

ANNOUNCEMENT

ESMA's Statement on Investment Recommendations on Social Media

The Cyprus Securities and Exchange Commission (the "CySEC") would like to draw the attention of interested parties to the statement issued by the European Securities and Markets Authority ("ESMA") on 28 October 2021, concerning [Investment Recommendations on the Social Media \(the "Statement"\)](#).

With this Statement, ESMA explains the rules that apply in situations where someone, based in or outside the EU, spreads information recommending an investment decision on EU financial instruments (e.g. stocks or bonds) aimed at a broad audience. Spreading information includes, for example, sharing an opinion about the present or future price of a particular stock.

EU law defines an investment recommendation as information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuers, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public. Distribution channels can be analyst reports, articles, the traditional media, or even social media.

Investment recommendations must be done in a specific – and transparent – way so that, before making any investment decision, investors can be aware and assess the credibility of the recommendation – and how objective it is; as well as any interests of those making the recommendations.

Nicosia, 29 October 2021