

# Cyprus Introduces a New Legal Framework for Cyprus Fund Administration

## What Fund Managers and Financial Professionals Should Know About the new Fund Admin Law L.101(I)2025

On 29 May 2025, Cyprus entered a new regulatory era with the enactment of the 'Law on the Establishment and Operation of Fund Administration Companies' commonly referred to by its Greek acronym «ΚΕΔΟΣΕ» / Management Companies of Collective Investment Undertakings «MCCIU».

This legislation establishes a comprehensive framework for the licensing, governance, and supervision of fund administration companies, aligning Cyprus with international standards and reinforcing its position as a leading jurisdiction for investment funds.

## Objectives of the MCCIU Law

The primary aims of the MCCIU law are to improve transparency and accountability within the fund administration sector, enhance investor protection, and ensure Cyprus remains competitive in the global investment landscape.

The law also brings Cyprus into alignment with key European Union directives, including AIFMD, UCITS, and CRD IV and international best practices.

## Key Provisions

### Licensing and Regulation by CySEC

The Cyprus Securities and Exchange Commission (CySEC) is designated as the sole regulatory authority for fund administration companies. Only licensed entities may legally operate as fund administrators under the new law.

### Compliance and Governance Requirements

All fund administrators must appoint a dedicated Compliance Officer responsible for monitoring legal and regulatory obligations. The law also sets clear expectations for internal controls, risk management, operational oversight and capital adequacy requirements.

### Sanctions for Non-Compliance

CySEC has the authority to investigate and enforce compliance, including the power to impose penalties. From 29 May 2025, the use of the title "fund administrator" without prior authorisation is explicitly prohibited and subject to sanction.

### Implications for Fund Administrators

This new legal framework requires fund administrators to operate with greater transparency, structure, and regulatory awareness. By ensuring early compliance, companies can reduce legal and reputational risk, improve investor trust, and enhance operational resilience.

## How Nexia Poyiadjis Can Support You

Nexia Poyiadjis offers comprehensive support to help businesses adapt to the MCCIU requirements.

Our advisory team is composed of professionals with extensive industry experience who can assist with:

- Preparing and submitting the licensing application to CySEC
- Establishing robust compliance and governance frameworks
- Conducting internal control assessments and audits
- Providing continuous advisory and regulatory updates

## Next Steps

The implementation of the MCCIU law represents a significant opportunity for fund administrators to strengthen their operational standards and align with international expectations.

Nexia Poyiadjis is committed to guiding clients through this transition with tailored, practical solutions.

To find out how we can support your business under the new legal framework, please do not hesitate to contact us.

## Contact Us



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