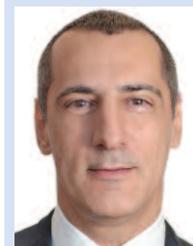


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Cyprus

Andreas Neocleous & Co

Financial and investment law changes

At the end of January 2015 a number of detailed amendments were made to Cyprus laws regulating the financial and investment sector to align them with EU legislation. The principal changes were to the Takeover Bids Law of 2007, Alternative Investment Fund Managers Law of 2013, and the Business of Credit Institutions Law of 1997.

Law 7(I) of 2015 amends the requirement contained in article 13(1) of the Takeover Bids Law for a mandatory bid to be made when a certain percentage shareholding is reached. Following the amendment, this requirement does not apply in the event that the acquisition (or possession) of titles arises due to the application of resolution tools, powers and mechanisms provided for in title IV of the EU Bank Recovery and Resolution Directive. This is in line with article 119 of that directive.

The Alternative Investment Fund Managers Amending Law 8(I) of 2015 amends the Alternative Investment Fund Managers Law of 2013 to better align it with certain provisions of the EU Directive on Alternative Investment Fund Managers (AIFMD). Namely, the changes are to harmonise the law with articles 3 and 4 of Directive 2013/14/EU of the European Parliament and Council of May 21 2013 which amends several EU directives, including AIFMD in respect of over-reliance on credit ratings, and to exercise the discretion provided by the second subsection of article 28(1) of AIFMD regarding provision of information to investee companies.

Law 5(I) of 2015 amends the Business of Credit Institutions Law to align it with

the EU Capital Requirements Directive and Capital Requirements Regulation. The changes provide a framework for the prudential supervision of credit institutions by the Central Bank of Cyprus (CBC). They also establish standards for corporate governance, the fitness of persons that effectively direct the business, and the policies for remuneration of senior management.

The Law on the Macroprudential Supervision of Credit Institutions (Law 6(I) of 2015) designates the CBC as the competent authority for implementing specific provisions of the Capital Requirements Directive and Regulation in conjunction with other supervisory authorities in the financial sector.

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