

# **Cyprus Investment Programme**

## **Code of Conduct**

**June 2018**

## **1. Introduction**

The provision of advisory services relating to the Cyprus Investment Programme (hereinafter the '**Programme**') depends to a large extent on the ethical behaviour and the trustworthy professionalism of all the certified service providers. The responsible conduct of the service providers is based on the Code of Conduct which intends to create, enhance and maintain the trust of the applicants in the specific Programme on one hand and to protect the principles and individual parameters of the Programme on the other.

The Committee of Supervision and Control (hereinafter the '**Committee**') which consists of representatives from the Ministry of Finance, Ministry of Interior and Invest Cyprus, is responsible for approving registrations of new members with the Registry of Service Providers of the Cyprus Investment Programme (hereinafter the '**Registry**'), as well as for supervising the adherence to the provisions of the Code of Conduct by its members.

The Code of Conduct shall be adjusted by the Committee to reflect the needs, goals and challenges of the Programme from time to time. Consequently, the relevance and effectiveness of the Code of Conduct shall to a large extent depend on the response and support it receives by all parties involved. The Code of Conduct shall be subject to regular review and update at least annually or as determined by the Committee.

## **2. Purpose**

The primary purpose of the Code of Conduct is to set the parameters for the provision of services which will protect the service providers as well as the applicants they serve, from unprofessional, unethical and/or incompetent practices. Compliance with the Code constitutes a fundamental element for the support and further development of the Programme, protecting and simultaneously enhancing its reputation as well as the reputation of Cyprus in general.

The Code of Conduct cannot deal with every possible situation or misconduct, but includes the principles designed to govern the provision of services in relation to the Programme.

By committing to this Code, members will be able to register with the Registry and shall be bound to adhere to the Code of Conduct in its entirety, recognising that any possible circumvention may lead to their exclusion from the Registry. The members of the Registry, who shall be accountable to the Committee, are obliged to renew their commitment every year and shall simultaneously be able to contribute to the improvement of the Code of Conduct through a specific consultation procedure with the Committee. The Committee shall provide timely information on possible changes or additions to the basic principles of the Code

of Conduct and shall also provide sufficient warning to the members of the Registry for possible deviations from the Code of Conduct.

### **3. Registry of Service Providers**

All natural and/or legal persons who will provide services related to the Programme are obliged to register with the Registry, which shall be maintained by the Committee. The registration application must be completed online through the website of the Ministry of Finance. By completing the application form, the member is bound to immediately apply all the provisions of the present Code of Conduct and undertakes the obligation of informing all its professional associates and partners of their own obligations.

The members of the Registry are obliged to immediately inform the Committee in writing of any changes in relation to the details provided in the registration application they submitted, including the details of natural persons who act on their behalf as well as their professional associates for the purpose of the Programme, and/or of any other data or document which may have been requested.

### **4. Basic principles**

The members of the Registry have individual and joined responsibilities in order to actively contribute to the maintenance and enhancement of the integrity of the Programme. The members of the Registry are bound to fully adhere to the following basic principles:

- 4.1. Zero tolerance and/or engagement in unprofessional or unethical forms of practice.
- 4.2. Maintaining a high level of transparency in all transactions with clients, collaborators and other stakeholders.
- 4.3. Full compliance with applicable laws and regulations and the provisions of the Programme, in relation to eligible investments and the minimum required limit, as well as with the other terms and conditions of the Programme.
- 4.4. Encouraging all stakeholders in the Programme to adhere to the same ethical standards.
- 4.5. Refraining from behaviour which damages the integrity, reputation and image of the service providers, the government sector and the country itself.

4.6. Refraining from adopting practices which circumvent the financial goals of the Programme, either through reducing the real economic benefit for the country from investments pursuant to the Programme or otherwise.

## **5. Provision of Services**

The members of the Registry who act as service providers, including natural persons who act on their behalf, as well as their professional associates for the purposes of the Programme, must ensure their clients are informed in writing of the exact nature of their services and all relevant commitments which relate to them, including their commitments pursuant to the Code of Conduct. Within this context, the following must be abided by:

5.1. Professional relationships between a member and a client must be described in a service agreement which must, inter alia, describe the rights and obligations of each party and include the applicable terms and conditions in case of disagreement during the process.

5.2. In the event of a variation of the terms of the above agreement, the member must obtain the written consent of the client to such variation.

5.3. Members must not make statements or provide or publish any false or misleading information related to the Programme.

5.4. Members who provide advice in relation to the process of the Programme must act in an efficient and professional manner and only within their area of competence.

5.5. Members must submit, on behalf of the applicant, the activity reports, which are required or may be required pursuant to the terms and conditions of the Programme.

## **6. Client Management**

Members of the Registry shall apply the following due diligence practices in relation to client acceptance, when examining the possibility of collaboration:

6.1. Recording and verifying information that fully and accurately identifies the potential client.

6.2. Undertaking, within the framework of the law, checks on the client, of its professional activities as well as its surroundings (including possible publications in the press or online).

6.3. Verifying the origin and legality of the investment funds of the client.

6.4. Providing a report of the findings of the due diligence review (due diligence report) from internationally recognised electronic databases, for the use of which a fee is payable (e.g. World Check, LexisNexis Diligence, Regulatory DataCorp Inc, etc). The report must be dated no later than thirty days from the date of its submission.

Members must ensure that they take all required steps to secure the safety of their clients' funds, as follows:

6.5. Maintaining client investment funds in separate bank accounts.

6.6. Reporting to clients as to the movement of their funds.

6.7. Reporting to clients on all expenses made and issuing relevant invoices with all necessary information, as provided by applicable law.

6.8. Returning to clients any possible excess of funds including interest, upon completion of the collaboration.

Members apply clear and distinct procedures to manage all clients' information with due confidentiality and ensure that the information is made available only in cases where the members are obliged to disclose information through court or other legal proceedings, notifying their clients in advance.

## **7. Promotion and public relations**

Members of the Registry, including natural persons who act on their behalf, as well as their professional associates, for the purposes of the Programme, have an obligation to apply all the guidelines in relation to promotion, as these are noted in the attached Annex.

The Guidelines codify the acceptable and non-acceptable methods of promotion of the Programme.

The application of the Guidelines is obligatory and in case where the Committee finds deviation and non-compliance by a member and any other person acting on his/her behalf or collaborating with him/her, this will lead to exclusion from the Registry and/or non-acceptance of his/her professional associates to receive an application in the context of the Programme.

The Committee shall monitor the process of provision of services by the members and shall intervene where this is deemed necessary, initially by sending a warning letter and if there is no compliance by deleting the service provider from the Registry.

The material used by the providers should comply with the guidelines as noted in the Annex.

## **8. General Terms**

Members, including natural persons acting on their behalf, as well as their professional associates for the purposes of the Programme:

- 8.1. Have an obligation to maintain strong and ethical relations with the public sector and the authorities which handle the Programme.
- 8.2. Any act which intends to affect the work of the government authorities which handle the examination of applications is expressly prohibited.
- 8.3. Transparency must be established as a guiding principle in each communication between the member and the public sector.
- 8.4. Do not participate, directly or indirectly, in any form of bribery, nor do they imply/suggest any form of bribery or other unlawful or unethical behaviour, nor do they exercise any improper influence on governmental authorities or officials.
- 8.5. Cannot carry out any activity which is, or could be considered as wrong, corrupt, unethical or unlawful.
- 8.6. Under no circumstances, must they misinform their clients about their relationship with governments or government officials, especially so as to promote their services and/or to accelerate the examination process of their client's application.
- 8.7. Must avoid any conflict of interest which may occur between their organisations and their clients, business associates, government officers and other professional associates with which they collaborate in the application of the Programme.
- 8.8. Are obliged to immediately inform the applicant in writing if any real or potential conflict of interest occurs during the provision of their services.

## **9. Non-compliance consequences**

Members, including natural persons acting on their behalf, as well as their professional associates for the purposes of the Programme, are obliged to fully apply all procedures and regulations for the proper implementation of the Code of Conduct.

Non-compliance with the Code of Conduct, may lead to deletion of the providers from the Registry. Within this framework:

- 9.1. The Committee, in the event of deletion from the Registry (voluntarily or after a decision of the Committee), shall announce the deletion by posting it in the websites of the Ministries of Interior and Finance and Invest Cyprus.
- 9.2. The Committee, when deemed necessary, maintains the right, at any given time, to call the applicants as well as the service providers for an interview for further clarifications.
- 9.3. The Committee will be able to receive complaints. Upon examination of the said complaints, the Committee will decide whether it will take any further actions or refer the issue to the relevant Ministries.
- 9.4. The Committee shall maintain the right not to register service providers in relation to the Programme who collaborate with companies which do not apply the relevant provisions of the Code of Conduct.

**Applicant for registration in the Registry – Natural Person**

I, the undersigned .....  
I.D. no. .... responsibly declare that I  
have read and have been informed of all the terms and conditions of the Code of  
Conduct and undertake to apply them.

Signature: .....

Date: .....

or

**Applicant for registration in the Registry – Legal Person**

I, the undersigned .....  
I.D. no. .... legal representative of the  
company  
.....Company  
Registration Number..... responsibly declare that I have read and have  
been informed of all the terms and conditions of the Code of Conduct and  
undertake to apply them.

Signature: .....

Date: .....

**GUIDELINES IN RELATION TO PROMOTION/ADVERTISING AND PUBLIC RELATIONS  
WITHIN THE FRAMEWORK OF THE PROGRAMME FOR CITIZENSHIP BY INVESTMENT**

1. The Programme, in all its forms of promotion, including through the internet and social media, must be described with careful language so as to protect it and not endanger its existence.
2. Any reference to details of the Programme must be in line with the information provided for the Programme in the websites of the Ministries of Interior, Finance and Invest Cyprus.
3. It is expressly prohibited, for members of the Registry as well as for the natural persons acting on their behalf and for all their collaborators:
  - To show, in all forms of advertising, including the internet and social media, the Cyprus passport or other similar images or details which do not comply with the law and/or misleading advertising with false details and representations.
  - To use, in any way whatsoever, the symbols of the Republic of Cyprus and the European Union.
4. Any reference relating to the residency of the applicant in Cyprus is prohibited, except to the fact that the applicant must, prior to its naturalisation, possess a residency permit in the Republic of Cyprus, for a period of six months.
5. Under no circumstance shall members, the natural persons acting on their behalf or their professional associates proceed with defamation against other colleagues who are service providers related to the Programme, whether orally or in writing, in promotional literature or on the internet or social media.
6. Reference that the process of examination of the application for the Programme can be accelerated in any way (Fast track procedure) is prohibited.
7. Any reference which refers to 'sale of passports' is prohibited.
8. Any act which intends to influence the work of the government authorities responsible for the examination of the applications is prohibited.

9. Any comparison with similar Programmes of other countries may be made only if such references are limited to real and precise facts.
10. The acquisition of European citizenship cannot be included in the benefits of the Programme.