

DIRECTIVE DI87-06 OF 2018
OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION
ON TIED AGENTS

The Cyprus Securities and Exchange Commission, in exercising the powers conferred by sections 30(6) and 96 (1) and to determine the application of section 36(1) as to the use of a tied agent established in the Republic by an IF of another member state, of the Investment Services and Activities and Regulated Markets Law of 2017, issues the following Directive:

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| Short title | 1. | This Directive shall be referred to as the Directive for tied agents. |
| Object and scope of application
L.87 (I)/2017 | 2. | <p>(1) This Directive shall determine and specify the provisions of section 30 and of section 36(1) as to the use of tied agents established in the Republic by an IF of another member state, of the Investment Services and Activities and Regulated Markets Law of 2017, for the appointment of a tied agent, its registration and deletion from the register.</p> <p>(2) This Directive shall apply to principals, as defined in section 3 of the present Directive.</p> |
| Interpretation | 3. | <p>(1) In this Directive, unless the context otherwise indicates:</p> <p>“principal” shall mean:</p> <p style="margin-left: 40px;">(a) a CIF intending to use a tied agent established in the Republic, for the provision of services susceptible to representation, in another Member State pursuant to section 35(2)(b) of the Law, or in the Republic pursuant to section 30(1) of the Law.</p> <p style="margin-left: 40px;">(b) an IF of another member state intending to use a tied agent established in the Republic, for the provision of services susceptible to representation in the Republic, pursuant to section 36(1) of the Law.</p> <p>“notification of registration and appointment” shall mean the notification of the intention to register in the register and appoint a tied agent which is submitted to the Cyprus Securities and Exchange Commission by the principal in accordance with section 4(2) of the Directive.</p> <p>“services susceptible to representation” shall mean the actions which may be performed by persons who fall within the ambit of the definition of “tied agent” of section 2(1) of the Law;</p> <p>“IF of another member state” shall mean an IF whose member state of origin is not the Republic.</p> <p>“register” shall mean the public register, in which tied agents are registered pursuant to section 30(3) of the Law.</p> <p>“Law” shall mean the Investment Services and Activities and Regulated Markets Law of 2017.</p> <p>“Directive” shall mean this Directive.</p> <p>“tied agent of the Republic” shall mean a tied agent who is established in the Republic and who is registered in the public register under section 30(3) of the Law.</p> <p>(2) Without prejudice to the provisions of the previous subsection, terms used in this Directive that are not interpreted differently, shall have the meaning given to them by the Law.</p> <p>(3) Where in this Directive reference is made to the Law, this includes any Administrative Regulatory Acts issued pursuant to this Law.</p> |

Notification of registration, appointment and use of a tied agent

4. (1) For the use of a tied agent for the provision of services susceptible to representation pursuant to sections 30(1), 35(2)(b) and 36(1) of the Law, the principals only appoint tied agents of the Republic as tied agents.
- (2) (a) A CIF intending to use a tied agent of the Republic for the purposes of subsection (1), notifies the Commission accordingly, by submitting a notification of registration and appointment.
- (b) (i) Where the tied agent is already registered in the register and appointed by a principal, and desires a change of principal, the tied agent notifies the Commission of the termination of cooperation with the existing principal and the new proposed principal notifies the Commission only of the intention of the tied agent's appointment, by submitting a notification of registration and appointment, completed proportionally.
- (ii) The Commission approves only the appointment of the tied agent, within a period not exceeding 1 (one) month.
- It is provided that the Commission may not allow the appointment of a tied agent and may proceed to delete him from the register, if the Commission ascertains that the conditions of section 30(3)(b) of the Law and/or the Directive are no longer met.
- (c) An IF intending to use a tied agent of the Republic for the purposes of subsection (1), shall either apply the provisions of paragraph (a) prior to the activation of Article 35(2) of Directive 2014/65/EU, or Article 35(2) shall be activated and the IF shall be subject to the respective provisions which may exist under the legislation in force in its Member State of origin.
- (3) Principals shall notify the Commission of the intention of registration and appointment, prior to the use of a tied agent of the Republic and shall ensure that the tied agent acts exclusively on behalf of the principal with respect to the services susceptible to representation, only after its registration and appointment.
- (4) Tied agents are accepted for registration in the public register only once it has been established that they satisfy the conditions of section 30(3)(b) of the Law.
- (5) Where the tied agent is a legal entity it must employ a natural person who will satisfy the conditions of subsection (4).

Registration and appointment forms

5. (1) In the case of intending to register and appoint a natural person as a tied agent of the Republic, the notification of registration and appointment shall have the contents of Form 87-00-24 and shall be accompanied by Form 87-00-11, which constitutes part of Form 87-00-24.
- (2) In the case of intending to register and appoint a legal entity as a tied agent of the Republic, the notification shall have the contents of Form 87-00-25 and shall be accompanied by:
- (a) Form 87-00-11, (which constitutes part of Form 87-00-25) for every Board Member of the legal entity,

- (b) Form 87-00-12 for natural persons, or Form 87-00-13 for legal entities, or Form 87-00-14 for trusts (which constitutes part of Form 87-00-25), for every shareholder with special participation in the tied agent,
- (c) Form 87-00-11 for the natural person of subsection (1), if different from the persons in paragraphs (a) and (b) above.
- Notification fees
6. The notification of registration and appointment is submitted to the Commission together with the relevant fees payable by the principal, as these are provided for in section 95 of the Law.
- Receipt of notification, examination and announcement of the Commission
7. (1) Upon receipt of the registration and appointment notification:
- (a) In case of receipt of a duly completed notification of registration and appointment, the Commission may, within 3 months from the date of filling of the notification, announce to the principal its decision as to the registration in the register and the appointment of the tied agent.
- (b) Immediately after the announcement of the Commission's decision, in accordance with paragraph (a) of the present subsection and with section 4(2)(b) of the Directive, the provisions of section 35(2)(b) of the Law, or where it arises, of section 36(6) of the Law and Article 35(3) of the Directive 2014/65/EU are activated, in relation to the use of tied agents of the Republic.
- It is provided that the Commission may not allow the registration of a tied agent in the register, if the principal does not submit a duly completed notification together with the required supporting documents, or if it establishes that the conditions of section 30(3)(b) of the Law or the Directive are not met.
- Maintenance and publication of register
8. (1) The Commission shall maintain a register with the details of all tied agents in accordance with the provisions of section 30(3) of the Law.
- (2) The Commission shall publish the register on its website.
- Deletion from the register
9. (1) The termination of the cooperation between a principal and a tied agent, shall be immediately notified under the responsibility of the principal, to the Commission which shall update the register accordingly within three (3) working days, except in the case of section 4(2)(b) of the Directive.
- (2) The Commission may delete a tied agent from the register:
- (a) if it establishes that the conditions of section 30(3)(b) of the Law and/or the Directive are no longer met, informing, at the same time, the principal on behalf of which the tied agent is acting;
- (b) following termination of cooperation between a principal and a tied agent, except in the case of section 4(2)(b) of the Directive.
- Publication of details of the tied agent by the principal
10. During the cooperation between a principal and its tied agent, the principal shall publish on its website the following details:
- (a) the name and surname (for natural persons) or the name, trade name and the registration number (for legal entities) of the tied agent;
- (b) the services susceptible to representation which the tied agent provides on behalf of the principal;
- (c) the address of the tied agent's branch or branches through which the services susceptible to representation are provided.

(d) the time of commencement of the cooperation with each tied agent, as well as the time of termination thereof, if known in advance.

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| Termination of cooperation | 11. | Following termination of the cooperation between a principal and its tied agent, the principal shall publish on its website without any delay and in a clear and visible way, the termination and the date of termination of the cooperation. |
| Entry into force | 12. | This Directive shall enter into force on the day of its publication in the Official Gazette of the Republic. |

