

## ANNOUNCEMENT

The Cyprus Securities and Exchange Commission (the 'Commission') wishes to inform all interested parties that the Alternative Investment Funds Law (L.131(I)/2014) (the 'Law') came into force on July 27<sup>th</sup> 2014.

The Law can be found on the Commission's website, at [www.cysec.gov.cy](http://www.cysec.gov.cy), under the title: '[Legal framework/Current Legislation](#)'. The English translation will also be available on the Commission's website soon.

The Law regulates the establishment and operation of the Alternative Investment Funds (AIFs) in the Republic and replaces the International Collective Investment Schemes Laws of 1999 and 2000 (the 'International Collective Investment Schemes Laws').

The Law designates the Cyprus Securities and Exchange Commission as the competent supervisory authority of the AIFs.

According to the Law, an AIF is a collective investment undertaking, including investment compartments thereof, which raises capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors and is not authorised as an Undertaking for Collective Investments in Transferable Securities (UCITS) in accordance with section 9 of the Open-Ended Undertakings for Collective Investments Law of 2012. The International Collective Investment Schemes (ICIS) that are established and operate in accordance with the International Collective Schemes Laws fall within the relevant definition.

In relation to:

1. The existing International Collective Investment Schemes that have been authorised by the Central Bank of Cyprus;
2. The Register of the International Collective Investment Schemes which has been established and maintained by the Central Bank of Cyprus in accordance with the International Collective Schemes Laws; and
3. The applications that are pending at the Central Bank of Cyprus;

the Commission would like to draw your attention to the following:

1. According to section 120(1) of the Law, the International Collective Investment Schemes that have been authorised in accordance with the International Collective Investment Schemes Laws, may continue to operate:

**(a) either as AIFs with limited number of persons**, as long as they comply with the provisions of sections 114 – 118 of the Law and submit to the Commission all the information and documents specified in section 120(1)(a). In this case they shall continue to operate on the basis of the authorisation received by the Central Bank of Cyprus, without the need for re-authorisation by the Commission;

**(b) either as AIFs of Part II of the Law**, as long as they are authorised by the Commission in accordance with section 13 of the Law;

**(c) either as AIFMs**, as long as they are authorised by the Commission in accordance with section 8 of the Alternative Investment Fund Managers Law of 2013.

The information referred to in paragraph (a) and the applications for authorisation in the cases described in paragraphs (b) and (c) above, must be submitted to the Commission within **four months** from the date of the application of the Law, being **27 of November 2014**. It is noted that the International Collective Investment Schemes that submit an application, shall operate legitimately until the decision of the Commission is communicated to them.

In case the procedure mentioned above is not followed, or if it is followed and an International Collective Investment Scheme fails to fulfil the conditions of the Law regarding its operation either as an AIF with limited number of persons, or as an AIF of Part II of the Law, or as an AIFM, it shall be dissolved in accordance with the International Collective Investment Schemes Laws.

The relevant application documents and the Directive regarding the amount of the fees payable are under preparation by the Commission and it is expected to be concluded by the mid of September.

Therefore, the International Collective Investment Schemes that have been authorised by the Central Bank of Cyprus shall remain under its supervision until the 27<sup>th</sup> of November 2014 or until they submit the information mentioned in paragraphs (a), (b) and (c) above.

2. The Central Bank of Cyprus has already transferred the Register of the International Collective Investment Schemes which has been established and maintained by it in accordance with the International Collective Investment Schemes Laws in electronic and printed form, in accordance with section 120(6) of the Law.
3. According to section 120(7) of the Law, the International Collective Investment Schemes that have submitted an application for authorisation in accordance with the International Collective Investment Schemes Laws, but have not yet received

the relevant authorisation until the date of application of the Law, as long as they satisfy the characteristics provided for in section 114(1) of the Law, shall not re-apply for authorisation in accordance with the Law, but the application submitted to the Central Bank of Cyprus shall be transferred to the Commission with all the necessary information and documents and shall be examined by the latter in accordance with the Law.

As far as the applications pending to Central Bank of Cyprus are concerned, when these are transferred to the Commission, the latter shall contact the interested parties for any further action.

**Nicosia, 13 August, 2014**