
TO : Cyprus Investment Firms (CIFs)
FROM : Cyprus Securities and Exchange Commission
DATE : March 26th, 2019
CIRCULAR NO : C302
SUBJECT : Volume of transactions analysed by Asset Sub-classes for the period 01/01/18 – 31/12/18.

The present Circular is issued pursuant to section 25(1)(c)(ii) & (iii) of the Cyprus Securities and Exchange Commission Law ('the CySEC Law').

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform CIFs about the following:

1. Information Requested by CySEC

- 1.1. CySEC wishes to inform CIFs that a new Form, VOT-CIF ('the Form'), in the [Appendix](#), is issued for the collection of data on the volume of transactions analysed by each Asset Sub-Class.
- 1.2. For the purposes of the Form, CySEC would like to collect information on the clients' volume of transactions performed/executed¹ by the CIF on behalf of clients and of the volume of transactions under Dealing on Own Account (DOA), during the period 01/01/18 – 31/12/18.
- 1.3. CIFs are requested to ensure that before completing the Form, that they read the Information regarding the **instructions and definitions for Volume of Transactions** as are described in **point 3**.
- 1.4. The Form must be completed and submitted to CySEC by **all CIFs that were authorised by December 31, 2018**. In this respect, CIFs that did not have any volume of transactions in the period 1/1/2018-31/12/2018, must also submit the Form, reporting zero volume of transactions.
- 1.5. The Form must be submitted electronically via the CySEC's Transaction Reporting System ('TRS') **by Friday, April 12, 2019, at the latest**.

¹ As a result of the provision of **any** of the following services according to *Part I, First Appendix Law 87(I)/2017*:

- (1) Reception and transmission of orders in relation to one or more financial instruments;
- (2) Execution of orders on behalf of clients;
- (3) Dealing on own account;
- (4) Portfolio management;

- 1.6. The steps that CIFs will have to follow for the **successful submission** of the Form to the TRS can be found [here](#). CIFs are responsible for checking that they receive an official submission confirmation dispatched by the TRS in the Outgoing directory, which is the feedback file.
- 1.7. The file will contain either a NO ERROR indication or an error(s) description. CIFs need to ensure that if errors are detected the Form should be corrected, digitally signed (only applicable for the Excel Files) and re-submitted. **The Form is considered as successfully submitted to CySEC when a NO ERROR indication feedback file is received.** This feedback file is dispatched during CySEC regular hours only.
- 1.8. CySEC emphasises the importance of meeting the deadline of **Friday, April 12, 2019** and stresses that **NO extension will be granted**.
- 1.9. **Failure to promptly and duly comply with the above will bear the administrative penalties of section 37(5) of the CySEC Law. It is further noted that CySEC will not send any reminders to those who fail to promptly and duly comply.**

2. General Comments of the Form

2.1. Section General Info

All yellow cells must be completed by the entity.

2.2. Section A: Volume of transactions analysed by Asset Sub-classes

All yellow cells must be completed by the entity.

2.2.1. Clients' Volume of Transactions

Clients' Volume of Transactions should be analysed for each Asset Class and sub-class of financial instruments in **Column D** of the Form (**Cells D18 – D121**).

Clients' Volume of Transactions from activities under Section 5(5)(b) of Law 87(I)/2017 should be analysed in **Column D** of the Form (**Cells D124 – D128**). Categories of activities under Section 5(5)(b) should be reported in Cells **C124 – C128** (please use your own description).

2.2.2. Volume of transactions under Dealing on Own Account (DOA)

Volume of Transactions under Dealing on Own Account (DOA) should be analysed for each Asset Class and sub-class of financial instruments in **Column E** of the Form (**Cells E18 – E121**).

Volume of Transactions from activities under Section 5(5)(b) of Law 87(I)/2017 should be analysed in **Column E** of the Form (**Cells E124 – E128**). Categories of activities under Section 5(5)(b) should be reported in **Cells C124 – C128** (please use your own description).

3. Instructions and definitions regarding Volume of Transactions

For the purposes of the Form, **all CIFs** must use the instructions and definitions as described below, regarding Volume of Transactions.

More specifically:

3.1. All CIFs are required to complete the Form, by reporting volume of transactions, if they are authorised with **any** of the following services according to *Part I, First Appendix Law 87(I)/2017*:

- (1) Reception and transmission of orders in relation to one or more financial instruments;
- (2) Execution of orders on behalf of clients;
- (3) Dealing on own account;
- (4) Portfolio management;

3.2. Clients' Volume of Transactions include clients' trading transactions, for all types of clients i.e. Retail, Professional and Eligible Counterparties.

3.3. In case the entity acts as a Market Maker, please make sure that this volume of transactions is included in Clients' Volume of Transactions, only. In this respect, this figure should not be reported in the Volume of Transactions under dealing on Own Account, as this will result in double-counting.

3.4. Where clients' transactions are performed with leverage, this should be included in the reported volume.

3.5. Please report both opening and closing transactions, executed during 2018. In case a transaction was opened during 2018 and closed after 31/12/2018, then report only the opening transaction.

3.6. Any transactions that for rollover purposes are closed and re-opened the next day, should not be included in the reported volume of transactions.

4. Method of creating, signing and submitting the Form to the Commission

After populating the required Excel fields in the Form found in the [Appendix](#), the Regulated Entities should name their Excel file in accordance to the following naming convention:

Username_yyyymmdd_VOT-CIF

The information below explains the naming convention:

- (1) **username**– is the username of the TRS credentials which should already be in the possession of the Regulated Entities that have previously submitted any electronic file to the TRS system. This codification should be entered in capital letters. For Regulated Entities that have not previously requested the TRS credentials they can do so by referring [here](#) where further information are provided about TRS.
- (2) **yyyymmdd** – this denotes the end of the reporting period of the Form. In this case the Form should have a 20181231 format.
- (3) **VOT-CIF** – this is the coding of the Form **VOT-CIF** that it remains unchanged and should be inserted exactly as it appears.
- (4) **The Excel® must be of 2007 version and onwards.** Excel will add the extension .xlsx as soon as it is saved. This extension should not under any circumstances be inserted manually.

The fully completed excel form, which is named based on the above paragraph, must be submitted only electronically through the Transaction Reporting System ('TRS System'), within the timeframes set.

The steps that will have to be followed for the successful submission of the Form can be found [here](#).

5. Support

5.1. Queries on how to complete the fields

In case you have any queries on the completion of the Form, please submit them **only** in writing by sending an email to riskstatistics.cifs@cysec.gov.cy. All email communication should include in the subject, the CIF full name and the TRS coding.

5.2. Technical Queries on digitally signing and submitting the Form

For technical matters on digitally signing and submitting the Regulated Entities are advised to frequently visit the CySEC's specified [section](#). For further clarifications, the Regulated Entities are asked to use the electronic address information.technology@cysec.gov.cy.

All email communication with the CySEC should include, in the subject, the Regulated Entities full name and the TRS coding.

Yours sincerely,

Demetra Kalogerou
Chairman, Cyprus Securities and Exchange Commission