing their units in any jurisdiction must comply with the following minimum advertising standards:

(a) All advertisements should be prepared with care and with the aim of ensuring that potential investors grasp the nature of any commitment into which they may enter.

(b) When an advertisement contains any projection, it should make clear the basis upon which the projection is made explaining for instance:

- whether re-investment of income is assumed;
- whether account has been taken of any taxes and if so how;
- whether the projected rate of return would be subject to any deductions other than upon early realisation.

(c) If applicable, advertisements should indicate that the value of the investment may go down as well as up and that the return of the investment will, therefore, be variable. Where values are guaranteed sufficient details should be included to give the reader a fair view of the nature of guarantee.

(d) All advertisements making claims as to anticipated growth in the value of the units or the rate of return should include a note that past experience is not necessarily an accurate guide to the future.

(e) Advertisements should not mislead in relation to present prospects and should indicate the circumstances in which and the period over which experience has been gained in a way that is fair and representative.

(f) Where unitholders are offered the facility of planned withdrawal from capital as an income equivalent, the advertiser should ensure that the effect of such withdrawals upon the investment is clearly explained.

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(g) Phrases such as "tax free", "tax paid" should not be used unless it is made clear which particular tax or duties are involved and the advertiser states as clearly as possible what liabilities may arise and by whom they will be paid.

(h) When the achievement or maintenance of the return claimed or offered for a given investment is in anyway dependent on the assumed effects of tax, this should be clearly explained and the advertisement should make it clear that no undertaking can be given that this system may not be revised with an effect upon the return offered.

(i) The content of an investment advertisement and the manner of its presentation should be such that the advertisement is not likely to be misunderstood by those to whom it is addressed, including persons who cannot be expected to have any special understanding of the matter in the advertisement.

(j) An investment advertisement should not contain any statement, promise or forecast unless the manager issuing or approving the investment advertisement has taken all reasonable steps to satisfy itself that each such statement, promise or forecast is not misleading in the form or context in which it appears.

(k) All advertisements placed by ICIS, their manager and trustee should include the following footnote:

*“A unitholder/investor in an ICIS can only be (a) another ICIS or (b) an international business company (offshore enterprise) or (c) a person not being a permanent resident of Cyprus for the purposes of the Exchange Control Law.”*

**Documentation and Application Forms  
which need to be submitted to the Central Bank  
for a recognition to act as a manager or trustee of an ICIS**

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Schedule 1	Preliminary Application Form (Form P.A.)
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**CENTRAL BANK OF CYPRUS**

**International Collective Investment Schemes Law  
(Law No. 47(I) of 1999)**

**PRELIMINARY APPLICATION FORM  
TO BE COMPLETED BY APPLICANTS WHO WISH  
TO OBTAIN THE PRELIMINARY VIEWS OF THE BANK**

**This application form must be signed by one duly authorised person representing the proposed ICIS and be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus.**

**1. Proposed name of the scheme.**

**2. Legal form of the scheme: \***

- |  |                          |
|--|--------------------------|
| (a) International Fixed Capital Company          | <input type="checkbox"/> |
| (b) International Variable Capital Company       | <input type="checkbox"/> |
| (c) International Unit Trust Scheme              | <input type="checkbox"/> |
| (d) International Investment Limited Partnership | <input type="checkbox"/> |

**3. Proposed type of the scheme: \***

\_\_\_\_\_

\* Please tick as appropriate

\* Please tick as appropriate

-----

- (a) Marketed to the general public
- (b) Marketed solely to experienced investors
- (c) Private International Collective Investment Scheme

**4. Parties to the scheme (names, addresses, contact persons):**

a) Manager:

Name:	Legal Form:
Contact Person:	
Address:	

b) Trustee:

Name:	Legal Form:
Contact Person:	
Address:	

c) Directors/Partners (as applicable):

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d) Investment Advisor:

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e) Administrator:



f) Promoters\*

g) Auditors:

h) Legal advisors:

5. Description of the investment and financial objectives of the scheme:

6. Description of the practices intended to be employed for achieving the objectives and implementing the policies of the scheme including a brief description of the proposed funding arrangements and risk management techniques to be adopted:

\_\_\_\_\_

\* Full information in relation to all parties that might be considered as 'promoters' of the scheme is required.

7. Description of the intended income distribution policies of the scheme:

8. State how the scheme, will be marketed/sold to investors and the geographical location of the target investors.

9. State whether the scheme will require authorisation from any foreign body for the purpose of marketing its units in overseas jurisdiction. If so, report the steps to be taken towards obtaining such authorisation.

10. Will the scheme seek listing on a Stock Exchange? If so, give particulars:



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11. Listing of matters other than the above which are considered part of the scheme's profile:

I declare that to the best of my knowledge the information given above is complete and correct.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Capacity under which this  
declaration is made: \_\_\_\_\_



## CENTRAL BANK OF CYPRUS

### **International Collective Investment Schemes Law (Law No. 47(I) of 1999)**

#### **Documentation to accompany an application for a recognition as an International Collective Investment Scheme (“ICIS”)**

The following documentation is required to be submitted to the International Banking and Financial Services Supervision Department of the Central Bank:

(1) **The Standard Application Form** duly completed. This form must be completed by the applicant i.e. the company incorporated in the Republic, the international trust created under the International Trust Law or the limited partnership registered under the Partnership and Business Names Law.

In the case of companies, the Application Form must be completed and signed by two directors of the proposed ICIS or two other duly authorised persons; in the case of unit trusts, the Application Form must be completed and signed by two directors of the trustee of the proposed scheme; in the case of a limited partnership, by two directors of the general partner or two other duly authorised persons.

(2) **Copy of the memorandum and articles of association** of the international fixed capital company or international variable capital company; in the case of a unit

trust scheme, a copy of the trust deed and in the case of an international investment limited partnership, a copy of the partnership agreement.

(3) **Personal questionnaires (Form P.Q.)** must be completed and submitted as appropriate by all natural persons who are:

- (a) officers of companies seeking recognition as ICIS (Form P.Q.).
- (b) Promoters of companies, unit trusts and partnerships seeking recognition as ICIS (Form P.Q.).
- (c) Controlling shareholders and officers of managers (Form P.Q.).
- (d) Controlling shareholders and officers of trustee (Form P.Q.T.).

*Note 1: It is to the discretion of the Central Bank to exempt any of the above from completing a personal questionnaire.*

*Note 2: A personal questionnaire is required each and every time an ICIS, its manager or trustee appoints/employs an officer who will be involved with the affairs of the scheme.*

(4) **A questionnaire for legal persons (Form L.P.)** must be completed by all legal persons mentioned in paragraph (3) above.

(5) **The draft offering memorandum of the ICIS.**

(6) **Questionnaire “T”** duly completed by the trustee.

(7) **Questionnaire “M”** duly completed by the manager. (The full documentation which is needed to be submitted by the Manager can be found in **Schedule 6**).

(8) **Copies of any material contracts** (i.e. management agreement, trustee agreement, agreements entered into between the ICIS and other service providers etc.). Where service providers will be involved with the ICIS, sufficient information concerning such providers so as to satisfy the Bank as to their expertise, integrity and adequacy of financial resources in the light of the investment objectives and policies of the scheme must be provided.

(9) Any other documentation as the Bank may specify in the course of processing individual applications.



**CENTRAL BANK OF CYPRUS**

**International Collective Investment Schemes Law  
(Law No. 47(I) of 1999)**

**STANDARD APPLICATION FORM FOR RECOGNITION  
AS AN INTERNATIONAL COLLECTIVE INVESTMENT SCHEME**

**Notes:**

- 1. Form S.A. must be completed and signed, in the case of a company applying for a recognition as an ICIS, by two directors or two other persons duly authorised by the company; in the case of an international unit trust, by two directors of the trustee; in the case of a limited partnership, by two directors of the general partner\*.**
- 2. The completed Form S.A. together with the other required documents and the application fee as prescribed from time to time by the Bank, must be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus.**

(1) Name of proposed scheme:

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\* If the general partner is not a body corporate, two duly authorised executives of the partnership must sign the application.

(2) Date of establishment and legal form of scheme (e.g. fixed or variable capital company, international unit trust, limited, partnership).

Date	Legal form

(3) Requested designation\*:

(a) Marketed to the public at large

(b) Marketed only to experienced investors

(c) Private International Collective Investment Scheme

(4) State the duration of the scheme.

(5) Address of registered office:

(6) Name, legal form and address of the Manager.\*\*

Name:	Legal Form:
Address:	

\* Tick as appropriate

\*\* The Manager must complete Questionnaire "M".



(7) Name, legal form and address of the Trustee.\*

Name:	Legal Form:
Address:	

(8) Name and address of any other parties to the ICIS (e.g. investment advisers, sub-custodians etc).

Name:
Address:

(9) In the case of an investment company, provide the names of its directors.\*\*

Name and country of residence	Title	Date of Appointment

\* The Trustee must complete Questionnaire "T".

\*\* The above directors and shareholders who are natural persons must complete the personal questionnaire (Questionnaire P.Q).

(10) In the case of an investment company, provide the names of the shareholders\* who incorporated the company (i.e. promoters of the ICIS). In the case of a limited partnership, provide the names of the partners who have established the partnership, their status and where applicable their equity participation in the partnership.

Name and country of incorporation/residence	Shareholding/partnership participation	
	% of voting shares	% of other shares

(11) In the case of an international unit trust, provide the names of the proposed scheme's promoters.

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(12) State the auditors of the scheme.

Name:
Contact person:

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\* Shareholders who are legal persons must complete the Questionnaire of legal persons (Questionnaire "LP").

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(13) Describe the investment objectives of the scheme including financial objectives (e.g. capital growth or income), investment policy (e.g. specialisation in geographical or industrial sectors) and any limitation on that policy.

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(14) Outline how the investment objectives are to be achieved including an indication of any techniques and instruments or borrowing powers which may be used.

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(15) State the base currency of the scheme.

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(16) State how the scheme will be sold to investors (e.g. via intermediaries, direct press advertising), and the countries in which it is proposed that the scheme will be marketed.

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(17) State whether the scheme will require authorisation for the marketing of its units by any government or regulatory body outside Cyprus. If such authorisation is required, give full details.

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(18) (a) State the level of any management charges, specifying separately, preliminary charges, periodic charges and other charges.

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(b) State the level of any trustee charges and whether such charges are chargeable to the scheme or to the manager.

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(c) State any other significant charges to be borne by the scheme and not covered by (a) or (b) above.

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(19) Give details of any power to increase management charges and maximum permitted level of management charges (if any).

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(20) Give details of any power to increase trustee charges and maximum permitted level of such charges.

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(21) State whether the scheme is proposed to be listed on a Stock Exchange or any other investment exchange. If the scheme will be listed, give full details.

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(22) Give details of arrangements for the issue and redemption of units and of any minimum size, both initially and subsequently if different.

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(23) Please complete this check-list, and enclose with this Form a copy of **final** drafts of all the constitutional documents of the scheme.

<b>Document</b>	<b>Enclosed</b>	<b>Not Applicable</b>
Memorandum and Articles of Association		
Trust Deed		
Partnership Agreement		
Offering Memorandum		
Management Agreement		
Trustee Agreement		
Administration Agreement		
Investment Adviser's Agreement		
Registrar's Agreement		
Sub-custodian Agreement		
Any other delegation Agreement (please specify)		

**DECLARATION**

We declare that to the best of our knowledge and belief the information given in connection with:

Name of Scheme \_\_\_\_\_

is complete and correct, and that there are no other facts of which the Central Bank of Cyprus should be aware.

**Where the scheme will take the legal form of an international investment company, two directors or two other duly authorised persons should sign\*:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

(in block capitals)

(in block capitals)

Position held: \_\_\_\_\_

Position held: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
\* To be signed as appropriate depending on the legal form which the scheme will take.

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**Where the scheme will take the form of an international investment limited partnership, two duly authorised officers of the Manager\* or two other duly authorised persons should sign:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

(in block capitals)

(in block capitals)

Position held: \_\_\_\_\_

Position held: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Where the scheme will take the form of an international unit trust, two duly authorised officers of the trustee should sign:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

(in block capitals)

(in block capitals)

Position held: \_\_\_\_\_

Position held: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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\* In the case of a limited partnership, the general partner is the manager.





## CENTRAL BANK OF CYPRUS

### International Collective Investment Schemes Law (Law No. 47(I) of 1999)

#### PERSONAL QUESTIONNAIRE

##### NOTES:

1. *This Questionnaire must be completed and signed by natural persons who are officers, promoters or significant shareholders in proposed or established ICISs or in proposed or established Managers of ICISs.*
2. *Meaning of "officer": A director, executive director, secretary or a person who acts under the immediate control of a director or an executive director by whatever name called.*
3. *Meaning of "director": Any person occupying the position of director by whatever name this position is called and any person who effectively directs or exercises a material influence over the business of a company, including a person in accordance with whose directions or instructions the officers of a company are accustomed to act unless the officers act on advice given by him in a professional capacity.*
4. *Meaning of "significant shareholder": A shareholder who holds a shareholding of ten percent or more of the issued share capital in a company.*
5. *Shareholders in ICISs include only the **promoters** of the proposed scheme. It does not include the unitholders (investors) in the ICIS.*
6. *This Questionnaire must be signed by the person seeking the authorisation of the Bank, as well as by the ICIS/Manager intending to employ or appoint as a director the person concerned.*
7. *In the case where the Questionnaire is completed by a significant shareholder then only the person completing the Questionnaire should sign.*
8. *This Questionnaire must be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus*

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Name of ICIS or manager\* in connection with which this form is being completed:

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**A. PERSONAL DETAILS**

1. Individual's full name: \_\_\_\_\_

2. Date and place of birth: \_\_\_\_\_

3. Nationality: \_\_\_\_\_

4. Residential address: \_\_\_\_\_

5(a) Educational qualifications with dates:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) Other relevant professional qualifications:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\* Delete as appropriate.

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(c) Training and experience in financial services/fund management business:

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6. Please provide details of current memberships of relevant professional bodies, the year of admission and their address.

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(As regards 5 and 6 above, copies of the relevant certificates should be attached)

7. Please state in which capacity you are completing this questionnaire i.e. as a shareholder, or officer of the proposed/established ICIS or of the proposed/established manager

Shareholder of the ICIS	<input type="checkbox"/> *
Officer of the ICIS	<input type="checkbox"/>
Shareholder of the manager	<input type="checkbox"/>
Officer of the manager	<input type="checkbox"/>

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\* Tick as appropriate

8. Please describe the specific duties and responsibilities that you will assume, indicating clearly your position in the organisation:

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9. If you are completing it as a shareholder, state the percentage you are holding/intend to acquire and indicate the voting power of the shares you are holding/intend to acquire.

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10. Other Business Interests

State whether there are any bodies in which you have been a director or significant shareholder in the past ten years.

Name of firm	Principal activities	Director, partner or controller	Date

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**B. EMPLOYMENT HISTORY**

Please provide details of your employment history (last 10 years, most recent first)

**(i) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Contact person: \_\_\_\_\_

(e) Nature of employer's business: \_\_\_\_\_

(f) Period of employment: (please give dates) : From: \_\_\_\_\_  
To: \_\_\_\_\_

(g) Reason for leaving: \_\_\_\_\_  
\_\_\_\_\_

(h) Position held and responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(ii) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Contact person: \_\_\_\_\_

(e) Nature of employer's business: \_\_\_\_\_

(f) Period of employment: (please give dates) : From: \_\_\_\_\_  
To: \_\_\_\_\_

(g) Reason for leaving: \_\_\_\_\_  
\_\_\_\_\_

(h) Position held and responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**(iii) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_

\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Contact person: \_\_\_\_\_

(e) Nature of employer's business: \_\_\_\_\_

(f) Period of employment: (please give dates) : From: \_\_\_\_\_

To: \_\_\_\_\_

(g) Reason for leaving: \_\_\_\_\_

\_\_\_\_\_

(h) Position held and responsibilities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**(iv) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_

\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Contact person: \_\_\_\_\_

(e) Nature of employer's business: \_\_\_\_\_

(f) Period of employment: (please give dates) : From: \_\_\_\_\_

To: \_\_\_\_\_

(g) Reason for leaving: \_\_\_\_\_

\_\_\_\_\_

(h) Position held and responsibilities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Note: If the space provided is insufficient, please attach a separate sheet of paper.

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**C. REPUTATION AND CHARACTER**

Please answer the following questions, giving full particulars, on a separate sheet of paper in case where a question is answered in the affirmative.

1. Have you ever been convicted of any offence (other than minor motoring offences) in any country?

YES	NO
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2. Are you the subject of criminal or civil proceedings not yet determined, in any country?

YES	NO
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3. Have any legal proceedings been brought against you in any country in relation to the provision of financial services?

YES	NO
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4. Have you ever been the subject of an investigation into allegations of misconduct or malpractice in any country in connection with the provision of financial services?

YES	NO
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5. Have you (or any institution with which you have been connected in its management or conduct of affairs) been censured, disciplined, warned as to future conduct or publicly criticised or made the subject of a court order at the instigation of any governmental or regulatory authority or any professional body to which you belong or belonged?

YES	NO
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- 
6. Have you at any time in the previous ten years, in any country, been refused or had revoked any licence or authorisation to carry on banking, insurance business, broking, fund management or any other financial services?

YES	NO
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7. Have you at any time in the previous ten years, in any country, been refused or had revoked any authorisation to establish/operate a Collective Investment Scheme?

YES	NO
-----	----

8. Have you at any time, in the previous ten years, been refused or had revoked membership of any professional body or association or of any stock exchange in any country?

YES	NO
-----	----

9. Have you resigned from such body or organisation or association (as in 7 above) at any time during the previous ten years or decided after making your application, not to proceed with it?

YES	NO
-----	----

10. Have you ever been disqualified under the laws of any country from acting as a director of a company or from acting in the management or conduct of the affairs of any company, partnership or unincorporated association?

YES	NO
-----	----

11. Have you been dismissed or requested to resign from any office or employment, removed from any fiduciary office or position of trust, subject to disciplinary proceedings by your employers or barred from entry to any profession or occupation?

YES	NO
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12. Has any body corporate, partnership or unincorporated institution with which you are or have been associated as a director, partner, officer, manager or shareholder been put into compulsory liquidation, had a receiver or administrator appointed or entered into any arrangements with its creditors or been convicted of any criminal offence?

YES	NO
-----	----

13. Have you failed to satisfy any debt adjudged due and payable by you as a judgment debtor under an order of a court of any country or made any compromise arrangement with your creditors within the last ten years?

YES	NO
-----	----

14. Have you, at any time in the previous ten years, been declared bankrupt or had your estate sequestered or are you currently the subject of bankruptcy proceedings for the sequestration of your estate or are you aware of any such proceedings pending?

YES	NO
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**D. OTHER INFORMATION**

Other information which the applicant may wish to disclose in relation to the application:

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**E. SOURCES OF INFORMATION**

Please note that the Central Bank of Cyprus shall be approaching all ex-employers listed under B above. In addition you are requested to provide other sources of information (**at least three**) such as business associates, banks, regulatory authorities, etc., which may be approached directly by the Central Bank of Cyprus, for the purpose of obtaining appropriate references.

Full particulars including name, address and facsimile number of the above sources as well as a contact name should be provided below.

For the above purpose, please sign and return to *the International Banking and Financial Services Supervision Department* of the Central Bank of Cyprus the attached "Declaration"/"Letter of Authorisation" which will enable the Central Bank of Cyprus to obtain and/or exchange information from third parties.

**(a) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(b) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_Facsimile No: \_\_\_\_\_

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**(c) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(d) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

*Note: If the space provided is insufficient, please attach a separate sheet of paper.*

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**Declaration/Letter of Authorisation**

A. This declaration must be signed by the individual to be employed/appointed as a director by: ..... (Please insert name of ICIS/manager)

I declare that the information supplied in this questionnaire is complete and correct.

I also agree to provide the Central Bank of Cyprus with any supplementary information and/or clarifications, it may require, in connection with the completion of this questionnaire.

I hereby irrevocably authorise the Central Bank of Cyprus as well as its officers or employees to obtain and/or exchange information, as deemed necessary by them, with any third party such as banks, my present and past employers, foreign banking or financial supervisory authorities etc, to determine my fitness in providing financial services to the public.

Signature .....

Date .....

B. This declaration must be completed by the ICIS or Manager which intends to employ/appoint as a director, the above individual.

We intend to employ/appoint Mr/Mrs .....  
(Full name)

as a Director/Manager/Consultant/Other (please specify).

We believe that, on the basis of due and diligent enquiry, he/she is a fit and proper person to be employed/appointed.

For and on behalf of .....  
(Name of ICIS/Manager)

Authorised signature .....  
(Full name and title)

Date: .....



## CENTRAL BANK OF CYPRUS

### International Collective Investment Schemes Law (Law No. 47(I) of 1999)

**QUESTIONNAIRE TO BE COMPLETED BY LEGAL PERSONS  
WHICH ARE SIGNIFICANT SHAREHOLDERS IN EITHER AN ICIS,  
OR A MANAGER OR A TRUSTEE OF AN ICIS**

#### **NOTES:**

1. Meaning of "significant shareholder": A shareholder who holds a shareholding of ten percent or more of the issued share capital in a company.
2. Questionnaire "L.P." must be completed and signed by two directors of the significant shareholder.
3. Questionnaire "L.P.", must be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus.

#### **A. GENERAL INFORMATION ON THE APPLICANT**

1. Name of applicant:

2. Date, place and nature of incorporation/establishment: (e.g. limited, partnership, other)

Day, month, year	Legal form	International / Local / overseas

3. Address of registered office:

Fax no: _____ / Tel no: _____

4. Name of legal person in which the applicant is a significant shareholder.

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5. Address and contact name where correspondence concerning this application should be sent:

Name:
Address:

6. Please give a description of the business currently undertaken by the applicant:

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7. If the applicant is currently providing financial or trustee services please indicate whether it is subject to any financial regulation by an appropriate authority in its country of establishment.

YES	NO
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If yes, please state the full name, address and facsimile number of any such authorities concerned.

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8. Please provide a copy of the applicant's latest audited accounts. If the applicant is part of a Group, the latest audited Group Accounts must also be supplied.
9. Please provide the names of the applicant's beneficial shareholders\* with percentage shareholding.

Name and place of residence	% Shareholding	
	% of voting shares	% of other shares

10. Please provide the names of the applicant's directors.\*

Name and country of residence	Title	Date of Appointment

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\* The Central Bank of Cyprus reserves the right to enquire into the background of the above.

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**B. INFORMATION ON THE APPLICANT'S GROUP OF COMPANIES**

1. If the applicant is a member of a group of companies, please provide a "family tree covering the whole of the group showing percentage sizes of shareholdings. A brief description of the activities of each group company must also be provided.

2. Please provide the following details on the applicants immediate holding company, if any:

(a) Name: \_\_\_\_\_

(b) Principal activities: \_\_\_\_\_

(c) Address of registered office: \_\_\_\_\_

\_\_\_\_\_

3. Please state whether any of the group's companies are subject to financial regulation by an appropriate regulatory authority.

\_\_\_\_\_

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\_\_\_\_\_



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**C. APPLICANT'S RECORD**

If the response to any of the following is Yes, please provide full details on a separate sheet of paper.

1. Has the applicant or any of its group companies, at any time in the previous ten years, been refused or had any authorisation or licence to carry on investment, trustee, banking or fund management business in any country revoked?

YES	NO
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2. Has the applicant or any of its group companies, at any time in the previous ten years, been refused or had its membership of any professional association or of any stock exchange revoked?

YES	NO
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3. Has the applicant or any of its group companies, at any time in the previous ten years, been subject to any disciplinary penalties imposed on it by any regulatory body or authority?

YES	NO
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4. Have the applicant's affairs or those of its group companies, at any time in the previous ten years, been investigated by any body, of which it is or was at the time a member of any other regulatory body or authority or self-regulatory body, in relation to the provision of investment, trustee, banking or fund management business excepting those investigations conducted in the course of normal monitoring?

YES	NO
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5. Has the applicant or any of its group companies or any of its chief executives ever been convicted of any offence involving fraud or other dishonesty under the laws of any country?

YES	NO
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**E. Sources of reference**

Please provide below full particulars (name, address and facsimile number) of **at least three** sources of information, such as banks, present and past business associates, regulatory authorities, which may be contacted directly by the Central Bank of Cyprus for the purpose of obtaining references on the applicant.

**(a) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(b) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(c) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(d) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

*Note: If the space provided is insufficient, please attach a separate sheet of paper.*

**Declaration**

This declaration must be signed by two directors of the applicant:

We hereby declare that the information given above is complete and correct and we agree that we will comply with the provisions of the International Collective Investment Scheme Law and any administrative act issued under the Law.

We also agree to provide the Central Bank of Cyprus with any supplementary information and/or clarifications, as it may require, in connection with the completion of this questionnaire.

For and on behalf of .....  
(Name of applicant)

.....  
Authorised Signatory  
(Name and title)

.....  
Authorised Signatory  
(Name and title)

Date: .....

\* Please delete as appropriate



**CENTRAL BANK OF CYPRUS**

**International Collective Investment Schemes Law  
(Law No. 47(I) of 1999)**

**Documentation requirements in support of an application for an authorisation to act as a manager of an ICIS**

The following documentation is required to be submitted to the International Banking and Financial Services Supervision Department of the Central Bank:

- (i) Questionnaire "M" duly completed and signed by two directors of the applicant;
- (ii) Copy of the applicant's Memorandum and Articles of Association;
- (iii) A copy of any investment management agreements or other documents under which the management of the scheme will be carried out;
- (iv) Completed personal questionnaires (Form P.Q.) in respect of all officers and significant shareholders of the manager;
- (v) Questionnaire for legal persons (Form L.P.) duly completed by the significant shareholders of the manager.
- (vi) A Letter of Comfort, if specifically requested by the Bank;
- (vii) Any other document or information requested by the Bank.
- (viii) Full background information on any persons to whom the manager has delegated any of its obligations and responsibilities including copies of any

material contracts entered into by the manager with third parties. Sufficient information concerning the above persons must be submitted to the Bank to enable the latter to be satisfied as to their expertise and integrity. Such persons may be asked by the Bank to complete the Questionnaires at (iv) or (v) above.

Form "M"



## CENTRAL BANK OF CYPRUS

### International Collective Investment Schemes Law (Law No. 47(I) of 1999)

#### APPLICATION FORM FOR AUTHORISATION TO ACT AS A MANAGER OF A RECOGNISED INTERNATIONAL COLLECTIVE INVESTMENT SCHEME (ICIS)

#### NOTES:

1. Questionnaire "M" must be completed and signed by two directors / chief executives of a legal person/partnership seeking authorisation to act as a manager of the ICIS.
2. The completed Questionnaire, together with the required documents must be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus.
3. If the manager will be a natural person, then Form "P.Q." should be completed.

#### A. GENERAL INFORMATION ON THE APPLICANT

1. Name of applicant:

2. Date, place and nature of incorporation/establishment: (e.g. limited, partnership, other)

Day, month, year	Legal form	International / Local / Overseas



3. Address of registered office:

Fax no:	/ Tel no:

4. Address and contact name where correspondence concerning this application should be sent:

Name:
Address:

5. Name of ICIS to which the applicant will be providing management services

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6. State whether the applicant intends to establish an administrative office in Cyprus.

YES	NO
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If No, please give justification/reasons for wishing to be exempted from the requirement to maintain an administrative office in Cyprus.

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7. Does the applicant already provide management services to any other ICIS or a similar scheme, whether in Cyprus or abroad?

YES	NO
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If yes, please give full details (Names of schemes, value of assets under management, etc).

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8. If the applicant already provides management services to any Collective Investment Scheme abroad, please state whether it is subject to any financial regulation by an appropriate regulatory authority, giving the full particulars of such authority.

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9. If the applicant has been in operation for more than a year, please provide a copy of its latest audited accounts. If the applicant is part of a Group, the latest audited **Group Accounts** must also be supplied.

10. If the applicant is currently involved in any other activities, apart from offering management services to Collective Investment Schemes, please give details of its main activities.

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11. Please provide the names of the applicant's beneficial shareholders with percentage shareholding. If the applicant is a partnership, please provide the names of its partners and their status and their equity participation in the partnership\*.

Name and country of incorporation/residence	Shareholding/partnership participation	
	% of voting shares	% of other shares

12. Please provide the names of the applicant's directors\*\* :

Name and country of residence	Title Executive / Non Executive	Date of Appointment

\* 1. Shareholders/partners/directors who are natural persons must complete the personal questionnaire (Questionnaire P.Q.).  
 2. Shareholders/partners/directors who are legal persons must complete the questionnaire for legal persons (Questionnaire L.P.).

\*\* Directors/chief executives must complete the personal questionnaire (Form P.Q.).

13. Names of other chief executives.\*

Name	Job title	Brief description of duties

14. Please state the name and address of any person to whom the Manager intends to delegate any of its functions (the Central Bank may make enquiries regarding such persons, including asking them to complete relevant questionnaires).

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\* Directors/chief executives must complete the personal questionnaire (Form P.Q.).

**B. INFORMATION ON THE APPLICANT'S GROUP OF COMPANIES**

1. If the applicant is a member of a group of companies, please provide a "family tree" covering the whole of the group showing percentage sizes of shareholdings. A brief description of the activities of each group company must also be provided.

2. Please provide the following details on the applicant's immediate holding company, if any:

(a) Name: \_\_\_\_\_

(b) Principal activities: \_\_\_\_\_

(c) Address of registered office: \_\_\_\_\_  
 \_\_\_\_\_

3. Please state the countries in which the applicant's group of companies already provide financial services and indicate whether this business is done through its immediate or ultimate holding company or a subsidiary company or an associated company or through a representative office or branch of any of the above:

<b>Country</b>	<b>Name and address of group company which provides financial services</b>
(a)	
(b)	
(c)	
(d)	
(e)	
(f)	

If question 3 above is applicable, please provide details on a separate sheet of paper of the principal financial activities of the group's companies which provide such activities.

4. Please state whether the provision of financial services in any country in which the applicant's group maintains a presence, as outlined in (3) above, is subject to financial regulation by an appropriate authority.

YES	NO
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If yes, please state the full name, address and facsimile number of the authority(ies) concerned:

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**C. APPLICANT'S RECORD**

If the response to any of the following is Yes, please provide full details on a separate sheet of paper.

1. Has the applicant or any of its group companies, at any time in the previous ten years, applied for regulatory approval in any other jurisdiction and been refused or withdrawn its application?

YES	NO
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2. Has the applicant or any of its shareholders or any members of the same group ever had its authorisation revoked by any regulatory authority?

YES	NO
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3. Has the applicant or any of its group companies, at any time in the previous ten years, been refused or had its membership of any professional association or of any stock exchange revoked?

YES	NO
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4. Has the applicant or any of its group companies, at any time in the previous ten years, been subject to any disciplinary penalties imposed on it by any regulatory body or authority?

YES	NO
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5. Has the applicant or any of its group companies, ever been the subject of an investigation into allegations of misconduct or malpractice in connection with investment business in any other financial services, or is it currently undergoing an investigation by any regulatory authority?

YES	NO
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6. Has the applicant or any of its group companies or any of its chief executives ever been convicted of any offence involving fraud or other dishonesty under the laws of any country?

YES	NO
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7. Has any subsidiary or company controlled by the applicant been compulsorily wound-up at any time in the previous ten years?

YES	NO
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8. Has the applicant at any time in the last ten years had a receiver or administrator appointed, failed to satisfy a debt adjudged due or a debt in respect of which a decree has passed against it or come to a compromise or similar arrangement with its creditors?

YES	NO
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9. (a) Have any legal proceedings been successfully brought against the applicant in relation to its business over the previous ten years? Has, in the same period, the applicant agreed, as a result of any such legal proceedings, to any out of court settlement?

YES	NO
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(b) Is the applicant involved in any such proceedings at the time of application?

YES	NO
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**D. OTHER INFORMATION**

Other relevant information which the applicant may wish to disclose:

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**E. Sources of reference**

Please provide below full particulars (name, address and facsimile number) of **at least three** sources of information, such as banks, present and past business associates, regulatory authorities, which may be contacted directly by the Central Bank of Cyprus for the purpose of obtaining references on the applicant.

**(a) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(b) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(c) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(d) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

*Note: If the space provided is insufficient, please attach a separate sheet of paper.*

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**Declaration/Letter of Authorisation**

This declaration must be signed by two directors, partners, or other duly authorised individuals of the applicant:

We hereby declare that the information given above is complete and correct and we agree that we will comply with the provisions of the International Collective Investment Scheme Law, any administrative act issued under the Law and constitutional documentation of \_\_\_\_\_ (name of ICIS) for which we are seeking authorisation to acts as its Manager.

We also agree to provide the Central Bank of Cyprus with any supplementary information and/or clarifications, as it may require, in connection with the completion of this questionnaire.

We also hereby irrevocably authorise the Central Bank of Cyprus as well as its officers or employees to obtain and/or exchange information, as deemed necessary by them, with any third party, to determine our suitability to act as a manager of \_\_\_\_\_  
name of scheme

For and on behalf of .....  
(Name of applicant)

.....  
Authorised Signatory  
(Name and title)

.....  
Authorised Signatory  
(Name and title)

Date: .....

Form "T"



## CENTRAL BANK OF CYPRUS

### International Collective Investment Schemes Law (Law No. 47(I) of 1999)

#### APPLICATION FORM FOR AUTHORISATION TO ACT AS A TRUSTEE OF AN INTERNATIONAL COLLECTIVE INVESTMENT SCHEME (ICIS)

#### NOTES:

1. Questionnaire "T" must be completed and signed by two directors of the legal person intending to provide trustee services to an ICIS.
2. This questionnaire, must be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus.

#### A. GENERAL INFORMATION ON THE APPLICANT

1. Name of applicant:

2. Date, place and nature of incorporation/establishment: (e.g. limited, branch, other)

Day, month, year	Legal form	International / Local / Overseas

3. Address of registered office:

Fax no:	/ Tel no:

- 
- 
4. Address and contact name where correspondence concerning this application should be sent:

Name:
Address:

5. Name of ICIS to which trustee services will be offered.

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6. Please state whether the applicant already provides trustee services to any other ICIS or a similar scheme either in Cyprus or abroad.

YES	NO
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If "Yes", please give brief background information of the schemes concerned (i.e. country of establishment, investment objectives, Manager etc).

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7. Please give a description of the business currently undertaken.

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8. If the applicant is a bank or professional trustee company, please indicate whether its activities are subject to supervision/regulation by any supervisory/regulatory authority giving full details of any such authority (name address and facsimile number).

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9. If the applicant has been in operation for more than a year, please provide a copy of its latest audited accounts. If the applicant is part of a Group, the latest audited **Group Accounts** must also be supplied.

10. Please state whether the applicant intends to delegate any of its functions to any third party in relation to the trustee services it shall offer to the ICIS.

YES	NO
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If "Yes", please give full details regarding persons to whom functions will be delegated (the Central Bank of Cyprus may make enquiries regarding any such persons, including requesting them to complete relevant questionnaires).

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11. Please provide the names of the applicant's beneficial shareholders with percentage shareholding.\*

Name and place of residence	Shareholding	
	% of voting shares	% of other shares

12. Please provide the names of the applicant's directors\*:

Name and place of residence	Title executive / non executive	Date of Appointment

13. Please provide the names of the applicant's chief executives\*\* who will be involved with the ICIS.

Name	Job title	Brief description of duties

\* 1. Shareholders/directors who are natural persons must complete the personal questionnaire (Questionnaire P.Q.).

2. Shareholders/directors who are legal persons must complete the questionnaire for legal persons (Questionnaire L.P.).

\*\* Chief executives must complete the personal questionnaire (Questionnaire P.Q.).

**B. INFORMATION ON THE APPLICANT'S GROUP OF COMPANIES**

1. If the applicant is a member of a group of companies, please provide a "family tree covering the whole of the group showing percentage sizes of shareholdings. A brief description of the activities of each group company must also be provided.
  
2. Please provide the following details on the applicants immediate holding company, if any:
  - (a) Name: \_\_\_\_\_
  - (b) Principal activities: \_\_\_\_\_
  - (c) Address of registered office: \_\_\_\_\_  
\_\_\_\_\_
  
3. Please state the countries in which the applicant's group of companies already provide banking, trustee and/or financial services and indicate whether this business is done through its immediate or ultimate holding company or a subsidiary company or an associated company or through a representative office or branch of any of the above:

<b>Country</b>	<b>Name and address of group company which provides financial services</b>
(a)	
(b)	
(c)	
(d)	
(e)	
(f)	



- 4. If question 3 above is applicable, please provide details on a separate sheet of paper of the principal financial activities of the group's enterprises which provide such activities.
  
- 5. Please state whether the provision of banking, trustee and/or financial services in any country in which the applicant's group maintains a presence, as outlined in (3) above, is subject to financial regulation by an appropriate authority.

YES	NO
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If yes, please state the full name, address and facsimile number of the authority(ies) concerned:

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**C. APPLICANT'S RECORD**

If the response to any of the following is Yes, please provide full details on a separate sheet of paper.

1. Has the applicant or any of its group companies, at any time in the previous ten years, been refused or had any business licence, recognition or authorisation to carry on banking, trustee or financial business in any country, revoked?

YES	NO
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2. Has the applicant or any of its group companies, at any time in the previous ten years, been refused or had its membership of any professional association or of any stock exchange revoked?

YES	NO
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3. Has the applicant or any of its group companies, at any time in the previous ten years, been subject to any disciplinary penalties imposed on it by any regulatory body or authority in relation to the provision of banking, trustee or financial services?

YES	NO
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4. Have the applicant's affairs or those of its group companies, at any time in the previous ten years, been investigated by any body, of which it is or was at the time a member or by any other regulatory body or authority or self-regulatory body, in relation to the provision of trustee or financial services, except those investigations conducted in the course of normal monitoring?

YES	NO
-----	----

5. Has the applicant or any of its group companies ever been convicted of any offence involving fraud or other dishonesty under the laws of any country?

YES	NO
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6. Has any subsidiary or company controlled by the applicant been compulsorily wound-up at any time in the previous ten years?

YES	NO
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7. Has the applicant at any time in the last ten years had a receiver or administrator appointed, failed to satisfy a debt adjudged due or a debt in respect of which a decree has passed against it or come to a compromise or similar arrangement with its creditors?

YES	NO
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8. (a) Have any legal proceedings been successfully brought against the applicant in relation to its banking, trustee or financial business over the previous ten years? Has, in the same period, the applicant agreed, as a result of any such legal proceedings, to any out of court settlement?

YES	NO
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- (b) Is the applicant or any of its group companies involved in any legal proceedings at the time of application?

YES	NO
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**D. OTHER INFORMATION**

Other relevant information which the applicant may wish to disclose:

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**E. Sources of reference**

Please provide below full particulars (name, address and facsimile number) of **at least three** sources of information, such as banks, present and past business associates, regulatory authorities, which may be contacted directly by the Central Bank of Cyprus for the purpose of obtaining references **on the applicant**.

**(a) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(b) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)Full postal address: \_\_\_\_\_  
\_\_\_\_\_Facsimile No: \_\_\_\_\_

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**(c) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(d) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

*Note: If the space provided is insufficient, please attach a separate sheet of paper.*

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**Declaration/Letter of Authorisation**

This declaration must be signed by two directors of the applicant:

We hereby declare that the information given above is complete and correct and we agree that we will comply with any provisions of the International Collective Investment Schemes Law and any administrative act issued under the Law.

We also agree to provide the Central Bank of Cyprus with any supplementary information and/or clarifications, as it may require, in connection with the completion of this questionnaire.

We also hereby irrevocably authorise the Central Bank of Cyprus as well as its officers or employees to obtain and/or exchange information, as deemed necessary by them, with any third party, to determine our suitability to act as a trustee of \_\_\_\_\_  
name of scheme

For and on behalf of .....  
(Name of applicant)

.....  
Authorised Signatory  
(Name and title)

.....  
Authorised Signatory  
(Name and title)

Date: .....



## CENTRAL BANK OF CYPRUS

### International Collective Investment Schemes Law (Law No. 47(I) of 1999)

#### PERSONAL QUESTIONNAIRE TO BE COMPLETED BY NATURAL PERSONS WHO WILL OFFER TRUSTEE SERVICES TO ICIS

#### **NOTES:**

1. *This Questionnaire must be completed and signed by natural persons who are officers or significant shareholders in Trustees of ICISs.*
2. *Meaning of "officer": A director, executive director, secretary or a person who acts under the immediate control of a director or an executive director by whatever name called.*
3. *Meaning of "director": Any person occupying the position of director by whatever name this position is called and any person who effectively directs or exercises a material influence over the business of a company and including a person in accordance with whose directions or instruction the officers of a company are accustomed to act unless the officers act on advice given by him in a professional capacity.*
4. *Meaning of "significant shareholder": A shareholder who holds a shareholding of ten percent or more of the issued share capital in a company.*
5. *This Questionnaire must be signed by the person seeking the authorisation of the Bank, as well as by the trustee which employ/appoint the person concerned.*
6. *This Questionnaire must be submitted to the International Banking and Financial Services Supervision Department of the Central Bank of Cyprus.*

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Name of Trustee in connection with which this form is being completed:

Name of ICIS with which the trustee is connected:

**A. PERSONAL DETAILS**

1. Individual's full name: \_\_\_\_\_

2. Date and place of birth: \_\_\_\_\_

3. Nationality: \_\_\_\_\_

4. Residential address: \_\_\_\_\_

5. Please provide details of both professional and educational qualifications with dates:

(a) All relevant professional and educational qualifications, including date of qualification:

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(b) Other relevant training or experience (Please give dates of training):

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6. Please state in what capacity you are completing this questionnaire (i.e. as a controlling shareholder, director, manager, other) (please specify). Please also describe the particular duties and responsibilities that you are expected to assume.

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- If you are completing this form in the capacity of a **director** please indicate whether, in your position as a director, you will have executive responsibilities.

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- If you are completing this form in the capacity of a **shareholder**, please state the percentage you are holding and indicate the voting power of the shares you are holding.

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7. Please describe your experience in relation to trustee business.

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8. Other Business Interests

State whether there are any bodies in which you have been a director or significant shareholder in the past ten years.

Name of firm	Principal activities	Director, partner or controller	Date

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**B. EMPLOYMENT HISTORY**

Please provide details of your employment history (last 10 years, most recent first)

**(i) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Nature of employer's business: \_\_\_\_\_

(e) Period of employment: (please give dates) : From: \_\_\_\_\_  
To: \_\_\_\_\_

(f) Reason for leaving: \_\_\_\_\_  
\_\_\_\_\_

(g) Position held and responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(ii) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Nature of employer's business: \_\_\_\_\_

(e) Period of employment: (please give dates) : From: \_\_\_\_\_  
To: \_\_\_\_\_

(f) Reason for leaving: \_\_\_\_\_  
\_\_\_\_\_

(g) Position held and responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**(iii) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Nature of employer's business: \_\_\_\_\_

(e) Period of employment: (please give dates) : From: \_\_\_\_\_  
To: \_\_\_\_\_

(f) Reason for leaving: \_\_\_\_\_  
\_\_\_\_\_

(g) Position held and responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**(iv) (a) Name of employer:**

(b) Full postal address of employer: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(c) Facsimile number of employer: \_\_\_\_\_

(d) Nature of employer's business: \_\_\_\_\_

(e) Period of employment: (please give dates) : From: \_\_\_\_\_  
To: \_\_\_\_\_

(f) Reason for leaving: \_\_\_\_\_  
\_\_\_\_\_

(g) Position held and responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Note: If the space provided is insufficient, please attach a separate sheet of paper.

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**C. REPUTATION AND CHARACTER**

Please answer the following questions, giving full particulars, on a separate sheet of paper in case where a question is answered in the affirmative.

1. Have you ever been convicted of any offence (other than minor motoring offences) in any country?

YES	NO
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2. Are you the subject of criminal or civil proceedings not yet determined, in any country?

YES	NO
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3. Have any legal proceedings been brought against you in any country in relation to the provision of trustee business or financial services to the public?

YES	NO
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4. Have you ever been criticised, censured, disciplined, suspended, expelled, fined,, refused admission to, or been the subject of any disciplinary action by any regulatory authority, professional body, government agency or commission, exchange or market?

YES	NO
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5. Have you at any time in the previous ten years, in any country, been refused or had withdrawn any authorisation or licence to carry on trustee, investment, banking or insurance business?

YES	NO
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6. Have you ever been the subject of an investigation into allegations of misconduct or malpractice in any country in connection with the provision of trustee business or financial services?

YES	NO
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7. Have you ever been disqualified under the laws of any country from acting as a director of a company or from acting in the management or conduct of the affairs of any company, partnership or unincorporated association?

YES	NO
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8. Have you been dismissed or requested to resign from any office or employment, removed from any fiduciary office or position of trust, subject to disciplinary proceedings by your employer or barred from entry to any profession or occupation?

YES	NO
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9. Has any company of which you were at any time a director or partner or in the management of which you were at the time involved, been put into compulsory liquidation, had a receiver or administrator appointed or entered into any arrangements with its creditors or been convicted of any criminal offence?

YES	NO
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10. Have you failed to satisfy any debt adjudged due and payable by you as a judgment debtor under an order of a court of any country or made any compromise arrangements with your creditors within the last ten years?

YES	NO
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**E. SOURCES OF INFORMATION**

Please note that the Central Bank of Cyprus shall be approaching all ex-employers listed under B above. In addition you are requested to provide other sources of information (**at least three**) such as business associates, banks, regulatory authorities, etc., which may be approached directly by the Central Bank of Cyprus, for the purpose of obtaining appropriate references.

Full particulars including name, address and facsimile number of the above sources as well as a contact name should be provided below.

For the above purpose, please sign and return to *the International Banking and Financial Services Supervision Department* of the Central Bank of Cyprus the attached "Declaration"/"Letter of Authorisation" which will enable the Central Bank of Cyprus to obtain and/or exchange information from third parties.

**(a) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(b) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

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**(c) Source of reference:**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

**(d) Source of reference**

Relationship with applicant: \_\_\_\_\_

Contact name: \_\_\_\_\_  
(if the source of reference is a company)

Occupation: \_\_\_\_\_  
(if the source of reference is a natural person)

Full postal address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile No: \_\_\_\_\_

*Note: If the space provided is insufficient, please attach a separate sheet of paper.*

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**Declaration/Letter of Authorisation**

A. This declaration must be signed by the individual to be employed by: .....  
..... (Name of trustee to be inserted)

I declare that the information supplied in this questionnaire is complete and correct.

I also agree to provide the Central Bank of Cyprus with any supplementary information and/or clarifications, it may require, in connection with the completion of this questionnaire.

I hereby irrevocably authorise the Central Bank of Cyprus as well as its officers or employees to obtain and/or exchange information, as deemed necessary by them, with any third party such as banks, my present and past employers, foreign banking or financial supervisory authorities etc, to determine my fitness in providing financial services to the public.

Signature .....

Date .....

B. This declaration must be completed by the Trustee which intends to employ the above individual.

We intend to employ/appoint Mr/Mrs .....  
(Full name)

as a Director/Manager/ Other (please specify)

We believe that, on the basis of due and diligent enquiry, he/she is a fit and proper person to provide trustee services.

For and on behalf of .....  
(Name of Trustee)

Authorised signature .....  
(Full name and title)

Date: .....