



Fund administration services

A 360° comprehensive
approach

March 2019

kpmg.com.cy





Our added value

At KPMG in Cyprus, our industry-focused networks provide an informed perspective on the latest trends and issues affecting clients' businesses. We combine global insight with local knowledge to ensure that clients receive tailored, fit-for-purpose services that are designed to deliver real value.

In relation to funds and fund managers, our strong local practice, along with the global professional and industry expertise we possess, place us in an optimal position to provide added value 'one-stop' service to our clients. Our fully integrated teams facilitate the process of setting up, structuring, operating and administering fund vehicles and fund management companies through Cyprus.

"Fund Administration is a vital middle and back office service that facilitates the smooth daily operation of a fund."

Outsourcing your fund administration workload – an attractive option

In the current economic environment, in-house departments are under pressure to increase their contribution to the business without corresponding increases in the resources they employ. Outsourcing services can be a flexible and cost-effective way of meeting the needs of an organisation both locally and globally.

An organisation's decision to outsource as well as the extent to which it will outsource fund functions will depend on its specific circumstances. Factors influencing the outsourcing decision may include, amongst others, internal demands, cost optimisation, expertise and external pressures.

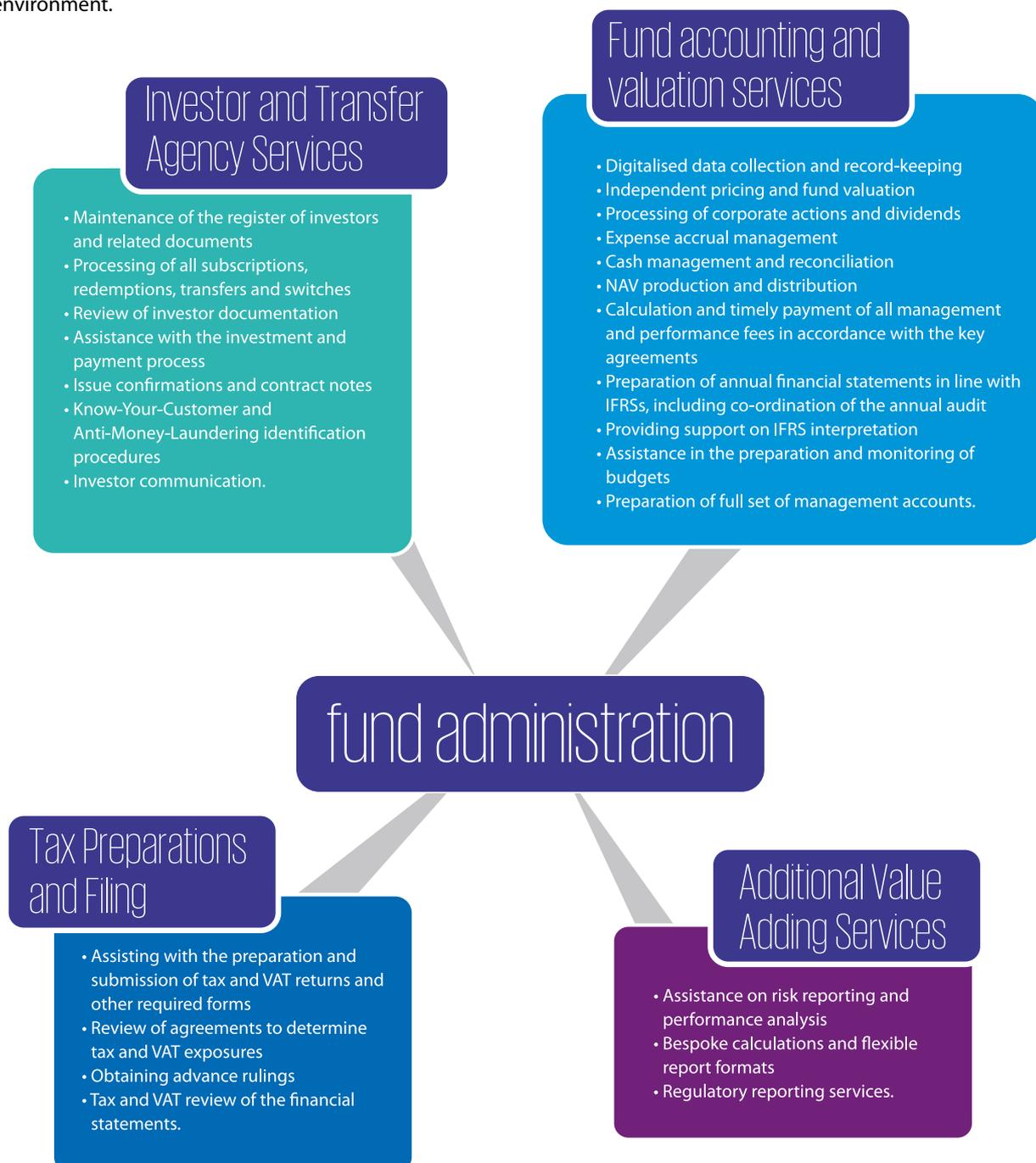
Outsourcing enables an organisation to benefit from economies of scale, specialised labour and the application of industry best practices (assuring processes are aligned with current regulatory demands) available through an external service provider.

Furthermore, by outsourcing, organisations only pay for the services they require, releasing valuable in-house resources to focus and deliver on core business objectives and long-term strategic initiatives, while still meeting compliance obligations in an accurate and timely manner.

Our fund administration services

Bespoke Service Design

Our services are designed to incorporate a high-level of flexibility. The emphasis we put on gaining a thorough understanding of your business practices combined with our recognised expertise in fund administration, ensure our solutions are a perfect fit for your unique and changing environment.





Why Cyprus

Positive economic outlook

- Robust GDP growth
- One of the fastest growing EU economies
- Consecutive upgrades by credit rating agencies
- Positive macroeconomic forecasts.

Access to talent

- The youngest population & workforce in the EU
- Visa-free access to European talent
- 55% of the workforce has a tertiary degree
- Businesses in Cyprus operate in English and 73% of Cypriots speak English
- Booming private education sector with English taught programmes.

Access to markets

- Full access to European markets
- Access to 40+ EU trade agreements
- A member of the Eurozone since 2008
- Geostrategic position.

Excellent regulatory structure

- The legal system is closely aligned to the English common law legal system
- Strong protection for investment and intellectual property
- Establishing a business is simple, cost-effective and fast.

Attractive tax regime

- One of the lowest corporate tax rates in the EU at 12,5%
- An attractive Double Tax Treaty network covering more than 60 countries
- Access to all EU Tax Directives

- Capital gains tax exemption
- Gains from trading in securities are tax exempt
- Foreign Exchange gains or losses are tax neutral
- An attractive personal tax regime for international professionals and non-domiciled individuals
- No withholding tax on outgoing dividend, interest or royalty payments
- No succession/inheritance and no immovable property taxes
- A competitive Intellectual Property regime
- Competitive Tonnage Tax for Shipping companies and an approved EU open registry
- Tax deductions for investment into start-ups.

Strong business support services

- Wide range of services make starting and running a business easy
- 700+ registered accounting firms including all major global firms
- 2,700+ registered lawyers and 160 law firms
- High availability of modern and affordable office space in all cities.

Quality of life

- Best island economy 2017/2018 lifestyle & human capital (fDi magazine).
- Top 5 safest country in the world (Value Penguin 2015)
- Top 4 best retirement destination globally (Knight Frank 2016)
- Most blue flag beaches per capita in the EU (Eurostat).

"Your Fund is unique. Focus on your key objectives and enjoy peace of mind while we provide the professional services needed in order to achieve efficient and effective day to day business of your Fund."

Why KPMG?

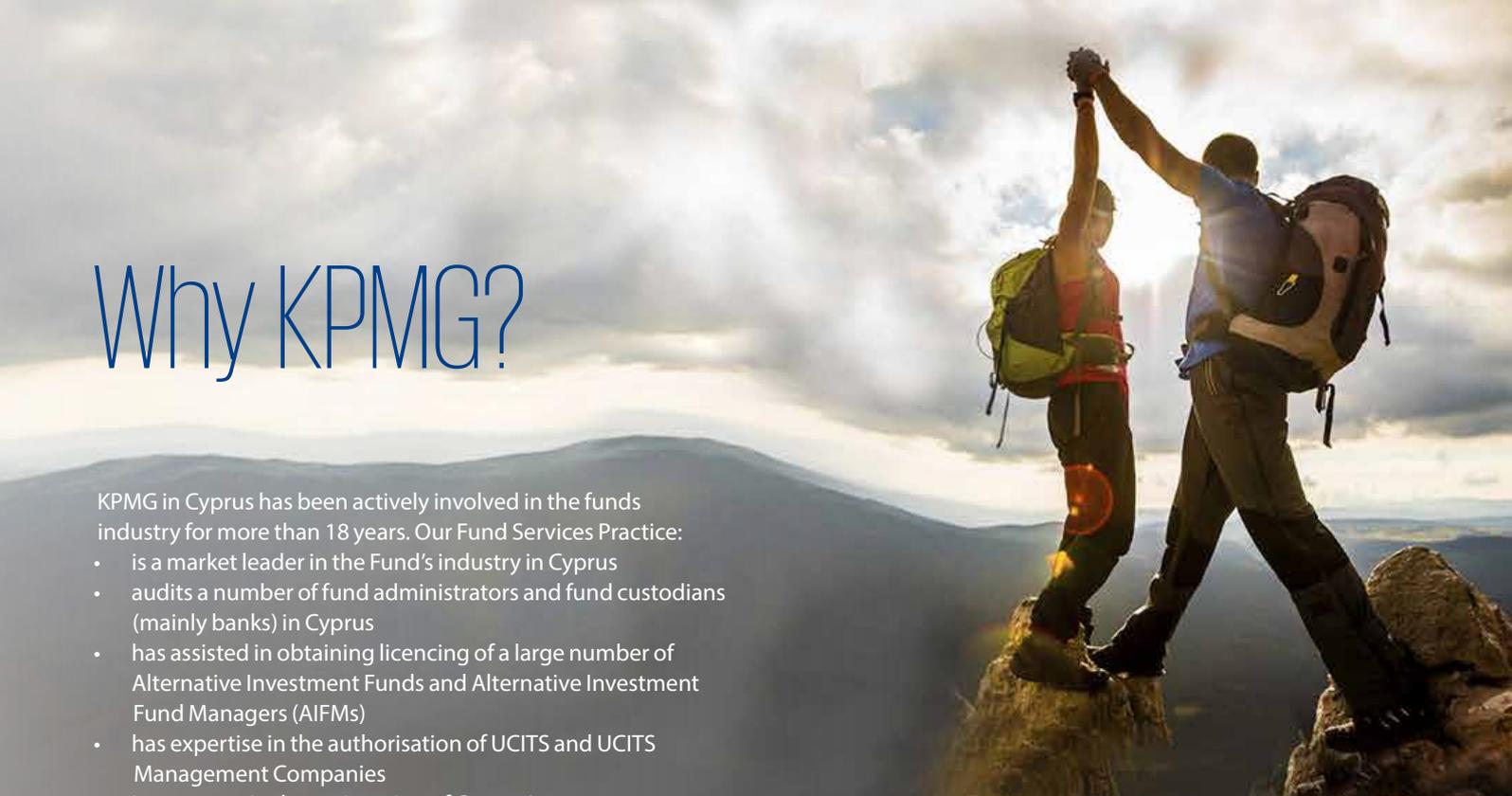
KPMG in Cyprus has been actively involved in the funds industry for more than 18 years. Our Fund Services Practice:

- is a market leader in the Fund's industry in Cyprus
- audits a number of fund administrators and fund custodians (mainly banks) in Cyprus
- has assisted in obtaining licencing of a large number of Alternative Investment Funds and Alternative Investment Fund Managers (AIFMs)
- has expertise in the authorisation of UCITS and UCITS Management Companies
- is an expert in the registration of Cyprus Investment Firms (CIFs)
- offers advisory services to the supervisory authority in the areas of capital adequacy (Basel II and Basel III).

KPMG professionals are dedicated in providing a valuable service since they have an in-depth understanding of the industry. They are frequent speakers in industry conferences, as well as authors of articles published in a number of fund journals. Further, they frequently participate in discussions with the regulatory authorities to implement fast and efficient procedures and improve the end product which Cyprus has to offer.

Our firm is part of a network of specialists which spreads across 153 countries and territories, using a consistently high-quality methodology for their work. With more than 900 employees in Cyprus, including 45 partners, we have the resources necessary to provide fresh strategies and approaches to help meet your most complex challenges throughout the administration of your fund.

KPMG operates through fully integrated teams that include professionals across our Audit, Tax and Advisory practices who combine a wide range of skills and experience tailored to meet the individual requirements of our clients. All teams have a rich experience and commitment, ensuring that clients will be working with professionals who understand them, their needs and the market.



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