

The Future of the Cyprus Professional Services Sector

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A new model for the Cyprus Professional Services Sector

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1. How do we manage Cyprus' latest reputational risk and restore its global business image

It is true that Cyprus did not manage the passport scheme in a comprehensively appropriate manner with the result that an overall bad image globally exists. Cyprus in the recent years has been making a commendable effort to combat money laundering and in this respect the three main supervisory authorities, have been very active in ensuring compliance with the anti-money laundering legislation and Know Your Client principles (KYC).

Unfortunately, global attraction by the media is on notorious cases that escaped the safety net and not on the many other cases which have been conducted in a lawful manner. The supervisory authorities have been recently improving their methods and the Bar Council initiated a joint effort with our colleagues in other sectors in order to further promote cooperation and uniform standards to the extent possible for combating irregular and illegal practices. The recommendations of Moneyval and other International Organisations are being taken seriously and the Cyprus Bar is enhancing and improving its methods, in order to minimize as far as possible abuses. Anti-corruption measures taken by the government are welcome. We have been very active in assisting the legal affairs committee of the House of Representatives in improving Government bills. The Bar promotes an anti-corruption culture and ensures that checks of its members and service providers are enhanced, more education is provided and abuses are being dealt with in a fair manner. Where deviations are established, penalties are imposed. Both the Disciplinary Board and the Bar Council as a supervising body are now working towards restoring confidence of the public and business internationally.

2. How competitive are local professional service providers on an international scale

Members of the Cyprus Bar are trained in common law and equity principles and are in a unique position to advise on the intricacies of Cyprus statutes and Cyprus law. This makes them highly competitive on an international scale. In addition, most reputable Cyprus offices cooperate with European and or English or foreign lawyers and where foreign law is applicable their cooperation has always been fruitful. Cyprus lawyers maintain in their field of expertise high standards and are thus highly competitive and in a unique position to offer advice. We encourage our members to improve their knowledge and training for life in specialised subjects such as aviation law, energy law, arbitration, commercial and admiralty cases, international property and trust law. The Cyprus Bar offers and participates in lectures for the life training of our members almost on a monthly basis and encourages and supports participation in legal conferences. The new generation of lawyers is our hope for the future.

3. How attractive is Cyprus' offering in the global market

To be attractive you need to provide good, quick and reliable service and provide solutions at reasonable prices. Enhancing and improving Cyprus' reputation is a high priority. Cyprus could become very attractive with a joint effort. We need to restart in some respects the sector of professional services in general. More cooperation is needed between advocates and accountants and other professionals such as insurers, bankers, developers, estate agents, stockbrokers along with diversification and adaptation to the present and future needs.

4. What should be Cyprus' future vision for the local professional services offered to international clients

Problem solving in a reliable profitable and affordable environment should be the vision of the local professional services. Adaptability to new trends and expansion in new areas through utilisation of all resources in particular human resources is essential.

5. Practical recommendations for making Cyprus a fully international business centre.

- (a) Introduce English language in international business litigation or introduce translation facilities in a multilingual environment.
- (b) Strengthen mediation and arbitration by introducing and enhancing arbitration Courts and arbitration structures.

- (c) Make more use of international trusts, and intellectual property tax benefits, proceed with the immediate establishment of an Admiralty and Commercial Court to include aviation. Improve framework of aviation and energy legislation and strengthen associations between local firms and foreign expert firms where necessary.
- (d) Combat corruption speak less of it and do more and combat bureaucracy by introducing new institutions, a strengthened legal framework and new practices.
- (e) Tackle delays in the administration of justice and invest heavily in the sector.
- (f) Modernise substantive laws related to business and investment in general.

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