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**TO** : **Alternative Investment Fund Managers ('AIFMS')**  
i. **Authorised Alternative Investment Fund Managers<sup>1</sup>**  
ii. **Registered Alternative Investment Fund Managers<sup>2</sup>**

**FROM** : **Cyprus Securities and Exchange Commission**

**DATE** : **November 27, 2024**

**CIRCULAR NO.** : **C667**

**SUBJECT** : **Publication of CySEC's Review of compliance with the reporting obligation under the Alternative Investment Fund Managers Law (the 'AIFM Law') as further specified with the Commission Delegated Regulation (EU) No 231/2013 with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision ('the Regulation')**

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

During 2024, CySEC carried out a review of the compliance of AIFMs with their reporting obligation, as derived from articles 4(3)(d) and 31 of the AIFM Law as further specified under Article 110 of the Regulation ('the Review').

The Review identified areas of concern that CySEC wishes to highlight to all AIFMs, which are asked to consider whether they comply with their reporting obligation under AIFM Law and Regulation.

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<sup>1</sup> The term includes a) Cyprus based AIFMs and self-managed AIFs whose total assets under management ('AuM') exceed the thresholds of Articles 4(2)(a) or 4(2)(b) of the Alternative Investment Fund Managers Law ('AIFM Law') as the case may be, and b) Cyprus based AIFMs and self-managed AIFs whose Total AuM do not exceed the thresholds of Articles 4(2)(a) or 4(2)(b) of the AIFM Law, as the case may be, but have exercised the 'opting-in' possibility of Article 4(6) of the AIFM Law.

<sup>2</sup> Alternatively, Sub Threshold AIFMs, as it is mentioned on CySEC's Circulars C287 and C110 – The term includes Cyprus based AIFMs and self-managed AIFs whose Total AuM do not exceed the thresholds of section 4(2)(a) or 4(2)(b) of the AIFM Law, as the case may be, and have not exercised the 'opting-in' possibility of section 4(6) of the AIFM Law. For the avoidance of doubt, Registered AIFMs of the Republic comprise of: a) UCITs Management Companies; b) Cyprus Investment Firms; c) any company, which has been approved by CySEC pursuant to section 116(3)(ii)(b) of the AIF Law, to manage an AIFLNP under Part VI of the AIF Law; d) Self-managed AIFs under Part II of the AIF Law; and e) Self-managed AIFLNPs under Part VI of the AIF Law.

## A. Scope of the Review

1. The Review assessed the information reported to CySEC by AIFMs, for the year ending 31 December 2023. Specifically, the Review assessed information reported through the TRS, notably at the DATAMAN ('AIFM') Report and DATAIF ('AIF') Report; collectively 'the AIFMD Reports'.

## B. Areas of concern

### 2. Use of latest AIFMD application

CySEC noticed that some AIFMs did not use the latest [AIFMD application](#) version that is available on CySEC's website. As a result, their files were rejected.

### 3. Timely submission of valid AIFMD Reports

- i. CySEC observed that in certain cases, AIFMs did not submit valid AIFMD Reports in a timely manner as outlined in the timeframe set under Article 110(1) of the Regulation.
- ii. Furthermore, in some cases, AIFMs failed to submit valid AIFMD Reports for 2023, despite the fact that the AIFM and/or the AIF was granted authorisation before 1st October 2023.

There may be cases in which AIFMs do not have any information to report on AIFs, such as where there is a delay between the authorisation or registration being granted to a new AIFM and the actual start of activity or between the creation of an AIF and the first investments. In such a scenario, AIFMs should still submit a report by indicating that no information is available by using a specific field.

### 4. Monitoring of feedback files

The Review identified that certain AIFMs were not monitoring the feedback files for their AIFMD Reports. As a result, rejections were not timely corrected.

It is noted that feedback files remain in the TRS for 20 days.

### 5. Liquidation of AIFs

In some cases where AIFs were liquidated during the year, AIFMs did not submit AIF Reports for the said AIFs despite the fact that there was still an obligation to submit the reports, i.e. the last AIF Report should be submitted immediately after the AIF has been liquidated.

In cases where an AIF enters into a liquidation procedure (administrative procedure) and it is no longer managed by the AIFM, the latter should provide a report for the AIF before the liquidator takes over the responsibility for the liquidation of the AIF.

### 6. Correctness of information reported

i. Reporting code consistency

In some cases, the reporting code populated for the AIFM in the AIFM Report was not reflecting the status of the AIFM, i.e. in the case of Authorised AIFM (opt-in) the AIFM reporting code populated was not '2' as it should be, in accordance with [Table 8, Annex II](#).

In other cases, the reporting codes populated in the AIFMD Reports were not consistent in accordance with [Table 9, Annex II](#). As a result, the said reports were rejected.

ii. Amended AIFMD Reports

In cases where amendments were necessary to already submitted AIFMD Reports, a number of AIFMs did not submit the amended AIFMD Reports with the correct population of the field "Filling Type", i.e. they were wrongly populating the said field with "INIT" instead of "AMND". As a result, the said reports were rejected.

**C. Immediate next steps**

7. Reporting accurate and up-to-date AIFMD data, by AIFMs, is of outmost importance for CySEC. High quality data plays an important role in enabling CySEC to effectively monitor and prevent systemic risk and market disruption. Fulfilling AIFMD reporting obligations requires dedicated oversight by all AIFMs to ensure any issues and/or failures are rectified appropriately.
8. The publication of common deficiencies identified in CySEC's Review is designed to assist AIFMs in prioritising their efforts towards reviewing the procedures established, implemented and maintained in relation to AIFMD. CySEC strongly recommends that AIFMs review the applicable regulatory framework, including the [ESMA Guidelines on reporting obligations under Articles 3\(3\)\(d\) and 24\(1\), \(2\) and \(4\) of the AIFMD](#), as well as the [IT Technical guidance for AIFMD reporting \(2013/1358\)](#). Ensuring that data reported to CySEC is complete, accurate, consistent, timely and not duplicated is of outmost importance in order to foster a smoother-functioning market.
9. AIFMs not complying with their AIFMD reporting obligation will face enforcement actions.

Sincerely,

Panikkos Vakkou  
Vice Chairman  
Cyprus Securities and Exchange Commission