



TO : Cyprus Investment Firms
FROM : Cyprus Securities and Exchange Commission
DATE : 22 May 2008
CIRCULAR No: : CI144-2008-10
FILE No: : E.K. 6.1.14
SUBJECT : Publication of the documents regarding the calculation of the capital adequacy of IFs

The Cyprus Securities and Exchange Commission ('the Commission') wishes with the present circular to inform the Cyprus Investment Firms (CIFs) the following:

1. The Documents of paragraph 39, Subchapter B, Chapter 7 of Part C, of the Directive DI144-2007-05 of the Commission regarding the capital adequacy of CIF (the 'Directive'), have been published in the Commission's website (http://www.cysec.gov.cy/licence_members_5_en.aspx) with the reference 'Form 144-05-06'. For the time being the Documents are only available in English.
2. For ease of reading the Commission has also published in its website a brief guidance for the completion of the Documents.
3. The 'Form 144-05-06' is divided in sub-Documents (Form.144-05-06.1, Form.144-05-06.2, Form.144-05-06.3) which are completed accordingly to the method that a CIF chooses to calculate its capital requirements.

For example, if a CIF chooses to use the standardised approach for the calculation of its capital requirements for credit and market risk and any method for operational risk then it should submit to the Commission only the sub-Document 'Form 144-05-06.1' (Form.144-05-06.1.TSA(CR&MRK & All methods (OPR)).

The sub-Documents 144-05-06.4 to 144-05-06.10 are supporting references of sub-Documents 144-05-06.1 to 144-05-06.3. For example the sub-Document 144-05-06.7 (Form.144-05-06.7.Credit Risk References Standardised approach) includes references for the completion of sub-Document 144-05-06.1 in relation to credit risk.

This unofficial English text is for information purposes only and is not legally binding.

4. The frequency of submission of the Documents is determined in paragraph 39, Subchapter B, Chapter 7 of Part C, of the Directive. At a later stage the Commission will publish the first date of the submission of the Documents.
5. The Documents should be submitted to the Commission in their original form as well as in electronic form at the electronic address investmentfirms@cysec.gov.cy).

Sincerely

Georgios Charalambous
Chairman, Cyprus Securities and Exchange Commission