
TO : Regulated Entities
- Cyprus Investment Firms
- UCITS management companies¹
- Alternative Investment Fund Managers²

FROM : Cyprus Securities and Exchange Commission

DATE : June 6, 2023

CIRCULAR No. : C579

SUBJECT : ESMA35-43-3172 - Guidelines on certain aspects of the MiFID II suitability requirements

1. The Cyprus Securities and Exchange Commission (the 'CySEC') wishes to inform the Regulated Entities that the European Securities and Markets Authority (ESMA) published, on April 4, 2023, the Guidelines on certain aspects of the MiFID II suitability requirements (the '[Guidelines](#)'), translated in all official languages of the EU.
2. The Guidelines apply in relation to Article 25(2) of MiFID II and Articles 54 and 55 of MiFID II Delegated Regulation and apply to the provision of the following investment services listed in Section A of Annex I of MiFID II:
 - investment advice;
 - portfolio management.
3. The Guidelines principally address situations where services are provided to retail clients. They should also apply, to the extent they are relevant, when services are provided to professional clients, taking into account the provisions under Article 54(3) of the MiFID II Delegated Regulation and Annex II of MiFID II.
4. The Guidelines apply as from 4 August 2023. The previous ESMA guidelines issued under MiFID II³, as well as the CySEC's circular C290⁴, will cease to apply on the same date.

¹ As defined in Article 2(1)(b) of UCITS Directive (Directive 2009/65/EC), when providing the investment services of individual portfolio management or non-core services [within the meaning of Article 6(3)(a) and (b)(i) of UCITS Directive].

² As defined in Article 5(1)(a) of the AIFMD (Directive 2011/61/EU), when providing the investment services of individual portfolio management or non-core services [within the meaning of Article 6(4)(a) and (b)(i) of the AIFMD].

³ [ESMA35-43-1163](#) - Guidelines on certain aspects of the MiFID II suitability requirements.

⁴ [C290](#) - Guidelines on certain aspects of the MiFID II suitability requirements.

5. The purpose of the Guidelines is to clarify the application of certain aspects of the MiFID II suitability requirements in order to ensure the common, uniform and consistent application of Article 25(2) of MiFID II and of Articles 54 and 55 of the MiFID II Delegated Regulation.
6. CySEC has adopted the Guidelines by incorporating them into its supervisory practices and regulatory approach.
7. CySEC urges the Regulated Entities to carefully study the Guidelines and ensure that they fully comply with them.

Yours sincerely,

George Karatzias
Vice Chairman, Cyprus Securities and Exchange Commission