

**Regency Asset Management (Cyprus) Limited**

**Pillar III Disclosures**  
**Report 2024**

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# 1 Purpose and Regulatory Supervision

The present report (“The Pillar III Disclosures” or “Report”) is prepared by **Regency Asset Management (Cyprus) Limited** (the “Company”), a Cyprus Investment Firm (“CIF”) operating under the license number 089/08, authorized and regulated by the Cyprus Securities and Exchange Commission (the “CySEC” or “Commission”).

The Report was prepared in accordance with the requirements stated in the documents:

- Investment Services and Activities and Regulated Markets Law of 2017 (the “Law”)
- Markets in Financial Instruments Directive (“MiFID II”)
- Regulation (EU) No. 575/2013 – Capital Requirements Regulation (“CRR”)
- Directive 2013/36/EU – On the prudential supervision of investment firms
- Directives DI144-2014-14 – For the prudential supervision of Investment Firms

Regulation (EU) No. 575/2013 (CRR), introduced in late 2014, the Law and the subsequent Directives of the Commission require the Company to disclose information relating to its risk exposure, capital structure, capital adequacy as well as the most important characteristics of the Company’s corporate governance and management.

A capital adequacy framework is consisting of three ‘pillars’:

- **Pillar I** establishes minimum capital requirements comprising of base capital resources requirements; credit, market and operational risk capital requirements;
- **Pillar II** requires firms to undertake an overall internal assessment of their capital adequacy, considering all the risks which the firm is exposed to and whether additional capital should be held to cover risks not adequately covered by Pillar I requirements. This is achieved through the Internal Capital Adequacy Assessment Process (“ICAAP”)
- **Pillar III** complementing Pillars I and II and requiring firms to disclose information on their capital resources and Pillar I capital requirements, risk exposures and their risk management framework in accordance with Part 8 of the CRR and articles 431 to 455, which set the requirements of the disclosures.

The information contained in the Pillar III Disclosures Report **was audited** by the Company’s External Auditor and published on the Company’s website at the address: [www.ramcyprus.com](http://www.ramcyprus.com). This document is updated and published annually.

The Board of Directors and the Senior Management have the overall responsibility for the disclosure of information, as well as for the internal control systems in the process of capital adequacy assessment and for the adequate processes to ensure that all risks faced by the Company is properly identified, measured, monitored and managed.

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## 2 Company's Background

Since August 2024, after CIF authorization was reactivated by the Commission, the Company was entitled to provide the investment and ancillary services, as stated below:

- Portfolio management
- Safe-keeping and administration of financial instruments for the account of clients
- Foreign exchange services where these relate to the provision of investment services.

And in accordance with the license the Company could provide the investment and ancillary services for the following financial instruments:

- Transferable securities

The Company is 100% directly owned solely by Charkeia Trustees (Nevis) Limited, as the Trustee of The New Fairmont Settlement trust, registered in Jersey.

The Company does not have any subsidiaries and accordingly, not perform consolidations for either accounting or regulatory purposes. As a result, the Company does not have any current or foreseen material practical or legal impediments to the prompt transfer of own funds or repayment of liabilities.

The Company provides the investment and ancillary services, in accordance with the principles of good faith and fair business conduct. The Company takes all suitable measures to ensure the best possible protection of its clients' interests, and also adheres to the principles of sound corporate governance and proper business practices.

## 3 Corporate Governance

### 3.1 Board of Directors and Management

The Board of Directors members are the persons who effectively direct the business of the CIF. The Board consists of four members - two executive and two independent non-executive ones. The Board members possess a balance of skills and experience appropriate for the requirements of the business of the Company.

The executive directors – the Managing Director and the Administrative Director – perform the duty and responsibility of an executive management ("Four Eyes" principal) on a day-to-day basis.

The governance arrangements comply with the principles stated in the Law applicable to the members activity in the Company, in particular:

- overall responsibility for the CIF and approval and control of implementation of the strategic objectives, risk prevention strategy and internal governance.
- ensuring the integrity of the accounting and financial reporting systems, including financial and operational control and compliance with the law and relevant standards
- overseeing the process of disclosure
- supervision of senior management.

The executive directors of the Company have no directorships in other companies, while the independent non-executive members of the Board can commit sufficient time for performance of their function in the CIF, not exceeding the number of directorships (combinations of executive and non-executive directorships) as limited by the law.

In line with the requirements set out in the Law and subsequent Directives, the Company has been able to maintain a good information flow to the Board and the Management body.

Apart from the Executive Management, the Company has the following organizational arrangements as regards the substance of this Report:

- Risk Manager – outsourced, jointly exercised by the Compliance Officer.
- Compliance Officer – outsourced, jointly exercised by the Risk Manager
- AML Compliance Officer – jointly exercised by the Executive Directors
- Internal Controller/Auditor – outsourced, directly reporting to the Board of Directors
- Financial Accountant – outsourced, under Executive Directors supervision;

### 3.2 Compliance and Reporting

The Company ensures that compliance rules are strictly respected, especially in the area of anti-money laundering and terrorism financing and professional services to the clients. The Company monitors the loyalty of its employees' behavior regarding clients and all its stakeholders, as well as the integrity of its investment and financial practices.

The Company considers its reputation to be an asset of great value that must be protected to ensure its sustainable development. The prevention and detection of the risk of harm to its reputation are integrated within all the Company's operating practices. The Company's reputation is protected by making its employees aware of the values of responsibility, ethical behaviour and commitment.

For the elapsed reporting period, August-December 2024, the Company has submitted to the Commission the required reports and information, in compliance with the regulation.

Annual Reporting	Purpose of reporting: to inform the Board of Directors & Management about:
Legal Compliance Report	Legal compliance of the Company in exercising its investment services to clients
Internal Control Report	Assessment of the appropriateness and effectiveness of the practices, measures, and control applied by the Company, compliance with the existing regulation.
Anti-money laundering Compliance Report	Identifying AML prevention deficiencies (if any) and AML control, transaction monitoring and suspicious reporting, KYC/CDD and client profiling.
Risk Management Report	Identification and management of various risks the Company was exposed to.
Financial Reporting	Audit of the financial statements and results of the Company for the period.
Prudential reporting (quarterly & annual)	Calculation of own funds and capital ratio related to the Company's risk exposures, indication of stability and efficiency of its activity and financial systems.
Statistical reporting (quarterly & annual)	Statistical analysis of the Company's and clients' funds and financial instruments, their distribution split by countries and institutions.

### 3.3 Remuneration Policy

The Company has established a remuneration policy, approved by the Board of Directors, with the purpose to have remuneration practices of the Company in accordance with the provisions of the Directive DI144-2014-14. The Company's remuneration strategy is designed to reward and motivate the staff of the Company for performing high results in the interests of the Company.

Remuneration system of the Company is concerned with practices of the Company for those categories of staff whose professional activities have a material impact on its risk profile; the said practices are established to ensure that the rewards for the 'Executive Management' provide the right incentives to achieve the key business aims.

The total remuneration of staff consists of fixed and variable components. Fixed and variable components are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The people who effectively direct the business are responsible for correct implementation of the Remuneration Policy and relevant practices and for preventing any risks on this account.

The Policy adopts and maintains measures enabling to effectively identify where the relevant person fails to act in the best interest of a client and to take remedial action.

It is noted that the Company has considered its size, internal organization and the nature, the scope and the complexity of its activities and it does not deem necessary the establishment of a specific remuneration committee. Decisions on these matters are taken on a Board level.

The remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational level, experience, accountability, and responsibility needed for a staff member to perform each position. The remuneration is also set in comparison with standard market practices employed by the other market participants/ competitors.

The remuneration of the Company's non-executive directors is fixed.

The quantitative remuneration criteria mostly rely on financial data of the Company's performance and the individual performance evaluation and ratings of each member of the staff. The Company also considers qualitative criteria which include compliance with regulatory requirements and internal procedures, fair treatment of clients and others.

The Company did not take decision to pay variable remuneration for the period 2024.

There are no natural persons at the Company that are remunerated €1mIn or more per the financial year 2024, and therefore such disclosure is not applicable to the Company.

The Company paid no severance or sign-on payments during the period 2024.

### 3.4 Return on assets (RoA)

In compliance with the Commission's requirement (Para. 19 of the Directive DI144-2014-14), the Company must disclose information about its profitability – Return on Assets (the "RoA") being calculated as a percentage ratio of the net income (after interest and

tax) earned by the Company for the period and the average total assets during the period.

Based on the audited financial results of the Company for the periods 2023 and 2024, the RoA was calculated as equal to **24.39 %**.

### 3.5 Corporate Website

The Company maintains its corporate web site at the address: [www.ramcyprus.com](http://www.ramcyprus.com) for the purpose of placing the pertinent information for its clients, as per MiFID II requirements, and also for placing the disclosure annual reports as per the Law and the Commission's Directive.

## 4 Risk Management

Risk is an everyday part of the Company's operations. Management recognises that it is vital to identify, assess, monitor and control each type of risk.

The Company's Risk Management framework encompasses the scope of risks to be managed, the processes / systems and procedures to manage risk, and the roles and responsibilities of all individuals involved in risk management. This framework is comprehensive enough to capture all risks.

The Company has a dedicated Risk Management function which is responsible for the determination, evaluation and efficient management of the risks inherent in the provision of the investment services. The function's aim is to provide these services in accordance with the provisions of the Law and Directives issued by CySEC, as well as the internal regulations of the Company.

Specifically, the Risk Management function is involved in:

- Establishing, implementing and maintaining adequate risk management policies and procedures which identify the risks relating to the Company's activities and processes.
- Providing effective controls to safeguard information processing systems.
- Performing credit assessments (including quality and financial analysis) of clients when opening new accounts and then classifying them according to their risk criteria and limits.
- Monitoring day-to-day operational risks and building a risk aware culture within the organisation and providing the relevant training.
- Monitoring the adequacy and effectiveness of its risk management policies and procedures.
- Providing the Company's Directors with reporting on a periodic basis.

Furthermore, on an ongoing basis, the Directors of the Company, together with the Risk Manager will:

- Evaluate the effectiveness of the policies and procedures of the Company which identify, analyse, evaluate, treat and monitor risk during business, and the escalation process.
- Assess the Company's risk tolerance and risk bearing capacity.
- Ensure the Company has sufficient capital to support its risks and activities both now and in the future.
- Establish prudent methodologies for setting risk limits and ensuring exposures to risk stay within these limits.

## Resolution of emergency situations:

The Company has set out in its Internal Operation (Procedures) Manual emergency response procedures (Business Continuity Plan and Disaster Recovery Program) in order to stabilized situations following an incident or external disaster event. A Crisis Management Team – consisting of Managing Director, Administrative Director and Risk Manager – has been appointed for the handling of such a disaster/emergency event, including the recovery of the IT function and maintenance of the operating system network.

## 5 Capital Base

### 5.1 Regulatory Capital

The Company's capital base is comprised of Original Own Funds (Tier 1 capital).

The Company does not have any Additional Own Funds (Tier 2 capital).

Company's Own Funds as at 31 December **2020\*** / **2024** is provided in the table below.

<b>Company's Own Funds</b>	<b>Year ended 31/12/2020</b>	<b>Year ended 31/12/2024</b>
<b><i>Original Own Funds</i></b>	EUR'1000	EUR'1000
Share Capital	299	947
Reserves	(59)	(531)
Audited Material Gain/(Loss)	(41)	(203)
Intangible Assets	-	-
<b>Total Original Own Funds</b>	<b>199</b>	<b>213</b>
<i>Additional Own Funds</i>	0	0
<i>Deductions from Own Funds</i>	(71)**	(51)**
<b>Total Eligible Own Funds</b>	<b>128</b>	<b>162</b>

(\*) The last disclosed period before Company's investment activity authorisation reactivated in August 2024.

(\*\*) The Company's contribution to the Investments Compensation Fund as a CIF (Circular C162 dated 10.10.2016).

As shown above, the Company's Total Eligible Own Funds are comprised of Share Capital and Eligible Reserves and include specified deductions.

It is noted that the Company's Share Capital consists of ordinary shares only.

### 5.2 Internal Capital Adequacy Assessment Process (ICAAP)

Pursuant to Article 29 of the Directive 2013/36/EU and with Article 26(1) of the Regulation (EU) 575/2013 in view, the Company falls into the category of an investment firm that does not deal in any financial instruments for its own account or underwrite issues of financial instruments on a firm commitment basis, but allowed to hold clients money or securities and which offers the management of individual portfolios of



investments in financial instruments. Based on this, the minimum/initial capital of the Company is determined as equal to **EUR 150'000**.

The additional capital with respect to Pillar II risks over the minimum capital requirements (as determined using the Pillar I methodology), based on the Company's financial results 2020-2024, and given the information provided in the Background of the Report, was estimated for the Company as "**Not Required**".

It should be noted that the Company does not perform any securitisations nor apply any leverage in its activity.

## 6 Risk Exposures and Capital Requirements

The Company has adopted the Standardised Approach for the measurement of Pillar 1 capital requirements for Credit and Market Risk. For Operational Risk, the Company has adopted the fixed overhead requirement approach.

The Company's risk exposures were minimal during the given period (after reactivation its CIF license) due to its very low business activity, in particular because of the following:

- no dealing on own account
- no client assets under management
- no client assets safeguarded and administered
- no client orders handled
- no daily trading flows

Based on the Prudential Reporting, prepared in the Company as of 31 December 2024, the Own funds and the Capital requirements identified and calculated were as follows (in EUR'1000):

• Own Funds (CET1 only)	– 169
• Own Funds Requirement	– 150
• Capital Ratio/ CET1 Ratio	– 113%
• Fixed Overhead Requirement	– 50.75
• Liquidity Requirement	– 47
• Foreign Exchange Risk	– 10
• Total K-Factor Requirement	– 0

The exposures only reflect on-balance sheet items, as the Company does not have any off-balance sheet positions/exposures, nor has it any derivatives positions.

Financial assets are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

During the period the Company did not recognise any impairments of its financial assets, nor did it have any revaluations or past due exposures.

During the year 2024 (as well as during 2020) the Company did not assume any equity positions, therefore, there is nothing for such exposures to be disclosed.