

Deloitte.



Fund Advisory Services

Navigating Investment Funds
and Asset Managers through
a complex regulatory and
operational environment



The need for trusted Fund Advisors

The enhanced investor protection and transparency offered through the regulated nature of Alternative Investment Funds ("AIFs") and Undertakings for Collective Investments in Transferable Securities ("UCITS") are amongst the key reasons for the increased interest in AIFs and UCITS. Moreover, the flexibility in structural components of an investment fund in terms of the different legal forms, share class features and mix of diversified investment strategies it can undertake are also important factors to take into consideration. Equally, from an investor's perspective, an Investment Fund presents a credible alternative financing vehicle that, based on its regulatory and structuring features, caters for capital raising of their strategies and projects.

This increased investor interest is clearly evident from the economic data. According to the European Fund and Asset Management Association ("EFAMA"), there are more than 4,500 Asset Management companies operating in Europe, with around 115,000 individuals employed directly in the industry. Total assets under management ("AUM"), of Investment Funds domiciled in Europe (AIFs and UCITS) have increased steadily over the years with significant levels of new money flowing into the sector by Institutional and Private investors.

Meeting the unprecedented wave of regulatory requirements, the Investment Management industry is facing challenges, which do not only require keeping up to date with

regulatory developments, but also understanding and implementing complex new rules while prioritising actions in the face of often competing regulatory demands.

Moreover, whilst regulatory and legislative compliance are undoubtedly critical for the successful operation of an Investment Fund, identifying solutions that curtail costs while facilitating growth in revenue and AUM, requires working with professionals that have credible industry and market expertise and who can work across any types of constraints.

As a leading service provider to the Investment Management industry, our Fund Advisory Services team at Deloitte Cyprus comprises of professionals with local and international experience across industries, coupled with the global resources and capabilities throughout our network, to help you steer your course with innovative solutions.

The range of issues that investment fund managers are required to address nowadays has risen significantly as the Investment Management industry faces an unprecedented wave of regulatory change.

Our Fund Advisory Services

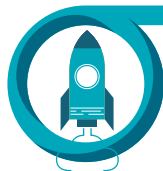
At Deloitte, we seek to turn challenge into opportunity, connecting our clients to new possibilities. Investment managers continue to do business in a complex marketplace and navigate an ever-changing global landscape where regulatory compliance, demand for transparency and investor protection are dominant. Whether the investment vehicle is a UCITS, AIF (including investment strategies relating to private equity, hedge funds, fund-of-funds, real estate, shipping) or Registered AIF ("RAIF"), our team will work closely with you to rise to the challenge and capitalise on the opportunities.

Our Fund Advisory Services team is an integral part of our Risk Advisory service line, sharing information and best practices across borders on an ongoing basis to ensure that our clients are kept up to date on the local and international regulatory developments that impact their business. The result is a clear understanding of the ways of doing business in the Investment Funds industry and a deep appreciation of the specific needs of every stakeholder in the market.



Our approach

- ✓ Our multi-disciplinary team of professionals aims to provide multi-jurisdictional advisory insights and solutions that proactively assist our clients to address their needs and objectives amidst an ever-evolving regulatory environment.
- ✓ Deloitte is an active player in the development of new regulations, practices and industry positions on a wide range of topics. We are represented in each of the main industry or regulatory working groups/committees, enabling us to be at the forefront of new developments. As a result, our long-standing industry relationships allow our clients to benefit from timely information and anticipate future trends.



Our objectives

- ✓ Offer high quality, transparent, value-adding, innovative solutions that are tailored to each client's needs and objectives, holistically and sustainably.
- ✓ Contribute to the evolution and growth of the Investment Funds industry in Cyprus and beyond.



Our key strengths

- ✓ We combine our depth of local knowledge with our global network's cross-border experience to deliver a practical, effective, and insightful service that cuts through the complexity of the global funds industry.
- ✓ Our practice benefits from up-to-date, sound market knowledge and significant industry experience. Our proven methodology relies on a multi-disciplinary approach, capitalising on synergies of our cross-functional industry group comprised of consulting, financial and regulatory risk advisory specialists, legal advisors, as well as tax and audit experts.

How we can help

Cyprus is able to fully utilise the harmonised European framework on UCITS, AIFs, UCITS Management Companies ("UCITS ManCo") and Alternative Investment Fund Managers ("AIFMs"). The ongoing development and modernisation of the aforementioned framework and Cyprus' tax-friendly environment, boasting more than 60 signed Double Tax Treaties, coupled with a low corporate tax regime, as well

as the very competitive set-up and operating costs, have considerably increased the country's popularity as an Investment Fund hub.

Our team has developed a sophisticated set of expertise to help our clients take on the challenges of today and prepare for those of tomorrow.

Setup and licensing services



Turn-key solutions offering licensing and/or registration of UCITS/AIF/RAIF/AIFM/Small AIFM/UCITS ManCo with the Cyprus Securities and Exchange Commission ("CySEC").

- Providing legal and regulatory advice on possible solutions, structures, jurisdiction and implications of the UCITS/AIF/RAIF/AIFM/Small AIFM/UCITS ManCo regime on the client
- Assistance with the preparation, review, and submission of the application file to CySEC
- Preparation or review of the Constitutional Documents - Memorandum & Articles of Association, Partnership Agreement, including the Private Offering Memorandum ("Prospectus") and PRIIPs KID
- Preparation or review of the Internal Operations and AML Manuals along with other key policies and procedures including, Risk Management, Compliance, Complaint Handling, Conflicts of Interest, Remuneration, Client Categorisation, Business Continuity and Disaster Recovery, Product Governance and any other policies required to satisfy regulatory requirements, as well as the Business/Strategic Plan and any Organisational Requirements
- Direct and close communication with the Regulator
- Assistance with the appointments of Depositary, External AIFM/UCITS ManCo, Fund Administrator and Legal Advisor, including drafting or reviewing the delegation agreements

Ongoing support and outsourced services



- Ensuring regulatory compliance and risk management
- Gap analysis on applicable regulations (AIF, AIFMD, MiFID II) for UCITS/AIFs/RAIFs/AIFMs/UCITS ManCo
- ESG, sustainability and Sustainable Finance Disclosure Regulation ("SFDR") considerations
- Regulatory updates, monitoring and reporting
- Provision of training on various aspects of regulation (including AIF, AIFMD, AML, Risk Management, MiFID II, IFR/IFD)
- Managed Services (AIFMD Reporting and other regulatory requirements, Risk Monitoring, Tax Reporting - FATCA/CRS)
- Re-domiciliation of Investment Funds or Managers, including Fund restructuring and Fund listings
- Assistance in passporting a Fund management license from within the EU to Cyprus
- Legal Advisory Services
- Internal Audit (including Internal Audit manual and schedule)
- External audit and statutory reporting
- Tax compliance and tax structuring advice - Direct and Indirect tax services
- Accounting and payroll services
- Assistance in sourcing office space and Human Capital Services, including Executive and Non-Executive Director appointments
- Transaction advisory and valuation services
- Business performance and technology solutions

Reach out

Clea Evagorou

Partner, Risk Advisory Services Leader
clevagorou@deloitte.com
Tel: +357 22 360 600

Michael A Michaelides

Partner, Business Tax
mmichaelides@deloitte.com
Tel: +357 22 360 719

Constantinos Yiannikouris

Senior Manager, Risk Advisory
cyiannikouris@deloitte.com
Tel: +357 22 360 779

Calliopi Nicolaidou

Partner
Hadjianastassiou, Ioannides LLC |
member of the Deloitte Legal network
cnicolaidou@deloitte.com
Tel: +357 22 360 517

www.deloitte.com/cy



Deloitte.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte & Touche (M.E.) LLP (DME) is the affiliate for the territories of the Middle East and Cyprus of Deloitte NSE LLP (“NSE”), a UK limited liability partnership and member firm of DTTL.

Deloitte Limited, a private limited liability company registered in Cyprus (Reg. No. 162812) is the sub-licensed affiliate of Deloitte NSE for Cyprus. Deloitte Limited is among the leading professional services firms in Cyprus, providing audit & assurance, consulting, financial advisory, risk advisory, tax and related services, as well as a complete range of services to international businesses through over 750 people in Nicosia and Limassol. For more information, please visit www.deloitte.com/cy.

Deloitte provides industry-leading services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s more than 345,000 people worldwide make an impact that matters at www.deloitte.com.

Deloitte Limited would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte Limited accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Offices: Nicosia, Limassol

© 2022 Deloitte Limited