



CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : **Investment Firms**
FROM : **Cyprus Securities and Exchange Commission**
DATE : **07 September 2007**
CIRCULAR No : **IF(2007-11)**
FILE No : **E.K. 6.1.14**
SUBJECT : **Consequences to the CIFs from the crisis in the US subprime mortgage debt market**

The Cyprus Securities and Exchange Commission ('the Commission') wishes to inform the Cypriot Investment Firms (CIFs) the following:

The rabid expansion of the new subprime mortgage debt market and the wide exposure of financial institutions to structured instruments based on subprime mortgage loans along with the recent decline in US real estate prices result in the recent subprime crisis. The consequences from this crisis, which negatively affected international stock markets performance, are expected to seriously distress the results of financial institutions involved in the US subprime mortgage debt market.

Based on the above, the Commission requests the CIFs to inform the Commission by **Wednesday 12 September 2007**, the latest, whether they possess assets/investments that are related with the US subprime mortgage debt market as well as to inform it about the expected consequences from the recent subprime crisis.

Sincerely

Georgios Charalambous
Chairman, Cyprus Securities and Exchange Commission

6.1.14 Εγκύκλιοι\2007\Εγκύκλιοι προς ΕΠΕΥ (ΕΥ)\Αγγλική Έκδοση/ΜΣ

This unofficial English text is for information purposes only and is not legally binding. 1