
TO : **Cyprus Investment Firms**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **October 4, 2017**

CIRCULAR NO. : **C240**

SUBJECT : **Guidelines on sound remuneration policies issued by the European Bank Authority**

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to remind the Cyprus Investment Firms ('the CIFs') of the Guidelines on sound remuneration policies – EBA/GL/2015/22, issued by the European Bank Authority ('EBA') on June 27, 2016 (the '[Guidelines](#)'). More specifically:

1. The Guidelines fulfil the mandate given to EBA under Articles 74(3) and 75(2) of the Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ('the [Directive](#)'), to issue guidelines on sound remuneration policies for all staff and staff whose professional activities have a material impact on institutions' risk profile.
2. The purpose of the Guidelines is to set out requirements regarding remuneration policies applicable to all staff and specific requirements that should apply to the remuneration policies and variable elements of remuneration of identified staff.
3. The Guidelines have been in place since January 2017.
4. CIFs that are subject to the requirements imposed by Directive should apply these Guidelines when complying with the requirements set out in paragraphs 20, 21, 22, 23 of CySEC's [Directive DI144-2014-14 for the prudential supervision of investment firms](#) and Article 450 of [Regulation \(EU\) No 575/2013](#) on prudential requirements for credit institutions and investment firms.
5. In the context of verifying the compliance of CIFs with their regulatory requirements, CySEC is using these Guidelines during the assessment of the remuneration policies and variable elements of remuneration followed by CIFs.

Sincerely,

Demetra Kalogerou
Chairman Cyprus Securities and Exchange Commission