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# ECONOMY

FRIDAY  
JULY 3  
2015

## Cyprus posts €158m primary surplus Jan-May

Cyprus recorded a primary budget surplus of €158m in the first five months of 2015, compared with €225m in the same period of 2014.

The general government balance

slipped into a deficit of €13.3m, from a surplus of €57.2m in 2014.

The slight deterioration was caused by a fall in revenue, which dropped to €2.49bn in January-May

2015, from €2.57bn in the same period of 2014.

Total spending also declined slightly, to €2.33m in the first five months of the year, from €2.34m in 2014.

# FBME: heat rising on CB

## ICC could decide on the case after summer

Pressure appears to be mounting on the Board of the Central Bank of Cyprus which has reportedly scheduled an urgent meeting to decide on its next steps just days before the completion of one year since the contentious suspension of FBME's operations.

With the case still pending before the Paris-based ICC Arbitration Court and potentially ominous repercussions for the Republic, it was revealed this week that relevant European Union Directives require bank resolutions to be completed at the latest within a 12-month period.

**Complaints against  
the Central Bank are  
beginning to pile up**

The chairman of the Finance Committee of the House of Representatives Nicolas Papadopoulos revealed on Monday that the chairperson of the Cyprus Securities and Exchange Commission Demetra Kalogirou stated that the Central Bank had not disclosed that restructurings should be completed within 12 months, an implied reference to the Laiki Bank and FBME cases which are still dragging on.

Sources close to the case are suggesting that the ICC will itself decide on the



FBME case right after the summer with significant sub-rulings by the court already going against the Republic with damages likely to embarrass and potentially cripple the Cypriot state.

Apart from the process at the ICC court - which requested of the Central Bank to abstain from any action that could dam-

age FBME's business pending conclusion of the arbitration - complaints by FBME customers themselves are also beginning to pile up and are increasingly turning into legal actions against the Central Bank and FBME.

One such instance which has been made public concerns Mr Roger Mewis,

Director of IXG Services Limited and customer of the Cyprus branch of FBME, who had repeatedly written to the Special Administrator and the Governor without ever receiving any response.

Mr Mewis complained to the previous Special Administrator Dinos Christofides for not authorising the payment of company and personal payment requests from private bank accounts within FBME when - despite the dubious circumstances under which the bank had been put under administration - the Central Bank was supposedly responsible for protecting account holders such as himself.

Instead, Mr Mewis says, the Special Administrator had barred all withdrawals from company and individual accounts, a move he describes as lacking justification: "How dare you illegally, with the consent of the incumbent Governor of the Central Bank of Cyprus, withhold my company's funds as well as my own personal funds?" Mr Mewis wrote.

On top of the broader legal repercussions, recent media reports also suggested that the recently appointed Special Administrator of FBME Bank, Andrew Andronikou, is himself becoming increasingly frustrated by the Central Bank's inexplicably passive stance on the matter.