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TO : **Regulated Entities:**

- i. **Alternative Investment Fund Managers ('AIFMs')**
- ii. **Internally Managed Alternative Investment Funds**
- iii. **UCITS Management Companies**
- iv. **Internally Managed UCITS**
- v. **Internally Managed Alternative Investment Funds with Limited Number of Persons ('AIFLNP')**
- vi. **Companies with sole purpose the management of AIFLNP**
- vii. **Small AIFMs**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **May 12, 2023**

CIRCULAR No : **C573**

FILE No : **01.13.001.002.002**

SUBJECT : **Risk-Based Supervision Framework – Electronic submission of information for the year 2022 (Form RBSF-MC)**

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The present Circular is issued pursuant to section 25(1)(c)(ii) & (iii) of the Cyprus Securities and Exchange Commission Law ('the CySEC Law').

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

#### **1. Information Requested by CySEC**

- 1.1.** A new version of the form, **RBSF-MC Version 6** ('the Form') has been issued, which can be found in the [Appendix](#). This Form is issued on an annual basis and aims to collect various statistical information. CySEC will use this information, for the purposes of statistical analysis and risk management, among other things.
- 1.2.** The Form must be completed and **successfully submitted** to CySEC, by **all Regulated Entities that were authorised, appointed or approved to act as External Fund Managers (in case no authorisation is required by the relevant legislation), by December 31, 2022**. In this respect, Regulated Entities that were authorised, appointed or approved to act as External Fund Managers by December 31 2022, but have not made use of their authorisation or appointment, must also submit the Form.

- 1.3.** The Form must be successfully submitted electronically via CySEC's Transaction Reporting System ('TRS') **15:00 hrs, Friday, June 16 2023 at the latest.**
- 1.4.** The steps that the Regulated Entities will have to follow, for the successful submission of the Form to the TRS, can be found [here](#). Upon submission, the Regulated Entities are responsible to ensure that they have received a **feedback file**, i.e., an official submission confirmation dispatched by the TRS in the Outgoing directory.
- 1.5.** The feedback file will either contain a NO ERROR indication or, in the case that any error(s) has/have occurred during submission, it will contain a description of that/those error (s). In case of any errors detected during submission of the Form, the Regulated Entities must review the Form and ensure that all errors are addressed and corrected, before they digitally sign (only applicable for Excel files) and re-submit the Form. **The Form is regarded as being successfully submitted to CySEC only when a NO ERROR indication feedback file is received, within the deadlines set out in point 1.3 above.**
- 1.6.** CySEC emphasises the importance of meeting the deadline of **15:00 hrs, Friday, June 16 2023.**
- 1.7.** **Failure to promptly and duly comply with the above, will bear the administrative penalties of section 37(5) of the CySEC Law.**

## 2. Information no longer required

Question 5 in Section E is no longer requested.

## 3. Information that has been moved to another section

Questions 4.1, 4.1.1, 4.1.2 and 4.2 of Section C1 have been moved in Section I as Questions 16.2, 16.2.1 and 16.2.2, slightly amended.

## 4. New Information Requested

Below we list the new information, requested in this version of the Form.

### 4.1. Section I - Details of each Undertaking of Collective Investments (UCI) under Management

Five additional questions in relation to Sustainability are added in this Section, as follows:

**Question 16.1:** Is the UCI assessed as an Article 6, 8 or 9 fund of the SFDR (EU) 2019/2088?

**Question 16.1.1:** If the answer in question 16.1 is Article 8 or Article 9, please state whether you set thresholds for your sustainable investments 'Do No Significant Harm ('DNSH') test?

**Question 16.1.2:** If the answer in question 16.1 is Article 9, please state whether the fund takes into account the Principal Adverse Impact ('PAI') indicators for DNSH purposes?

**Question 16.3:** Does the entity manage UCIs, that have sustainable investment as their objective and an index has been designated as a reference benchmark?

**Question 16.3.1:** If the answer in question 16.3 is Yes, provide the percentage (%) of AUM invested in sustainable investments as at the reference date. (See Definition - D15)

#### 4.2. Section O - Internal Policies and Procedures

Question 55 is slightly amended.

Two additional questions are added in this Section, as follows:

1. **Question 56:** How would you rate the integration of provisions relevant to sustainability and greenwashing, in your conflicts of interest policy?  
*Please consider 1 as the lowest value (Poor) and 10 as the highest value (Excellent).*
2. **Question 57:** How would you rate the integration of sustainability risks, especially greenwashing risk, into the risk management process?  
*Please consider 1 as the lowest value (Poor) and 10 as the highest value (Excellent).*

#### 4.3. Section Q - Details of each Undertaking of Collective Investments (UCI) under Management

Questions 2.2, 6, 6.1, 6.2, 7, 8 and 11 are slightly amended.

Four additional questions are added in this Section, as follows:

1. **Question 6.3:** Please state the amount of the Management Fee included in the above 'Ongoing charges during the period' as a percentage of the NAV:
2. **Question 6.4:** Please state the amount of the Performance Fee charged during the period (if any), as a percentage of the NAV:
3. **Question 6.5:** Please state the amount of the Performance Fee charged during the previous period (if any), as a percentage of the NAV:
4. **Question 7.2:** If the Administration function is stated as fully or partially delegated, does such delegation include the valuation of assets in the UCI's portfolio (either partially or fully)?

#### 4.4. Definitions

Definition D16 in relation to Ongoing costs was amended.

## 5. General Comments for the completion of the Form

- 5.1. The Form will be available **only** in **English**.
- 5.2. Regulated Entities are required to report data in **EUR**, rounded to the nearest unit.
- 5.3. Please always ensure that you have the latest version of the Form, i.e. **Version 6**.
- 5.4. Instructions on the completion of the Form can be found in the Form's '*instructions*' worksheet.
- 5.5. **Before submitting the Form, please ensure that all validation tests that are contained in the Form (Sections A, B, C1, C2, D, E, F, G, H, I, K, L, M, N, O, P, Q and Validation Tests Worksheet) are **TRUE** (Green Colour).**

## 6. How to create, sign and submit the Form to CySEC:

After populating the required Excel fields in the Form, the Regulated Entities should name their Excel file in accordance with the following naming convention:

Username\_yyyymmdd\_RBSF-MC

The information below explains the naming convention:

- (1) **Username** – is the username of the TRS credentials, which should already be in the possession of the Regulated Entities, which have previously submitted any electronic file to the TRS system. This codification should be entered in capital letters. Regulated Entities, that have not previously requested their TRS credentials, can do so by following the instructions available at our website [here](#), which provides further information about the TRS.
- (2) **yyymmdd** – this denotes the end of the reporting period of the Form. In this case, the Form should have a 20221231 format. Future forms will have different reporting periods.
- (3) **RBSF-MC** – this is the coding of the Form RBSF-MC, that remains unchanged and should be inserted, exactly as it appears.
- (4) **The Excel® must be of 2007 version and onwards.** Excel will add the extension .xlsx as soon as it is saved. This extension should not be inserted manually, under any circumstances.

## 7. Support

### 7.1. Queries on how to complete the fields of the Form

Should you have any queries on the completion of Form RBSF-MC, please submit them **only** in writing, any day **PRIOR to Friday, May 26, 2023**, by sending an email to [riskstatistics.fundmgrs@cysec.gov.cy](mailto:riskstatistics.fundmgrs@cysec.gov.cy). All email communication should have the Regulated Entity's full name and the TRS coding, in the subject line.

## 7.2. Technical Queries on digitally signing and submitting the Form

For technical matters on digitally signing and submitting the Form, REs are advised to frequently visit the CySEC website at the specified [section](#). For further clarifications, REs can send an email to [information.technology@cysec.gov.cy](mailto:information.technology@cysec.gov.cy).

All email communication with CySEC should include the REs full name and the TRS coding, in the subject line.

Yours sincerely,

George Karatzias  
Vice Chairman, Cyprus Securities and Exchange Commission