
TO : **Regulated Entities:**

- i. Alternative Investment Fund Managers ('AIFMs')**
- ii. Self-Managed Alternative Investment Funds ('SM AIFs')**
- iii. Self-Managed Alternative Investment Funds with Limited Number of Persons ('SM AIFLNP')**
- iv. Companies with sole purpose the management of AIFLNP**
- v. CIFs that manage AIFs/AIFLNP**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **02 April 2026**

CIRCULAR No : **C768**

SUBJECT : **Annual reports of AIFs and AIFLNP**

The Cyprus Securities and Exchange Commission ('CySEC') wishes with this Circular to draw the attention of the Regulated Entities to the legislative requirements governing the content of the Annual Report of Alternative Investment Funds ('AIFs') and Alternative Investment Funds with Limited Number of Persons ('AIFLNP').

Specifically, CySEC would like to highlight the following provisions of the legislation:

1. Section 29(1) of [Law 56\(I\)/2013](#), as amended, states that an AIFM shall, for each of the EU AIFs it manages and for each of the AIFs it markets in the Union, **make available an annual report** for each financial year no later than six months following the end of the financial year. The annual report shall be provided to investors on request. An AIFM shall make available the annual report to CySEC, and where applicable to the Competent Authorities of the home Member State of the AIF.
2. Section 29(3) of [Law 56\(I\)/2013](#), as amended, states that:

The annual report shall, at least, contain the following:

- (a) a balance sheet or a statement of assets and liabilities of the AIF;
- (b) an income and expenditure account of the AIF for the financial year;
- (c) a report on the activities of the AIF of the financial year;
- (d) any material changes in the information listed in section 30 during the financial year covered by the report;

- (e) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and where relevant, carried interest paid by the AIF;
 - (f) the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF.
3. Section 76(1) of the [Law 124\(I\)/2018](#), as amended, states that the external manager of the AIF or the AIF, in case it is internally managed in accordance with section 6(2)(a) of the said Law, shall prepare and submit, without undue delay, to CySEC an annual report for each financial year.

It is provided that, the provisions of this section shall apply to AIFLNPs as if the reference to section 6(2)(a) is a reference to section 125(1)(a) of the said Law.

4. Section 76(2) of the [Law 124\(I\)/2018](#), as amended, states that the annual report of the AIF shall be communicated to CySEC by the external manager of the AIF, and made available to the investors by the external manager of the AIF at the points of distribution of its units **within six (6) months** from the end of the period to which they relate.
5. Section 78(1) of the [Law 124\(I\)/2018](#), as amended, states that:
- the annual report of an AIF shall include **at least the information provided for in article 29(3) of the [Law 56\(I\)/2013](#), as amended, which applies proportionately,**
 - the accounting information given in the annual report of the AIF shall be prepared in accordance with the International Financial Reporting Standards and shall be audited by an auditor. The auditor's report, including any qualifications, shall be reproduced in full in the annual report.

Therefore, Regulated Entities should take the above into consideration and conduct their own assessment to ensure compliance with the aforementioned legislative provisions. CySEC will continue its supervisory activities and expects Regulated Entities to remain fully compliant.

Yours sincerely,

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Vice Chairman
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