

13<sup>th</sup> April 2023

**CYSEC Board Decision**

<b>Announcement date:</b>	13.04.2023	<b>Board decision date:</b>	03.04.2023
<b>Regarding:</b>	Itrade Global (CY) Ltd		
<b>Legislation:</b>	The Investment Services and Activities and Regulated Markets Law		
<b>Subject:</b>	Total fine €1.000.000		
<b>Judicial Review:</b>	<a href="#">Click here</a>	<b>Judicial Review Ruling:</b>	<a href="#">Click here</a>

The Board of the Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the public that, at its meeting on the 3<sup>rd</sup> April 2023, decided to impose a total administrative fine of **€1.000.000** to **CIF Itrade Global (CY) Ltd** (LEI: 213800S1DAWWOXFDGQ42) ('the Company') for violations of The Investment Services and Activities and Regulated Markets Law of 2017, as in force ('the Law') following an inspection in 2020 of the activities of the Company's tied agent, which it appointed to act on its behalf in Spain.

**Particularly CySEC imposed to the Company:**

- A.** A fine of **€240.000** for violation of section 22(1) of the Law, as the Company did not comply all time with the following authorisation conditions:
- i. Section 17(2) of the Law, as specified further in Article 21(1), points (b) και (d), and in Articles 22(1) and 22(2) of Delegated Regulation (EU) 2017/565, as the Company did not establish adequate policies and procedures sufficient to ensure its compliance with its obligations under the Law.
  - ii. Section 17(3)(c) of the Law, as the Company, in the product approval process, it did not specify an identified target market of end clients and did not ensure that all relevant risks to such identified target market were assessed and that the intended distribution strategy was consistent with the identified target market.
  - iii. Section 17, paragraphs (6) and (7)(a), of the Law, as the Company failed to keep records of telephone conversations with all the services provided and the activities/transactions it performed.
- B.** A fine of **€120.000** for violation of section 24(1) of the Law, as specified further in Articles 27 and 33 of Delegated Regulation (EU) 2017/565, as the Company did not take all reasonable measures to identify and to prevent or manage conflicts of interest between itself and its tied agent on one hand and its clients on the other.

- C.** A fine of **€130.000** for violation of section 25(1) of the Law, as the Company did not act honestly, fairly and professionally when providing investment or ancillary services to clients, in accordance with the best interests of its clients, taking into account the actions/practices of the call centre staff of the tied agent acting on behalf of the Company in Spain.
- D.** A fine of **€110.000** for violation of section 25(3)(α) of the Law, as the Company did not ensure that all information provided to clients or potential clients through its website, its marketing communications and the call centre of the tied agent acting on its behalf in Spain was fair, clear and not misleading.
- E.** A fine of **€80.000** for violation of section 26(1) of the Law, as the Company, through the tied agent it appointed to act on its behalf in Spain, did not ensure that the natural persons giving information to clients on its behalf, who were employed by the tied agent, had the necessary knowledge and competence to fulfil their obligations.
- F.** A fine of **€80.000** for violation of section 26(3), paragraph (a) and (b), of the Law, as specified further in Article 55 of Delegated Regulation (EU) 2017/565, as the Company:
- i.** Did not require the clients or potential clients to provide all necessary information regarding that person's knowledge and experience in the investment field, relevant to the specific type of product or service offered or demanded, so as to enable itself to assess whether the investment service or product envisaged is appropriate for the client, and
  - ii.** Did not properly warn the potential client, after the completion of an appropriateness test by the client, that the product or service was not appropriate for him/her.
- G.** A fine of **€240.000** for violation of section 30(2)(β) of the Law, as the Company failed to monitor the activities of the tied agent appointed to act on its behalf in Spain, so as to ensure that it continued to comply with the Law, even when acting through a tied agent.

Full justification of the CySEC's decision is available in the Greek text of the announcement.

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