
TO : Cyprus Investment Firms
FROM : Cyprus Securities and Exchange Commission
DATE : 26 July 2013
CIRCULAR No : CI144-2013-22
FILE No. : E.K. 6.1.14
SUBJECT : Freedom to provide investment and ancillary services and or perform investment activities in a third country

The Cyprus Securities and Exchange Commission ('the Commission) wishes, with this circular, to draw the attention of Cyprus Investment Firms to the following:

1. In accordance with section 79(1) of the Investment Services and Activities and Regulated Markets Laws of 2007, as in force ('the Law'): «*CIFs may provide investment and ancillary services and/or perform investment activities within the territory of another member state and/or a third country, provided that such services and/or activities are covered by their authorization*».
2. The Commission allows, pursuant to section 79(4) of the Law, the provision of investment and ancillary services and/or the performance of investment services within the territory of a third country provided that CIFs, **before** commencing any activity, will take all necessary measures to ensure that they will comply with the relevant legal provisions of the third country.

It is stressed that it is the responsibility of the CIF to be informed about the relevant legal provisions of the third country that intends to provide services.

3. The Commission observes that CIFs do not apply the procedure described in point 2 above.

Therefore, the Commission requests CIFs to **cease immediately** the provision of services to third countries if they have not consulted with the competent authorities of those third countries that are allowed to do so within their territories.

In case of non-compliance with the above provisions, the Commission will impose strict sanctions as these are provided in the Law (withdrawal or suspension of the authorisation and/or imposition of an administrative fine).

4. Furthermore, CIFs are requested to inform the Commission about the third countries, where they actually provide/perform services/activities and submit evidence of the authorisation obtained to do so or of any other document evidencing that they legally provide/perform services/activities within the territories of those third countries.

For this purpose a notification must be submitted to the Commission by the **23rd of August** which shall include the information required in **Annex I** and the supporting documentation regarding any authorizations obtained or any actions taken to obtain authorisation. In case no authorisation is required, the confirmation of the competent authority of the third country to this effect shall be submitted.

Yours sincerely

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission

Table T144-2013-22

Name of CIF	Services provided to third country	Third country territory	Competent Authority	Authorisation granted by the competent authority of the third country