

# Cyprus Alternative Investment Fund (AIF)

## General Overview

**Legal Basis:** Governed by the Alternative Investment Funds Law of 2018.

**Regulatory Oversight:** Fully regulated and supervised by the Cyprus Securities and Exchange Commission (CySEC).

**Target Investors:** Open to professional, well-informed, and retail investors.

**Setup Timeframe:** The setup timeframe ranges from 6 to 8 months, though it can vary depending on the complexity of the structure.

## Key Features

**Corporate Flexibility:** Can be structured as:

- Common Fund (CF)
- Variable Capital Investment Company (VCIC)
- Fixed Capital Investment Company (FCIC)
- Limited Partnership (LP)

**Investment Scope:** Can invest in any asset class subject to the fund's rules and CySEC requirements.

**Umbrella Structure:** Can create multiple sub-funds with segregated liability.

**EU Passporting:** If managed by an authorized AIFM, can be marketed across the EU.

## Taxation

**Corporate Tax:** Subject to Cyprus' standard 15% corporate tax rate.

**No Withholding Tax** on dividend distributions to non-resident investors.

**No Subscription Tax** on net assets.

**Access to Cyprus' Double Tax Treaty Network** for tax optimization.

## Governance & Service Providers

**AIFM Requirement:** May be managed by an AIFM or internally.

**Depository Requirement:** Must appoint a depository.

**Central Administration:** Must be based in Cyprus.

**Auditor:** A Cyprus-registered auditor must be appointed.

## Advantages of Cyprus AIF

1. **Flexible Fund Structure:** Can accommodate a broad range of investment strategies.
2. **Investor Protection:** Fully regulated by CySEC.
3. **EU Passporting:** Allows cross-border marketing if AIFM is appointed.
4. **Attractive Tax Regime:** Competitive corporate tax and extensive double tax treaty benefits.
5. **Scalability:** Suitable for institutional and retail investors depending on structure.

## Use Cases

Private Equity & Venture Capital Funds

Real Estate Investment Vehicles

Hedge Funds & Debt Funds

Infrastructure Investments

## Setup & Support

Assistance with AIF structuring and CySEC licensing.

Drafting of regulatory documents (Fund Prospectus, Limited Partnership Agreement, etc.).

Ongoing fund management, administration, and compliance services.

For further details or assistance in setting up a Cyprus AIF, please contact **KENDRIS Capital Limited**.

## KENDRIS

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