



## How Ultra-High-Net-Worth Individuals Should Respond When Their Cyprus-Based Assets Are Under Attack

**Cypriot assets of ultra-high-net-worth individuals are increasingly subject to aggressive and often unwarranted attacks by governments, competitors and other counterparties. At-risk individuals should work with a cross-border team and local counsel to take strategic steps to defend their assets.**

August 31, 2023

As global geopolitical tensions rise, Cyprus is increasingly a financial center where governments, competitors and other counterparties have launched aggressive and often unwarranted attacks against Cypriot-held assets. Targeted individuals should work with a cross-border team and local Cypriot counsel to develop and deploy fact- and rights-based defenses to repel the threats and preserve their assets.

If UHNWIs with Cyprus-specific interests find themselves under legal attack, it is essential they take steps to defend their assets:

**Prepare a factual narrative.** Accusations of fraud and other misconduct can provide a route to make claims against individuals with Cyprus-based assets. Preparing a factual narrative that evidences that the assets in question are not proceeds of crime or misconduct can help ensure that UHNWIs' assets avoid becoming forfeited via litigation. This narrative can range from gathering key documents and analyzing financial transactions to launching parallel legal proceedings in other jurisdictions to obtain court decisions affirming the legitimacy of asset structures and transactions.

**Ensure the protection of legal rights in the face of mutual legal assistance treaty (MLAT) requests.** Non-Cypriot law enforcement agencies may seek information about, freeze, or seize assets held in or through Cyprus by making an MLAT request to Cypriot authorities. The United States, the United Kingdom, and other countries have agreements with Cyprus to facilitate these requests. UHNWIs should work with global and Cypriot counsel to defend themselves and protect their legal rights, which can include proactively engaging with the investigating authority.

**Fortify the defenses of Cypriot trusts.** At-risk individuals who are either the settlors or beneficiaries of a Cypriot trust structure should consider how they can legitimately defend those trusts. Working with both Cypriot and global counsel, UHNWIs' options can include: (i) taking action in the Cypriot courts to seek the court's blessing to allow the appointment of trustees experienced with litigation or whose independence is easier to establish; (ii) seeking mandatory orders from the Cypriot courts requiring trustees to follow the Court's directives; and (iii) bringing protective proceedings to confirm the integrity of trustee decisions and trust governance, including the role of the protector.

Effective cross-border strategies coordinated with local Cypriot counsel can effectively respond to the growing number of governments', competitors' and other counterparties' aggressive and unwarranted attacks against Cypriot-held assets.

### 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 firm:

- 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 roughly two dozen former U.S. and UK government lawyers across offshore jurisdictions in the BVI and Cayman Islands, Asia, EMEA, Latin America and the U.S., including former prosecutors from the U.S. Department of Justice (DOJ) and UK Serious Fraud Office (SFO);

# KOBRE & KIM

Takes a multidimensional approach to UHNWI-focused disputes investigations to resolve business disputes and regulatory investigations, trace and recover misappropriated funds, defend against asset attacks, as well as acquire and strategically deploy information to provide UHNWIs with a commercial advantage in their disputes and investigations.