



# Transparency Report 2024

Quality is how we make a difference.  
KPMG in Cyprus

April 2025

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[kpmg.com.cy](https://kpmg.com.cy)



# KPMG Values

KPMG is committed to quality and service excellence in all that we do, helping to bring our best to clients and earning the public's trust through our actions and behaviours both professionally and personally. Our Values guide our behaviours day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit, and all of our stakeholders



## Our Values are:



### Integrity

We do what is right.



### Excellence

We never stop learning and improving.



### Courage

We think and act boldly.



### Together

We respect each other and draw strength in our differences.



### For Better

We do what matters.

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# Message from the Managing Director

I am very pleased to present to you our 2024 Transparency Report.

The report contains insightful information about our strategy, our performance, our corporate governance and our quality control systems for 2024.

KPMG has been operating in Cyprus since 1948 and currently employs an average of 785 professionals working from 6 offices across the island. It is a member of KPMG International Limited, a global organisation of independent professional services firms providing Audit, Tax and Advisory services. KPMG operates in 142 countries and territories and has approximately 275,000 people working in member firms around the world.

KPMG in Cyprus is a leading professional services organisation with gross revenues amounting to €48.7m in FY24, compared to €52.3m in FY23 and €51.4m in FY22. Our net revenues amounted to €45.7m compared to €47.4m in FY23 and €46m in FY22. Our contribution to the government revenues including income tax, special contribution for defence, PAYE, VAT, GHS and social insurance contributions amounted to €17.5 m.

The year 2024 was once again challenging and demanding. We were called upon to continue navigating through the impact of the global pandemic, complex geopolitical tensions in regions such as Ukraine, Israel, energy crises, inflationary pressures and disruptions to economic activity worldwide. All these challenges inevitably affected our country's economy, and consequently, our operations. Despite the above, by remaining committed to our Collective Strategy and Vision to be the most trusted and trustworthy professional services firm in Cyprus, we managed to lay the foundations for prosperity and growth for our Firm.

This year, we have achieved remarkable milestones, and I am excited to share some key areas where we continue to focus and

grow. Our strategic pillars for growth will guide us as we look towards the next year:

**Commitment to ESG:** We are deeply committed to supporting Environmental, Social, and Governance (ESG) principles, which are more important than ever in today's world. In 2024, we made significant strides in advancing our ESG initiatives both in terms of Advisory as well as Assurance, and this year we will continue to build on these achievements - not only in our own operations but in the value we bring to our clients and communities. I am happy to share that we have successfully obtained the Green Office Certification for our offices in Nicosia and Limassol, issued by the Commissioner for the Environment in 2024.

**Embracing Technology and AI:** The future of business lies in technology, and KPMG in Cyprus is committed to being at the forefront of this transformation. By integrating cutting-edge technologies and harnessing the power of AI, we are improving the way we serve our clients, increasing operational efficiency, and shaping a future that is both innovative and sustainable. With a focus on clients' complex issues, we are driving sustainable quality through the use of globally consistent audit and ESG assurance methodologies that are embedded in a state-of-the-art, cloud-based audit platform in KPMG Clara. The quality of our audit and assurance engagements remains a top priority at KPMG with a commitment across the organisation to serve our clients, stakeholders and the public with the highest professional excellence, ethics and integrity.

**Collaboration with the KPMG Network:** We have managed to significantly increase our collaboration with the KPMG Network and deployed our expertise and credentials to other Member Firms, enlarging our market reach.

**Our People Agenda continues to be a priority:** We remained passionate in maintaining an environment in which

our people can perform at their best. An environment which provides our people with the right career development prospects and professional growth opportunities. Through our BeWell@KPMG programme, we strive to create a workplace where everybody can thrive. This year we were particularly proud of not only renewing our Investors in People Silver certification but also obtaining the Investors in People Wellbeing certification for the first time. Never complacent, we remain committed to investing in our people's professional development and wellbeing.

At the core of everything we do are our **Values - Integrity, Excellence, Courage, Together, For Better.** These values are not just words on paper; they guide our actions and decisions every day.

Our commitment to the community is also fundamental to our values. Together we made a positive impact to the society through several specific CSR initiatives under four different pillars: education, health, environment and social inclusion.

All the above could not have been achieved without the help of our most valuable asset, our people, to whom we are deeply grateful. Transparency and accountability have always framed, and will continue to frame, the way we deliver our work.

During 2025, we will continue pursuing our Vision to be the most trusted and trustworthy professional services firm on the island - a firm known for delivering high-quality services on a timely basis, in line with our KPMG Global Collective Strategy. We will continue to capitalize on our existing growth pillars as well as develop new, innovative services tailored to our clients' and the market's needs.

All our partners and staff are fully engaged in maintaining KPMG as the Clear Choice for our Clients, our People and Society as a whole.

**Christos V. Vasiliou**  
Managing Director  
30 April 2025

# Message from the Head of Audit

## **Upholding Quality Through Values - Our Commitment, Our Compass**

In a world where complexity continues to grow and stakeholder expectations evolve rapidly, our purpose remains constant: to deliver high-quality audits that reinforce confidence in financial reporting. At KPMG, we know that quality is not just a metric-it is a mindset, a discipline, and a shared responsibility. And it is our values- Integrity, Excellence, Courage, Together, and For Better-that drive the rigorous processes we follow, the ethical standards we uphold, and the accountability we demand from ourselves. They guide how we lead, how we listen, how we challenge, and how we support each other and our clients.

Over the past year, we have made meaningful strides in strengthening our system of quality management, investing in innovative technologies and enhanced training to support professional judgment and consistency across our engagements. But the foundation of audit quality lies in our people. Their ethical compass, critical thinking, and commitment to doing the right thing-consistently and without compromise-are what truly build trust.

In Cyprus, our economic landscape is shaped by a diverse mix of entities-from listed companies and regulated financial institutions to privately held and family-owned businesses. Each plays a vital role in our economy and deserves the same unwavering commitment to audit quality. Trust in financial reporting must extend beyond capital markets. It must reach every corner of our business community, because transparency, accountability, and confidence are essential not only for

investors, but also for lenders, regulators, suppliers, employees, and society at large.

At KPMG in Cyprus, we are deeply aware of this broader public interest. We combine local expertise with global capabilities to deliver audits that are relevant, rigorous, and responsive to the needs of today's stakeholders. Our responsibility goes beyond compliance-it is about contributing to a culture of integrity and sustainable growth.

As we look to the future, we remain firmly committed to raising the bar on quality, guided by our values and driven by purpose. That is how we serve the public interest. That is how we sustain trust. And that is how we make a meaningful difference-for our clients, for our profession, and for society.

I thank our people for their professionalism and dedication, and our clients and stakeholders for their continued trust.

### **Sylvia A. Loizides**

Head of Audit  
30 April 2025

# Audit quality

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

We define “audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality management.

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

# 01

# A system of quality management that sustains audit and assurance quality

Consistent and strong controls within our firm's system of quality management (SoQM) help reduce quality issues, drive operational efficiencies, and enhance transparency and accountability. We are committed to continually strengthening the consistency and robustness of our SoQM.

Across the global organisation, KPMG firms have strengthened the consistency and robustness of their system of quality management (SoQM) to meet the requirements of the International Standard on Quality Management (ISQM) 1, issued by the International Auditing and Assurance Standards Board (IAASB).

## KPMG International's global approach to SoQM and ISQM 1



Sets **policies and procedures** to support KPMG firms' effective SoQM in accordance with ISQM 1 issued by the IAASB.



Establishes for each SoQM component, globally consistent **quality objectives, risks and responses including controls**.



Provides KPMG firms with a globally consistent **risk assessment framework** to use in identifying incremental KPMG firm specific quality objectives, risks and controls.



Supports KPMG firms with **guidance, tools and training** to drive consistent and effective firm SoQM operation and annual evaluation.



Includes **monitoring activities** over KPMG firms' SoQM to drive global consistency.

# KPMG's Global Quality

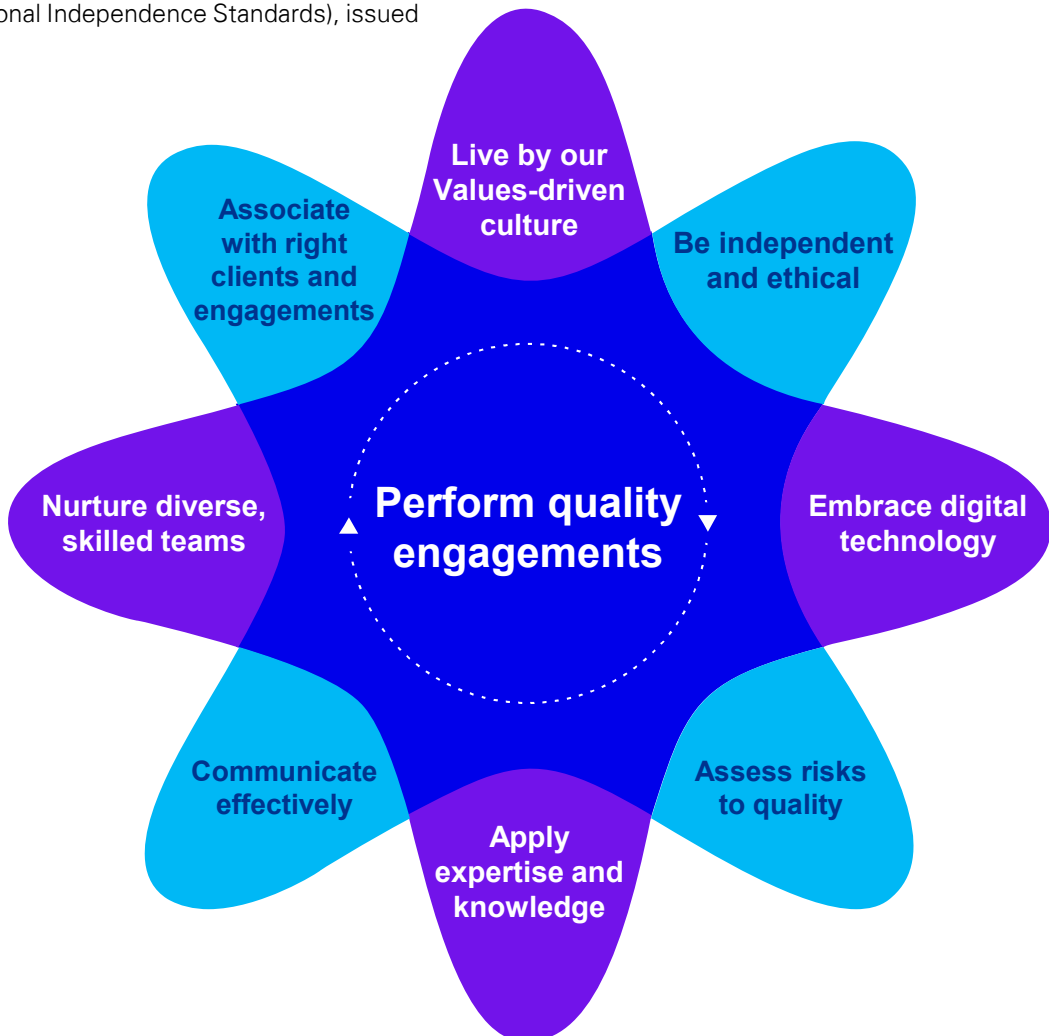
The globally consistent approach to ISQM 1 is used by all KPMG firms across the global organisation to drive the consistency, robustness and accountability of responses within KPMG firms' processes.

To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contributes to its delivery. The drivers outlined in the Global Quality Framework align with the 10 components of KPMG firms' SoQM and ISQM 1.

In line with ISQM 1, our SoQM also aligns with the International Code of Ethics for Professional Accountants (including International Independence Standards), issued

by the International Ethics Standard Board for Accountants (IESBA Code of Ethics).

Sections 2-11 of the Transparency Report describe how we operate each driver in the Global Quality Framework, aligned with the SoQM components. Combined with our firm's SoQM Statement of Effectiveness (see section 15), this Transparency Report summarizes how our SoQM effectively supports the consistent performance of quality engagements. This report may also be useful for stakeholders interested in KPMG firms' Tax and Advisory services, as certain aspects of our firm's SoQM are cross-functional and apply equally as the foundation of quality for all services offered.





# 02

# Live by our Values-driven culture

It's not just what we do at KPMG that matters, we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviours. Shared across all personnel, they are the foundation of our unique culture.

## 2.1 Foster the right culture, starting with tone at the top

### 2.1.1 Tone at the top

KPMG International's leadership, working with regional and KPMG firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. **A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organisation that carries out audit, assurance and other professional services on which stakeholders rely.**

#### Clear Values and a strong Code of Conduct

At KPMG, our [Values](#) lie at the heart of the way we do things. To do the right thing, the right way. They form the foundation of a resilient and ethical culture ready to meet challenge with integrity, so we never lose sight of our principal responsibility to serve the public interest.

We are committed to the highest standards of professional behaviour in everything we do. Ethics and integrity are core to who we are and within our [Global Code of Conduct, the Code](#), we outline the responsibilities all KPMG people have to each other, our clients and the public. It shows how our Values and Purpose inspire our greatest aspirations and guide our behaviours and actions. It defines what it means to work at and be part of the KPMG organisation, as well as our individual and collective responsibilities.

Everyone at KPMG can expect to be held accountable for their behaviour consistent with the Code and is required to confirm their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or that is not in compliance with the Code or our Values. Everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, KPMG policies, professional standards and applicable laws or regulations.

To safeguard this principle of holding each other accountable, each KPMG firm has agreed to establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in

relation to, provide feedback on and notify reportable matters, without fear of reprisal, in accordance with applicable law or regulation.

The [KPMG International hotline](#) is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to KPMG International activities of KPMG firms or KPMG personnel. KPMG International considers how to respond to each report received through the hotline and where necessary, investigates and takes appropriate action.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code, and any person who takes retaliatory action will be subject to their firm's disciplinary policy.

In addition to the processes outlined above, the Global People Survey provides our leadership and KPMG International leadership with insights related to upholding the KPMG Values, employee and partner attitudes to quality, leadership and tone at the top.

#### *KPMG's Global Values Week – Building a values-led firm of the future*

Kicking off FY 2024, the KPMG global network came together to celebrate Our Values during a week-long series of events. Global Values Week engaged our people in dialogue around our five Values and the role they play in our everyday work. This organisation-wide celebration was followed by the launch of a Values Immersion initiative in our firm that included leader-led group sessions focused on living our Values under pressure.

#### 2.1.2 The KPMG multidisciplinary model

The KPMG global organisation is at its strongest when its over 275,000 people across 142 countries and territories, aligned behind a common set of values, are working together to provide quality services to some of the most important organisations in the world, from the public sector to finance to healthcare. Regardless of the sector or industry they operate in, KPMG's people leverage multidisciplinary knowledge and experience from across the organisation to deliver independent and rigorous audit and assurance, tax and consulting services to clients and stakeholders, earning their trust by meeting our commitment to deliver professional excellence. We firmly believe that our multidisciplinary model is the best way to serve clients and is essential to delivering high quality.

## 2.2 Clearly articulated strategy focused on quality, consistency, trust and growth

### 2.2.1 Our business

Our Firm is a professional services Firm that delivers Audit and Assurance, Tax and Advisory services. We operate out of six offices across Cyprus and had total of 785 partners and employees as at 31 December 2024 (2023: 819).

Our audit and assurance services in Cyprus are delivered through KPMG Limited. Full details of the services we offer can be found on our website [www.kpmg.com.cy](http://www.kpmg.com.cy)

### 2.2.2 Our strategy

Our strategy is set by our Executive Committee and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution.

## 2.3 Defined accountabilities, roles and responsibilities related to quality and risk management

### 2.3.1 Leadership responsibilities for quality and risk management

Our leadership team is committed to building a culture based on integrity, quality, objectivity, independence and ethics, demonstrated through their actions.

Our firm has agreed to seek input from the chair of the relevant Global Steering Group or their delegee on the performance of certain leaders within the firm whose role most closely aligns with the activities of the Global Steering Group. Input is sought as part of the annual performance process and is based on an assessment of the leader's performance, which includes matters of public interest, quality and risk management activities.

The following individuals have leadership responsibilities for quality and risk management in our firm.

#### **Managing Director**

In accordance with the principles in ISQM 1, our Managing Director, Christos V. Vasiliou is the leader who has ultimate responsibility for our SoQM.

Details of some of the measures he and the rest of the Executive Committee have taken to ensure that a culture of quality prevails within our firm are set out in section 1. Our system of quality management is foundational for audit quality.

#### **Risk Management Partner**

Our firm's Risk Management Partner (RMP) is responsible for the firm's direction and execution of risk, compliance, and quality. The RMP is a member of KPMG Limited's Executive Committee and has a direct reporting line to the Managing

Director. The RMP consults, as appropriate, with the Managing Director, the Regional Risk Management Partner, Global Quality & Risk Management resources, and the general counsel or external counsel.

The fact that the role is a position held by the Executive Committee, and seniority of the reporting lines, underlines the importance that the firm places on risk and quality issues.

#### **Ethics and Independence Partner**

Our firm's Ethics and Independence Partner (EIP) has primary responsibility for the direction and execution of ethics and independence policies and procedures in our firm and reports on ethics and independence issues to the RMP.

#### **The Audit, Tax and Advisory functions – Function Heads**

The three heads of the client service functions (Audit, Tax and Advisory) are accountable to the Managing Director for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality management procedures for their specific functions within the framework set by the Risk Management Partner. These procedures make it clear that, at the engagement-level, risk management and quality management is ultimately the responsibility of all professionals in the firm.

Our Head of Audit is responsible for the effective management and control of the Audit Function. This includes:

- Setting a strong tone and culture supporting audit quality through communication, engagement support and commitment to the highest standards of professional excellence, including professional scepticism, objectivity, and ethics and integrity;
- Developing and implementing an audit that is aligned with the firm's quality requirements;
- Working with the RMP to monitor and address quality and risk matters as they relate to the Audit practice.

#### **Audit Leadership Team**

The Audit Leadership Team has regular discussions to agree actions about current and emerging audit quality issues arising from external and internal quality review processes, queries being raised by engagement teams, our SoQM evaluation, root cause analysis procedures and other quality matters identified from a variety of sources.

More complex issues (which might require amendments to KPMG's global audit methodology or audit tools) are raised with KPMG International Global Audit groups for consideration and potential development of solutions by the KPMG Global Solutions Group (KGSG), Global Audit Methodology Group (GAMG) and the International Standards Group (ISG). For more information about the KGSG, the GAMG and the ISG refer to section 8.1.2.

## 2.4 Institute robust governance structures

### 2.4.1 Our legal and governance structure

KPMG Limited is a private company limited by shares registered in Cyprus under registration number HE 132822 with its registered office at 14 Esperidon street, 1087, Nicosia, Cyprus. It is ultimately owned by its partners who are also Board Member in the company.

The related entities of KPMG Cyprus as at 31 December 2024 are:

Company name	Principal Activity
KPMG Limited	Professional Services
KPMG Properties Limited	Holding of property
KPMG Specialized Services Limited	Professional Services
KPMG Investments Ltd	Investment holding company
KPMG MLS Services Limited	Holding of property

#### ***Theodorides, Georgiou, Iacovou LLC***

Theodorides, Georgiou, Iacovou LLC is a KPMG Legal network practice in Cyprus operating under the brand name of KPMG Law. It is an independently owned and managed private limited liability entity registered in Cyprus, regulated by the Cyprus Legal Council and the Cyprus Bar Association.

#### ***The Board***

The Chairman chairs the Board ensuring that the Board members receive accurate, timely and clear information and ensuring effective communication and relationships with the members at large. The current chairman Michael Antoniadis and Managing Partner Christos Vasiliou were appointed on 1 January 2022 following an election campaign and confidential vote of the members.

The Board consists of 45 members, including the Chairman, the Managing Director and 43 additional members. The constitution of the Board is as determined by the KPMG Partnership Agreement.

The Executive Committee deals with key aspects of governance and reports to the Board. Details about the role and responsibilities and composition of the Executive Committee are set out below.

#### ***The Executive Committee***

The Executive Committee is responsible for management of the day-to-day activities of the firm, recommending policy to the Board and developing the business plan within the overall strategy. It deals with operational matters affecting the firm including monitoring operating and financial performance, budgets, new business proposals, marketing, technology development, recruitment and retention and general remuneration, prioritization and allocation of resources and investment and managing the firm's risk profile.

The Executive Committee members are all partners in our firm.

The members of the Executive Committee during 2024 were as follows:

- Christos Vasiliou (Managing Director),
- Michael Antoniadis (Chairman),
- Sylvia Loizides (Head of Audit),
- George Markides (Head of Tax),
- Marios Lazarou (Head of Advisory)
- Constantinos Kallis (Head of Quality & Risk Management),
- Michael Halios,
- Panayiotis Peleties,
- Maria Papacosta,
- Christoforos Anayiotos,
- Paris Elia,
- Costas Markides.

Full details of the Executive Committee for KPMG Limited are set out in Appendix 2.

# 03

# Apply expertise and knowledge

We are committed to continuing to build on our technical expertise and knowledge recognizing its fundamental role in delivering quality services.

## 3.1 Methodology aligned with professional standards, laws and regulations

### 3.1.1 Consistent audit and assurance methodology and tools

We use KPMG International's audit and assurance methodology, tools and guidance to drive a consistent approach to planning, performing and documenting audit and assurance procedures. Key elements include:

- Meeting the applicable standards, including International Standards on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA);
- Identifying risks of material misstatements and the necessary audit response;
- Use by our audit and assurance professionals to drive consistent interpretation on the application of ISAs and ISAEs.

Our audit and assurance methodologies emphasize applying appropriate professional scepticism in the execution of procedures and require compliance with relevant ethical requirements, including independence. The methodologies evolve to reflect new and revised audit standards and requirements as well as to keep pace with innovative and technological advances that drive quality and efficiency.

## 3.2 Technology-enabled standardized methodology and guidance

The KPMG standardized methodology and guidance are embedded within KPMG Clara, our smart audit and assurance platform, and assist our engagement teams in meeting the ever-changing landscape of corporate reporting and related audit and assurance requirements.

### 3.2.1 Driving consistency and quality through the KPMG Delivery Network

The KPMG Delivery Network, ("KDN") is a network of global delivery centres offering additional resources and specialist capacity and capability to KPMG firms. Driving greater consistency and quality, these global delivery centers

leverage technology and offer KPMG firms standardized procedures and solutions.

## 3.3 Deep technical expertise and knowledge

### 3.3.1 Access to specialist networks

Specialist experience is an increasingly important part of the modern audit and is a key feature of our multidisciplinary model. Our engagement teams have access to a network of KPMG specialists to consult – either within their firm or in other KPMG firms. These specialists receive the training they need to ensure they have the competencies, capabilities and objectivity to appropriately fulfill their role on our audits.

The need for specialists to be assigned to an audit engagement in areas such as information, technology, tax, treasury, actuarial, forensic and valuations is considered as part of the audit engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

### 3.3.2 Our commitment to audit and assurance quality by responding to significant external events and conditions

Significant external events and conditions, such as the impacts arising from climate change, geopolitical events, volatile interest rates and elevated levels of inflation may have significant financial statement implications, increasing complexity, subjectivity and uncertainty for matters such as management's going concern assessment, asset impairments and asset valuations. Guidance is available to assist engagement teams in our firm address the financial reporting, auditing and reporting related matters arising from the impacts of these significant external events and conditions.

We also have access to an online financial reporting resource center maintained on behalf of KPMG that highlights the potential financial statement implications of matters arising from significant external events. This guidance is updated as new significant accounting, auditing and reporting issues emerge.

### 3.3.3. Licensing and requirements for IFRS® Accounting Standards and US GAAP engagements

#### Licensing

All KPMG professionals in our firm are required to comply with applicable professional license rules and satisfy the

## Apply expertise and knowledge continued

Continuing Professional Development requirements in the jurisdiction where they practice. KPMG Limited policies and procedures are designed to facilitate compliance with license requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework – IFRS.

### **Requirements – IFRS® Accounting Standards and US GAAP engagements**

In addition, KPMG International has specific requirements for partners, managers and Engagement Quality Control (EQC) reviewers working on IFRS® Accounting Standards engagements in countries where IFRS Accounting Standards are not the predominant financial reporting framework.

Similar policies apply to engagements performed outside the US to report on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR).

These provide that at a minimum, all partners, managers and, if appointed, the EQC reviewers (and for engagements conducted in accordance with US GAAP and/or US auditing standards engagements, the engagement partner, engagement manager, engagement in-charge and, if appointed the EQC reviewers assigned to the engagement have completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

### **3.3.4 ESG Assurance quality**

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

We believe the same level of professionalism, quality, consistency and trust should apply to ESG reporting as to financial data. We have made significant investments in putting ESG at the heart of the organisation and remain steadfast in our commitment to serving the public interest.

As part of the continuous improvement approach to quality, in 2024 the following updates were implemented:

- Revised methodology updates in accordance with the Corporate Sustainability Directive (CSRD), the European Sustainability Reporting Standards (ESRS) and EU Taxonomy disclosure requirements.
- Enhanced the ESG Assurance methodology and KPMG Clara workflow - Assurance training and released curriculum focused on the ISSB standards and the ESRSs.

- Invested in programs to strengthen KPMG professionals' skills and experience, to deliver high quality ESG assurance engagements and meet client needs, including access to technical ESG reporting and assurance subject matter professionals, including KDN.

Our ESG assurance delivery model is subject to our SoQM in accordance with ISQM 1.

### **3.4 Policies on applicable requirements, standards and laws**

At our firm, all personnel are expected to adhere to KPMG International and our firm's policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them. Our policies and procedures for audit and assurance engagements incorporate the relevant requirements of accounting, auditing, assurance, ethical, quality and risk management standards that are consistent with ISQM 1, and other relevant laws and regulations.



# 04

# Embrace digital technology

At KPMG, we are anticipating the technologies that will shape our near future and are driving an ambitious innovation agenda. We continue to transform the audit and assurance experience for our professionals and clients. The alliances and leading technologies used across the KPMG global organisation are enhancing quality by increasing our ability to identify and respond to the issues that matter.

## 4.1 KPMG Clara

An intelligent audit and assurance technology platform, KPMG Clara integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation and data visualization, and harnesses the power of artificial intelligence (AI). KPMG Clara enables new insights by helping auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply reconciling the accounts. A fully digital approach is integral to how KPMG firms perform quality audit and assurance engagements and interact with their clients. Policies and guidance are in place to establish

and maintain appropriate processes and controls regarding the development, evaluation and testing, deployment and support of technology in our audits.

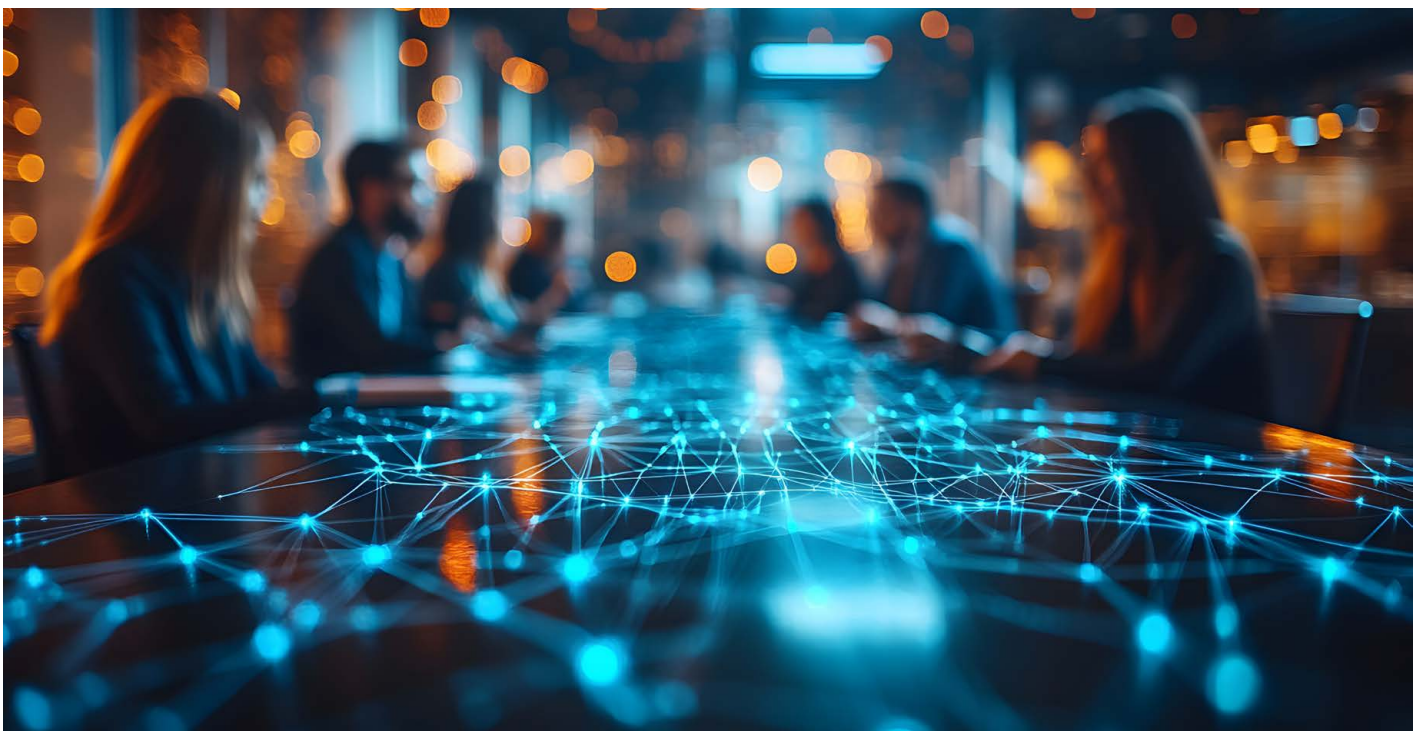
## 4.2 Intelligent, standards-driven audit and assurance workflows

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG firms. It enables delivery of KPMG audit and assurance methodologies, through data-enabled workflows, which are aligned with the applicable standards, providing an empowered and seamless experience to auditors.

## 4.3 Digital data and emerging technologies

### Our vision of the future

The KPMG global organisation is committed to continuously evolving our approach to quality and, as a technology-driven organisation, is harnessing innovative capabilities to deliver high quality services.



## Embrace digital technology continued

Fully deployed across KPMG firms, KPMG Clara is the global platform for KPMG Audit and empowers our auditors to offer deeper insights, fresh perspectives and improved audit and assurance quality to the entities we audit.

Signalling our commitment to continual innovation, enhancement, and further digitization of the audit, we use KPMG Clara as a future-ready platform that is ready to harness the innovations of today and tomorrow.

As one example, generative AI has been integrated directly into the global KPMG Clara audit workflow, allowing our professionals, where permitted by clients and applicable laws, to more deeply interrogate audit documentation, search and apply KPMG’s knowledge base, and benefit from the productivity-boosting capabilities of AI.

Technologies such as KPMG Clara analytics AI transaction scoring mean KPMG audit teams can apply AI and machine learning algorithms to identify higher-risk transactions – focusing audit attention on risk areas that require follow up and providing greater assurance over the complete data set.

As KPMG works to fully harness the power of AI, we remain equally committed to upholding ethical standards for AI solutions that align with our Values and professional

standards, and that foster the trust of KPMG clients, people, communities and regulators.

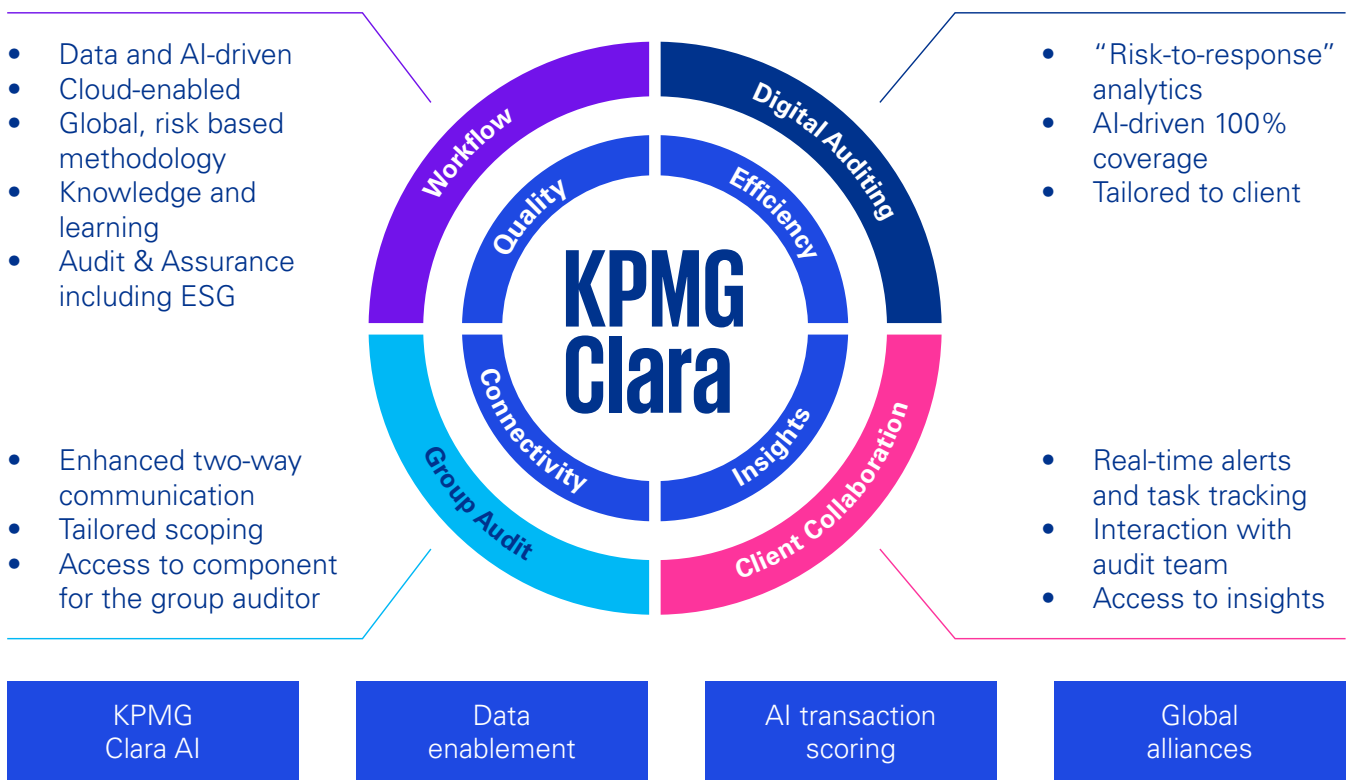
KPMG Trusted AI is our strategic approach and framework to designing, building, deploying and using AI solutions in a responsible and ethical way to help accelerate value with confidence.

### 4.3.1 Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms, including the KPMG Global Code of Conduct.

We have policies on information security, confidentiality, personal information and data privacy. We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with applicable laws, regulations, and professional standards.

KPMG provides training on confidentiality, information protection and data privacy requirements to all KPMG personnel annually.



# 05

# Nurture diverse, skilled teams

Our people make the real difference and are instrumental in shaping the future of audit and assurance at KPMG. We put quality and integrity at the core of our practice. Our auditors have diverse skills and capabilities to address complex problems.

## 5.1 Recruit appropriately qualified and skilled people, with diversity of specialist skills, perspective and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose to deliver high-quality audit and assurance services. This requires the right recruitment, development, reward, promotion, retention and assignment of professionals.

### 5.1.1 Recruitment

We have invested in understanding how we can attract the talent we need now and in the future across our firm.

Our recruitment strategy is focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age. We also recruit significant numbers at an experienced hire level.

All candidates apply through our online platform for the position of their interest. Our selection process may include application screening, game-based assessment tests and behaviour-based interviews which allow a fair recruitment process, ensuring that selected candidates have the appropriate characteristics and skill set needed. These leverage fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform competently, are suitable and best placed for their roles.

KPMG Cyprus recruited 116 new people in the year ended 31 December 2024, out of which 65 were new graduates (2023: 92 new graduates).

Where individuals are recruited for senior grades, a formal independence discussion is conducted with them by the Ethics and Independence Partner or a delegate. We do not accept any confidential information belonging to the candidate's former firm/employer.

### 5.1.2 Inclusion, diversity & equity programs

Inclusion, Diversity and Equity (IDE) underpins the KPMG Value of 'Together' and is vital to inspiring confidence and empowering change — our Purpose.

Fostering a culture that welcomes everyone — without exception — requires purposeful work. KPMG International issues guidance on global best practices related to those areas where an evolved IDE focus can help make the greatest impact through the creation of an inclusive environment — including hiring, compensation, performance evaluation and promotions.

Engage. Educate. Empower was the theme of KPMG's Global IDE Super Summit for 2024 and thousands of colleagues joined the celebration of togetherness uniting the KPMG IDE communities and allies through a landmark global event, with more ways to learn from each other, join conversations and share ideas.

Learn more about the KPMG commitment to have an inclusive culture built on trust in the KPMG International: [Our Impact Plan](#).

### 5.1.3 Health and well-being

In our firm, we are committed to protecting the health of our people, both physically and mentally, and providing an environment of empathy and support that allows our people to thrive and deliver high-quality work to our clients. Professional services can be a fast-paced and demanding environment, so we are focused on creating a culture where people can be open about their well-being — and reach out for support when they need it.

### 5.1.4 Reward and Promotion

#### Reward

We have compensation and promotion policies that are informed by market data and are clear, simple, fair and linked to the performance review process. This helps our partners and employees understand what is expected of them, including audit quality accountabilities outlined in audit role profiles and the audit quality goal that are issued globally by KPMG International. The connection between performance and reward is achieved by assessing performance across a peer group to inform reward decisions.

Reward decisions are based on consideration of both personal and individual firm performance.



## Nurture diverse, skilled teams continued

The extent to which our people feel their performance has been reflected in their reward is measured through the annual Global People Survey, with action plans developed as required.

### Promotion

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

## 5.2 Assign an appropriately qualified team

A critical driver of quality management is the selection of the engagement team to deliver effective and high-quality audit and assurance services. At KPMG, we have policies, procedures and controls in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement.

Function heads are responsible for the partner assignment process. Key considerations include partner experience and capacity – based on an annual partner portfolio review – to perform the engagement considering the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement partners are responsible for determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the audit engagement, KPMG policies and procedures, professional standards and applicable legal and regulatory requirements and any changes that may arise during the engagement. This may include involving specialists from our own firm, other KPMG firms or external experts.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner's considerations may include the following:

- Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- Understanding of professional standards and legal and regulatory requirements;
- Appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- Knowledge of relevant industries in which the client operates;
- Ability to apply professional scepticism;
- Understanding of KPMG's quality control policies and procedures; Quality Performance Review (QPR) results and results of regulatory inspections.

## 5.3 Audit role profiles to drive quality

Driving a consistent approach to accountability for quality, we have a set of role profiles, issued by KPMG International, articulating the technical and behavioural competencies, and individual levels of accountability for contributing to audit quality and the SoQM. The role profiles offer KPMG personnel involved in audit delivery a clear articulation of their role and are updated annually to support the focus on continuous improvement. To connect the role profiles to goal setting, a mandatory audit quality goal is in place for those covered by the role profiles.



## 5.4 Invest in data centric skills – including advanced AI solutions

The KPMG organisation is strategically investing in prospective talent by partnering with world-class institutions to sustain strong leadership, while also looking forward to cultivating the skills and capabilities that will be needed in the future.

In 2024, KPMG organisation-wide AI training programs, '24 hours of AI', where every hour on the hour colleagues from around the globe took the opportunity to learn about the latest KPMG global AI tools and the advanced AI solutions that have been tailored for Audit and Assurance, Tax and Advisory functions; to take part in practical 'prompt crafting' workshops to improve AI skills; and to be upskilled on KPMG's principles for responsible use of AI.

In our firm, we are recruiting and training professionals who specialize in software, cloud capabilities and AI and who can bring leading technology capabilities to the smart audit and assurance platform that we use. We provide training on a wide range of technologies to help ensure that field professionals not only meet the highest professional standards but are also educated in new technology. With this approach we are bringing together the right people with the right skills and the right technology to perform exceptional audits.

## 5.5 Focus learning and development on technical expertise, professional acumen, and leadership skills

### 5.5.1 Commitment to technical excellence and quality service delivery

All our professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and the professional practice department for consultation. Where the right resource is not available in our firm, we access a network of highly skilled KPMG professionals in other KPMG firms.

At the same time, policies require all KPMG audit and assurance professionals to have the appropriate knowledge and experience for their assigned engagements.

### 5.5.2 Lifetime learning strategy

In our firm, we are committed to developing a culture of continuous learning in line with our desire to provide access to learning for a lifetime — where KPMG partners and employees can continually enhance their competencies and skills through functional, ethical and accelerated learning. With a focus on enabling excellence, our continuous learning culture helps our people make the difference for both clients and themselves.

#### **Formal training**

Rapid advances in technology have made education and reskilling more important than ever. Providing our people with opportunities to learn and develop their careers is a key pillar of KPMG's Global People strategy.

Annual training priorities for development and delivery are identified by the Audit Learning and Development groups at global, regional and, where applicable, KPMG firm level.

Minimum learning requirements for audit professionals across the KPMG organisation are established annually. Training is delivered using a blend of learning approaches and performance support.

#### **Mentoring and on the job training**

Learning is not confined to a single approach — rich learning experiences are available when needed through coaching and just-in-time learning and aligned with job-specific role profiles and learning paths.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgment, technical excellence and instinct.

We support a continuous learning environment where KPMG partners and employees contribute to building the team capacity, coaching other team members and sharing experiences.

## 5.6 Recognize quality

### 5.6.1 Personal development

Our approach to performance development, 'Open Performance Development', is built around the 'Everyone a Leader' performance principles which are supplemented by the 'global audit technical core competencies' to provide a holistic view of expectations. The performance development approach includes:

- Audit role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
- A goal library (including a mandatory audit quality goal applicable to everyone covered by the audit role profiles and additional optional audit quality content);
- Standardized review forms (with provision for audit quality ratings).

Open Performance Development is linked to the KPMG Values and designed to articulate what is required for success — both individually and collectively. We know that by being clear and consistent about the behaviours and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on quality.

At the same time, we are driving a shift in our performance-driven culture, supported by and enacted through leading technology made available by KPMG International that allows us to embed audit quality into the assessment of performance and the decisions around reward, as well as drive consistency across the global organisation.

We consider quality and compliance metrics in the overall performance assessment, promotion and remuneration of partners and directors and managers. These evaluations are conducted by performance managers and partners who are able to assess performance.

KPMG's development approach as well as the on-the-job training offered, create an environment where trainees can flourish. Every year, KPMG has a large number of trainees who complete their professional qualification exams and become qualified professionals (2024: 27 people) while at the same time proudly announces the achievements, both worldwide and nationwide, of its trainees regarding their professional examination results. This year, our trainees have achieved three first-place honors in the ACCA examinations on a national level, as well as an award for exceptional performance in an ACA examination, demonstrating their hard work and commitment to excellence.

# 06

# Associate with the right clients and engagements

Rigorous global client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

## 6.1 Global client and engagement acceptance and continuance policies

KPMG International's global client and engagement acceptance and continuance policies and processes are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG firms evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

## 6.2 Accept appropriate clients and engagements

### 6.2.1 Client evaluation

Our evaluation of a prospective client includes an assessment of the client's risk profile and background information on the client, its key management, directors and owners. If necessary, the evaluation includes obtaining and assessing additional information required to satisfy applicable legal / regulatory requirements.

### 6.2.2 Engagement evaluation

We consider a range of factors when we are evaluating each prospective engagement including:

- Potential independence and conflict of interest issues,
- Intended purpose and use of engagement deliverables,
- Public perception,
- Whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit engagement includes an assessment of the competence of the client's financial management team and the skills and experience of KPMG professionals. Where we are providing audit services for the first time, additional independence evaluation procedures are performed, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

### 6.2.3 Continuance process

We undertake an annual re-evaluation of all audit clients to identify risks in relation to continuing our association and mitigating procedures that need to be put in place.

In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change to the risk profile.

### 6.2.4 Withdrawal process

When we come to a preliminary conclusion that indicates we should withdraw from an engagement or client relationship, we must consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. We also consider further communication with those charged with governance and any other appropriate authority as required under its professional obligations.

## 6.3 Manage portfolio of clients

We have policies and procedures to enable our firm to monitor the workload and availability of engagement partners, managers and staff and personnel to provide sufficient time to complete their responsibilities.

Our firm's engagement partners are responsible for determining that members of the engagement team collectively have the appropriate competence and capabilities, including sufficient time, to successfully perform the engagement in accordance with professional standards and regulatory and legal requirements. See section 5.2 Assign an appropriately qualified team.

# 07

# Be independent and ethical

Auditor independence is a cornerstone of international professional standards and regulatory requirements.

## 7.1 Act with integrity and live our Values

We know that trust is earned by doing the right thing. We are committed to the highest standards of professional behaviour throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our [global](#) Code of Conduct, we outline the responsibilities KPMG people have to each other, our clients and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions. At our firm, we provide annual training to all partners and employees on the [Global Code of Conduct](#), anti-bribery and corruption, and compliance with laws, regulations and professional standards.

KPMG's ethical decision-making framework CARE (Consider, Assess, Respond, Evolve) is centered on building and reinforcing trust, and supports our Purpose, Values and Code of Conduct. A model shared across the organisation, CARE helps our people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma, and it also reminds them that they do not have to make these decisions alone.

## CARE

### Ethical decision-making framework

#### Consider

what is the issue



#### Assess

options to address the situation



#### Respond

with decision



#### Evolve

and reflect



## 7.2 Maintain an objective, independent and ethical mindset

KPMG International's independence policies and procedures incorporate the IESBA Code of Ethics, covering areas such as firm and personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

Our Ethics and Independence Partner (EIP) is responsible for communicating and implementing KPMG policies and procedures and ensuring that any additional local independence policies and procedures are established and effectively implemented.

Automated tools identify potential independence and conflict of interest issues and facilitate compliance with these requirements. KPMG firm compliance with independence requirements is part of the KPMG Quality & Compliance Evaluation (KQCE) program.

### 7.2.1 Personal financial independence

KPMG firms and KPMG personnel are required to be free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm audit and assurance clients (by definition, 'audit client' includes its related entities or affiliates), their management, directors and, where required, significant owners. All KPMG partners — irrespective of their firm or function — are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system to assist KPMG professionals in complying with personal independence investment policies. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e. late reporting of an investment acquisition).

We monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals. KPMG International provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2024, 22 of our partners and employees were subject to these audits (this included approximately 27% of our partners).

## Be independent and ethical continued

### 7.2.2 Employment relationships

Any KPMG professional providing services to an audit or assurance client irrespective of function is required to notify the firm EIP if they intend to enter into employment negotiations with that client. For partners, this extends to any audit client of any KPMG firm that is a public interest entity. Specific prohibitions, and in some instances, cooling off periods apply to accepting certain roles at audit and assurance clients.

### 7.2.3 Firm financial independence

KPMG firms are also required to be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

KPMG's independence compliance system records direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities and funds. This includes investments held in associated pension and employee benefit plans.

KPMG firms' borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets must also be recorded.

On an annual basis, we confirm compliance with independence requirements as part of the KQCE program.

### 7.2.4 Business relationships/suppliers

We have policies and procedures in place to ensure our business relationships with audit and assurance clients are

maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the SEC.

### 7.2.5 Business acquisitions, admissions and investments

Any acquisition of, or investment in, a business requires sufficient due diligence procedures to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with KPMG International are required to enable independence and other issues to be addressed when integrating the business into the wider global organisation.

### 7.2.6 Independence training and confirmations

All KPMG partners and client-facing professionals, as well as certain other individuals, are required to complete independence training upon joining KPMG and on an annual basis thereafter and must sign an annual confirmation of compliance.

### 7.2.7 Non-audit services

All KPMG firms have agreed, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

KPMG's mandatory conflicts and independence checking system supports our compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions,



## Be independent and ethical continued

deliverables and estimated fees, are required to be entered as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the submission.

Lead audit engagement partners are required to maintain group structures for their public interest entity and certain other audit clients including their related entities/affiliates. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

KPMG firms are prohibited from evaluating or compensating audit partners on selling non-audit services to their audit clients.

### 7.2.8 Fee dependency

KPMG firms have agreed to consult with their Regional Risk Management Partner where total fees from a public interest entity audit client are expected to exceed 10 percent of the annual fee income of the KPMG firm for two consecutive years. If the total fees from a public interest entity audit client and its related entities were to represent more than 15 percent of the total fees received by a particular KPMG firm in a single year, this would be disclosed to those charged with governance at the audit client. Where the total fees continued to exceed 15 percent for two consecutive years, we would engage a partner from another KPMG firm as the EQC reviewer and the fee dependency would be publicly disclosed.

### 7.2.9 Avoiding conflicts of interest

All KPMG firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have, an impact on a firm's and/or its partners' or employees' ability to be objective or otherwise act without bias.

KPMG firms use the mandatory conflicts and independence checking system for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG personnel and KPMG firms are prohibited from offering or accepting inducements, including gifts and hospitality to or from audit and assurance clients, unless the value is trivial and inconsequential.

### 7.2.10 Independence breaches

KPMG personnel are required to report an independence breach to our firm's EIP as soon as they become aware of it. Breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements are required to be reported to those charged with governance as soon as possible, except where alternative timing for less

significant breaches has been agreed with those charged with governance.

We have a disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations.



### 7.2.11 Partner and firm rotation

#### Partner rotation

Our partners are subject to periodic rotation of their responsibilities for audit clients. Requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a 'time-out' period during which time these partners are restricted in the roles they can perform.

#### Firm rotation

KPMG Limited is permitted to act as an auditor for PIE entities for a maximum period of 10 years and not to act as auditor for such clients for a 4-year period thereafter (referred to as the 'cooling off period'). KPMG Limited has processes in place to track and manage audit firm rotation. Additionally, for authorised credit institutions the maximum period is 9 years and not to act as auditors for such clients for a period of 4 years thereafter.

## 7.3 Have zero tolerance of bribery and corruption

We have zero tolerance of bribery and corruption.

KPMG firms' partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

Further information on KPMG International's anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#)

# 08

# Perform quality engagements

How an audit is conducted is as important as the result. Everyone at KPMG is expected to demonstrate behaviours consistent with our Values and follow all policies and procedures in the performance of effective and efficient audits.

## 8.1 Consult when appropriate

### 8.1.1 Encouraging a culture of consultation

KPMG encourages a culture of consultation that supports engagement teams in KPMG firms throughout their decision-making processes and is a fundamental contributor to audit and assurance quality. In our firm, engagement teams are required to consult within their firm when difficult or contentious matters arise on an engagement.

To help with this, our firm has established protocols for consultation and documentation of significant matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, KPMG audit, assurance, reporting and risk management manuals also include specific consultations on certain matters.

### 8.1.2 Technical consultation and global resources

Technical accounting, auditing and assurance support is available to all KPMG firms through a number of subject matter expert global teams.

**Global Audit Methodology Group (GAMG):** Develops the KPMG organisation's audit and assurance methodology based on the requirements of the applicable audit and assurance standards of the IAASB, PCAOB, and AICPA.

**KPMG Global Solutions Group (KGSG):** Develops and deploys global audit and assurance solutions, including new technology and automation innovations.

The GAMG and KGSG teams bring diverse experience and innovative ways of thinking to further evolve KPMG firms' audit and assurance capabilities.

**International Standards Group (ISG):** Develops global guidance to promote consistency of interpretation of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards by KPMG firms, and to promote a consistent response to emerging accounting and audit issues.

**PCAOB Standards Group (PSG):** Promotes consistency in the interpretation of PCAOB auditing standards in KPMG firms' audits of non-US components and foreign private

issuers and non-US components of SEC issuers, as defined by SEC regulations. The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates delivery of such training.

**Member firm professional practice resources:** Provide consultation support on auditing and technical accounting matters to their audit professionals involving regional or global teams when required. Across KPMG Limited, the role of DPP is crucial in terms of the support that it provides to the Audit function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local technical and professional issues and disseminates international guidance on IFRS Standards and ISAs.

## 8.2 Critically assess audit evidence using professional judgment and scepticism

On all KPMG audits, the nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all relevant audit evidence obtained during the course of the audit, including contradictory or inconsistent audit evidence. Each team member needs to exercise professional judgement and maintain professional scepticism throughout the audit engagement. Professional scepticism involves a questioning mind and remaining alert to contradictory, or inconsistencies in, audit evidence. Professional judgment encompasses the need to be aware of and alert to biases that may pose threats to sound judgments.

## 8.3 Direct, coach, supervise and review

### 8.3.1 Embedding ongoing coaching, supervision and review

We promote a coaching culture as part of enabling our professionals to achieve their full potential. Coaching fundamentals are embedded in the audit training curriculum, and we support a continuous learning environment where KPMG partners and professionals contribute to building the capacity of the team, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

## Perform quality engagements continued

### 8.3.2 Engagement quality control (EQC)

The EQC review is an important part of our approach to quality. We have agreed to appoint an EQC reviewer for each audit engagements, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements, including certain assurance engagements, as designated by our RMP or our Head of Audit.

An EQC review is an objective evaluation of the significant judgments made by the engagement team and its related conclusions, performed by the EQC reviewer, and completed on or before the date of the report. The EQC reviewer's evaluation of significant judgments includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate. The EQC review is completed only after the EQC reviewer is satisfied that all significant matters they raised have been resolved.

## 8.4 Appropriately support and document conclusions

### 8.4.1 Reporting

Engagement leaders form all opinions and conclusions for audit, assurance and review engagements based on the work performed and evidence obtained. In preparing auditors' and assurance reports, engagement leaders have access to reporting guidance and technical support through consultations with our Department of Professional Practice, especially where there are significant matters to be reported to users of the auditors' report (e.g. a modification to the opinion or the inclusion of an 'emphasis of matter' or 'other matter' paragraph).

### 8.4.2 Engagement documentation

Our firm's audit documentation is completed and assembled in accordance with KPMG International policy and applicable auditing standards. We have implemented safeguards to protect the confidentiality and integrity of client and firm information and we have reduced the time period permitted to assemble audit documentation, which is significantly less than the time period required by the applicable auditing standards.





# 9

## Assess risks to quality

The quality of KPMG audit and assurance services rests on the foundational SoQM and our approach to ISQM 1 emphasizes consistency and robustness of controls within our processes.

### 9.1 Identifying risks to quality and implement effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, process risk points (responses to those risks, including controls) that all KPMG firms agree to adopt. In recognition that we are responsible for our SoQM being in compliance with ISQM 1, we also

perform our own annual I-RAP, taking into account our firm's facts and circumstances in determining whether there are any incremental quality objectives, quality risks, process risk points or responses to those risks, including controls.

The consistent global approach:

- Sets the minimum controls to be implemented within all KPMG firms' SoQM processes in response to globally identified risks to meeting SoQM quality objectives.
- Defines the SoQM methodology used by KPMG firms in their annual SoQM evaluation to evaluate whether the SoQM controls are effective and whether the SoQM objectives have been achieved.



# 10

# Monitor and remediate

Integrated quality monitoring and compliance programs enable KPMG firms to identify quality deficiencies, to perform root cause analysis and develop, implement, and report remedial action plans, both in respect of individual audit engagements and the overall SoQM.

## 10.1 Rigorously monitor and measure quality

### 10.1.1 Commitment to continuous improvement

KPMG firms have committed to continually improving the quality, consistency and efficiency of their audits. The quality monitoring and compliance programs are globally consistent in their approach across all KPMG firms, including the nature and extent of testing and reporting. In our firm, we compare the results of our internal monitoring programs with the results of any external inspection programs and take appropriate action.

### 10.1.2 Internal monitoring and compliance programs

KPMG firms have agreed to use quality monitoring and compliance programs that are developed by KPMG International to identify quality issues, perform root cause analysis and develop remedial action plans, both for individual audits and for their overall SoQM.

The programs evaluate:

- Engagement performance in compliance with the applicable professional standards, applicable laws and regulations and key KPMG International policies and procedures.
- Our firm's compliance with KPMG International key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The internal monitoring and compliance programs also contribute to the evaluation of our SoQM operating effectiveness. These programs include:

- Audit Quality Performance Review (QPR).
- KPMG Quality & Compliance Evaluation (KQCE).
- Global Quality & Compliance Review (GQCR).

The results of the integrated monitoring and compliance programs are communicated and we establish action plans to make improvements where needed. Results are also considered by KPMG International.

### Audit Quality Performance Review (QPRs) program

The Audit QPR program assesses engagement-level performance and identifies opportunities to improve engagement quality.

#### *Risk-based approach*

Each engagement leader in every KPMG firm is reviewed at least once in a four-year cycle. A risk-based approach is used to select engagements.

The Audit QPR Program is designed by Global Quality & Risk Management. We conduct the annual QPR program in accordance with KPMG International QPR instructions which promote consistency across the KPMG organisation. Responsibility for the QPR Program lies with our firm's Risk Management Partner. Reviews are overseen by an independent experienced lead reviewer from another KPMG firm. QPR results are reported to KPMG International.

#### *Evaluations from Audit QPR*

Across the global organisation, consistent criteria are used to determine engagement ratings and KPMG firm Audit practice evaluations.

Audit engagements selected for review are rated as 'Compliant', 'Compliant- Improvement Needed' or 'Not Compliant'.

### KPMG Quality & Compliance Evaluation (KQCE) program

The KQCE program encompasses the testing and evaluation requirements of a KPMG firm's SoQM which are necessary to support their compliance with ISQM 1, and compliance with quality and risk management policies. KQCE program requirements are to be completed by all KPMG firms.

The annual KQCE program covers the period from 1 October to 30 September and helps support our conclusion on the operating effectiveness of our SoQM as of 30 September and compliance with quality and risk management policies.

### Global Quality & Compliance Review (GQCR) program

The GQCR program is a KPMG International monitoring program. The objective of the GQCR program is to assess a firm's compliance with selected KPMG International policies, including those related to governance and SoQM.

Firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of monitoring programs and

## Monitor and remediate continued

people surveys, with each firm subject to a GOCR at least once in a four-year cycle.

The GOCR team comprises partners and managers who are independent of the firm subject to review.

### Internal monitoring and compliance program reporting

Findings from the monitoring and compliance programs are disseminated to our professionals through written communications, internal training tools, and periodic meetings with leadership.

Findings are also emphasized in subsequent monitoring and compliance programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of Audit QPR not compliant ratings if relevant to their respective cross-border engagements.

### Remediation and monitoring

In our firm, we develop remedial action plans to respond to findings identified through our monitoring and compliance programs. Progress on action plans is monitored and results are reported, as appropriate, to regional and global leadership.

## 10.2 Obtain, evaluate and act on stakeholder feedback

### 10.2.1 Regulators

In the 4th quarter of 2024, the Cyprus Public Audit Oversight Board (CyPAOB) initiated their Firm Wide Controls inspection which is still ongoing.

We are also registered with the ICPAC. Our firm was inspected by ICPAC during the 4th quarter of 2024. The review was successfully concluded with an overall satisfactory result.

KPMG Limited is committed in delivering high quality audits. We are considering each of the findings and recommendations identified from all inspections. Robust Root Cause Analysis takes place, as described in section 10.3, with the purpose of addressing areas requiring improvement. We are implementing actions to address deficiencies and strengthen policies and procedures as appropriate.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through IFIAR's Global Audit Quality Working Group (GAQWG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues.

Every KPMG firm is expected to maintain professional and respectful relationships with applicable regulators, including

proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

### 10.2.2 Client feedback

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered.

### 10.2.3 Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in our general terms of business.

### 10.2.4 Other assessment of audit quality. Policy for Second line of defence (2LoD) reviewers

Second line of defence (2LoD) reviewers support specific audit teams during the conduct of their work and navigate key audit areas of the audit. All 2LoD reviewers are high performing individuals. They coach teams to develop and robustly evidence risk assessment, audit approach and the execution of the key audit procedures. Their goal is to improve audit quality on these specific audits, before the audit opinion is issued, and more broadly by gathering data inputs for consideration as part of our quality risk assessment and continuous improvement initiatives. In addition, pre issuance reviews of clients' financial statements pre performed when required and in accordance with the local policy.

## 10.3 Perform root cause analysis and design and implement remedial action plans

In our firm, our SoQM provides the foundation for consistent delivery of quality engagements and our Root Cause Analysis (RCA) program is an integral element of the monitoring and remediation component of the SoQM, driving enhancements to audit quality. Leveraging inputs from internal monitoring programs, external inspections and other activities, we identify audit quality issues and undertake root cause analysis corresponding to the nature and severity of the issues. We continue to strengthen our root cause analysis process and have designed our RCA program in accordance with globally consistent RCA training materials and KPMG International's RCA guide.

We design and implement remedial actions that respond to the identified root causes of the audit quality issues and subsequently monitor the effectiveness of such actions. The RCA remedial action plans and monitoring results are reported to regional and global leadership.

Our Head of Audit is responsible for audit quality, including the remediation of audit quality issues. Our firm's RMP monitors the remediation plans' implementation.

# 11

# Communicate effectively

We recognize that another important contributor to upholding audit and assurance quality is to obtain and promptly act upon feedback from key stakeholders.

## 11.1 Provide insights, and maintain open and honest two-way communication

### 11.1.1 Communicate with those charged with governance

We stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at Audit Committee or board meetings, and ongoing discussions with management and members of the Audit Committee.

The role of Audit Committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

### KPMG Cyprus Audit Committee Institute

In recognition of the demanding and important role that Audit Committees play for the capital markets and of the challenges that they face in meeting their responsibilities, the Audit Committee Institute (ACI) aims to help audit committee members enhance their commitment and ability to implement effective audit committee processes.

The KPMG Cyprus ACI, has continued its successful operation in the world of corporate governance, by communicating with Boards and Audit committees to provide updates, through dedicated training sessions, e-meetings and publications shared through email.

Further details and insights on the ACI are available [here](#).

### Global IFRS Institute

The KPMG [Global IFRS Institute](#) provides information and resources to help Board and Audit Committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial and sustainability reporting frameworks.

## 11.2 Conduct and follow-up on the Global People Survey (GPS)

Only with engaged, talented people can we deliver audits in line with our audit quality expectations. Annually, our personnel are invited to participate in KPMG's Global People Survey (GPS) to share their perception on their experience of working at KPMG. Results can be analyzed by several factors, including functional or geographic area, grade and gender to provide additional focus for action.

Through the GPS, our firm measures our people's engagement and gains additional insight about what drives engagement for KPMG people. The GPS includes specific audit quality questions for those individuals who participated in an audit in the previous 12 months, giving us a particular data set for audit quality-related matters.

The survey also provides our leadership and KPMG International leadership with insights related to quality and risk behaviours, audit quality, upholding the KPMG Values, and employee and partner attitudes to quality, leadership and tone at the top.

We participate in the GPS, monitor results and take appropriate actions to communicate and respond to the findings of the survey. The results of the GPS, and the appropriate follow up actions, are also aggregated for the entire global organisation and are presented to the Global Board each year.

Audit-specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for consideration of appropriate remedial action, if needed. A global GPS action plan for audit is also communicated annually.

## 12

# Financial information

The breakdown of the total revenue of KPMG for the year ended 31 December 2024 is outlined in the tables below. Revenue is reported on a gross basis and includes expenses billed to clients as well as revenue related to billings by other KPMG network member firms:

Revenue	2024 €' 000	2023 €' 000
<b>Audit</b>	<b>26.720</b>	<b>29.145</b>
<b>Tax &amp; Legal</b>	<b>10.023</b>	<b>9.983</b>
<b>Advisory</b>	<b>11.974</b>	<b>13.144</b>
<b>Total*</b>	<b>48.717</b>	<b>52.272</b>

\*Revenue includes revenues of all KPMG member firms in Cyprus, as presented in paragraph 2.4 on page 11.

Total revenue related to all entities in Cyprus on a net basis, after net-off of expenses billed to clients and revenue related to billings by other KPMG network firms amounts to €45.7m (2023: €47.4m).

Revenue	2024 €' 000	2023 €' 000
<b>Revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity</b>	<b>3.464</b>	<b>2.823</b>
<b>Revenues from the statutory audit of annual and consolidated financial statements of other entities</b>	<b>22.269</b>	<b>25.331</b>
<b>Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm</b>	<b>6.709</b>	<b>5.183</b>
<b>Revenues from non-audit services to other entities</b>	<b>14.706</b>	<b>16.942</b>
<b>Total revenue related to KPMG Limited</b>	<b>47.148</b>	<b>50.279</b>
<b>Non-audit services provided (**) by other KPMG network entities in Cyprus: Theodorides, Georgiou, Iacovou LLC</b>	<b>1.569</b>	<b>1.993</b>
<b>Total revenue related to all entities in Cyprus (on a gross basis)</b>	<b>48.717</b>	<b>52.272</b>

\*\*of which €257 thousand (2023: €179 thousand) for non-audit services provided to companies audited by KPMG Limited.

#### Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements\*

Aggregated revenues generated by KPMG firms from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements were 2.6 billion euros during the fiscal year ending 30 September 2024. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2024.

\*The financial information set forth represents combined information of the separate KPMG member firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

# Partner remuneration

## Partners' profit share

Partners are remunerated out of the distributable profits of KPMG Limited (such profits being determined by the KPMG Limited Board). The final allocation of profits to partners is made by the Executive Committee after assessing each partner's contribution for the year. The KPMG Limited Board approves this process and oversees its application.

There are four elements to partner remuneration:

- Base component – A proportion of the KPMG Limited budgeted profits are allocated to members as base component; this is effectively member salary. The amount of base component reflects the role and seniority of each partner. In the year to 31 December 2024, the total base component was approximately 64% of the profits allocated to individual members (2023: 58%).
- Profit related performance component – Rewards performance in the year by each partner against individual objectives previously agreed and the overall profits of their part of KPMG Limited as a whole. Our policies for this variable element of partner remuneration take into account a number of factors including quality of work, excellence in client service, growth in revenue and profitability, leadership and living the KPMG Values. Audit partners are not permitted to have objectives related to, or receive any remuneration from, selling non-audit services to their audit clients. In addition, a part of their performance-related component is based on an assessment of their ability to deliver audit quality.
- Bonus payment – allocated based on exceptional performance in a year and considering a number of criteria.
- Financial penalty – deduction to reflect cases for deficient quality and performance of the individual in a year.

Our policies of partner remuneration take into account a number of factors including quality of work, excellence in client service, growth in revenue and profitability, leadership and living the KPMG Values.

Each partner is required to submit a written appraisal to the Appraising Committee detailing his/her own view of

performance against objectives over the previous year. The Appraising Committee specifically considers the contribution of each partner to quality on their engagements. Quality is one of the most important metrics for measuring the performance – and by extension, the reward of partners. The Quality and Performance Matrix is used to assess an individual's performance looks at quality and how it interacts with other factors. The overall rating depends on the interaction of both. We use a quality matrix to collate both objective and subjective evidence of performance. Evidence includes indicators from reviews and inspections, and feedback from the quality process.

## Drawings

During the year, partners working within KPMG Limited received monthly drawings and from time to time, additional profit distributions. The level and timing of the additional distributions are decided by the Executive Committee, taking into account cash requirements for operating and investing activities. All such drawings and profit distributions to partners represent payments on account of current year profits and are reclaimable from members until profits have been allocated. Any over-distribution of profits during the year is also recoverable from partners.

# 14

# Network arrangements

## 14.1 Legal structure

### Legal structure

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms do not, and cannot, operate as a multinational corporate entity. KPMG member firms are generally locally owned and managed. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Our firm and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients, directly or indirectly, to clients. Professional services to clients are exclusively provided by member firms.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Each firm is part of one of three regions (the Americas, ASPAC and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG

International or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the revised legal and governance arrangements for the KPMG global organisation can be found in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available in Appendix 3.



## 14.2 Responsibilities of KPMG firms

Member firms have agreed with KPMG International to comply with KPMG International's policies, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values.

A firm's status as a KPMG member firm and its participation in the KPMG global organisation may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its agreements with KPMG International.

## Network arrangements continued

### 14.3 Professional Indemnity Insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

### 14.4 Governance structure

KPMG International's governance bodies are comprised of the Global Council, the Global Board (including its committees), the Global Management Team and the Global Steering Groups.

#### Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms. Among other things, the Global Council elects the Global Chairman and approves the appointment of Global Board members. It includes representation from 52 KPMG member firms.

#### Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team and approving policies with which KPMG firms have agreed to comply. It also approves the admittance or termination of KPMG firms to/from the global organisation.

It is led by the Global Chairman, Bill Thomas, and includes the Chairman of each of the regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA) and a number of members who are also member firm Senior Partners.

The list of current Global Board members, is available on the [Leadership page](#) of kpmg.com

#### Global Board committees:

The Global Board is supported in its oversight and governance responsibilities by several committees, including:

- Executive Committee;
- Governance Committee;
- Global Quality and Risk Management Committee; and
- Global Audit Quality Committee.

Each of these committees is comprised of Global Board members and reports directly to the Global Board.

The overarching responsibility of the Global Audit Quality Committee is to strive for consistent audit quality across all firms and to oversee

KPMG International activities which relate to improving and maintaining the consistency and quality of audits, assurance engagements and the system of quality management provided by KPMG firms. The Global Head of Audit and the Global Head of Audit Quality (the latter being responsible for oversight of audit quality across KPMG for KPMG International) report on audit quality matters to this committee.



#### Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team (GMT). These responsibilities include developing the global strategy by working together with the Executive Committee and jointly recommending the global strategy to the Global Board for its approval. The GMT also supports KPMG firms in their execution of the global strategy and KPMG International decisions and policies by member firms. The GMT promotes the commitment to KPMG being a multidisciplinary organisation. The GMT also oversees the activities of the Global Steering Groups.

It is led by the Global Chairman, Bill Thomas. The list of current GMT members is available on the [Leadership page](#) of KPMG.com.

#### Global Steering Groups

There is a Global Steering Group for each key function and infrastructure area, chaired by the relevant member of the GMT and, together they assist the GMT in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the GMT.



## Network arrangements continued

In particular, the Global Audit Steering Group and Global Quality & Risk Management Steering Group work closely with regional and member firm leadership to:

- Establish, and ensure communication of, appropriate audit, quality and risk management policies;
  - Establish and support effective and efficient risk processes to promote audit quality;
  - Promote and support strategy implementation in member firms' audit functions, including standards of audit quality; and
  - Assess and monitor audit quality issues, including those arising from quality performance and regulatory reviews, and focus on best practices that reduce audit quality findings.
- The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in 'Governance and leadership' section of the [KPMG International Transparency Report](#)



# Statement on the effectiveness of the System of Quality Management of KPMG Limited as at 30 September 2024

The measures and procedures that serve as the basis for the system of quality management for KPMG Limited outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Board of KPMG Limited has considered:

- The design and operation of the quality control systems as described in this report;
- The findings from the various compliance programs operated by our firm (including the KPMG International review programs as described in section 11.2 and our local compliance monitoring programs); and
- Findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all of this evidence together, the Board of KPMG Limited confirms with a reasonable level of assurance that the systems of quality control within our firm have operated effectively in the year to 30 September 2024.

Further, the Board of KPMG Limited confirms that an internal review of independence compliance within our firm has been conducted in the year to 30 September 2024.

*KPMG Limited*

Nicosia, 30 April 2025



## Appendix 1: Public Interest Entities

EU public interest entities (as defined in EU Directive 2014/56/EU) for which we carried out statutory audits between 1 January 2024 to 31 December 2024 are listed below.

### Listed Entities

Alkis H. Hadjikyriakos (FrouFrou Biscuits) Public Ltd  
 A.Tsokkos Hotels Public Limited  
 Asbis Enterprises Plc  
 Blue Island Plc  
 CyprusTrading Corporation Plc  
 Dome Investments Public Company Limited  
 Ermes Department Stores Plc  
 Leptos Calypso Hotels Public Limited  
 Logicom Public Limited  
 Lordos Hotels (Holdings) Public Limited  
 NETInfo Plc  
 Petrolina (Holdings) Public Limited  
 Top KinisisTravel Plc  
 Theon International Plc  
 Vassiliko Cement Works Public Company Ltd  
 Woolworth (Cyprus) Properties Plc

### Non Listed Banks

Eurobank Cyprus Ltd  
 Joint Stock Company Commercial Bank "Privatbank" Cyprus Branch

### Non Listed Insurance Entities

Altius Insurance Limited  
 Asfalistiki Etaireia I 'Kentiriki' Limited  
 CNP Asfalistiki limited  
 CNP Cyprialife Limited  
 Eurosure Insurance Company Limited  
 HD Insurance Limited  
 Grawe Reinsurance Limited  
 Medlife Insurance Limited  
 Prime Insurance Company Limited  
 Progressive Insurance Company Limited  
 Universal Life Insurance Public Company Limited  
 Ypera Insurance Co. Ltd (Ex.Ydrogeios Insurance Company (Cyprus) Limited)

## Appendix 2: Executive Committee 2024



**Christos Vasiliou**  
Managing Director

Christos Vasiliou became a Partner in 1999 and he is currently serving as the Managing Director of KPMG in Cyprus. He has been a member of the Executive Committee since 2009.



**Michael Antoniadis**  
Chairman

Michael Antoniadis became a Partner in 1998 and he is currently serving as the Chairman of KPMG in Cyprus. He has been a member of the Executive Committee since 2013.



**Loizides Sylvia**  
Head of Audit

Sylvia Loizides is the Head of the Audit department and a member of KPMG's EMA Audit Leaders Group. She became a Partner in 1997. She has been a member of the Executive Committee for more than 10 years. Sylvia also leads the firm's Shipping service line.



**George Markides**  
Head of Tax

George Markides became a Partner in 2007 and he is currently the Head of Tax department of KPMG in Cyprus. He has been a member of the Executive Committee since 2016.

## Appendix 2: Executive Committee 2024 continued



**Lazarou Marios**  
Head of Advisory

Marios Lazarou became a Partner in 2010 and he and he is currently the Head of Advisory department of KPMG in Cyprus. He has been a member of the Executive Committee since 2022.



**Constantinos Kallis**  
Risk Management Partner

Constantinos Kallis became a Partner in 2009. He is currently the Risk Management Partner at KPMG in Cyprus. He has been a member of the Executive Committee since 2019.



**Michael Halios**  
Partner in Charge of Larnaca Office

Michael Halios became a Partner within KPMG in Cyprus in 2000. He has been a member of the Executive Committee since 2013.



**Paris Elia**  
Audit Partner in Larnaca Office

Paris Elia became a Partner within KPMG in Cyprus in 2010. He is the Firm's Audit Function Quality Performance Liaison Partner at KPMG in Cyprus. He has been a member of the Executive Committee since 2022.

## Appendix 2: Executive Committee 2024 continued



**Panayiotis Peleties**  
Audit Partner in Nicosia Office

Panayiotis Peleties became a Partner in 2005. He leads the IFRG team and the Financial Services Sector - Banking at KPMG in Cyprus. He has been a member of the Executive Committee since 2019.



**Maria Papacosta**  
Audit Partner in Nicosia Office

Maria Papacosta became a Partner in 2007. She leads the Clients & Markets department at KPMG in Cyprus. She has been a Member of the Executive Committee since 2019.



**Christoforos Anayiotos**  
Advisory Partner in Nicosia Office

Christoforos Anayiotos became a Partner in 2008. He leads the Deal Advisory at KPMG in Cyprus. He has been a member of the Executive Committee since 2019.



**Costas Markides**  
Tax Partner in Nicosia Office

Costas Markides became a Partner in 2011. He leads the International Tax Services at KPMG in Cyprus. He has been a member of the Executive Committee since 2022.

## Appendix 3: List of KPMG audit entities located in EU & EEA as of 30 September 2024

Location	Firm Name
Austria	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz)
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Belgium	KPMG Bedrijfsrevisoren / KPMG Réviseurs d'Entreprises
Bulgaria	KPMG Audit OOD
Croatia	KPMG Croatia d.o.o. za reviziju
Cyprus	KPMG
Cyprus	KPMG Limited
Czech Republic	KPMG Česká republika Audit, s.r.o.
Denmark	KPMG P/S
Estonia	KPMG Baltics OÜ
Finland	KPMG Oy Ab
Finland	KPMG Julkistarkastus Oy
France	KPMG SA
France	KPMG Audit FS I S.A.S.
France	KPMG Audit IS S.A.S.
France	KPMG Audit Nord S.A.S.
France	KPMG Audit Ouest S.A.S.
France	KPMG Audit Rhône Alpes Auvergne S.A.S.
France	KPMG Audit Sud-Est S.A.S.
France	KPMG Fiduciaire de France
France	SALUSTRO REYDEL S.A.
Germany	KPMG AG Wirtschaftsprüfungsgesellschaft
Germany	KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Greece	KPMG Certified Auditors S.A.
Greece	KPMG Auditing A.E.
Hungary	KPMG Hungária Kft.

Iceland	KPMG ehf.
Ireland	KPMG
Italy	KPMG S.p.A.
Italy	KPMG Audit S.p.A.
Latvia	KPMG Baltics SIA
Liechtenstein	KPMG (Liechtenstein) AG
Lithuania	KPMG Baltics UAB
Luxembourg	KPMG Audit S.à.r.l.
Malta	KPMG
Netherlands	KPMG Accountants N.V.
Norway	KPMG Holding AS
Norway	KPMG AS
Poland	KPMG Audył Services Spółka z ograniczoną odpowiedzialnością
Poland	KPMG Audył Spółka z ograniczoną odpowiedzialnością
Poland	KPMG Audył Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa
Portugal	KPMG & Associados — Sociedade de Revisores Oficiais de Contas, S.A.
Romania	KPMG Audit SRL
Slovakia	KPMG Slovensko spol. s r.o.
Slovenia	KPMG Slovenija, podjetje za revidiranje, d.o.o.
Spain	KPMG Auditores, S.L.
Sweden	KPMG AB





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