

CYPRUS CIF COMPANY

CY CIF



BELOW YOU WILL FIND some important information regarding CIFs as well as some indicative fees for the registration and licensing of your Investment Firm in the European Union to deal among others in Forex and/or Binary Options. This will help you have a better view of the subject matter as well as the costs involved.

Please also note that, due to our specialisation and long experience in the field, CIF registrations took, on average, around 4 months to obtain, after the submission of the respective application files and all requested information.

Please see below **the minimum Requirements** for the registration and licensing of a Cyprus Investment Firm (CIF):

1. MINIMUM REQUIRED CAPITAL:

a. CIF, except the once that referred in paragraph 1. b. below, must have an initial capital of at least €730.000 (seven hundred thirty thousand Euro)

b. If the CIF, will not deal on own account and will not underwrite the issuance of financial instruments on a firm commitment basis, but it holds clients' funds or titles and provides one or more of the following services it must have an initial capital of at least €125.000 (one hundred twenty five thousand Euro):

- i. reception and transmission of investors orders, in relation to financial instruments
- ii. execution of investors orders in relation to financial instruments
- iii. individual investors portfolio management for financial instruments

c. CIF, which is referred to 1.b. above may have an initial capital of at least €50.000 (fifty thousand Euro) if the company will not have licence to hold clients' funds or titles, nor to deal on own account, nor to underwrite the issuance of financial instrument or on a firm commitment basis.



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2. THE COMPANY HAS TO MAINTAIN AN OFFICE IN CYPRUS

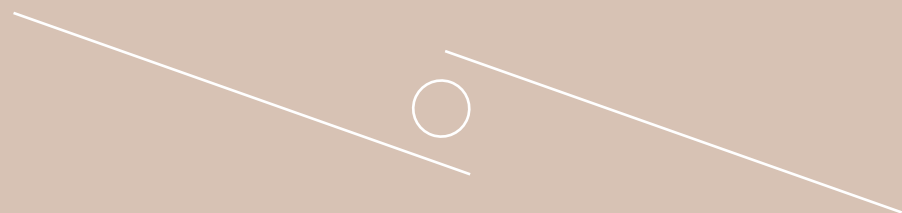
3. THE REQUIRED NUMBER OF DIRECTORS, IS SET AT A MINIMUM OF FOUR (4) DIRECTORS FOR A CIF, UNDER THE FOLLOWING CONDITIONS:

- a. At least two of the Directors must be Executive Directors (4-Eyes)
The executive directors must have employment and residence in Cyprus.
- b. At least two of the Directors must be independent and Non-Executive (i.e. not related to the shareholders or involved in the operations of the CIF).
- c. The majority of the Directors must be Cyprus residents (their nationality is irrelevant) and with proper procedures if half of them are Cyprus residents then we can meet the tax residency of the company.

4. BASED ON THE INVESTMENT SERVICES YOU WISH TO PROVIDE THE FOLLOWING POSITIONS ARE REQUIRED:

- a. Internal Auditor (outsourced from local provider)
- b. Compliance Officer (outsourced from local provider)
- c. Money Laundering Officer (outsourced from local provider)
- d. Risk Manager (outsourced from local provider)
- e. Client Administration (must be an employee of the company, i.e. the administrator/ secretary of the company)
- f. IT Services (outsourced from local provider)
- g. Accounting & Safekeeping (outsourced from local provider)
- h. External Auditor

5. THE COMPANY NEEDS SOFTWARE FOR THE ADMINISTRATION OF ITS CLIENTS AND THE RECEPTION, TRANSMISSION AND EXECUTION OF ORDERS.



FURTHER TO THE ABOVE MENTIONED minimum requirements the following documents have to be submitted to CySEC together with the application:

1. Internal Operation manual
2. Anti-money laundering and compliance officer manual
3. Business Plan
4. Personal questionnaire for the directors and shareholders of the company

For the registration and licencing of a CIF company the following steps have to be followed:

- step 1 • Registration of the CIF company to the Registrar of Company
- step 2 • Preparation of the CIF application and all the manuals, questionnaires needed for granting the licencing
- step 3 • Submission of the application to CySEC
- step 4 • Liaison with CySEC for granting the licence
- step 5 • Granting the licence from CySEC
- step 6 • Activation of the CIF
During the activation, the company has to prepare all the applications/documentation/policies needed for the operation of the company and all the requested agreements with the employees and any third party.

THE INVESTMENT SERVICES ARE THE FOLLOWING:

1. Reception and transmission of orders in relation to one or more financial instruments.
2. Execution of orders on behalf of clients.
3. Dealing on own account.
4. Portfolio management.
5. Investment advice.
6. Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis.
7. Placing of financial instruments without a firm commitment basis.
8. Operation of Multilateral Trading Facility.

AND THE ANCILLARY SERVICES ARE:

1. Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management.
2. Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.
3. Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings.
4. Foreign exchange services where these are connected to the provision of investment services.
5. Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.
6. Services related to underwriting.
7. Investment services and activities as well as ancillary services of the type included under Parts I and II related to the underlying of the derivatives included under paragraphs 5, 6, 7 and 10 of Part III where these are connected to the provision of investment or ancillary services.

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