ΕΠΙΤΡΟΠΗ ΚΕΦΑΛΑΙΑΓΟΡΑΣ ΚΥΠΡΟΥ
CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO	:	**Cyprus Investment Firms**
FROM	:	**Cyprus Securities and Exchange Commission**
DATE	:	**December 19, 2013**
CIRCULAR No	:	**CI144-2013-28**
FILE No	:	**E.K. 6.1.14**
SUBJECT	:	**Law on Foreign Account Tax Compliance (Foreign Account Tax Compliance ACT-FATCA)**

The Cyprus Securities and Exchange Commission ('the Commission') wishes, with this circular, to inform the Cyprus Investment Firms ('the CIFs') about the following:

1. The United States of America (' USA ') enacted in March 2010, the Law on Foreign Account Tax Compliance (Foreign Account Tax Compliance ACT-FATCA) to prevent and detect US tax evasion and improve taxpayer compliance. This legislation is focused on strengthening information reporting and compliance with respect to US persons that invest, among others, via entities that are established outside the USA, such as Cyprus resident financial institutions.

2. The provisions of FATCA shall enter into force in 2014 and they are expected to affect a number of financial institutions in Cyprus, including CIFs. This law provides penalties for failure to comply with its provisions.

3. The USA is, at this stage, in consultation with several countries on the signing of a memorandum to assist in the implementation of FATCA. One such country is also Cyprus. In terms of Cyprus, consultations are carried out by the Ministry of Finance.

4. For this purpose, the Ministry of Finance urges all interested parties in Cyprus submitting any comments regarding the attached documents before their finalization and signature.

5. The CIFs wishing to submit their comments are requested to do so by **December 27, 2013 the latest**, via email at supervision@cysec.gov.cy.

6. The Commission is apologized for the short time limit set to reply even though this time limit has not been set by the Commission.

Sincerely,

Demetra Kalogerou
Chairman of the Cyprus Securities and Exchange Commission