
TO : **Regulated Entities:**
i. **Cyprus Investment Firms**
ii. **Management Companies¹**
iii. **Alternative Investment Fund Managers²**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **September 14, 2016**

CIRCULAR NO. : **C160**

SUBJECT : **MIFID II Guidelines on Cross Selling Practices**

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform the Regulated Entities about the following:

1. The European Securities and Markets Authority (ESMA) has published its Guidelines on Cross Selling Practices under MiFID II ('the [Guidelines](#)') to ensure investors are treated fairly when a firm offers two or more financial products or services as part of a package.
2. The Guidelines include principles on:
 - i. improving disclosures when different products are cross-sold with one another;
 - ii. requiring firms to provide investors with all relevant information in a timely and clear manner;
 - iii. addressing conflicts of interest arising from remuneration models; and
 - iv. improving client understanding on whether purchasing the individual products offered in a package is possible.
3. The CySEC adopts the Guidelines.
4. The Guidelines will apply from 3 January 2018.

Sincerely,

Demetra Kalogerou
Chairman of Cyprus Securities and Exchange Commission

¹ Management companies when providing services pursuant to section 109(4) of Law 78(I)/2012, as in force.

² AIFMs when providing services pursuant to section 6(6) of Law 56(I)/20013, as in force.