

TO : Cyprus Investments Firms
FROM : Cyprus Securities and Exchange Commission
DATE : January 31st, 2017
CIRCULAR NO : C179
SUBJECT : Collection of information on financial instruments offered by Cyprus Investment Firms.

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

A. Legal Framework

1. The Directive 2014/65/EU on markets in financial instruments (MiFID II) and the Regulation 600/2014 on markets in financial instruments (MiFIR) which will apply on the 3rd of January 2018, bring a number of changes in the scope of the financial instruments that are covered by the existing MiFID.
2. For example, the scope of the transaction reporting obligation is now being extended beyond instruments admitted to trading on regulated markets to include instruments trading on Multilateral Trading Facilities (MTFs) and Organised Trading Facilities (OTFs), and financial instruments which have instruments trading on trading venues as an underlying.
3. In addition, the pre- and post- transparency requirements is now calibrated for different types of financial instruments, not only equities but for bonds and derivatives.

B. Information requested by CySEC

1. For the purpose of implementing the above, CySEC would like to collect information on the volume of the transactions performed/executed by the CIF on behalf of clients for each asset sub-class of financial instruments compared to the total volume of the transactions performed/executed on behalf of clients for all asset classes of financial instruments offered by the CIF.
2. In order to calculate the requested volume, kindly note the following:
 - i. Where transactions are performed with leverage, this should be included in the reported volume.
 - ii. For transactions in CFDs, include in volume those transactions that were closed within the reporting period.

- iii. Any transactions that for rollover purposes are closed and re-opened the next day, should not be included in the reported volume of transactions (this applies to forex transactions or other transactions that have a very short period of time (i.e. opened one day and closed the next)).
- 3. Therefore, CySEC requests the CIFs that are authorized to provide the investment services listed in point 2, (Execution of Orders) and 3, (dealing on own account) of Part I, Third Appendix of the Law 144(I)/2007, to complete the Form included in the Appendix and submit it to the electronic address **supervision@cysec.gov.cy** by Monday, **February 13th 2017**, the latest.
- 4. The Form is available **only** in the English language. The Excel[®] used, must be of 2007 version and onwards.
- 5. For any queries on the completion of the Form, please do not hesitate to contact Mrs Elena Theodorou (Officer, Supervision Department).

Yours sincerely,

Demetra Kalogerou
Chairwoman,
Cyprus Securities and Exchange Commission