
TO : Cyprus Investment Firms ('CIFs')
FROM : Cyprus Securities and Exchange Commission
DATE : 4 August 2021
CIRCULAR No : C464
SUBJECT : Guide on the implementation of the new prudential framework of Investment Firms (IFD/IFR), publication and testing submission of the new reporting forms under IFD/IFR

CySEC wishes with this circular to inform the Cyprus Investment Firms ('CIFs') and the market participants in general about the following:

A. Practical Guide for the implementation of IFD/IFR

1. CySEC has issued an updated Practical Guide ('the Guide') with important information in regards to the implementation of the new prudential framework for investment firms (IFR/IFD) which came into force on 26th June 2021. This practical guide can be found [here](#).

We note that Sections I and J of the Guide include important information regarding to concentration risk and liquidity requirements of the CIFs.

B. Reporting Templates

2. CySEC has published in its website, under the section of Prudential Supervision Forms, the new [Forms](#) that CIFs need to submit to CySEC in regards to their new reporting prudential requirements under IFR/IFD, as follows:
 - i. **Form ZZ-01** "*Reporting for Class 2 CIFs*" (to be submitted on a quarterly basis)
 - ii. **Form ZZ-02** "*Reporting for Class 3 CIFs*" (to be submitted on a yearly basis)
3. Note that the final naming convention of these Forms shall be announced at a later stage.
4. As already mentioned in CySEC Circular [C442](#), the first official reporting reference date for Class 2 CIFs, under IFR/IFD, shall be for 30th September 2021 (due to be submitted to CySEC by 11th November 2021).

For Class 3 CIFs the first official reporting reference date shall be for 31st December 2021 (due to be submitted to CySEC on 11th February 2022).

It is stressed that, even though no official submissions regarding the period 30th June 2021 will be made to CySEC, the CIFs should continue monitoring their prudential requirements at all times. In particular, CySEC expects CIFs to take at an early stage the measures necessary to address the situation of not meeting their prudential requirements.

C. Testing Submission

5. As already mentioned in CySEC Circular [C442](#), CySEC will have a testing submission **for ALL CIFs** based on the new Forms ZZ-01 and ZZ-02 mentioned in point 2 above, so that the CIFs familiarize themselves with the new prudential requirements and the new reporting templates before their first official submission, as stated in point 4 above.
6. The reporting reference date for this testing submission shall be **for 30th June 2021** and the Forms ZZ-01 and ZZ-02 should be submitted on a solo basis only.
7. The CIFs should submit to CySEC the Forms ZZ-01 and ZZ-02 **starting from 4th October up to 11th October 2021**, via CySEC's Transaction Reporting System ('TRS'), after they are duly digitally signed.
8. The naming convention of the Forms for this testing submission, shall be as follows:

<u>Form</u>	<u>Name of Excel file name</u>	<u>Excel name after digitally signed</u>
Form ZZ-01	XX_yyyymmdd_FORMZZ-01 (XX = CIF's TRS Code)	XX_yyyymmdd_FRMXZZ-01
Form ZZ-02	XX_yyyymmdd_FORMZZ-02 (XX = CIF's TRS Code)	XX_yyyymmdd_FRMXZZ-02

9. In case of any queries regarding the completion of the Forms you may contact CySEC via email ONLY to prudential@cysec.gov.cy.

For technical matters on digitally signing and submitting the above, CIFs are advised to visit the CySEC's website, at the specified [section](#). For further clarifications regarding the submission of the Forms, CIFs are requested to use the electronic address information.technology@cysec.gov.cy.

Yours sincerely

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