
TO : **Regulated Entities:**
i. **Cyprus Investment Firms**
ii. **Alternative Investment Fund Managers and UCITS management Companies¹**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **December 21, 2018**

CIRCULAR NO. : **C290**

SUBJECT : **Guidelines on certain aspects of the MiFID II suitability requirements (ESMA35-43-116)**

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform the Regulated Entities that the European Securities and Markets Authority (ESMA) has published its Guidelines on certain aspects of the MiFID II suitability requirements ('the [Guidelines](#)') which include the following principles:

1. They apply in relation to the provision of the following investment services listed in Section A of Annex I of Directive 2014/65/EU14 (MiFID II):
 - investment advice, and;
 - portfolio management.
2. The purpose of these guidelines is to clarify the application of certain aspects of the MiFID II suitability requirements in order to ensure the common, uniform and consistent application of Article 25(2) of MiFID II and of Articles 54 and 55 of the MiFID II [Delegated Regulation](#) (EU) 2017/56515 (MiFID II Delegated Regulation).
3. They address situations where services are provided to retail clients, however they should also apply, to the extent they are relevant, when services are provided to professional clients, taking into account the provisions under Article 54(3) of the Delegated Regulation and Annex II of MiFID II.

CySEC adopts these Guidelines which will apply as from 60 calendar days from the Circular's date.

Sincerely,

Demetra Kalogerou
Chairman of Cyprus Securities and Exchange Commission

¹ UCITS management Companies and AIFMs (when providing the investment services of individual portfolio management or noncore services (within the meaning of Article 6(3)(a) and (b) of the UCITS Directive and Article 6(4)(a) and (b) of the AIFMD)).