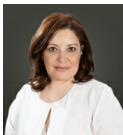


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Considerations for Navigating Asset Protection and Wealth Structures in Cyprus

Cyprus is emerging as a hub for wealth structuring and investment, offering legal flexibility, EU market access, and favorable tax treatment. Success, however, requires proactive stress testing of structures, coordination across legal regimes, and integrated tax advice to ensure resilient asset protection.

In recent years, Cyprus has seen a rise in ultra-high-net-worth individuals (UHNWIs) and family offices from Israel and other jurisdictions relocating or structuring their affairs on the island. This trend is driven by the country's strategic and business-friendly environment, as well as its respected legal system. Cyprus also hosts a rapidly growing investment fund industry, which, by the fourth quarter of 2024, reported €10.1 billion in assets under management, a 10% quarter-on-quarter and 18% year-on-year increase, cementing its status as a hub for investment.

Cyprus also offers distinctive legal advantages that enhance its appeal for wealth structuring. The integration of common law elements into commercial and trust structures, including Cyprus International Trusts (CITs), offers flexibility in asset protection. Cyprus serves as a convenient gateway to the European Union (EU) market offering access to European capital markets along with favorable tax treatment and a broad double-tax treaty network.

However, with opportunity comes complexity. Effective asset protection requires anticipating cross-border risks and structuring arrangements to adhere to multi-jurisdictional regulatory scrutiny. Key steps include:

1. **Navigating Multiple Legal Regimes.** Cross-border wealth planning often involves conflicting legal frameworks. Counsel experienced in coordinating strategies across Cypriot, Israeli, and other regimes can help ensure structures remain compliant and defensible.
2. **Proactive Stress Testing.** Timing is critical. Establishing and stress testing strategically

sound structures before disputes or reputational issues arise strengthens their resilience.

3. **Integrated Advisory Support.** Integrating legal, corporate and tax advisory support helps create robust and compliant structures, including with respect to recent enhancements in Cyprus's anti-money laundering (AML) framework, and alignment with EU directives.

As Cyprus increasingly becomes a destination of choice for UHNWIs and family offices to structure assets, preserve reputation, and position wealth for the next generation, navigating the above complexities will require local knowledge and international experience.

About Kobre & Kim

Kobre & Kim is a global law firm focusing on cross-border disputes and investigations, often involving fraud and misconduct.

To preserve the assets, liberty, and reputation of ultra-high-net-worth individuals with global business interests, our team:

- Provides offensive and defensive cross-border litigation and crisis management strategies in court and out of court;
- Collaborates closely with its non-law firm affiliate in Cyprus dedicated to providing navigation, coordination and trusted tailored local resources to clients with Cyprus-specific interests;
- Brings together former government lawyers across Asia, EMEA, and the U.S., including former prosecutors from the U.S. Department of Justice (DOJ);
- Takes a multidimensional approach to resolve business disputes and regulatory investigations, trace and recover misappropriated funds, defend against asset attacks, and acquire and strategically deploy information to provide UHNWIs with a commercial advantage in their disputes and investigations.