

CYPRUS RECRUITMENT INDEX

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SOLUTIONS

Reviewing the Cyprus Job Market

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Growth in Cyprus Recruitment

GRS experienced a very good year in 2011 despite the negative market sentiment and the crisis within the Eurozone that failed to control public debt levels in Greece, Spain, Portugal, Ireland and Italy.

Upward Trend – Overall GRS recorded a second successive year of growth since 2009 with an increase in both permanent and temporary hiring in 2011 up 11% on 2010 and 14% on 2009. However, in Quarter 4 permanent recruitment slowed, bringing down the annual increase for overall recruitment. The success story of 2011 was the increase in demand from our clients for temporary and contract recruitment, in addition to clients outsourcing their payroll to GRS. This division of business showed a massive increase of 279% on 2010, demonstrating that a vast array of companies in Cyprus had strong pipelines of business but were taking a cautious approach to hiring by using more flexible and cost efficient options as opposed to more traditional permanent recruitment.

Services Increase – Sector wise there was an especially strong presence from the professional services sector including audit/accounting, legal, trust and corporate service, with demand continuing despite increased competition from other jurisdictions such as Malta and Luxembourg. The largest increase was in the corporate services sector where clients remained confident and bullish by taking on more staff throughout 2011 showing an increase of 20% on 2010.

Mixed Finance – Throughout 2011, as in 2010, we continued to see a lot of recruitment activity in the Forex Trading sector as existing international FX players and start up FX companies opened new offices in Cyprus. This increased the demand for candidates with strong language skills both from within and outside the European Union.

We saw mixed fortunes in the international banking and finance sector with a few international banks increasing their head count at their Cyprus operations. A shared service centre,

the introduction of new products to banking customers and increased interest in wealth management services was largely responsible for the additional hires during 2011. The main demand was for front office revenue generation roles such as relationship managers and account executives. This was also mirrored by an increase in transaction processing roles within this sector with positions arising in treasury, back office operations, settlements, anti-money laundering and compliance. Risk, regulation and compliance continue to be the main areas of recruitment activity.

Overall just 4% of GRS's recruiting activity was concentrated in the banking sector - reflecting the fact that there was little movement at a time when bankers were not confident in risking job change at a time of uncertainty and job cuts. Unfortunately one international bank in Cyprus, BNP Paribas, ceased operations here after trading for 25 years in Cyprus, resulting in over 30 redundancies. BNP Paribas revealed in November that it would lose about 1,400 people from its investment banking division world-wide. GRS however were able to provide an outsource solution to BNP Cyprus providing a four stage service to a number of employees facing redundancy to help them get back to work.

Globally, the sector continues to suffer further job cuts with Citi announcing in December additional cuts to its staffing levels. Banks including Goldman Sachs, HSBC and Royal Bank of Scotland announced thousands of job cuts in the latter part of 2011. With the banking sector showing no signs of recovery, the unfortunate casualties are those who are affected by job cuts, conscious that there are few jobs available for them to switch to.

Technology at Work – The technical sector in Cyprus has seen significant growth over the last year as Cypriot companies continue to embrace and adopt new and cutting edge technologies. We have seen considerable recruitment from several global IT companies operating in Cyprus as well as the opening of new ones from Israel and Europe. GRS has seen demand for IT specialists driven by the regulatory, risk and compliance reforms across Europe to create systems and IT projects that interface between certain banking functions/departments.

Building Power – Infrastructure projects also helped boost recruitment figures for GRS in the energy and desalination sectors. There was also an increased demand for technical staff for companies providing the emergency power supplies after the tragic events at the Mari Naval Base in July. This saw GRS mobilise its Special Projects Division to provide recruitment and payroll services to the international energy company operating the generators as soon as they landed in August, enabling them to be operational in record time.

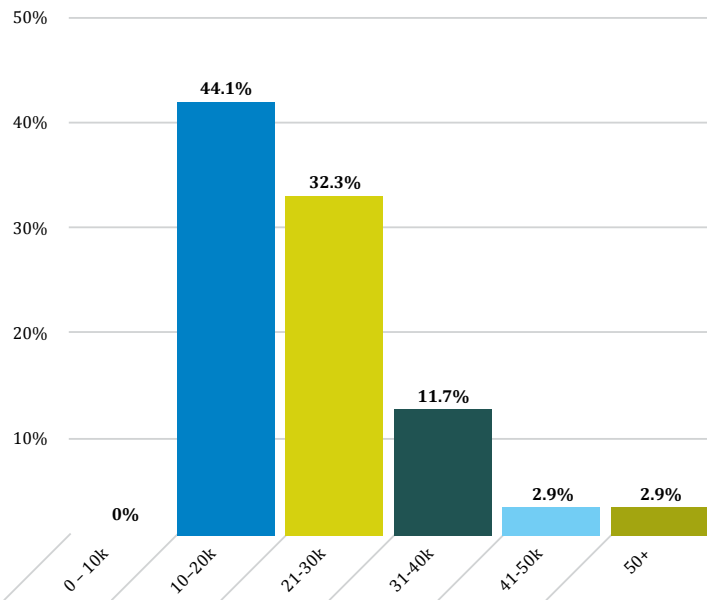
In spite of the growth in a number of sectors, some areas still remain slow including the construction and property sectors where there was little increase in headcount over 2009, 2010 and 2011.

Opportunity Knocks – A question we are frequently asked is how do we see 2012? It is a tough question for us to predict the economic future of Cyprus in 2012, so we like to stick to the facts. As the largest recruitment agency in Cyprus we are a good barometer of the economy as a whole, and in 2011 we have reported yet another strong year of growth in our business. We are also continuing to receive enquires from both local and international organisations looking to open new offices in Cyprus and gain information regarding the availability of talent in Cyprus, which indicates that Cyprus is still a very attractive low tax jurisdiction internationally.

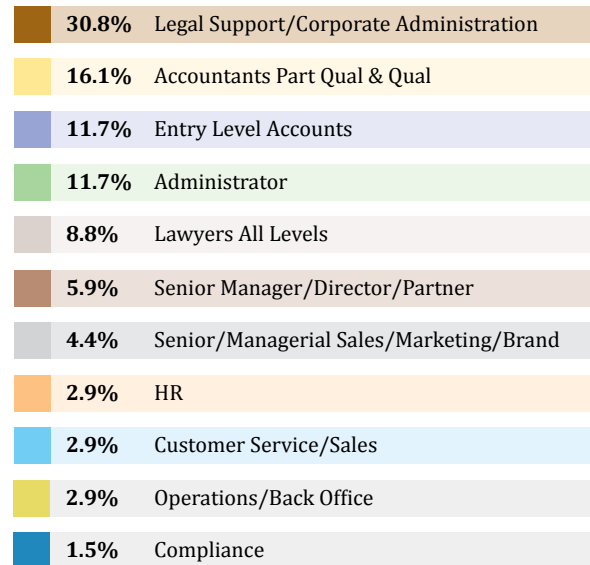
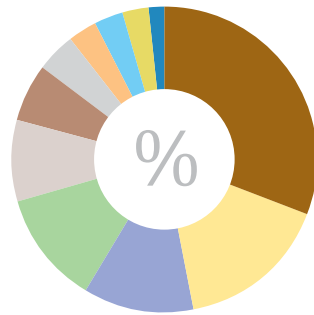
As long as this continues, we believe it makes for a very positive outlook for the Cyprus economy in 2012. It must be stated though that whilst 2011 got off to a more optimistic start in comparison to 2010, Quarter 4 of 2011 is indicative that optimism has dipped as the crisis continues to affect all sectors of industry globally, keeping businesses under financial pressure.

Corporate Services Review

Corporate Service Firms Salaries



Corporate Service Firms Positions



Demand in the Legal & Corporate Services Sectors Continues

With a booming corporate services sector in Cyprus there has always been a skills shortage for experienced professionals within the corporate services sector and this has been particularly acute with regards to lawyers.

There is not only a shortage of senior lawyers with corporate experience to meet the demand but there is also a shortage of junior lawyers with corporate experience. Many junior lawyers have been unable to gain a high level of experience as they have not been able to secure employment on qualification as employers have cut back on training contracts for recent Law graduates both in the UK and Cyprus. This in turn has created a shortage of lawyers with 2-5 years ppe as fewer candidates come through the route of qualification.

"There is demand in the market and a shortage of experienced lawyers that are job hunting, particularly with 2 - 5 years post qualified experience." confirms Director, GRS Donna Stephenson "...in addition there are very few recently qualified lawyers searching for jobs who have gained experience and exposure to corporate law, which is the main discipline that is in demand."

"When a Greek & English speaking lawyer with at least 2 - 3 years of good quality experience gained within the corporate law field commences their job search they can achieve several good job offers if they are a talented candidate." Said Sophie Aristodemou, Senior Consultant, GRS Nicosia. Sophie continues, "We are seeing that candidates are often interviewing at multiple firms, so our clients have to move more quickly to secure accepted offers from the best candidates."

The opinion at GRS is that law-

yers tend to move jobs less than other professionals and the number of traineeships has severely declined. This is a potentially worrying situation for the supply of talent to support the boom of the corporate services and legal sectors in Cyprus.

One of the reasons for the declining trend in trainee positions has been cited as economic. One Partner in a leading UK law firm said that they had not offered any training contracts for the last three years to Law School graduates as they become an expensive overhead when there is increased competition and margins are being driven down. He explained that they preferred to train up secretaries and administrators to paralegal positions as effectively they were cheaper than training Law School graduates to become qualified lawyers. As the expectations upon qualification are that their salary will rise quite substantially making it basically uneconomic to train and develop them. Especially when a well-trained paralegal or legal secretary can in some cases do 60%-70% of a qualified lawyer's work and command half the salary.

Is training corporate administrators or paralegals to take on the responsibilities of qualified lawyers a long term solution? Georgia Michaelides, Branch Manager of GRS's Limassol office believes that it appears more of a short term solution where the financial/economic goal is achieved today. Michaelides opinion however, is

that we are still not training and developing lawyers to the level required in the market to be able to successfully fill the positions requiring 2-3 years post qualification experience in corporate/company law. With demand outweighing supply, is this in turn aiding the increase of salaries for the legal profession as less experienced qualified lawyers will be available?

Statistics provided by GRS show that in Cyprus there has been a rapid rise in demand for legal assistants and corporate administrators with GRS confirming 9% of their placements made during 2011 were legal support and corporate administration candidates which reflects a growth of 33% on 2010.

In Cyprus more could be done to create opportunities to attract legal graduates and non-graduates to the legal and corporate services sector, and there needs to be buy-in from Law firms to give their legal trainees or legal assistants a rotation within the corporate department if we are to generate a skill set to support the growth of the sectors in the future.

In conclusion we have seen a decline in the number of experienced corporate lawyers that are qualifying and are looking for their first move after qualification. Companies are supplementing the lack of lawyers by increasing the flow of candidates recruited to legal support positions which is bridging the skills gap - but is this a solution and benefit for the legal profession in the long term?

Human Capital – Win Your Workers’ Trust

'Employees who distrust their directors or senior management are significantly more likely to look for a new job than their colleagues with more trust in management.'

According to research from the UK Chartered Institute of Personnel and Development (CIPD), nearly half of employees who strongly distrust their leadership are looking for a different job, compared to just 8% of employees who have strong trust in their senior leaders.

Claire McCartney, resourcing and talent adviser at CIPD, says: "With many organisations struggling to compete and survive, the issue of organisation culture and values can take a back seat. Some employers may also feel that they don't have to work as hard to keep their people because there are fewer opportunities in the labour market that will allow employees to jump ship.

"However, vacancies always exist for motivated and skilled staff, and employers risk losing their most valued employees - those most able to compete in a tough labour market."

While overall trust in leaders is generally low, with only 34% of survey respondents saying they trust their senior management, and 38% saying they mistrust them, the survey shows significant regional variation.

Why Senior Executives Fail in Interview

At GRS we have placed a number of senior executives with both local and international companies and one area that surprised us in the Executive Search Market was how seemingly well qualified and experienced individuals frequently did very badly at interview. We analysed our interview feedback to see how senior executives are most likely to fall down on interview.

The leading traits we found that lead to failure at interview were arrogance and over-confidence, and poor communication skills coupled with the inability to listen to the interviewer. The third most commonly cited factor was inadequate research and preparation for the interview. Other factors included demanding too high a salary package, being too controlling, poor personal presentation, getting caught lying (especially over remuneration) and being too laid back.

Whilst interview preparation ought to be given to every candidate it's not always easy as a recruiter to give feedback to a senior candidate that they come across as arrogant. Steve Slocombe, Director at GRS said 'Frequently we see very senior executives who are too used to being on 'the other side of the table' when it comes to interviews and are clearly not prepared and ready to sell themselves to their new potential employer. We see some great eminently qualified individuals that have quite often not had interviews for years and are unable to articulate their unique selling points in a clear concise and succinct manner. This ultimately leads to failure at interview and most candidates expressing surprise as to why they were not successful. At GRS we are able to offer Executive Interview Coaching to individuals as well as help in producing a winning CV.

For further information on Executive Interview Coaching and CV writing please contact: **Steve Slocombe**, GRS Director, Nicosia +357 22 769 369, steve@grsrecruitment.com



Employment Trends in Cyprus

In a country like Cyprus, with a dynamic economy but a small labour force, employment trends can move quickly, which can leave official projections behind the curve. For something a little more accurate and up to date, we need to look at likely future developments as well as more recent trends. What do these tell us?

The general trend for the immediate future is not so bright. We have a government that is being forced by the rating agencies to cut spending drastically and banks that are being pushed by regulators to rack up their capital buffers. This means that civil servants will have less to spend and banks will have less to lend in 2012. This combination suggests that overall demand will probably shrink next year, leading to more unemployment and a glut in the supply of labour. That is bad news for companies that depend on consumer spending but good news for companies that are hiring, as wage

demands will probably weaken.

However, there will still be pockets where demand for employment will continue to rise. The greatest potential is in energy-related businesses. With early indications suggesting that Cyprus will have enough natural gas to export, we should expect a rush of companies trying to get in on the billions of euros of investment that is involved in the extraction and processing of natural gas, even if it will take years to bring it all on-stream. In the early years there will be demand for geologists, oil and gas engineers, and environmental specialists as the financiers demand proper risk management. In around three to four years there will be demand for those with experience in deep-water pipeline construction to bring the gas onshore, then architects and construction workers to build the infrastructure for receiving the gas. The really big construction demand will come a

decade or more into the future with the billions of dollars spent on building an LNG plant. Estimates range from \$10 billion to \$20 billion.

The whole energy enterprise is likely to have spin-off effects on related support services at which Cyprus already excels. So expect a gradual pick-up in demand for consultants, accountants and lawyers. Eventually this will also have a greater impact on employment in the real estate sector, but with prices and demand still in negative territory, it may not be for a while yet.

Other trends in retail, manufacturing and exports suggest that pharmaceuticals production and food-processing will continue to be resilient to external shocks. Finally, records show that education has been one of the fastest growing sectors in recent years, possibly as a positive by-product of the expansion of universities and other research institutes on the island.

Fiona Mullen, Director, Sapiienta Economics Ltd, fiona.mullen@sapiientaeconomics.com

GRS Announce the Launch of Major Projects Division

GRS announced earlier this year the launch of their Major Projects Division which specialises in providing temporary/interim, contract and permanent staff to major infrastructure projects across Cyprus.

The structure at GRS is geared to offering clients a complete turnkey solution for large scale recruitment and payroll solutions on time critical projects. Over the last few years GRS have gained valuable experience of working on large scale infrastructure projects and back in 2006 were the main recruitment partner for Bouygues Batiment and Axima Contracting for the construction of two new airports in Cyprus at Larnaca and Paphos. Over the duration of the project GRS supplied 65 permanent members of staff and the payroll of over 250 personnel on a temporary and contract basis. They have also been heavily involved in the recruitment for the construction and operation of several desalination plants in Cyprus partnering with both local and international companies. Currently GRS are the main

supplier of recruitment and payroll solutions to a major energy company in Cyprus that is providing the country with emergency energy supplies since the tragic events at the Mari Naval Base and the destruction of the Vassiliko Power Plant. To date GRS has provided over 50 personnel ranging from engineers to accountants at multiple sites with staff working 24 hours a day seven days a week.

Director Steve Slocombe said, 'We are proud to have partnered with some amazing companies working on major infrastructure projects across Cyprus.'

At GRS we have the facilities to offer a one stop shop for companies looking for a complete turnkey solution. From recruiting candidates, referencing them, payrollling them and providing them with the correct safety equipment.'

Recruitment Agencies – The Truth Behind the Myth!

The role of a recruitment consultant and recruitment agency is often one that is misrepresented in society. Good recruitment consultants change lives, add value to organisations and, just as important, build lasting relationships with candidates and clients alike.

Yes, of course there are those agencies out there that are simply 'CV Shops' where little or no consultation with clients and candidates takes place, but in our opinion that is not how this industry should operate. Simply forwarding CVs from an inbox to a client will more often than not result in a negative experience for both client and candidate. A lack of thorough needs analysis and consultation results in high staff turnover and prohibits long-term working relationships, particularly in small, close knit communities like Cyprus.

Here at GRS we are consultants and by that we mean that we take the time to fully understand the needs and requirements of our clients, including in most cases visits to their offices, detailed questioning regarding the culture of the company, what character traits they look for in their employees, what benefits they offer, what if any career prospects there are within that particular firm and so on. The more we get to know our clients, the better 'fit' and 'match' our CVs will be to specific vacancies. Since our inception in 2005 we have built excellent, long-lasting and prosperous relationships with 100s of clients across multiple industry sectors and we are now at the point with a number of our key clients that when a job vacancy arises our consultants know exactly what type of person will thrive and prosper in that particular working environment and shortlists can be sent to clients for review in a matter of hours. As an agency it is our aim to be seen as an extension of our clients' HR Department; where we are relied upon to deliver quality people that serve the best interests of all parties.

This attitude is very much the same when dealing with the many, many candidates that submit their CVs to GRS for review. Those candidates who submit applications to us that we are confident we can assist in securing new employment will in most cases be invited to our offices in either Nicosia or Limassol for a one-to-one consultation with one of our experienced recruiters. During these meetings we spend approximately thirty minutes with each candidate discussing their academic background, professional work experience, career aspirations, character traits, salary expectations, language skills, IT skills and so on. After this we are able to compile a full, detailed profile of each candidate that is entered into our corporate database, Bond Adapt, a leading, internationally respected intuitive software package, designed specifically for the recruitment industry, for access

and use by all consultants that work for GRS across both of our offices. It is vital that we offer sound and constructive advice to the candidates who register with us and it is amazing how many candidates we work with that ultimately turn into decision-makers themselves and use us to recruit for them further down the line.

Confidentiality is also a very important element of the GRS ethos and one that we pride ourselves on. This applies to candidates and clients alike. Due to the size and intimacy of the job market here in Cyprus, confidentiality is almost always of the utmost importance and we always take steps to reassure individuals who place their trust in GRS that we will take all the necessary steps to protect their identities, unless specifically instructed otherwise. We create our own 'GRS CV' based on the original document provided to us by candidates, removing all of their contact information including the name of their current employer and any other pertinent information that may disclose their identity out there in the market. Where clients contact us looking to recruit for a confidential vacancy we also take the necessary steps to ensure that only those candidates selected for interview are made aware of the client in question.

An average day for our team of consultants would consist of reviewing and following up on the numerous applications received overnight in response to online job adverts on our corporate website and other 'job boards' that we subscribe to. Candidates will then be booked in for an internal interview at our offices or screened in detail over the phone if a face-to-face meeting is not possible and notes entered onto our database. Consultants will then begin the task of searching and selecting candidates in line with job descriptions provided by clients and from there shortlists will be put together and sent for review by the client. Business development also plays a significant role in our jobs – we are always actively prospecting for new clients and our teams always allocate time in their day to speak to potential clients about the value we can offer to their business.

There is without doubt a great deal more to the role of a successful recruiter than meets the eye and it is perhaps those companies who operate in our industry without always having the clients and candidates best intentions at heart that result in some of the negative sentiments towards recruitment agencies. It is an extremely challenging and often stressful position to do well, but also one that is extremely satisfying and there is nothing quite as rewarding as finding the ideal candidate the perfect position with one of our clients and when that individual goes on to add true value to their organisation!

Chris Moore, GRS Branch Manager, Nicosia Office

Exclusive GRS Interviews with Industry Leaders...



NAME:
Arno Bijl

COMPANY:
Intertrust Group, Cyprus

POSITION:
Managing Director

INDUSTRY SECTOR:
Corporate Services

Intertrust Group has been setting the standard in trust and corporate services since 1952.

The Eurozone has experienced a turbulent year in terms of financial growth and confidence – how has this impacted on Cyprus Corporate service firms?

Up until 31 October 2011, there were approximately 16,000 companies newly registered with the Register of Companies for the year. When I extrapolate that number for the whole year, the growth rate is still behind that of 2006, 2007 and 2008, but it's higher than 2009 and similar to 2010. Main factor is that only a relatively small part of the business is generated from the EU countries, of which most are struggling at the moment. Cyprus's markets are geographically pretty well diversified. Central and Eastern European countries have either had their cuts or were suffering less from a debt crisis over the last year. Russia shows less growth but India and China are still going strong. The diversification also applies to the industries. Whereas shipping and real estate are still under pressure, Cyprus is well positioned to benefit from developments in oil and gas and related services. At Intertrust we still see a strong demand for Cyprus, for new business as well

as clients worldwide approaching us for their existing Cyprus structures.

Over the last 12 months we have heard of a number of companies moving to Malta in terms of Corporate and Investment services. How does Cyprus compare with Malta as a jurisdiction?

The majority of our clients are present in multiple jurisdictions. Choosing one jurisdiction over another depends very much on the particular circumstances and the nature of the business and the transactions of a company. Cyprus has a reputation as an international financial centre through its attractive taxation system and excellent services such as banking, legal, corporate services and of course its human capital. It has its advantages and disadvantages over other jurisdictions. A general comparison between jurisdictions should not be given, each case is different. At Intertrust we first look at what is beneficial for our clients through our experience and cooperation with professional lawyers and tax advisers and then the client decides on a jurisdiction.

As a new entrant to the Cyprus market how easy is it to do business in Cyprus?

Principally quite easy, as corporate services are a well established and – relatively speaking – large industry in Cyprus. Potential business partners like law firms and tax advisers, auditors and banks are supportive and willing to facilitate us. Public services require their own approach, but that applies in a similar manner to Cyprus as to the other 18 countries where Intertrust Group operates.

GRS introduced several key employees for your firm earlier this year – how have you found the level and calibre of the candidates in the Cyprus market?

Excellent. All were well qualified in terms of education and many candidates had an in depth understanding of and experience in corporate services. The candidates who have lived and worked abroad combine local knowledge, cultural sensitivity and service mentality towards foreign clients and partners. They have learnt customer orientation and responsiveness which are Intertrusts' suc-

cess factors globally and in Cyprus.

What benefits, advantages and opportunities might Cyprus's EU Presidency hold in the 2nd half of 2012 for local industries?

It's an opportunity to show internationally that Cyprus is a loyal and capable partner among EU member states. As Cyprus is one of the smaller EU countries, the EU Presidency will help to put Cyprus on the map and gain visibility worldwide. Cyprus has business relationships with large multinationals as well as internationally active Private Equity firms and SMEs which invest through Cyprus into Central and Eastern Europe, Russia and Ukraine, India and China and many other countries. On the other hand, businesses from those regions use Cyprus more and more as a gateway into Europe alongside Netherlands and Luxembourg. Towards investors, management boards and entrepreneurs that haven't heard about Cyprus or worked with it, the EU Presidency offers the perfect momentum to step into the limelight and become recognised for business purposes.



NAME:
George Rologis

COMPANY:
Alter Domus, Cyprus

POSITION:
Managing Director

INDUSTRY SECTOR:
Funds Administration and Corporate Services

Alter Domus is a leading provider of outsourced administration services for multinational corporations and alternative investment funds.

Cyprus ranked 40th out of 183 in the World Bank's "Doing Business Report 2012". What are your thoughts on this rank with the overall global competitiveness for Cyprus?

Such independent indicators are key to reflecting Cyprus's attractive position within the EU but also regionally for doing business. Although Cyprus is a small economy it has managed to position itself favorably to other more established economies, which is noteworthy bearing in mind it has also managed to improve its position by 9 places since last year.

Crucially, Cyprus is best ranked against regional competitors competing for the same markets. Such an accreditation provides comfort and assurance to the many global businesses and entrepreneurs who view Cyprus as a potential location for establishing their businesses or making investments. Proof are the many international businesses that already operate in Cyprus for many years either servicing the local market or acting as regional hubs for servicing the EEMEA regions.

Despite its good position, Cyprus should make additional efforts to climb the ranks even further in order to establish itself as a key global financial centre, which it aspires to be.

There exists a wide range of specialised legal, accounting, auditing and taxation services in Cyprus. Which countries do you feel Cyprus is competing with for the attraction of clients to these sectors?

Cyprus has had a very successful track record over the last few years in attracting many international businesses for structuring their investments via Cyprus based on the favorable tax system that we have. As a result the legal, accounting and tax sectors have benefitted greatly and have been the most attractive sectors for human resources.

This success has not gone unnoticed however as today Cyprus has an increased number of countries that compete against it in these markets relative to the past. Namely Cyprus has to compete against other onshore jurisdictions like Malta, Ireland, Luxembourg, the Netherlands, Jersey, Guernsey and Singapore.

Do you see opportunities for growth in 2012 and where will the growth come from?

Cyprus is a small and open economy, and therefore dependent on the global economic cycle. If a solution to the fiscal issues a large majority of the EU sovereigns are facing is found, and there is increased appetite for investment, then Cyprus will also benefit from this and we will see growth in the international business flowing through.

Successful developments on the gas exploration front, finalisation of the negotiations with Middle Eastern investors for investments in the real estate market and Cyprus's EU presidency in H2 2012 are three potential "aces" that can provide huge boosts to the economy. Responsible and competent management of these "events" by the government can propel Cyprus to one of the highest growth economies in the EU not only for 2012 but for the next 2/3 years. Opportunities for our markets will consequently flow through.

The Alternative Investment Fund industry in Cyprus is quickly gaining international recognition as witnessed by the strong market activity in the last few years. Today there is a growing registration of Cyprus funds and GRS realise that there is a gap in the availability of talent to support fund administration in Cyprus and feel that talent would need to be sourced from other fund jurisdictions. What are your thoughts on the availability of

talent in Cyprus and what action do you think should be taken to ensure that Cyprus remains an attractive destination for investment funds?

The Cyprus AIF industry is indeed gaining recognition and this was one of the reasons why we, as a global fund administrator focusing on the alternative funds industry chose to open an office here in Cyprus as well.

We feel that there is talent available in Cyprus that can support this industry; however there is lack of experienced people and the relevant training to develop and grow this talent. In the short term Cyprus needs to look abroad to lure in experienced professionals in order for the local talent to progress.

Here at Alter Domus we train our local talent on our specialised softwares and with global client accounts at our offices across the world. Thus they gain valuable experience and are ready to serve our clients here in Cyprus.

Cyprus should continue to develop its legislation in relation to funds to ensure that we remain more, or at least equally attractive, than other competing jurisdictions. Simultaneously, the marketing and educational effort to update fund managers and investors globally that Cyprus is a viable option, should increase.

We are hearing a lot about the rapidly growing economies of India and China. Your firm has recently opened an office in Beijing which I understand is its first in mainland China, and its third in the Asian region. What opportunities does Cyprus as a jurisdiction offer clients in India & China?

Indeed, Alter Domus recently opened an office in Beijing. As many others we have decided to address this market with local presence and together with our other Asian of-

fices to service this growing part of the world.

Based on the very favourable tax system that we have here in Cyprus, this is an ideal location for both Chinese and Indian business – as a gateway for investments into Europe, into established industrial and services business and also for the Russian / CIS region, which is rich in natural resources. Additionally, with the good infrastructure that we have and the highly skilled human resource, Cyprus can act as a regional hub for Indian and Chinese companies that want to target the European / Russian / CIS markets and Middle Eastern markets.

What advantages and opportunities might Cyprus's EU Presidency hold in the 2nd half of 2012, and what benefits can your industry gain during this time?

This is the opportunity for Cyprus to be in the limelight for all the right / positive reasons for six months, the time for us to shine in the EU but also globally. The opportunities therefore are multiple if we exploit this huge marketing opportunity as a country. Key will be to educate and showcase to the world that Cyprus has to offer much more than the sun, the sea and the "Cyprus Problem". Cyprus has to bring out its capabilities as a potential financial / commercial / energy centre, its good infrastructure, the professional and stable environment, the investment opportunities and the many other things we have to offer. To show that we can contribute to the European family. The year post the presidency – 2013 – can be one where there are many growth opportunities for economy.

As an industry there are no direct gains, however there will be many indirect gains from the overall positive spin the country will get and the opportunity to push Cyprus as a jurisdiction.

Financial Crisis

As the global financial crisis continues to hit the Eurozone, Nicolas Sarkozy, the French president, and other European leaders have been banking on China to step in and wave its magic wand. But is China prepared to bail out Europe?

Jin Liqun, supervising chairman of China's sovereign wealth fund who has served as China's deputy minister of finance and vice president of the Asian Development Bank manages \$400bn worth of the nation's money. He recently stated:

“



If you look at the troubles which happened in European countries, this is purely because of the accumulated troubles of the worn out welfare society. I think the labour laws are outdated. The labour laws induce sloth, indolence, rather than hardworking. The incentive system is totally out of whack. Why should, for instance, within [the] Eurozone some member's people have to work to

65, even longer, whereas in some other countries they are happily retiring at 55, languishing on the beach? This is unfair. The welfare system is good for any society to reduce the gap, to help those who happen to have disadvantages, to enjoy a good life, but a welfare society should not induce people not to work hard.”

Jin Liqun, Supervising Chairman of China's Sovereign Wealth Fund

What are your thoughts on Jin Liqun comments above?

Arno Bijl: Welfare cannot be taken for granted, that's for sure. Hardworking is important, but what I believe is even more crucial is a workforce that is flexible so it can continue contributing to profitability. If not in one role or place A, than in another role or place B. Not forcefully and by law, but by showing the long term perspectives, development opportunities and benefits of flexibility. Intertrust encourages flexibility and (international) mobility. As a truly global corporate service provider, operating in the world's most important economic hubs, we experience on a daily basis that economic powers are shifting and that the world is getting smaller. We clearly see these developments as a positive challenge as, to a certain extent, they are the reason for our existence and drive our business. Our business is global business.

Hard working, dedication and flexibility can be achieved by pairing personal development with company growth. Through personal development plans, local coaching and training, education at our own Global Intertrust Academy, and also performance driven rewarding. International mobility on the short term by secondments and on the long term by relocation. Flexible employment laws can sometimes help, but are no critical success factor for our company. A good place to develop yourself, to gain seniority not by age but by training and learning experience, discover new things, that's what makes us work hard. That's probably also why in many of the countries across the globe in which we have offices we are employer of choice in our industry. Labour laws are and should be there to safeguard rights and duties, employers are there to focus on the personal development of employees and by doing so realise company growth.

George Rologis: I would tend to share the skepticisms of the above quote on the welfare system structure; although one must point out that what we are experiencing today in Europe has not been solely due to welfare society. There are many other factors that I will not analyse now. This was though one of the factors that contributed to these consequently.

One must review the system in a way that there are more equalities among countries and limitations in gaps in welfare, however there needs to be an environment that promotes those who are highly skilled and motivated to work. Examples from more advanced economies like the US and Asia must be taken where businesses are given incentives to invest capital where opportunities lie and human resources are given opportunities to become mobile to follow these movements of capital. Cyprus is a small and open economy and needs to synchronise its understanding of how the "global economy" works and how Cyprus is affected and link itself into this flow of capital. As a result it needs to update its labour laws and welfare system if it is to remain a competitive economy with an acceptable ranking of "Doing Business" in the 21st century.

Cyprus Improves Regulatory Environment

Cyprus has made some progress in improving its regulatory environment, with more yet to be done.

Cyprus ranks 40th among 183 countries worldwide in the World Bank Ease of Doing Business indicator, and 47th among 142 economies in terms of broader competitiveness as measured by the World Economic Forum's Global Competitiveness Report. Measures taken have included simplifying the administrative procedures to set up new business (one-stop shop). Further measures are needed to improve the business environment. According to the Lisbon Review 2010, Cyprus ranks 13th out of 27 EU countries in terms of overall competitiveness, but only 21st in terms of the subcategory Innovation and R&D.



“All men's gains are the fruit of venturing”
Herodotus”

Excerpt from IMF Statement

By Menno Snel, Executive Director for Cyprus, and Ester Barendregt, Senior Advisor to the Executive Director for Cyprus

Cyprus has a history of stable economic growth and responsible fiscal policies. A business friendly environment and a well-educated population have contributed to its economic success over the years. Following a recession in 2009, positive real growth was registered in 2010. For 2011, the government had projected 1.5 percent growth and the outcomes in the first two quarters of this year were in line with this projection. However, a deteriorating external environment and the tragic explosion on 11th July that destroyed the Vasiliko Power Plant have had a negative effect on the outlook. Moreover, the worsening situation in Greece has negatively affected economic confidence in Cyprus, where banks have high exposure to Greece.

Economic and fiscal outlook

The economic impact of the Vasiliko

explosion appears less pronounced than was feared at first. Especially the services sector is performing better than foreseen. The government now expects growth for 2011 to turn out at around 0.5 percent, at the higher end of the post Vasiliko projections. For 2012, the government's preliminary projections point to a possible 0.2 percent growth, mainly on account of promising prospects for tourism and in general for the services sector, as evidenced by forward-looking indicators. They acknowledge the highly uncertain global environment and particularly the risks related to the European debt crisis. For the medium to longer term, potential gas reserves offshore Cyprus constitute an upside potential for economic growth prospects.

Financial sector

The Cypriot financial sector is large in

terms of GDP, and has been an important pillar of the economic model. Cypriot banks conduct mainstream banking (mostly deposit taking and loan granting). They have low dependency on wholesale funding. The regulatory framework is conservative, as is illustrated by strict liquidity requirements and the relatively high minimum capital ratios (minimum core tier 1 capital of 8 percent of risk-weighted assets). The two largest banks already comply with the Basel III minimum capital ratios.

Fiscal consolidation

The government aims to reach a deficit below 3 percent for 2012 and a balanced budget by 2014. A first package of measures was approved by Parliament in August, and a second package is currently in Parliament as part of the proceedings for the 2012 budget. Revenue enhancing measures were also part

of this package, including an increase of the withholding tax on interest, the introduction of a levy on all registered companies, and an increase in the highest marginal income tax rate. The second package, which is currently in Parliament, includes further measures to contain the public sector wage bill such as the abolition of all vacant posts, a reduction of personnel in the broader public sector (one recruitment for every four retirements), as well as a 10 percent reduction of salary scales for newly recruited personnel, agreement on the freeze in the cost-of-living adjustment (COLA) during the first half of 2012 (One of the options being considered is to keep the COLA payments constant above a certain threshold as a permanent arrangement), an increase in the standard VAT rate from 15 percent to 17 percent are the other main elements of this second package.

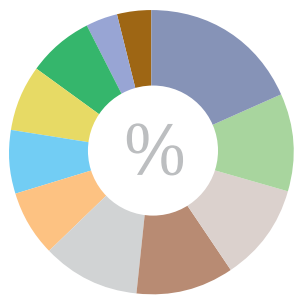
Cyprus Funds Review

Despite the financial crisis, Europe's funds industry has remained relatively resilient. In most European investment fund centres, fund activity increased especially with the growing interest in EU-domiciled investment vehicles and services.

By Ioannis Gaiganis

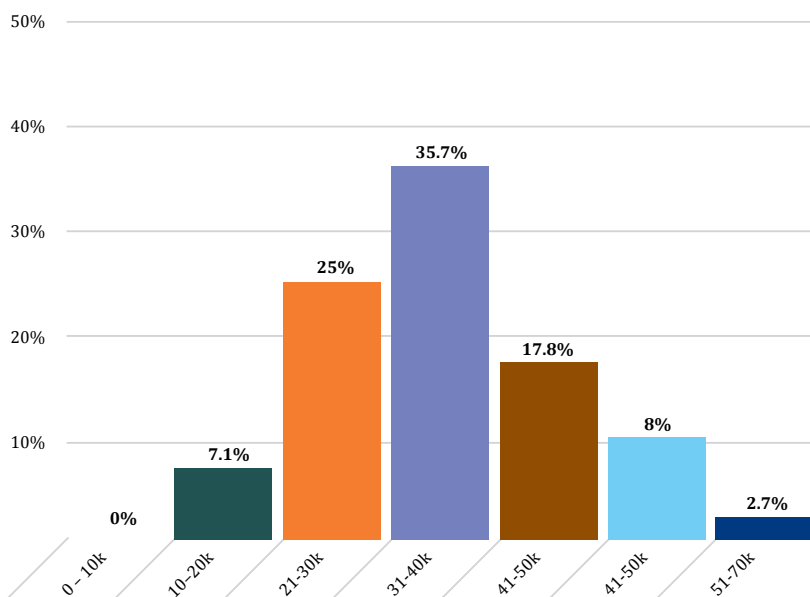
GRS Recruitment offers specialised recruitment services in sourcing and placing investment management, banking and other capital markets professionals in a vast array of temporary and permanent career opportunities. We assist financial services companies with their recruitment needs in investment management, investment banking, custody, fund administration, and private equity services.

Investment Firms Positions



17.8%	Senior Manager/Director/Partner
10.7%	Operations/Back Office
10.7%	Lawyers All Levels
10.7%	Customer Service/Sales
10.7%	Accountants Part Qual & Qual
7.1%	Software Developer/Programmers
7.1%	Legal Support
7.1%	Entry level Accounts
7.1%	Compliance
3.6%	Senior/Managerial Sales/Marketing/Brand
3.6%	Network Engineers/System Engineers

Investment Firms Salaries



New regulations like the arrival of UCITS IV and the Alternative Investment Fund Managers (AIFM) Directive are spurring job creation and are very likely to act as driving forces for further development of the industry.

For many observers, the AIFM Directive is a reaction to the financial crisis aiming to increase transparency and improve governance within the alternative fund industry. It will not take effect until mid 2013, but most European fund centres such as Luxembourg or Ireland have been taking measures for its implementation.

In Cyprus too, the fund services industry is preparing for the upcoming changes and slowly expanding with the very discreet establishment of new fund administrators and top corporate services providers.

Big local corporate service providers and banks are considering an expansion in fund administration and custody business focusing on the servicing of alternative funds. Local law firms and accountancy firms are increasing their specialisation in the funds sector. It would be fair to say that today Cyprus could be one of the best solutions for small and mid-sized investment funds.

Local fund administrators usually form part or have links to much larger international administrators and are able to benefit from the system infrastructure of the larger group internationally. However, the services based in Cyprus benefit from lower cost office space and qualified local staff allowing service providers to offer the same level of quality service as their foreign partnering entity but at more competitive cost. After all, Cyprus has all the intrinsic advantages of an EU domicile (Euro, European regulatory and legal framework) but at a lower cost base.

The regulator is open to consultation from the fund's early stage and this speeds up the process considerably, as regulatory and statutory issues are dealt with before authorisation. The regulatory framework is flexible with emphasis on manager ability and investor protection.

The Cyprus legal system and the quality of the local lawyers are also quite remarkable, considering they have come into the current form of alternative funds universe later than other European fund centres.

There is still a shortage of international service providers but with funds increasing and managers considering Cyprus as an alternative for their operations, the number of established fund players operating out of Cyprus should increase exponentially over the next five years. After the global hedge fund IKOS proved that Cyprus can be the right place to operate from, smaller companies have joined suit with most recently the arrival of Belgian origin asset manager Beneficentia, winner of the IAIR 2011 Rising Star award for excellence in alternative management.

Financial turmoil has caused market changes where institutional fund investors favour non-benchmarked products and fund managers focus on bigger tickets. While the obvious solution is the alternative form of UCITS meeting the requirements of pension funds, well regulated non UCITS are also in favour and here Cyprus also has a lot to offer. The fact that Cyprus has deeper expertise in the alternatives, positions it ideally to gain from the regulatory evolution.

Experienced Investment Fund (EIF) and the Private Investment Fund (PIF) are well defined under the ICIS law (International Collective Investment Scheme) and the opportunities caused by the AIFM Directive rely heavily on marketing that Cyprus is able to offer a product that replicates the success of UCITS as a cross-border EU product. Cyprus could benefit by clearly demonstrating that the EIF and the PIF are AIFM Directive-compliant. Non-EU managers increasingly seek an EU platform beyond UCITS because of its constraints. Cyprus's ICIS fund forms are ideally placed between the UCITS and offshore funds because it offers a direct replication of the offshore investment strategy while being regulated by an EU regulator and requiring the appointment of an independent custodian.

UCITS should not be overlooked however and sooner or later they may come to occupy an important place in the Cyprus fund landscape. Especially as under UCITS IV managers can manage different UCITS funds on a cross-border basis. This could

benefit Cyprus if a mid-size manager with operations in many jurisdictions decides to consolidate its management activities on the island. Although it's still early days for UCITS IV, the master/feeder structure may grow to be a Cyprus success story in the long term.

The other crucial impact of more funds or managers choosing Cyprus is that it will create employment in the fund services sector. In mature fund centres employment levels in the fund sector grew by almost 10% in 2010 and 2011 even as overall unemployment increased.

The fund services sector may not be the only creator of jobs though. The asset management industry should also contribute because Cyprus has all the right ingredients to generate more asset management related employment: quality infrastructure, efficient tax regime, talented workforce and now industry support from Banks, the Big4 and the Cyprus Investment Promotion Agency. The regulatory process of establishing asset management businesses is improving and if there were large numbers of asset managers establishing themselves in Cyprus, the procedures would gain in efficiency and smoothness.

To keep up with the sector's growth, Cyprus needs to establish a steady stream of professional qualifications for staff and demonstrate an ongoing commitment to education that serves the fund industry.

Firms practicing in this area may require people with specialised degrees or previous practice with foreign firms active in the funds sector and offering a high level of competence and experience in dealing with international funds and managers.

So going forward, Cyprus's funds industry should be looking at recruitment but not only in the areas traditionally considered as major necessities.

Obviously, the proliferation of 'Newcits' funds and new regulations on the alternative front will require more accountants with fund expertise.

Looking at the evolution of recruitment in mature fund jurisdictions however, there should also be strong demand for people in the registrar/transfer agency functions or pricing and valuation verification already present with most administration offerings across Europe.

Fund administrators will need to offer middle office added value services such as risk and liquidity reporting, which will become an absolute requirement for alternative fund managers in 2013.

As Cyprus fund administrators evolve and enhance their systems setup, there should also be increased demand for business analysts.

Another area where fund servicing firms will most likely concentrate is client relationship. As new business arrives, client servicing may become a clear differentiating factor amongst firms battling for asset inflows.

Today, Cyprus is in a state of surplus in qualified accounting, legal and corporate servicing staff with no investment fund expertise. The challenge for the island's fund industry is to manage its growth by ensuring that the industry has access to fund professionals with specialised expertise.

Recruitment of the needed qualified staff in line with Cyprus's fund industry growth, is a challenge to be undertaken by local recruitment firms. Companies like GRS Global Recruitment Solutions are amongst the very few international recruitment firms based in Cyprus that, due to their gateway to more mature fund jurisdictions like Luxembourg or Ireland, can offer tailored recruitment services to a growing fund industry.

The opportunity for Cyprus to become a major investment fund centre is there and the evolution of the regulatory landscape is favourable to this vision.

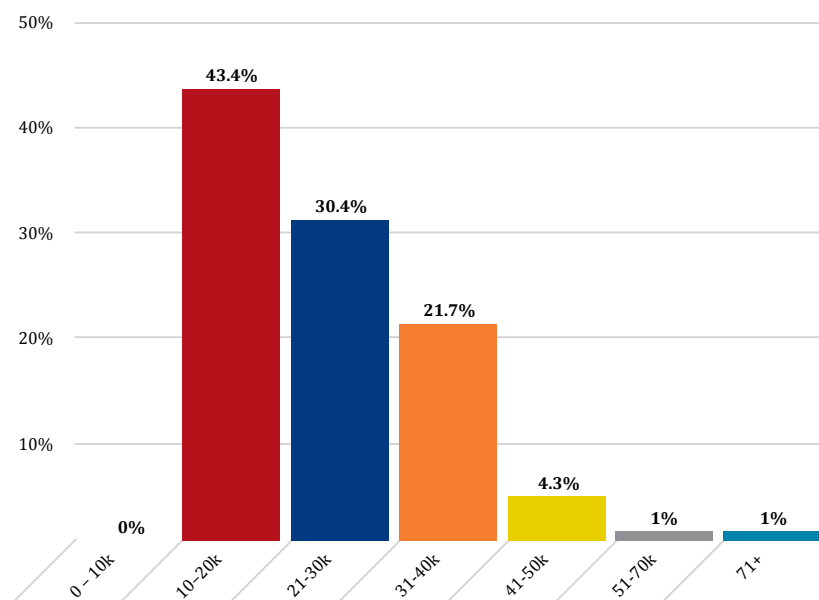
Service providers are sufficiently present to cope with even the sharpest of activity increases and their power to adapt would make it difficult for the fund sector to stumble from an abrupt and excessive business increase.

Recruitment capability, albeit limited to the number of recruitment firms having access to the type of staff needed by the fund's industry, is there.

There are simply no more excuses to repeat what needs to be done instead of acting.

Tough Competition in Cyprus Market to Recruit the Best Accountants

Accounting Firms Salaries



There is tough competition in the Cyprus market to recruit the best accountants meaning that employers need to strike whilst the iron is hot and recruiters need to work harder to source the best talent and find more creative ways of generating interest in their client's accounting vacancies.

The demand for accountants in the market in Cyprus continues to grow within the audit, legal, trust, and corporate services sectors and the demand for their services has increased substantially from organisations that utilise Cyprus as a low tax jurisdiction. For the accountancy sector the Cyprus Review Index shows that there has been a small decrease in the number of accountants that GRS has placed within the accounting sector with a 2.5% decrease reported in the number of accountant jobs filled by GRS in 2011 in comparison to 2010. There

is a shortage of accountants that are actively seeking new employment and with not enough to fill the openings within private practice and industry voids are being filled with accountants that have migrated to Cyprus from other European countries & Russia.

With Cyprus uniquely placed as a financial hub with its low-tax jurisdiction, the country is an attractive place for other European citizens to work. Additionally, close ties with Russia and the numerous Russian owned companies with offices in Cyprus, attract Russian Citizens or Russian speaking candidates for employment opportunities in Cyprus.

Accountants and in particular newly qualified accountants are in demand across all the sectors. Employers therefore have to offer competitive and attractive salaries to attract the best candidates in

these fields.

"Professional service firms and private sector firms are competing for the country's top accounting talent" said Donna Stephenson, Director at GRS.

The advice from GRS is "If you meet a candidate that is 90 - 95% of what you are looking for, make an attractive offer. Not only are you looking but candidates are out there having several interviews and are shopping around. Additionally two or three other companies are looking for exactly the same criteria in a candidate that you are and if you wait too long, chances are the candidate has accepted an offer elsewhere."

Interviews become much more of a two way process because candidates have choice in the market, not only is the client interviewing the candidate but the candidate is interviewing the employer at the same time. The employer must use

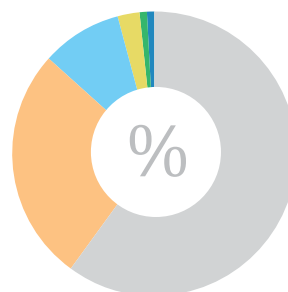
the interview to maintain the candidate's interest enough to have them accept a job offer with them. Once a job offer is made the prospect employer is most likely competing with the candidate's existing employer who will counter offer them.

"We are experiencing more competing and counter offers for top candidates as they receive several offers from employers in addition to a counter offer from their current employer." remarks Donna Stephenson.

Today, what is apparent is speed. If an employer is not quick enough making the job offer, the employer will already be competing with other companies who may get their perfect or near perfect match because they were faster than them at making that attractive job offer.

Essentially speed is important and making time to interview is key as well as spending time retaining your own top performers.

Accounting Firms Positions



60%	Accountants Part Qual & Qual
26.8%	Entry level Accounts
9%	Senior Manager/Director/Partner
2.7%	Lawyers All Levels
0.7%	Software Developer/Programmers
0.7%	Compliance

Recruiting Talent

In the continuing war for talent, CEOs identified the major challenges over the next three years as: a limited supply of candidates with the right skills, 66%, recruiting and integrating younger employees into the workforce, 54%, losing top people to competitors, 52%, and providing attractive career paths, 50%. The top strategies they identified to meet those challenges were: using more non-financial rewards as motivation, 65%, deploying more staff on international assignments, 59%, and working with government and academia to improve skills, 54%.

Nurturing Skills

Nearly half of CEOs said the priority of government should be improving the country's infrastructure. It was followed by creating and fostering a skilled workforce, 47%, and ensuring the stability of the financial sector and access to affordable capital, both 45%.

More than 60% agreed that public spending cuts or tax increases would slow their country's economic growth, and 53% said their company's taxes would rise because of government reaction to increasing public debt. Just over a third said that their company was making strategic changes because of public spending cuts or tax increases either at home or abroad.

Benefits of Outsourcing Payroll

When you handle payroll internally, you must pay one or more employees to devote their time to this task. Not only must someone add up employee hours, but he or she must figure out shift differentials, check and re-check basic computations and, depending on the payroll software used, may have to manually enter special circumstances, such as bonuses and deductions, for each employee. You must also spend time keeping tax documents up to date, and other bookkeeping tasks. If you were to add up all of the hours and materials spent on payroll-related tasks, you might be surprised at how much money you are spending.

GRS has for several years been offering payroll outsourcing ser-

vices to a wide range of organisations both in the public and private sectors in Cyprus. Our clients include Sony, Oracle, EU Commission, Thomson Reuters, HP Hewlett Packard and JTI to name but a few. In addition we have a wealth of experience in setting up outsourced payroll projects on large, time critical recruitment projects throughout Cyprus, examples include large scale construction and infrastructure projects.

There are 3 main benefits of outsourcing your payroll to GRS:

1. The direct costs of processing payroll can be greatly reduced by working with a payroll provider.
2. Outsourcing payroll can free up staff time to pursue more important value-added and reve-

nue-generating activities.

3. GRS uses the latest version of their payroll software and the most recent tax tables are installed so ensuring accurate processing.

In addition to the above there are circumstances when an organisation overseas needs to employ a local representative in Cyprus but does not have a Cyprus entity to do this directly. In this scenario, the overseas organisation benefits from outsourcing the payroll of the local representative to GRS. GRS has also provided a payroll service to organisations for an interim period whilst the organisation is in the process of establishing their Cyprus operation and Cypriot entity.

The GRS managed payroll service provides you with a personal

contact who is dedicated to supporting your business and is available to answer any queries you may have in either Greek or English. Our high level of personal service ensures that you receive an accurate payroll and peace of mind that your most important asset - your 'human capital' - is paid in an efficient and timely manner.

For further information on outsourcing payroll please contact:

Donna Stephenson
GRS Director, Limassol
+357 25 342 720
donna@grsrecruitment.com
Steve Slocombe
GRS Director, Nicosia
+357 25 342 720
steve@grsrecruitment.com



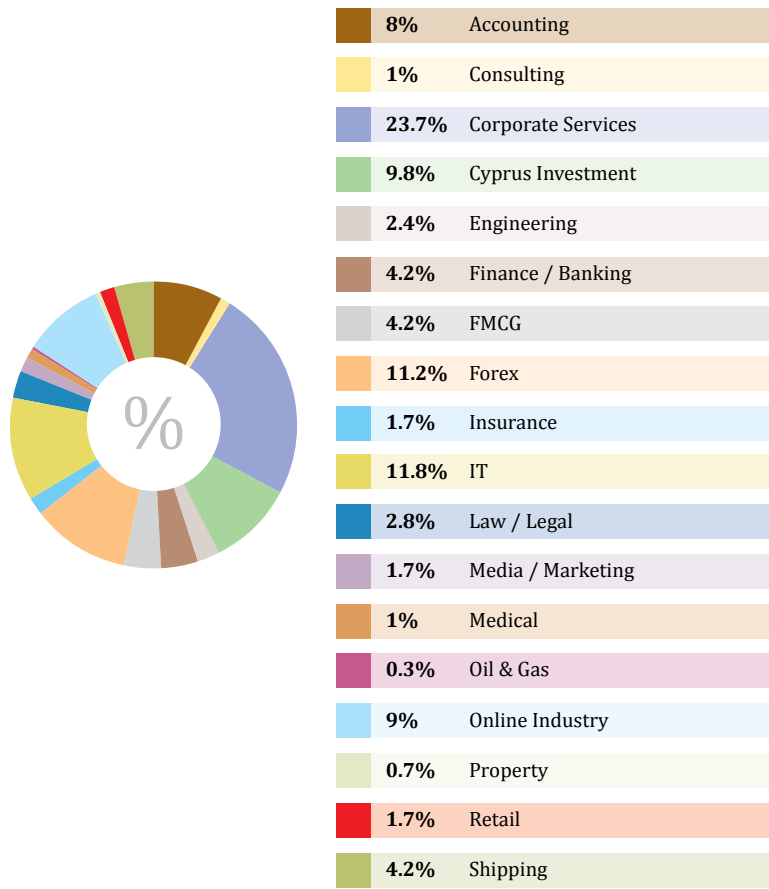
“He who would search for pearls must dive below”
John Dryden

The GRS Job Index 2011

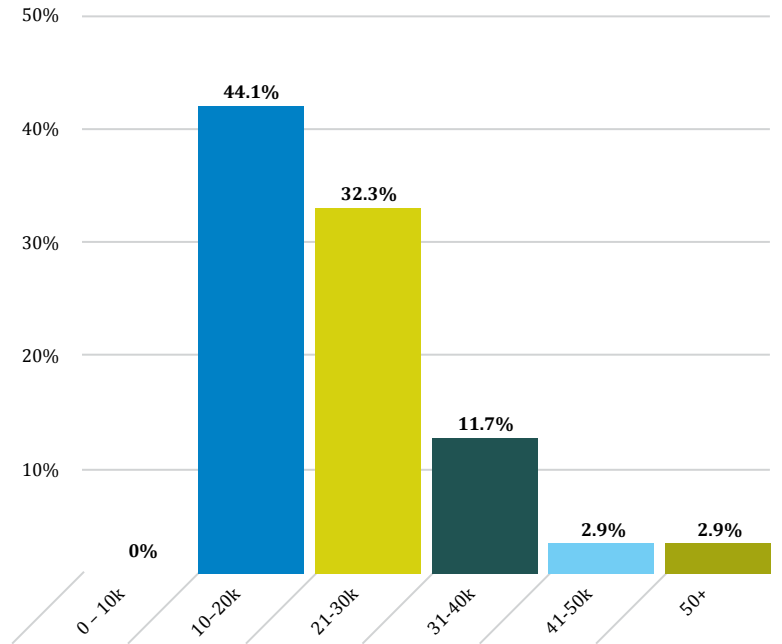
The below statistics are based on permanent job placements made by GRS in Cyprus during 2011.

* These statistics do not necessarily reflect a complete overview of the Cyprus recruitment and labour market.

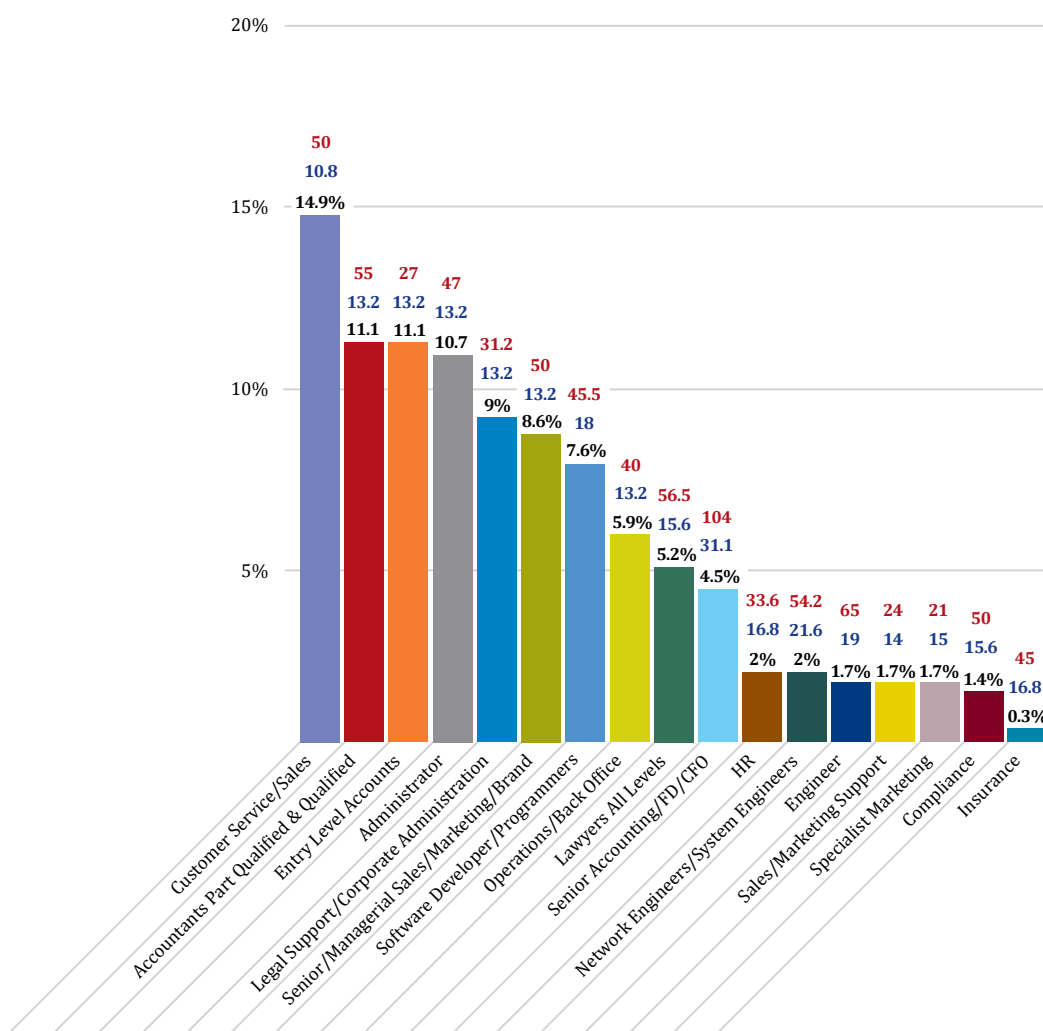
Cyprus Sectors



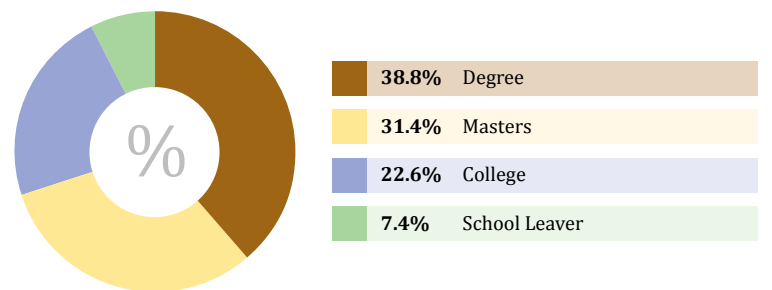
Cyprus Salaries



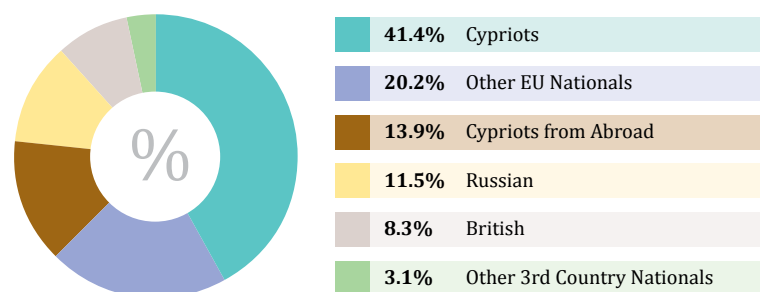
Cyprus Positions & Max/Min Salaries Per Industry



Cyprus Qualifications



Cyprus Nationalities



Text Colour Coding figures in €000s:

■ Maximum Annual Salary ■ Minimum Annual Salary ■ Percentage of GRS Placements

More news and information can be downloaded as PDF files from our website www.grsrecruitment.com

IMF Executive Board Concludes 2011 Article IV Consultation with Cyprus

The Cypriot economy faces strong headwinds and downside risks due to financial turbulence in the Euro area, the large exposure of Cypriot banks to Greece, and the need for substantial fiscal consolidation to stabilise public finances. Reflecting these developments, the government has lost access to international capital markets and confronts the challenge of accessing financing to meet its fiscal needs in 2012 and beyond.

Following a weak recovery in 2010, staff expects no economic growth this year and a modest contraction in 2012. Factors that will weigh upon growth include tight credit and a climate of uncertainty, continued downsizing of the construction sector after past excesses, slowing external demand, and planned fiscal consolidation. Downside risks are dominant, in light of the potential for external conditions to worsen and for adverse feedback loops between fiscal imbalances and bank balance sheet vulnerabilities.

Fiscal balances have deteriorated sharply over the past three years, reflecting in large part underlying structural factors. Adjustment measures planned for 2011 fell short of target, and under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board. At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities.

Staff expect the deficit to widen to some 7 percent of GDP in 2011. The authorities have renewed their commitment to restore sound public finances. They have passed a first package of adjustment measures and are seeking passage of a second and larger set of measures that would yield fiscal savings of some 4 percent of GDP in 2012, if fully implemented. Additional measures will be required to reduce the deficit further and achieve the government's target of

a balanced budget by 2014. Over the longer-term, the public pension system will generate another source of fiscal pressure, as population aging and rising dependency ratios feed through to large increases in pension outlays.

The large banking sector, with assets totalling over 8 times GDP by the broadest measure, and with significant exposure to Greece, is a considerable vulnerability. Banks face considerable capital needs to reflect mark to market valuations on their sovereign bond holdings and to achieve a 9 percent core tier one capital ratio, as mandated by the European Banking Authority. Non-performing loans are increasing, and further loan deterioration could add to recapitalisation needs. Meanwhile, the system is also vulnerable to an outflow of deposits in the event of adverse circumstances. Cypriot banks receive significant liquidity support from the European Central Bank.

Executive Board Assessment

Executive Directors noted that Cyprus faces daunting economic challenges in the face of faltering external demand, growing exposure to the turmoil in the euro area, particularly in Greece, and worsening domestic financial conditions. Directors thus urged the authorities to act forcefully to restore sound public finances and safeguard the stability of the banking system. Steadfast implementation of fiscal and structural reforms on several fronts would also be critical for a return to durable growth over the medium term.

Directors agreed that an ambitious and credible fiscal adjustment is essential to regain access to the international capital markets and put the public debt ratio on a downward path. They supported the authorities' plans to achieve

fiscal balance over the next three years as an appropriate strategy for undertaking the necessary fiscal correction without unduly damaging growth prospects. Directors considered that front-loading the adjustment with measures to reverse recent increases in public sector wages and poorly targeted transfers would provide a credible signal of the authorities' commitment to medium-term consolidation and bolster investor confidence. Reforms of the cost-of-living allowance system would also be important for achieving the fiscal targets and improving real wage flexibility and competitiveness.

Directors underscored the importance of other fiscal reforms to underpin the consolidation efforts. Priorities should include the introduction of a medium-term budget framework and the adoption of fiscal rules consistent with EU directives. Directors also highlighted the need for reforming the national pension and healthcare systems, which threaten to put unsustainable pressures on the budget as the population ages.

Directors expressed concern about the vulnerabilities arising from Cyprus's large banking sector and the possibility of adverse feedback loops with the public finances and the real economy in the context of weakening balance sheets. They stressed the importance of building prudent capital buffers and of ensuring adequate liquidity in the financial system. These actions should be supported by contingency planning and the immediate passage of legislation to provide the authorities with full powers to recapitalise or resolve banks, if necessary. Cooperative credit institutions should also be watched closely and brought under the same regulatory and supervisory frameworks as banks.

The Importance of Job Description when Commencing the Recruitment Process

Preparing a job description prior to commencing the search is an important step in the recruitment process. By identifying what is required before you begin your recruitment you will actually save a lot of time during that process, and it will allow you to find a candidate that best matches your requirements and employ a candidate who knows what is required of them.

It is an important tool, but many employers begin their process without giving the description careful thought. 'Not enough time' and being 'too busy' are commonly cited as the main reasons for not having a job description.

If using a recruiter, the process can be less painful and time consuming as any good recruiter should be able cover the key criteria with you. The consultants at GRS are highly trained to do just that and with their local knowledge and expertise across a variety of disciplines and sectors, they can assist you to identify your key requirements during a meeting or over the telephone in a relatively quick and pain free manner. A job description does not only ensure that the recruitment consultant will understand what is required and source the best possible candidates but the candidates will also be able to understand the role better, be sure it is of interest to them and determine whether they can do the job.

The company continuously benefits from these documents as these will be the basis in measuring job performance and be used as objective tools for performance appraisals. While on the other hand the company is able to set a clear organisational structure, identify what positions are necessary in order to be a successful business, what are the key duties and responsibilities for the position, what education, experience is required from prospective employees, etc. In addition they are also important tools to be used when there are possible disputes between the employee and employer with regards to performance.

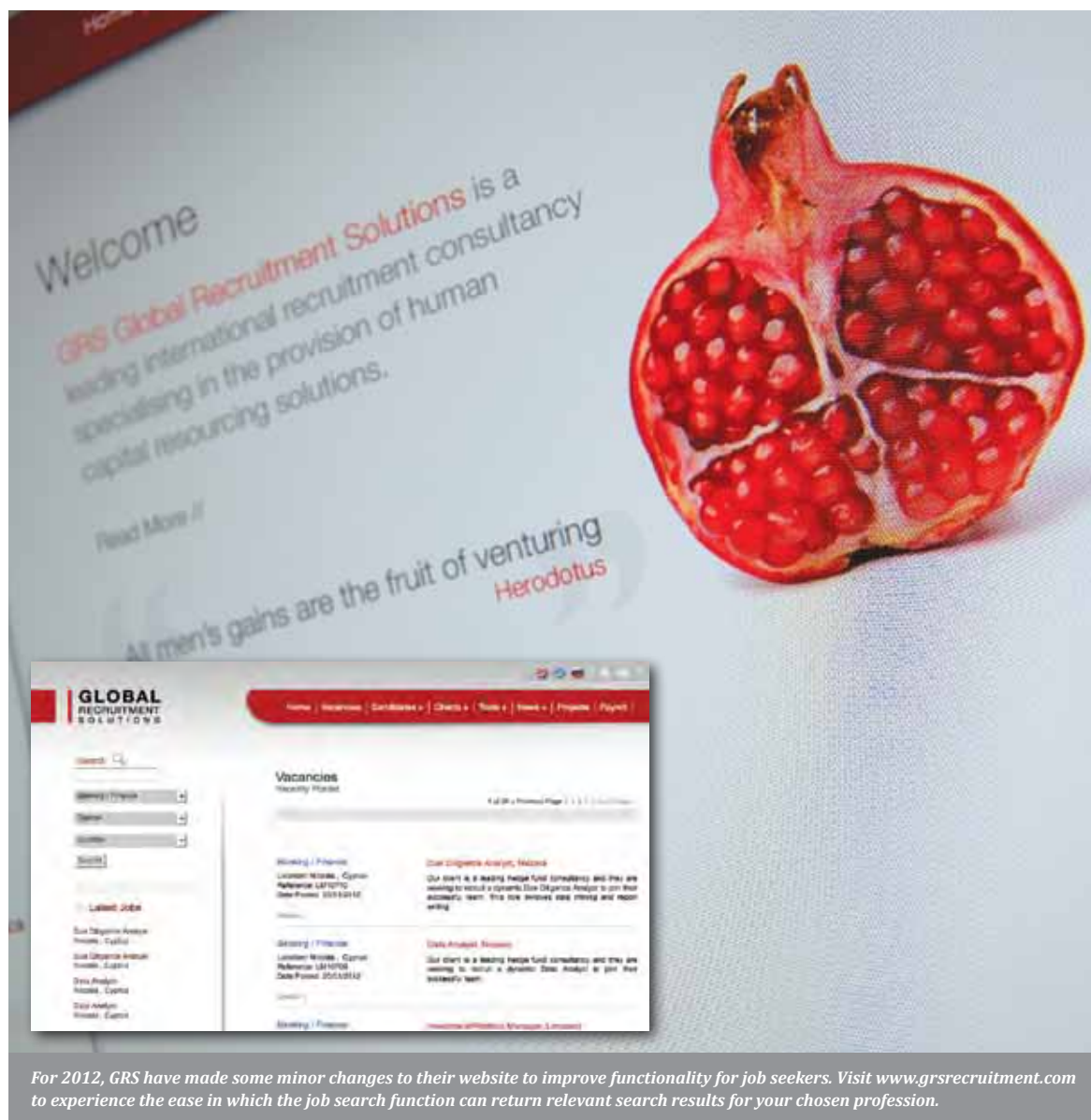
Clarifying what is required is not only important before the recruitment process starts it is important at all times. With the job description the employee is clear with regards to what is required and expected of them moving forward and understands what their role is within the company. They know what they are supposed to do and how to do it and there is no anxiety due to ambiguity, thinking "Am I doing what I am supposed to?" The focus is on doing their job and not worrying what their job comprises.

A job description is an important document that will actually have a positive effect on the business and improve how people and roles are managed within a company. One can only benefit from such a document!

Georgia Michaelides, GRS Branch Manager, Limassol Office



“One that must have the fruit must climb the tree”
Thomas Fuller



For 2012, GRS have made some minor changes to their website to improve functionality for job seekers. Visit www.grsrecruitment.com to experience the ease in which the job search function can return relevant search results for your chosen profession.

Finding the Perfect Match

Having the right people working for the company is key

Across the globe, each and every aspect of each and every company is being studied and assessed to see how it can run more smoothly, more efficiently, and more profitably. Of course, in running a business – be it local or international – one factor is key: people. For success, especially in these turbulent times, it's vital that you have the right people – and have the correct partner to assist you in hiring the people you need.

As a result, the role of the professional recruitment agency has become similarly important, and this system of matching the perfect candidate with the perfect job has been given new impetus thanks to the wonders of the web.

It should come as no surprise that the internet is also fast changing the face of the job market in Cyprus. Half of the island's population now log on, with an increase observed in the individuals that used the internet from 52.2% in 2010 to 56.9% in 2011, according to the Statistical Service of the Republic of Cyprus' annual survey 'Information and Communication Technologies Usage in Households and by Individuals 2011'. Cyprus-based Global Recruitment Solutions – the largest consultancy of its kind on the island – has found that more than 90% of its applicants now prefer to respond to online job adverts, choosing the speed, ease and geographic flexibility that the internet offers them.

The internet is proving a key tool in attracting candidates to a country which, according to GRS Managing Director Steve Slocombe, is "... becoming a global hub for business. The job market is really beginning to reflect this. Our own website traffic supports these findings, with 45% of visits coming from outside of Cyprus. While just over 55% of the candidates that we placed with employers in Cyprus during 2011 are of Cypriot nationality, the remaining 45% come from a whole range of countries, including Russia and the UK.

"This increasingly diverse workforce reflects the large volumes of international business that passes through Cyprus, where the relatively modest size of the local population has often meant that there is a skills shortage in finding the best candidates for certain sectors. As a result, our website is an online tool that helps us to attract the very best individuals for our clients' needs from a wider pool of candidates than traditionally possible."

In defiance of the global economic downturn, GRS

has gained an increase in recruitment sales and activity up 11% on 2010. Says Slocombe: "Compared to countries like the UK, Cyprus is doing comparatively well due to the fact that previously registered companies still require administering and auditing to comply with the statutory regulations of the Cyprus Registrar of Companies. So this still continues to generate a large requirement for professionals such as accountants, lawyers, bookkeepers and administrators in the corporate services and audit professions."

The advent of online job search facilities such as those provided by GRS is proving hugely popular with candidates and employers alike, enabling candidates to look for positions within specific job sectors and locations.

It's a lot more immediate and convenient than sifting through the jobs section of your local newspaper or trade publications, even if existing employers might be less than thrilled to discover just how easily staff can job search from their desk!

There remains, in some businesses, a reluctance to work with a recruitment agency. Either through misconceptions about possible costs involved, or simply because, "This is the way we've always done it!"

But in the increasingly cut and thrust world of modern business, there are any number of reasons to turn to a recruitment agency. Many businesses have very specific requirements for their potential candidates, regardless of how junior or senior the position. A good recruitment agency will have lists of suitably qualified candidates, which means that the applicants for the position are already pre-screened – saving time and potentially money. Positions can usually be filled more quickly by speedily linking the right candidate with the right job.

This can also be a useful and convenient way of sourcing staff to fill temporary or short-term contract positions, due to maternity leave, etc. Plus, an international recruitment agency is able to not only draw on expertise from the local market, but also from overseas – thus broadening the pool of talent available to an employer.

For employers and opportunity seekers alike, the speed, convenience and international scope offered by recruitment agencies are proving major benefits in an ever more competitive business climate.

Sean Chrysanthou, Apollo Executive Review

Preparing for the Perfect Job Interview

Interview Preparation:

Preparation is the first essential step towards conducting a successful interview. The better prepared you are, the more confident you'll be.

Before the interview ensure that you know the following things:

- The exact time and location of the interview, route, parking etc and how long it will take to get there.
- The interviewer's correct title and pronunciation of his or her full name.
- Specific facts about the company – its history, financial position, competitors, products and services. Research the company's website in

full. And if possible research the interviewer – Google, Linked In or Facebook can be useful places to find out about your interviewer.

- Prepare some questions to ask the interviewer. Remember that an interview is a two way street.
- Arrive on time or a few minutes early. Late arrival for a job interview is never excusable.
- Switch your mobile phone off before you enter the building.
- Be polite and courteous at Reception as your interview starts as soon as you enter the building.

During The Interview:

- Shake hands firmly and smile.
- Wait until you are offered a chair before sitting. Sit upright in your chair and look alert and interested at all times.
- Be as charismatic as possible; it is very important that you demonstrate your interpersonal skills during the interview.
- Be a good listener as well as a good talker.
- Maintain good eye contact throughout the interview.
- Follow the interviewer's leads. Try, however, to obtain a full description of the position and duties it incorporates at an early stage so that you can relay your appropriate background and skills accordingly.

- Make sure that your good points come across to the interviewer in a concise, factual and sincere manner.
- Always conduct yourself as if you are determined to get the job you are discussing. Never close the door on an opportunity. It is better to be in a position where you can choose from a number of offers.
- Avoid answering questions with a simple 'yes' or 'no'. Explain yourself whenever possible.
- Describe those things about yourself that relate to the position on offer.
- Don't make derogatory remarks about your present or former employers or colleagues.

Example Interview Questions:

- What were your responsibilities?
- What major challenges and problems did you face? How did you handle them?
- What was the biggest accomplishment / failure in this position?
- What interests you about this job? Why do you want this job?
- What do you know about our company?
- What challenges are you looking for in a position?
- What are you looking for in your next job? What is important to you?
- What are your goals for the next five years / ten years?
- How do you plan to achieve those goals?
- What are your salary requirements – both short-term and long-term?

Closing the Interview:

- If you are interested in the position enquire about the next interview stage. If the interviewer offers the position to you and you want it, accept on the spot.
- Don't be too discouraged if no definite offer is made nor a specific salary discussed. The interviewer will probably want to consult colleagues or interview other candidates (or both) before making a decision.
- If you get the impression that the interview is not going very well and you have already been rejected, don't let your discouragement show. Once in a while an interviewer who is genuinely interested in your possibilities may intend to discourage you in order to test your reaction.
- Thank the interviewer for the time spent with you.

After the Interview:

Lastly, and most importantly, call your recruitment consultant immediately after the interview to discuss your thoughts on the interview. The consultant will want to speak with you before the interviewer calls.

You can find further information on www.grsrecruitment.com

Temporary/Interim Staffing Solution

As negative sentiment in the global economy persists companies are faced with tough choices concerning one of their biggest operating expenses and one of their greatest assets – their staff.

Costs for staff are increasing such as public liability insurance, administration costs along with potential long term liabilities as workers accrue ever more rights and benefits under European Law. This is at a time when margins are tight and competition has increased and businesses are under ever increasing pressure to perform. Everyone's being asked to do more with less and for business this means getting and staying lean.

One option to help achieve this goal is a bespoke and strategic approach to temporary staffing to help reduce fixed overheads and manage payroll costs. The overall performance of a business can be improved by scheduling staff only when they are needed, reducing risk and saving time.

The consultants at GRS, a staffing agency in Nicosia & Limassol, are all too aware that businesses have to be flexible in turbulent markets and a great deal of their clients have come to realise the benefits of using GRS's temporary staffing service in order to reduce costs. Using a staffing agency to supply your business with a temporary worker also allows you to evaluate a worker without making the commitment of hiring them permanently.

Here's how:

Reduce costs

The cost of hiring temp workers is often cheaper than the cost of hiring permanent employees with

benefits. In the short term, it is generally more cost-efficient to hire a temp. Outsourcing the payroll of the temporary worker will also save time and money as it becomes the staffing company's responsibility to process the payroll including all necessary legal deductions, employer's liability insurance cover and year end tax documents.

Reduce risk

Most staffing companies offer a temp-to-hire option so that businesses may try out candidates before the commitment is made to add them to the team. Before making the final decision, candidates can work in the office for an extended period of time without making a commitment to hire until you are certain the fit is right. Using temporary workers during busy times relieves stress and prevents burn-out among regular staff, which can reduce absenteeism and worker's stress in the long run.

Increase flexibility

Adding extra staff as needed to smooth fluctuations in workload helps avoid being overstaffed during slow times or understaffed during key busy times. Staff levels can be managed to be at productive levels all year. You have to ask yourself what is the opportunity cost of not being able to handle an unexpected increase in work load due to new business or staff absence through sickness, holidays and maternity leave?

Letting temporary employees

handle routine business functions allows regular staff to concentrate on critical core issues of the business. For example, temporary staff can handle answering the phone and making appointments while the manager works on servicing the client's needs and increasing billable hours and relationship building with existing and new clients.

Save time

The recruitment company performs all the advertising, screening, interviewing and reference checking needed to attract and qualify potential employees. The company benefits by making one call and having staff sent to them that are ready to work and are immediately available.

Because they are pre-screened for the necessary skills, limited training is needed before the new employee becomes productive. Candidates meet the criteria selected by the company and typically can be productive straight away, again reducing training time and cost.

For further information on temporary staff and contract staffing solutions for your business in Cyprus contact:

Donna Stephenson
GRS Director, Limassol
+357 25 342 720
donna@grsrecruitment.com
Steve Slocombe
GRS Director, Nicosia
+357 25 342 720
steve@grsrecruitment.com

Russian Presence in Cyprus Continues to Grow

GRS have noticed a steady increase in the demand for Russian speaking candidates as the influence of the Russian business flowing into Cyprus continues to grow. Both local and international business have been hiring Russian speakers as the business and consumer demands of the Russian market in Cyprus see no signs of slowing down. In 2011 GRS saw a rise of 1.6% on 2010 in the number of Russian speaking candidates placed with both local and international companies, taking

the total percentage during 2011 to 11.5% of candidates placed. With low corporate tax, a shared orthodox religion, low crime rate, excellent climate, a family and business friendly environment, it is no surprise that Cyprus continues to be a very attractive place for people from Russia & the CIS countries for both business and pleasure.

The Cyprus Government also has helped promote relations between both countries with an announcement on 10/10/2011 by the Council of Ministers that they have adopted a new set of criteria and conditions for granting Cyprus naturalisation by exemption. The new law states that an applicant should have direct investments in

the Republic of Cyprus of at least 10 million Euros and this must be kept for a minimum period of 5 years, thus becoming eligible to apply and secure an EU passport and become a Cypriot citizen with full Cyprus and EU rights. Alternatively applicants should have personal deposits or deposits by privately owned Cyprus companies controlled by the applicant in Cyprus banks of over 15 million Euros with a minimum maturity period of 5 years. With such a mutually beneficial situation for both Cyprus and Russia, GRS predict that the demand for more Russian speakers in Cyprus will continue to grow throughout 2012, benefiting both the local and international economies in Cyprus.



Steve Slocombe and Donna Stephenson
Joint Managing Directors of Global Recruitment Solutions

Inside Global Recruitment Solutions

GRS was established in 2005 with a goal to replicate UK recruitment agency standards.

Joint Directors Donna Stephenson and Steve Slocombe have a combined recruitment experience of over 26 years, 13 of those being within Cyprus.

GRS are the largest recruitment agency in Cyprus with a database of over 20,000 candidates and 20 staff with offices in Nicosia and Limassol.



Georgia Michaelides
Branch Manager, Limassol

Georgia Michaelides holds a MBA degree from the City University of New York (Baruch College). In 2005 she joined GRS as Branch Manager of the Limassol office. In addition to her management responsibilities she continues to concentrate on recruitment, specialising in both junior and senior level positions in the areas of accounting, banking/finance, corporate services and law. She also specialises in assisting and advising new start up international companies with their Cyprus office recruitment and their employment policies and regulation needs.



Chris Moore
Branch Manager, Nicosia

Chris Moore manages the GRS office in Nicosia. He is a Business University Graduate and started his career in the City of London in the area of IT Recruitment, specialising in the provision of personnel to the financial services sector. Chris joined GRS in June 2008, and was promoted to Nicosia Branch Manager in September 2009. Chris is responsible for the day-to-day management of our Nicosia office as well as maintaining and developing a diverse range of clients across a number of key industry sectors including: accounting/audit, corporate & legal services and information technology.



Sophie Aristodemou
Senior Consultant, Nicosia

Sophie Aristodemou is currently a Senior Recruitment Consultant at GRS. After completing a degree in business, Sophie broadened her international work experience by working within the NHS in the UK. Sophie returned to Cyprus in 2007 and was one of the first recruits to the new office in Nicosia. Sophie was given the unique opportunity in assisting with the growth of the office and was promoted to Senior Recruitment Consultant in 2008. Sophie specialises in the recruitment of candidates at all levels to the corporate & financial services sectors in Cyprus.



We take out the pips and leave you the fruit...

GLOBAL RECRUITMENT SOLUTIONS

The Largest Recruitment Agency in Cyprus
For more information on how GRS can assist
you please contact:

Head Office, Limassol
Tel: +357 25 342 720
Email: limassol@grsrecruitment.com

Nicosia Office
Tel: +357 22 769 369
Email: nicosia@grsrecruitment.com

www.grsrecruitment.com

GRS is a Cyprus-based Recruitment Consultancy with unprecedented experience in recruiting professionals, especially within the Accounting, Corporate Services, IT, Finance and Banking sectors.

GRS's market leading position has been achieved through the excellent reputation, expertise, confidentiality and success of their consulting teams who partner with clients – CSE 100, CySEC registered companies, sme's, and large multi-national organisations with Cyprus-based branches – across a broad spectrum of sectors, to provide a bespoke, full-cycle professional recruitment service.

GRS undertakes a range of outsourcing operations including payroll, serviced office space and outplacement.

For a confidential discussion on how we can add value to your human capital through our bespoke services, or to discuss outsourcing solutions, please contact: **Donna Stephenson**, Director, Limassol on **+357 25 342 720** or **Steve Slocombe**, Director, Nicosia **+357 22 769 369**.