



Cyprus Private Investment Funds

Tax-Efficient International Investment Schemes

Anastasios Antoniou LLC is a boutique Cyprus law firm advising on all aspects of Cyprus Law, EU Law and International Law with an expert focus on competition law, commercial and corporate law, investment funds and financial services law, IP and energy law.

What sets our Firm apart is its commitment to the provision of comprehensive legal solutions to contemporary legal challenges in a clear, reliable and unequivocal manner.

Anastasios Antoniou LLC is a Member Firm of **EUROJURIS**, the leading network of law firms in Europe, covering more than 40 countries worldwide.

Email us to discuss your Investment Funds ideas and requirements at investment@antoniou.com.cy



Anastasios Antoniou LLC's Corporate Practice has been selected as the **Recommended Firm for Corporate Law in Cyprus** by Global Law Experts in 2010

The Cyprus Private Fund

A private **International Collective Investment Scheme (ICIS)** is a private fund that can be formed under the laws of Cyprus and regulated by the Central Bank of Cyprus.

A private ICIS can have up to 100 investors, also known as unit-holders. The purpose of a private ICIS is the collective investment of the funds injected in such schemes by the unit-holders. It provides for an arrangement that enables a number of investors to collectively join their investment assets, have these professionally managed and invested by independent fund managers and extract their profits in a tax efficient manner.

BENEFITS OF ICIS

ICIS have a plethora of advantages, including significant tax advantages.

Flexibility and Customization

Private ICIS can be established with limited and unlimited duration and with variable or fixed capital. Their manifestation can be achieved in the form of a limited company, an international trust or a partnership, depending on the underlying circumstances applicable in each specific occasion.

Reliability through Regulation

Private ICIS are fully regulated by the Central Bank of Cyprus. In order to approve of a private fund, the Central Bank must be satisfied that the directors, promoters, managers and trustees of the scheme are competent, honest and meet certain legislative requirements and, also, that the managers or the general partners or the trustees, as the case might be, act in full independence.

The constitutional documentation and the offering memorandum of the scheme must contain the information prescribed by the law and be drafted in a form acceptable to the supervising authority. After formation, the

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Central Bank of Cyprus pursues a substantial monitoring role.

Cost-Effective and Transparent Operation

Annual and half-yearly reports must be prepared by the managers in relation to each ICIS. Their reporting includes financial statements, information on loans, portfolio information, and report by the fund's auditors. The latter must as a minimum contain financial statements, including a balance sheet, income and expenditure account, statement of the sources from which the total income of the ICIS has been generated, statement of income distribution and allocation and statement of duties, charges and fees paid out.

Maximum Tax Efficiency

Cyprus private ICIS benefit from significant tax incentives. A private ICIS is treated identically to any other Cypriot entity and, accordingly, **enjoys a 10% flat tax rate** on the annual net profits earned worldwide. In addition, the following tax advantages are especially significant for an ICIS:

- (a) exemption from tax on profits from sale of shares and other financial instruments;
- (b) exemption from tax on foreign dividends received;
- (c) no withholding on interest and dividend payment made from Cyprus abroad;
- (d) no withholding tax on income repatriation;
- (e) exemption on profits on disposal of securities; and
- (f) a wide network of Double Tax Treaties is in place with more than 40 countries worldwide, securing tax incentives and encouraging the channelling of funds in other countries without or at reduced further taxation.

*“Cyprus Private Funds
enjoy a 10% flat corporate
tax rate”*

Our Services

ANASTASIOS ANTONIOU LLC is a Law Firm specialized in serving the Investment Funds industry and as such renders its legal services to hedge funds, private equity funds and private investors alike towards the establishment, operation and compliance of Private Funds.

FORMATION

We attend to the drafting of all necessary applications, memorandums, agreements and articles that are required for the Central Bank to license a private ICIS and take care of the whole process of forming and obtaining approval for the Fund, from start to finish.

OPERATION

Our services cover the smooth operation of Cyprus-established private investment funds and enable, through the appointment of qualified professionals, the selection of the appropriate custodians and auditors and through carrying out the administration of the fund itself, that the fund's management can be relieved from day-to-day to errands, leading to undisturbed promotion and profitability.

COMPLIANCE

We ensure that compliance with the legislative and regulatory framework is met and that the Central Bank's annual monitoring is adhered to and fully satisfied.

Contact us at investment@antoniou.com.cy to discuss how a Private Cyprus Investment Fund can be set up by our expert legal team.

