

## ANNOUNCEMENT

In order to improve the process of activation of persons who have obtained licence by the Cyprus Securities and Exchange Commission (“CySEC”) and in order to avoid, as much as possible, legal and practical issues which often arise in such circumstances, CySEC would like to inform all interested parties, **who have already obtained a relevant license but have yet to be activated or who have applied for authorization**, that the process starting from the date of granting the authorization of a new firm until the date of its activation, is hereby amended as follows:

1. CySEC will continue to assess applications for granting of authorization and will continue to take decisions regarding the granting of authorization according to current practice – in accordance to any relevant legislation.
2. The decision to grant authorization will be published on CySEC’s website with the reference **(Μη δραστηριοποιημένη / Non activated)**. As such, no other certificate (hard copy) will be issued thereafter.
3. Following the aforementioned publication, a letter will be sent to the authorized firm which will contain, among others, the conditions the firm must comply with before its activation. It is understood that the firm will not be permitted to provide any type of services, for which it has received authorization, until it has fully complied with the conditions of its activation.
4. Firms are obligated to fully comply with the authorization conditions. Non-compliance within any given timeframe will result to an automatic lapse of existing authorization, without the need for CySEC to act any further or commence any additional procedures.
5. Where a firm fulfils its conditions for authorization, it is obligated, before it is activated, to notify CySEC in writing. Upon receipt of the notification, CySEC will proceed to carry out on-sight inspections at the firms registered office for the purposes of assessing the firm’s compliance with the authorization conditions.
6. Depending on the circumstances, the on-sight inspections will focus primarily on satisfying CySEC that the company has taken all required measures and has made all appropriate arrangements for the commencement of its activities, pursuant to the content of its application and the relevant law. Non-exhaustive examples are:
  - The firm has physical presence (registered office)
  - Has employed the persons/personnel as described in its application form and has met CySEC requirements – contracts of employment, filling of the

organizational structure chart, reporting levels, assignment to third parties etc.

- The conditions for activation have been fulfilled (i.e. systems, control mechanisms, existence and details of bank accounts – client accounts, domains, agreements, leases, contracts etc.)

7. Following the on-sight inspection, and depending on whether CySEC is satisfied that the firm has fully complied with the authorization conditions, it will provide its consent for the firm's activation and will update the relevant section of its website.

The present procedure will be in effect from the day of publication of this announcement.

Furthermore, the CySEC Department of Licensing will carry on-sight inspection on firms which have been activated during the months of May until July. The said firms will be informed on the inspection date within the following days.

**Nicosia, 09 July 2015**