

# THE CYPRUS ALTERNATIVE INVESTMENT FUNDS (AIF)

The Alternative Investment Funds Law 2018 (AIF Law) places Cyprus on the international map of fund structuring jurisdictions. This legal framework allows the creation of Alternative Investment Funds (AIFs) managed by an Alternative Investment Fund Manager (AIFM) under the provisions of the AIFM Directive, AIFs with a limited number of Investors (AIFLNPs) and Registered Alternative Investment Funds (RAIFs).

AIFs can be structured to meet the requirements of fund promoters and investors across the whole spectrum of options in terms of licensing process, number of investors, requirement for Minimum Capital, Minimum AUM, who can undertake the Fund Management function and the depositary requirements. This flexibility and cost-efficiency make the Cyprus AIF a very attractive vehicle for collective investments and holding of multiple classes of assets.

*This publication should be used as a source of general information only. It is not intended to give a definitive statement of the law.*

## CYPRUS AIFS AT A GLANCE

<b>Registration</b>	<ul style="list-style-type: none"> <li>• Authorisation by Cyprus Securities Exchange Commission (CySEC)</li> </ul>
<b>Legal Form</b>	<ul style="list-style-type: none"> <li>• Common Fund (CF)</li> <li>• Variable Capital Investment Company (VCIC)</li> <li>• Fixed Capital Investment Company (FCIC)</li> <li>• Limited Partnership with or without legal personality (LP)</li> </ul>
<b>Eligible Investors</b>	<ul style="list-style-type: none"> <li>• Retail investors</li> <li>• Well-informed investors</li> <li>• Professional investors</li> </ul>
<b>Number of Investors</b>	<ul style="list-style-type: none"> <li>• Unlimited number of (eligible) investors</li> </ul>
<b>Minimum Capital Requirements</b>	<ul style="list-style-type: none"> <li>• No Capital requirements if externally managed</li> <li>• <b>EUR 125,000</b> or <b>EUR 300,000</b> for AIFMD criteria</li> </ul>
<b>Minimum AUM within 12 months</b>	<ul style="list-style-type: none"> <li>• <b>EUR 500,000</b> is the minimum assets under management required within <b>12</b> months</li> </ul>
<b>Fund Management</b>	<ul style="list-style-type: none"> <li>• AIFM in Cyprus or in the EU</li> <li>• UCITS Management Company</li> <li>• MiFID compliant Investment Firm</li> <li>• Sub-Threshold Manager (CY or EU)</li> <li>• Self Managed (VCIC, FCIC, LP with/without legal personality)</li> </ul>

## ADVANTAGES OF AIFS

<b>Speed to Market</b>	<ul style="list-style-type: none"> <li>• A Cyprus AIF is cost-efficient to set-up, manage and operate.</li> </ul>
<b>Compartment</b>	<ul style="list-style-type: none"> <li>• Cyprus AIFs can be set up as umbrella funds with multiple compartments allowed</li> </ul>
<b>Initial Capital</b>	<ul style="list-style-type: none"> <li>• An AIF has no other limitations except it cannot be a Fund of Funds, Money Markets Fund or a Loan origination fund</li> </ul>
<b>Assets Under Management</b>	<ul style="list-style-type: none"> <li>• No limitation on value of Assets under Management</li> <li>• and no restriction on the type of investments</li> </ul>
<b>EU Passporting</b>	<ul style="list-style-type: none"> <li>• A AIF can passport its right for distribution across the European Union</li> </ul>
<b>Listing</b>	<ul style="list-style-type: none"> <li>• Possible listing on recognize stock exchanges</li> </ul>
<b>Tax Benefits</b>	<ul style="list-style-type: none"> <li>• The AIF can benefit from the Cyprus tax legislation including exemption from profits on disposal of securities.</li> </ul>

## WHAT WE CAN DO FOR YOU

We offer our clients a single point of contact for their fund structure needs. We guide our clients through the maze of options for a tailored funds solution.

ATG act as the co-ordinating party between the principals of the structure and all the professionals involved. We work with our clients to administer their funds as their trusted service partner.

Our services cover the full range of Fund Administration, Transfer Agency as well the initial set up advice on Licensing and redomiciliation of existing funds. We offer our services in Cyprus, the UK, Cayman Islands, and the BVI.

For a **FREE Initial Consultation** to discuss the specifics of your enquiry please contact **Andreas Athinodorou** on + 357 22057570 or [andreas.athinodorou@atgfunds.com](mailto:andreas.athinodorou@atgfunds.com)

