

CYPRUS FINANCIAL SERVICES FIRMS ASSOCIATION

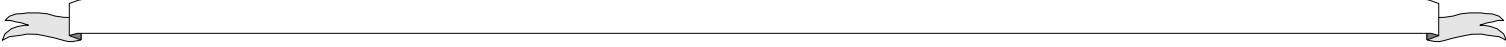
ANNUAL GENERAL MEETING ***24th February 2016***

Agenda

16:00 – 16:15	Arrival and registration of Members
16:15 – 18:00	Approval of the annual reports on the Association's business for the years 2012 and 2014
	Approval of the financial accounts for the years 2012/ 2013 and 2014
	Auditors' appointment and remuneration for the next year
	Amendments of the Articles of the Association (Special Business)
	Election of the Board of Directors (Special Business)
	End of the General Meeting's proceedings

Cyprus Chamber of Commerce and Industry
24 February, 2016





**CYPRUS FINANCIAL SERVICES
FIRMS ASSOCIATION**

Annual Report

for the year ended on 31st December 2014

Members of the Board of Directors 2014

Anna Sofroniou	Chairman
Andreas Koufkis	Vice-chairman
Peter Economides	Vice-chairman
Marios Hadjiyiannakis	Secretary General
Loizos Loizou	Organizational Secretary
Michael Xiouros	Treasurer
Charalambos Assiotis	Member

Honorary President

Louis Clappas

Executive Secretary

Maria Miltiadou

Legal Advisors

L. Papaphilippou and Co

Auditors

KPMG Limited

Annual Report 2014

Introduction

During 2014, the Board of Directors of the Cyprus Financial Services Firms Association (CFSFA) continued to pursue an active role. Its contribution in shaping the institutional, legislative and operational framework in Cyprus was evidenced by the numerous consultation meetings in which it participated.

More specifically, the major events, activities or functions in which CFSFA had an active role or participation during 2014, are outlined below:

With the aim of providing useful information about its actions, activities and results during the year 2014, the Board of Directors of the Cyprus Financial Services Firms Association, publishes the Annual Report for the year ended on 31 December 2014.

The Annual Report is comprised of four basic parts:

The first part focuses on the Association's internal management and organisational framework as recorded in the directives and decisions of the meetings of the Board of Directors.

The second part includes a review of the goals set for the year 2014 as recorded in the decisions of the Board of Directors meetings.

The third part includes the objectives set for the year 2015.

The fourth part includes the following annexes:

- Permanent Steering Committees (Annex 1)
- Meetings of the Board of Directors (attendance list) (Annex 2)
- List of Members (Annex 3)
- Annual Balance Sheet and Income and Expenditure Statement for the year ended on 31 December 2014 (Annex 4)

1. Organization - Management

1.1. Organizational Framework

Part 1

The Cyprus Financial Services Firms Association (CFSFA) is governed by its Board of Directors, whose members are elected by member Investment Firms (IFs). CFSFA is a partner association of CIFA (Convention of Independent Financial Advisors).

During 2014, CFSFA employed one person on a full time basis, namely its Executive Secretary. The operations of CFSFA are divided into the following categories:

(a) General meetings of the Association

6 February 2014: General Meeting for the Members of the Association, who are Members on the Cyprus Stock Exchange and Athens Stock Exchange concerning current developments in the financial sector, as well as issues related to the restructuring of the Association.

7 July 2014: General Meeting for the Members of the Association, who are Members on the Cyprus Stock Exchange and Athens Stock Exchange in reference with the recapitalization of Bank of Cyprus through a bail-in of depositors.

(b) Meetings of the Board of Directors

Between January 1st and December 31st 2014, four (4) Board meetings took place. An attendance list for the member of the Board of Directors is provided in Annex 2 of the present annual report.

(c) Representation in Committees

Officers of the Association, participate in the following committees:

- Financial Ombudsman Board of Directors
- National Risk Assessment
- Advisory Authority for Combating Money Laundering.
- Administrative Committee for the Investors' Compensation Scheme, for Customers of CIFs and other IFs.
- Administrative Committee for the Corporate Governance Code at the Cyprus Stock Exchange.
- Advisory Committee of the FTSE/CySE 20.
- Risk Management Committee/Athens Stock Exchange

(d) Participation in meetings on a national level

Ministry of Finance:

Two meetings took place, on April 24th and on May 8, 2014 regarding issuances of Government Registered Development Stocks. The meeting took place on May 8 2014, was held under the auspices of the Minister of Finance, Mr Charis Georgiades.

House of Representatives

Committee on Financial and Budgetary Affairs: A meeting took place, on July 8th 2014, regarding The Investment Services and Activities and Regulated Markets (amending) Law of 2014, which was published in the Official Gazette on 19 December 2014, and the Law regulating the Alternative Investment Funds 131(I)/2014, which was published in the Official Gazette on 25 July 2014. The Association was invited and attended the meeting.

Cyprus Securities and Exchange Commission (CySEC):

A meeting took place, during 2014.

On February 18th, the Board of Directors held a meeting with the Chairman of the CySEC, Mrs Demetra Kalogirou and it was in reference with the recapitalization of Bank of Cyprus through a bail-in of depositors.

Bank of Cyprus:

On July 24th, the Board of Directors held a meeting with Board of Directors of Bank of Cyprus, in reference with the recapitalization of Bank of Cyprus through a bail-in of depositors. This meeting was held upon the recommendation given be the Members of the Association during the Meeting which took place on July 7th 2014.

(e) Significant Correspondence:

Two letters were sent to Parliamentary Committees as follows:

- Parliamentary Committee on Financial and Budgetary Affairs/ the Associations' views on The Investment Services and Activities and Regulated Markets (amending) Law of 2014.
- Parliamentary Committee on Financial and Budgetary Affairs/ the Associations' views on The Cyprus Securities and Stock Exchange (amending) Law of 2014, in reference with the establishment and operation of the Derivatives Market.
- Parliamentary Committee on Financial and Budgetary Affairs/ the Associations' views on the Law regulating the Alternative Investment Funds of 2014.

(f) Circulars

In 2014, four Circulars were distributed to the Members of the Cyprus and Athens Stock Exchanges, covering the following subjects:

- Meeting February 2014
- Meeting July 2014
- Release re the meeting on July 2014
- Release re the meeting with the Board of Directors of Bank of Cyprus

(g) Educational / Training Seminars – Events

28 January: Seminar – FATCA – Latest Developments & Regulations

29 January: Seminar – Anti Money Laundering

26 February: Seminar – MiFID and Market Abuse

04 April: Seminar – Anti Money Laundering

20 September: Seminar – MiFID

27 September: Seminar – Market Abuse

17 October: Seminar – MiFID

20 -21 October: Seminar – Anti Money Laundering

24 October: Seminar – Market Abuse

13 December: Seminar - MiFID.

1.2 Management

In the course of the year 2014, the following article of the Articles of Association was activated:

Article 4 “...In the case where a representative ceases to be employed by the Member, the Member must notify the name of the replacement... was replaced.”	This provision was activated in the case of SIB. The Member appointed Mr Andreas Philaniotis as its representative. Mr Philaniotis replaced Mr Haig Der Nishanian. The Member nominated its new representative within the time limit provided for in the Articles of Association.
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A list of the Members of the Association for the year ended on 31 December 2014 is provided in Annex 3 of the Annual Report.

2.	<i>Review of the goals set for the year 2014</i>	<i>Part 2</i>
2.1	Promotion and support of the Members interests	Accomplished through the participation of the Board of Directors in meetings at a national level, as well as through the submission of reports, petitions and memorandums before the Ministry of Finance and the House of Representatives,
2.2	Participation in the Advisory Authority of MOKAS	Accomplished through the participation of Mr Andreas Koufkis, as a member, at the Advisory Authority for Combating Money Laundering.
2.3	Participation in the Financial Ombudsman Board of Directors	Mission accomplished through the participation of Mr Andreas Koufkis.
2.4	National Risk Assessment	Accomplished through the participation of Mr Andreas Koufkis and Mrs Maria Miltiadou
2.5	Administrative Committee for the Investors' Compensation Scheme, for Customers of CIFs and other IFs	Mission accomplished through the participation of Mrs Anna Sofroniou and Mr Marios Hadjiyiannakis
2.6	Risk Management Committee/ Athens Stock Exchange	Accomplished through the participation of Mr Andreas Koufkis and Christos Akkelides
2.7	Administrative Committee for the Corporate Governance Code at the Cyprus Stock Exchange	Mission accomplished through the participation of Mr Charis Assiotis and Mr Loizos Loizou
2.8	Advisory Committee of the FTSE/CySE 20	Accomplished through the participation of Mr Andreas Koufkis and Mr Michalis Xiouros
2.9	Seminars and other events	Eleven Seminars have taken place during 2014.

3. *Plan of actions for the year 2015* **Part 3**

3.1 *Promotion and support of the Members interests*

The Board of Directors will continue all actions needed to accomplish its target of promoting its Members' interests. The main aim of the Board of Directors remains the frequent and close cooperation between the Association and the regulatory authorities in Cyprus and abroad. Furthermore, the Board of Directors places great importance to the continuous upgrading of its internal organisation in order to be able to deal in a timely fashion, effectively and efficiently, with its increasing responsibilities for the Members of the Association.

3.2 *General Meeting for the year 2015*

The Annual General Meeting for the year 2015 will be held by the end of April 2016.

ANNEX 1

Permanent Steering Committees

In order to best serve the needs of its Members and operate efficiently and proactively, the Association has established the following permanent internal Advisory Committees.

1. Committee for Legal Affairs

During 2014, the Committee examined a proposed bill issued by the Cyprus Securities and Exchange Commission and two amending laws issued, by the Ministry of Finance and the Cyprus Securities and Exchange Commission.

2. Educational / Training Committee

The Committee was activated on eleven, for the organization of eleven seminars.

ANNEX 2

Meetings of the Board of Directors

Attendance List

Between January 2014 and December 2014, three (3) meetings of the Board of Directors took place. Please note that Mr. Economides and Mr. Hadjiyiannakis have been invited to only two of the three meetings.

Attendance to the meetings was as follows:

Anna Sofroniou	(Chairman)	3
Andreas Koufkis	(Vice-Chairman)	3
Peter Economides	(Vice-Chairman)	2
Marios Hadjiyiannakis (Secretary General)		2
Loizos Loizou (Organizational Secretary)		3
Michael Xiouros (Treasurer)		3
Charis Assiotis	(Member)	3

ANNEX 3

List of Members for the year ended on 31 December 2011 (alphabetical)

1. Alfa Capital Holdings (Cyprus) Limited
2. Alpha Finance A.E.Π.Ε.Υ.
3. Argus Stockbrokers Limited
4. Atlantic Securities Limited
5. Atlas Capital Financial Services Ltd
6. Cooperative Central Bank Ltd
7. Eurobank EFG Equities A.E.Π.Ε.Υ.
8. ForexTime Ltd
9. FXPRESSO Financial Services Ltd
10. Global Capital Securities & Financial Services Ltd
11. Hellenic Bank (Investments) Ltd
12. IronForex Limited
13. Marfin CLR (Financial Services Ltd)
14. Mega-Equity Securities and Financial Services Ltd
15. P.I.Provident Investments Ltd
16. Prochoice Chrimatistiriaki Ltd
17. Renaissance Securities (Cyprus) Limited
18. Sharelink Securities and Financial Services Ltd
19. SIB (Cyprus) Ltd
20. The Cyprus Investment and Securities Corporation Limited
21. WS Financial and Investment Services Limited