
Pursuant to the provisions of Article 50 of Law 208(I) of 2012, which covers the setup, operations and supervision of retirement benefits funds, the House of Representatives has recently enacted a set of new Regulations. These have become known as the 2014 Regulations on Professional Retirement Benefits Funds. Based on a recent communication from the Registrar, any provisions in the constitutions of existing funds that may contradict the new Regulations must be amended at the earliest opportunity. Specifically, the 2014 Regulations place the Funds' Management Committees under increased obligations, pertaining to the administration and governance of these funds, as well as to the content and frequency of the information that must be provided to the Funds' Members. Each Fund's Management Committee must maintain detailed records of the information of its Members and of its sponsoring undertakings, in such a manner that the retrieval of this information is possible at any given time. In the case of Members for example, records must be kept of all personal information, but more importantly of the dates they joined the Fund and the dates and circumstances their membership was terminated. Furthermore, detailed, accurate and up to date accounting records, giving a true and fair view of the Fund's financial position, must be maintained. These must include individual accounts for each Member and records of the Members' and the Sponsoring Undertakings' contributions. It is the Management Committee's duty to ensure that these are paid in a timely manner. For Members whose emoluments are paid on a monthly basis, the payment of their contributions to the Fund falls due by the end the following month. Although the Regulations require the Funds to perform valuations of their assets twice a year, it is expected that monthly

New Regulations for Cyprus Retirement Benefits Funds

valuations will soon become a necessity. With regard to the information given to Members, the Management Committee is obligated to provide – at least annually and upon request – a statement of their accumulated benefits at the beginning of the year, their contributions during the year and their accumulated benefits at the end of the year, after taking into consideration the apportionment of any expenses and investment returns. In addition, following a Member's request, the

Management Committee must be in position to provide detailed and substantiated information on the benefits the Member should expect to receive on retirement or upon termination of their employment, information on the current investment portfolio and any alternative options, as well as the level of risk undertaken and the costs associated with the said investments. As a result of the above provisions, Management Committees are expected to incur an increased administrative burden. A licensed financial advisor with the necessary knowledge and experience can assist in the most efficient implementation of the new requirements, significantly reducing administrative costs and ensuring full compliance with the applicable Law and Regulations.

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If you have any questions regarding our services please do not hesitate to contact us at info@emergowealth.net or +357 22 449122.