

PRESS RELEASE

In spite of the financial crisis, Cyprus remains an attractive investment destination and a competitive center for international business, as it was highlighted by the President of the Republic of Cyprus Nicos Anastasiades, in his address at the reception organized by the Cyprus Securities and Exchange Commission (CySEC), for the Senior Executives of Cyprus Investment Firms and Administrative Service Providers based in Cyprus. “This year finds Cyprus going through one of the most critical periods in its modern history”, the President pointed out. “Without undue delay”, he added, “we are taking bold decisions to implement prudent fiscal policy, we are modernizing the state and the public administration and we are proceeding with structural changes, in order to turn the crisis into an opportunity”.

The President noted that a priority of utmost importance for the Government is the assurance that Cyprus not only will retain the substantial comparative advantages it offers to foreign investors, but will also promote further the development of a business friendly environment. The President also referred to the two positive evaluations by Troika, to the efforts being made for the restructuring of the banking system and the lifting of all restrictions on transactions and capital movement, as well as on the favorable tax incentives and other incentives available to foreign investors. The President also referred to the recent upgrading of the Cyprus economy – the first in three years- by an international rating agency, emphasizing that “our efforts are bearing fruit and are acknowledged at the international level”.

Addressing the foreign investors that attended the CySEC reception, President Anastasiades expressed his sincere commitment for providing support to the activities of foreign owned companies, assuring that proposals, recommendations and even complaints in relation to the services sector in Cyprus will be taken into serious consideration.

The President congratulated the Chairwoman, the Board and the staff of CySEC for their hard work and effort in creating a well-organized and supervised securities market in Cyprus and safeguarding the high standards of investor protection. At the same time, the President thanked the Directors of Investment Firms and Administrative Services Providers that have chosen Cyprus as their base, emphasizing that through their business and investment initiatives they actively support the efforts to contribute to the growth of the Cyprus economy and the financial services sector.

An optimistic message that “things are starting to return to normality” was sent by the Chairwoman of CySEC Demetra Kalogerou, explaining that the Commission continues to

receive applications for the authorization of investment firms and for the extension of existing licenses. This reconfirms, as the Chairwoman said, the trust that foreign investors bestow on the Cyprus economy and it shows that Cyprus retains the attractive features that have established the country as a credible investment destination. “We have faith and confidence that we are on the right track towards market recovery and the return of investor confidence”, stated Mrs. Kalogerou, also expressing confidence that our country will come out of this monumental experience healthier and stronger. The Chairwoman of CySEC referred to the need for implementing a thorough supervisory framework and the need of reinforcing CySEC. In parallel, the Chairwoman committed that the Commission will remain sensitive to the concerns of the market participants and co-operate with them to identify any difficulties and provide solutions where possible.

For his part, the Chairman of the Cyprus Investment Promotion Agency (CIPA), Christodoulos Angastiniotis, stated that “every crisis is an opportunity for a new beginning”. Currently, Mr. Angastiniotis said, Cyprus is at a crossroad. It takes will, good judgment and determination to bring our economy on a path of dynamic growth. Expressing his confidence regarding the actions of the government, Mr. Angastiniotis said that Cyprus will manage to reverse the situation in record time. Regarding the role of CIPA, Mr. Angastiniotis stated that it concentrates on promoting Cyprus as an attractive investment destination and it encourages foreign businesses to explore opportunities for investment in Cyprus. Concluding his speech, Mr Angastiniotis reiterated that CIPA will continue to provide excellent support to all investors looking to enter or expand their operations in Cyprus.

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