

**Approval of draft bill for the 'Incorporation and Functioning of Collective Investment Organisation Management Companies Law of 2023' by the Ministerial Council on 15 November 2023**

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The Ministerial Council, carrying out its residual executive powers provided by article 54 of the Constitution, on Wednesday 15<sup>th</sup> November 2023 it approved the draft bill entitled the '**Collective Investment Organisation Management Companies Law of 2023**' which is intended to regulate the operation of Cyprus companies which provide administrative services to collective investment organisations ('**CASCIO**').

**CASCIO** are companies which provide some form of administrative services to Alternative Investment Organisations, following a relevant appointment by a Manager of collective Investments. The administrative services which may be provided by a **CASCIO** are listed in the Law on Managers of Alternative Investments Law, Law 133(I)/ 2019, and include the following:

- Accounting services
- Responding to investors' questions
- Evaluation of securities, including the preparation of tax returns
- Overseeing of regulatory compliance
- Maintenance of unitholders' register
- Distribution of income
- Issuance and redemption of shares
- Carrying out of transactions, including the sending out of certificates
- Maintenance of registers

All of the above services hitherto are being provided by providers who are respectively duly authorized/ licensed to provide the administrative service in question. The new bill intends to create a new regulatory framework for investment funds, where administrative services would be provided only by duly licensed administrative service providers, in a similar manner that one finds in sophisticated markets for investment funds.

Per the Government spokesperson, Mr. Letympiotis, 'this new step is designed to provide additional security to investors, whilst at the same time renders the investment funds market more attractive to Fund Managers also, who would be able to focus on more sophisticated fund management issues and risk assessment'.

The text of the draft bill is awaited for further consideration. Following its approval by the Ministerial Council, the draft bill will now move before the House of Representatives for consideration.