



***ANNUAL GENERAL MEETING OF THE
CYPRUS FINANCIAL SERVICES FIRMS ASSOCIATION
26/10/2006***

Agenda

- 18:45** Arrival and registration of Participants
- 19:00** Opening of the General Meeting Business
- Annual Report (attach)
 - Discussion on the Annual Report
 - Amendments of the Articles of the Association (Special Business -attach)
 - Completion of a place in the Board (Special Business)
- 20:30** End of the General Meeting Business

**Headquarters of Bank of Cyprus
October 26, 2006**



***CYPRUS FINANCIAL SERVICES
FIRMS ASSOCIATION***

***Annual Report
2005***

Members of the Board 2005

Christodoulos Ellinas	President
Yiannis Ioannou	Vice President
Petros Economides	General Secretary
Stavros Hadjikyriacou	Organizational Secretary
Michael Xiouros	Treasurer
Stavros Agrotis	Member
Costas Toumpouris	Member

Honorary President

Louis Clappas

Administrative Officer

Maria Miltiadou

Legal Advisors

Antis Triantafyllides & Sons

Auditors

KPMG

Annual Report

1. Introduction

The annual report for the year 2005 incorporates an overview of the Council's activities as recorded in the directives and decisions of the Funding and Statutory Meeting, the Meetings of all members of the Association that took place during 2005, as well as the Council's meetings. Further to the above, the following annexes are enclosed:

- Steering Committees (Annex 1)
- Meetings of the Council (presentation list) (Annex 2)
- List of Members (Annex 3)
- Annual balance sheet (Annex 4) (Hp file)

2. Management – Organization – Public Relations

2.1 Management

During the course of 2005, the following articles of the Articles of the Association were activated:

Article Four

Members

- “a. Members of the Association can become legal entities, which can be bearers of an authorisation, providing investment services according to the Investment Firms Law, as it can be modified and/ or faced.
- b. It is understood that any legal entity, holding an authorisation to provide investment services, and wishes to become a Member of the Association must submit an application to the Board, with the appropriate registration. It is further understood that the legal entities holding an authorisation to provide investment services and were Members of the Cyprus Stock Exchange Members Association automatically become Members of the Association provided that they give written notice for this.
- c. Each Member will appoint its representative to the Association and notify the Board in writing. The representative must be an executive of the Investment Firm, according to the Article 14(2) of the Investment Firms Law 148(I) of 2002 as it has been amendment, or any other certified executive, according to the Announcement of the Ministry of Finance regarding the certification procedure for executives and employees. The nomination of each representative is for a period of three (3) years.

Article Seven

Subscription – Right of registration

- a. Each Member is obliged to pay: (a) a lump sum of 250 Cyprus Pounds for its registration as a Member of the Association and (b) the annual subscription which the Board changes for time to time, as a subscription for the cover of all necessary obligations, operations and other expenses of the Association.

The above paragraphs of Articles Four and Nine of the Statute were activated for the registration of two new Members: Troilos Securities Ltd and Co-operative Central Bank Ltd.

Article Four

Members

... “In the case where a representative ceases to be employed by the Member, the Member must notify the name of the replacement at the latest within a week from the dismissal. The new nomination will last until the end of the full term of the representative who was replaced.”

The above Article was activated in the case of Mr. Dmitry Piskulov [DFG Capital (Cyprus)]. The Member nominated its new representative in the time limit provided for in the Statute.

Article Nine

Obligations and Rights of Members

- “c. Suspension of a member
A Member of the Association is suspended when:
 - (i) It delays paying its subscriptions for more than a three-month period.”
 - (iv) The suspension of a Member for delaying to pay its subscription for a time period more than three months, is executed with a majority decision of the Board,

The above paragraphs were activated in the case of Plasma Enterprises Limited.

- (v) With the resignation of a Member according to article 11 of the present Statute.

(“Article 11 Resignation of Member)

Any member can submit its resignation from the Association, with the submission of a written notification to the Board, via the General Secretary. The Board does not have the right to refuse this resignation.

It is understood that the Member will be considered as having resigned from the date it receives the notification from the Board.

Further, it is understood that if any Member resigns after the first of February, it will be responsible for the subscription due, concerning that year.”

The above paragraph (v) of Article Nine, and Article 11, were activated in the case of two Members: Pasternak Holdings Limited and UBS Pushkin Limited.

The Board, in accordance with the authority vested to it by Article Seven (b) of the Statute of the Association, exempted the above Members from the payment of their annual subscription.

(“Article Seven, Subscription-Right of registration)

... b. The Board may, pending a duly ratified decision following an application of a Member, reduce the annual subscription of that Member, or to exempt it from the payment of the subscription.”

...

- (vii) If it ceases to be an Investment Firm

The above paragraph of Article 9(c) was activated in the case of Suphire Securities and Financial Services Ltd. Furthermore, in the case of Suphire Securities and Financial Services Ltd, Article 21 (Discipline) was also activated.

A list of the Members of the Association (as at December 31st, 2005) is provided in Annex 3 of the present Annual Report.

2.2 Organization

2.2.1 Between March 4th 2005, when the Electoral General Meeting took place, and December 31st 2005, twelve (12) Council meetings took place. A meeting of all Members of the Association took place in November 3rd 2005 and a meeting for the Members of the Association that are Members of the Cyprus Stock Exchange took place in November 25th 2005.

During the same period, the Council held eight (8) meetings with the Cyprus Stock Exchange, pertaining to issues related with the Common Trading Platform. On four occasions, members of the Council held meetings with the Cyprus Securities and Exchange Commission. The meetings covered the following agendas:

- Problems faced by the Members of the Association with international activities (in one of the meeting, besides the members of the Council, representatives of Aton International and Windsor Brokers were also present),
- Issues related to the implementation of the Common Trading Platform
- The repercussions that were created by the Saphire Securities and Financial Services Ltd incident.

On April 5th 2005, members of the Council held a meeting with a representative of the I.M.F.

On April 6 2005, members of the Council held a meeting with the European Committee on Money Laundering Issues.

The Association appeared before the Cyprus Parliament Finance Committee, and submitted in writing its views and suggestions related to the proposed drafts, at the time, of the Market Abuse Law, IPO Law, and C.S.E Law.

On May 7 2005, members of the Council took part in a meeting with the Finance and Investments Committee of the Ministry of Finance.

2.2.2 During 2005, four Circulars were sent to all Members of the Association, having the following subjects:

- Formation of the Council into a Body
- Monthly information on the Associations activities
- Transfer of funds from one customer's account to another, and translations of Laws – Directives and Circulars of the Cyprus Securities and Exchange Commission.
- Meeting

One Circular, the subject being the “Contact persons in the Council”, was sent only to the Members with International Activities.

Eighteen Circulars were sent to the Members of Cyprus Stock Exchange, having the following subjects:

- C.S.E new pricing policies (Elucidations)
- Common Trading Platform (C.S.E – A.S.E)
- Charges on Off-Exchange (Over The Counter) Transactions
- Agreements Translations
- Meeting with the Cyprus Stock Exchange
- Presentations on Common Trading Platform
- On C.S.E Circular no. 19/2005
- Elucidations on C.S.E Circulars
- Educational Seminars from C.S.E
- Meeting of all Members of the Association, Members of C.S.E
- General Information
- Educational Seminars from C.S.E
- Educational Seminars from C.S.E. on OASIS and S.A.T
- Contact person during the weekend
- Changes on today’s timing for the mock trading
- Annual license renewal for C.S.E
- Stockbrokers’ certification for A.S.E
- Stockbrokers’ certification for A.S.E.

2.2.3 A bulletin providing an overview of the Association’s activities for the period 15 December 2004 to May 31 2005 was sent to all members.

Amendments in the Legislation, Directives and Regulations that comprise the legal framework for the operation of Financial Services Firms, were sent to all Members who subscribed to the service (this particular service is only available in Greek).

2.2.4 A news bulletin concerning the Founding and Statutory Assembly of the Association, was sent to Members and published in all daily newspapers.

A second news bulletin concerned the Member Suphires Securities and Financial Services Ltd was also published in all daily newspapers.

An elucidation letter was sent and published in “Politis” newspaper, referring to an article that was written in the same newspaper that contained inaccuracies pertaining to the Association’s views on certain aspects of the Market Abuse Law.

2.2.5 The balance sheet for the year of 2005 is presented in Annex 4.

2.3. Public Relations

- 2.3.1 The Associations' Council organised a lunch to honour the representatives of the I.M.F who visited Cyprus for the second round of evaluations on the Accountability of the Financial Sector and the Supervisors: Principles and Practice.
- 2.3.2 All members were invited and some took part in the Annual UBS Lecture on Energy Challenges – the World Economy in Transition.
- 2.3.3 A cocktail party was given for all members of the Association.
- 2.3.4 The President of the Association had a meeting with the President of the Hellenic Capital Market Commission, as well as with the President and the members of the Council of the Hellenic Financial Services Firms Association.

3. *Plan of actions until the next Scheduled General Assembly*

The Associations' webpage will operational by the end of November, 2006.

The Association's Membership Certificate will be sent to all Members by the end of November.

An informational bulletin on the modus operandi of the Investors' Compensation Fund of clients of CIFs, will be available in English, by the end of this year.

A guide for Investors on the Common Trading Platform, will also be available in English, by the end of this year.

On November 26, a second examination for the certification of Stockbrokers in Athens Stock Exchange (organised by the Hellenic Capital Market Commission) will take place in Cyprus. This came up, after a relevant request of the Association.

In January 2007 the Christmas Ball of the Association will take place in Limassol.

At least two educational seminars are schedule for 2007, on Prevention and Suppression of Money Laundering Activities Law and on Capital Adequacy Directive (including Basle II).

The Annual General Meeting of the Association, for the year 2006 is scheduled to take place in October 2007.

Steering Committees

1. Legislation Committee (Cy.S.E.C Laws and C.S.E. Laws)
2. Common Trading Platform Committee
3. Organizational Committee for Educational issues (Seminars etc)
4. Publication Committee
5. Mass Media Committee
6. Webpage Committee
7. Organizational Committee for special events

Meetings of the Council
Participation list

Between March 2005 and December 2005, 12 Meetings of the Council took place. Please note, that Mr. Petros Economides and Mr. Stavros Hadjikyriacos were invited only in 10 out of the 12 meetings of the Council. The issues examined in the two meetings they were not invited, concerned the Common Trading Platform between the Cyprus Stock Exchange and the Athens Stock Exchange.

Christodoulos Ellinas	12
Yiannis Ioannou	10
Petros Economides	7
Stavros Hadjikyriacos	9
Michael Xiouros	11
Costas Toumpouris	7
Stavros Agrotis	10

List of Members as at 31st December 2005 (alphabetical)

Alpha Bank Limited
Alfa Capital Holdings (Cyprus) Limited
Alpinex Financial Services (Cyprus) Limited
Argus Stockbrokers Limited
Atlantic Securities Limited
Aton International Limited
CISCO (The Cyprus Investment and Securities Corporation Limited
CLR Securities and Financial Services Ltd
DFG Capital (Cyprus) Ltd
Egnatia Financial Services (Cyprus) Ltd
Fenway Services Ltd
Global Capital Securities & Financial Services Ltd
Hellenic Bank Ltd
Hellenic Bank (Investments) Ltd
I.C.F.I (Cyprus) Ltd
Intelsa Investments Ltd
Laiki Investments (Financial Services) Public Company Ltd
Mega-Equity Securities and Financial Services Ltd
National Bank of Greece (Cyprus) Ltd
Nikitas Brokerage Ltd
RB Securities Limited

Renaissance Securities (Cyprus) Limited

Reserve Invest (Cyprus) Ltd

Sharelink Securities and Financial Services Ltd

U.F.G.I.S Capital Managements Ltd

U.F.G.I.S Structured Holdings Ltd

U.F.G.I.S. Trading Ltd

Windsor Brokers Ltd

Troilos Securities Ltd

Cooperative Central Bank Ltd