

**TO** : **Cyprus Investment Firms**

**FROM** : **Cyprus Securities and Exchange Commission**

**DATE** : **April 06, 2017**

**CIRCULAR NO.** : **C199**

**SUBJECT** : **Updated version of ESMA's Q&A document relating to the provision of CFDs and other speculative products to retail investors under MiFID**

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1. The Cyprus Securities and Exchange Commission ('the CySEC') wishes, with this circular, to inform the Cyprus Investment Firms that ESMA published on, March 31, 2017, an updated version of its [questions and answers document \(the 'Q&A'\)](#) on the application of the Markets in Financial Instruments Directive (MiFID) to the marketing and sale of financial contracts for difference (CFDs) and other speculative products to retail clients (such as binary options and rolling spot forex).

Although the Q&A is targeted at competent authorities, the answers also intend to help firms by providing clarity on MiFID rules.

2. The Q&A includes 6 new questions and answers in section 10, which address passporting and the cross-border provision of services when offering CFDs or other speculative products outside the home Member State without the establishment of a branch or tied agent.
3. CIFs must ensure that they are acting in line with the Q&A and in general that they are in compliance with the relevant provisions of the Law. In case of infringement, CySEC will take the necessary supervisory actions provided in the Law.

Sincerely,

Andreas Andreou  
Vice chairman of Cyprus Securities and Exchange Commission