



***CYPRUS FINANCIAL SERVICES FIRMS ASSOCIATION
ANNUAL GENERAL MEETING***

11th of April 2008

Agenda

- 15:30** Arrival and registration of Representatives
- 15:45** Opening of the General Meeting Business
- Annual Report (attached)
 - Discussion on the Annual Report
 - Amendments of the Articles of the Association (Special Business -attach)
 - Elections (Special Business)
- 16:30** End of the General Meeting Business

Cyprus Chamber of Commerce and Industry
11th April, 2008



***CYPRUS FINANCIAL SERVICES
FIRMS ASSOCIATION***

***Annual Report
2006***

Members of the Board 2006

Christodoulos Ellinas	President
Yiannis Ioannou	Vice President
Petros Economides	General Secretary
Stavros Hadjikyriacou	Organizational Secretary
Michael Xiouros	Treasurer
Anna Sofroniou (as from 26/10/2006)	Member
Stavros Agrotis (until 31/04/2006)	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 2006 incorporates a review of the Board's actions and activities, as recorded in the directives and decisions of the last Annual General Meeting, on October the 26th, 2006, the Meetings of all Members of the Association that took place during 2006, as well as the Board's meetings. Further to the above, the following annexes are enclosed:

- Steering Committees (Annex 1)
- Meetings of the Board (presentation list) (Annex 2)
- List of Members (Annex 3)
- Annual balance sheet (Annex 4) (Pdf-file)
- Amendments of the Articles of Association (Annex 5) (Pdf file)

2. Management – Organization – Public Relations

2.1 Management

In the course of the year 2006, the following ones from the Articles of Association were activated:

“Article Four

Members

- a. Members of the Association can include legal entities, which are authorised to provide investment services in accordance with 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 wishing to become a Member of the Association must submit an application to the Board, with the appropriate registration. It is further understood that legal entities holding an authorisation to provide investment services who are Members of the Cyprus Stock Exchange Members Association automatically become Members of the Association provided that they submit their request in writing to the Association.
- c. Each Member will appoint its representative to the Association and duly 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 amended, or any other certified executive, according to the relevant Announcement of the Ministry of Finance, regarding the certification procedures 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 to register as a Member of the Association and (b) the annual subscription which the Board may vary from time to time, towards covering all necessary obligations, operations and any other running expenses of the Association.”

The above paragraphs of Articles Four and Nine of the Statute were activated for the registration of two new Members: EFG Eurobank Securities and Euroxx.

“Article Four

Members

... In the case of a representative who ceases to be employed by a Member, the Member must submit to the Association the name of the replacement not later than a week from the dismissal. The new nomination will last for the remaining term of the representative who was replaced.”

The above Article was activated in the case of Stavros Agrotis (CISCO), Juergen Schwarz [Alpinex Financial Services (Cyprus) Limited], Dmitry Piskulov [DFG Capital (Cyprus) Limited]. The Members nominated their new representatives within 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:
 - (vii) If it ceases to be an Investment Firm.”

The above paragraph was activated in the cases of Intelsa Investments Ltd and RB Securities Limited.

A list of the Members of the Association (as at December 31st, 2006) is provided in Annex 3 of this Annual Report.

2.2 Organization

2.2.1 Between January 1st and December 31st 2006, eleven (11) Board meetings took place. In the same period ten meetings of the Members of the Association who are also Members of the Cyprus Stock Exchange took place. Also a full meeting of all the Members of the Association took place on January 4th 2006.

During the above period, the Board held twenty six (26) meetings with the Cyprus Stock Exchange, pertaining to issues related with the Common Trading Platform.

On two occasions, the Board held meetings with the Cyprus Securities and Exchange Commission. The meetings had the following agendas:

- Problems faced by the Members of the Association with international operations and activities (translations of Legislation/Directives/Circulars)
- Issues related to the implementation of the Common Trading Platform

On March 22 2006, members of the Board held a meeting at the Ministry of Finance with the subject matter of the amendment of the Legislation pertaining to the operation of the common trading platform.

On January 11 2006, members of the Board held a meeting with the C.S.E., the Cy.S.E.C and the Ministry of Finance, regarding the amendments to the Securities and the Cyprus Stock Exchange Law.

On February 2nd 2006, the Board held a meeting with the Minister of Finance, Michael Sarris. The following topics were discussed:

- Common Trading Platform
- Mutual Funds
- Government Debentures
- Translation of Legislation/ Directives/ Circulars, in English. It was put down as an imperative demand of the Association and as an obligation of the Ministry of Finance and the Cyprus Securities and Exchange Commission to the licensed foreign C.F.S.F.
- The making up of the Examination Committee for the certification of the officers and staff of the CFSFs. The participation of Association representatives was demanded.
- The making up of the Board of Directors of the C.S.E. The participation of the Association representatives was demanded.

On May 30 2006, the Association appeared before the Cyprus Parliament Finance Committee, and submitted in writing its views and recommendations relation to the proposed drafts, at the time, of the Securities and Cyprus Stock Exchange Law (2006) and the Securities and the Cyprus Stock Exchange (Central Depository and Central Securities Register) Law 2006.

Following an initiative and actions by the Association an examination session was held on the 26th of November 2006, at the Cyprus Stock Exchange premises, for the certification of exchange representatives at the Athens Stock Exchange.

During 2006, eight Circulars were distributed to all Members of the Association, covering the following subjects:

- Meeting of all member Firms
- Dinner on the 27th of January 2006
- Two day seminar on the 18th and the 19th of February 2006
- Two day seminar on the 18th and the 19th of February 2006 (new one)
- Two day seminar on the 18th and the 19th of February 2006 (change of venue)
- Granting credits to clients of Cypriot Investment Firms for conducting transactions – Bank accounts for client’s money.
- Annual General Meeting
- Annual General Meeting – Candidacies and proxy

Thirty three Circulars were forwarded to the Members of Cyprus Stock Exchange, during 2006, covering the following subjects:

- Certifications of Exchange Representatives for the Athens Stock Exchange. Expression of interest for API.
- Expression of interest to install the API(ODL) system.
- Extraordinary plenary Meeting of the CSE Members.
- Contact person for the C.S.E.
- Extraordinary plenary Meeting of the CSE Members.
- Progress and conclusion of the works for the installation of the systems for the Common Platform – Members Indemnities.
- Meeting with the CSE covering topics relating to the Common Platform.
- Abolition of the Virtual Meetings.
- Plenary Meeting.
- Subscription fees for the registration of new Members at Athens Stock Exchange
- A.S.E presentations to the C.S.E Members.
- Transfers of the Cyprus Popular Bank Securities.
- Extraordinary plenary Meeting of the CSE Members.
- Certifications of Exchange representatives for Greece.
- Correspondence with the Cyprus Stock Exchange for today.
- Dummy” ISIN Bank of Cyprus debentures.
- “Dummy” ISIN Bank of Cyprus debentures (second).
- “Dummy” ISIN Bank of Cyprus debentures (third).
- Bank for Money Settlement.
- Bank for Money Settlement (second).
- Plenary Meeting.

- General Stock Exchange Meetings between CSE – ASE.
- Signatures verification on applications and documents.
- Virtual Exchange Meetings simulation scenarios and Plenary Meeting
- Investor’s Manual for the Common Platform.
- Bank or Corporate Guarantee / Indemnity.
- Investor’s Manual for the Common Platform (second)
- Readiness date for the beginning of the Common Platform.
- Plenary Meeting of the Association tomorrow at 15:00.
- Starting date for the operation of the Common Trading Platform.
- Holding of a new round of certification of exchange representatives at the ASE.
- Signing of an agreement with the Bank of Cyprus for the setting up of an Ancillary Fund.
- Signing of an agreement with the Bank of Cyprus for the setting up of an Ancillary Fund (second).

2.2.2 The balance sheet for the year of 2006, is presented in Annex 4 (Pdf file).

2.3. Public Relations

2.3.1 The Associations’ Executive Board organised a dinner for its Members on January 27th 2006 at the Hilton Hotel in Nicosia. The main speaker at the dinner was the then President of the Cyprus Securities and Exchange Commission, Marios Clerides who deliberated on the analysed the subject of “Teaching an old dog new tricks”.

2.3.2 The Association, in cooperation with the Cyprus Securities and Exchange Commission, organised a two-day seminar on the 18th and 19th February 2006, at the Coral Beach Hotel, in Paphos, on Market Abuse Law and Directives. The seminar attended by Stavros Thomadakis (ex Chairman of the Greek Capital Market Commission), who co-authored the European Commission Directives on which the Cyprus Securities and Exchange Commission’s Law and Directives, are based. The following subjects were covered:

- Law on insiders trading and market manipulation (Market Abuse) of 2005:
- Directive 01-2005 (Obligations of issuers of financial instruments)
- Directive 02-2005 (Elements to be considered)
- Directive 03-2005 (Market abuse methods)
- Directive 04-2005 (Accepted market practices)
- Directive 05-2005 (Code of Conduct of Directors and related persons)
- Directive 06-2005 (Transactions notification by persons having managerial responsibilities).

- 2.3.3** In November 2006, the President and the Administrative Officer, of the Association visited all the distant Members of the Cyprus Stock Exchange, Members of the Athens Stock Exchange, in Greece to brief them on the operations and the services offered by the Association. These meetings resulted in the registration of two new members with the Association (see Appendix III).
- 2.3.4** Since November 2006 the Association maintains its own website. Its address in cfsfa@cfsfa.org.cy. No access codes have been issued yet, pending work to be concluded in certain of its areas.

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

The Association's Membership Certificate will be sent to all Members by the end of June 2008.

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 July.

In September 2008, an examination will be held for the officers and staff of the C.F.S.F., according to Article 53 of the Law covering the provision of Investment Services, the exercise of Investment Activities, the operation of Regulated Markets and other relevant matters.

At least one educational seminar is schedule for 2008, on the Prevention and Suppression of Money Laundering Activities Law, of 2007.

The Annual General Meeting of the Association, for the year 2007 is scheduled to take place in October 2008.

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 Board
Participation list

Between January 2006 and December 2006, eleven (11) meetings of the Council took place.

Please note, that Mr. Petros Economides and Mr. Stavros Hadjikyriacos were invited only in 10 out of the 11 meetings of the Council. The issues examined in the meeting they were not invited, concerned the Common Trading Platform between the Cyprus Stock Exchange and the Athens Stock Exchange. Attendance to the meetings was as follows:

Christodoulos Ellinas	10
Yiannis Ioannou	11
Petros Economides	2
Stavros Hadjikyriacos	5
Michael Xiouros	7
Costas Toumpouris	9
Stavros Agrotis (until April 2006)	4
Anna Sofroniou (from October 26, 2006)	2

List of Members as at 31st December 2006 (alphabetical)

Alfa Capital Holdings (Cyprus) Limited

Alpinex Financial Services (Cyprus) Limited

Argus Stockbrokers Limited

Atlantic Securities Limited

Aton International Limited (UniCredit Aton International)

CISCO (The Cyprus Investment and Securities Corporation) Limited

CLR Securities and Financial Services Ltd

DFG Capital (Cyprus) Ltd

EFG Eurobank Χρηματοπιστωτική Α.Ε.Π.Ε.Υ. (22/12/2006)

Egnatia Financial Services (Cyprus) Ltd

Euroxx ΑΧΕΠΠΕΥ (22/12/2006)

Fenway Services Ltd

Global Capital Securities & Financial Services Ltd

Hellenic Bank (Investments) Ltd

I.C.F.I (Cyprus) Ltd

Intelsa Investments Ltd (until the 14th of June 2006)

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 (until the 1st of March 2006)

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