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TO : **Cyprus Investment Firms ('CIFs')**  
FROM : **Cyprus Securities and Exchange Commission ('CySEC')**  
DATE : **February 25, 2026**  
CIRCULAR No : **C757**  
FILE No : **E.K. 02.03.001, E.K. 01.03.001 and E.K. 01.13.001.002.002**  
SUBJECT : **Electronic Cross-Border Form, Freedom to Provide Investment Services and Activities('Cross Border Activity')**

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The present Circular is issued pursuant to section 25(1)(c)(ii) & (iii) of the Cyprus Securities and Exchange Commission Law ('the CySEC Law').

The exercise is initiated by the European Securities and Markets Authority ('ESMA') and is addressed to all Investment Firms ('Firms') providing investment services in other Member States of the European Economic Area (i.e. including Norway, Iceland, and Liechtenstein), other than their home Member State, during the year 2025.

Following Circular [C754](#), the present circular provides detailed information regarding the completion of the online questionnaire via EU's online platform. The information below, is addressed to Cypriot Investment Firms ('CIFs') that fulfil the conditions set out in point 1.1 of Circular [C754](#).

## 1. General Information

1.1. Information collected through the Cross-border online questionnaire on the CIFs' cross border activity refers to the reporting period **01/01/2025 – 31/12/2025** and reference date **31/12/2025**, as relevant.

1.2. CIFs are required to report data on the cross-border provision of investment services to retail clients in the EU/EEA, **only** for those host Member States where services were provided **to more than 50 retail clients** (including those treated as professionals according to Section II of Annex II of MiFID II).

1.2.1. Provision of Cross-border services in other Member States refers to services and activities provided on a "*freedom to provide services*" basis and CIFs **should not account** for any services and activities provided on a "*freedom of establishment*" basis (i.e. through a branch).

1.2.2. CIFs should **exclude inactive clients** from their reporting. For the purposes of this exercise, clients are considered to be **inactive** only if the following conditions **are cumulatively met**:

- i) client's inactivity lasted for at least one year,
- ii) no investment or ancillary services were provided to the client, and
- iii) the CIF no longer receives any revenues from such clients.

Regarding iii), if the CIF is still receiving any form of remuneration from the client during the inactivity period (for instance, the client has a securities account, that has not been holding any securities for more than a year, but during this time the CIF is still receiving a fee because the account is still open), we would expect such clients to be accounted for in the CIF's reporting.

1.2.3. CIFs may use the residence of the client to assess whether investment services and activities are provided in other Member States.

1.3. CIFs must submit **a separate contribution for each host Member State that qualifies under 1.2 above**, e.g. if the CIF provides investment services to more than 50 retail clients in four host Member States, the online questionnaire should be filled out and submitted four times, one for each host Member State.

1.4. **CIFs should not submit a contribution for their home Member State, i.e. Cyprus.**

## 2. Procedural Information

2.1. An email with the **link and password** to access the online questionnaire will be sent out to all CIFs that fulfil the conditions set out in point 1.1 of Circular [C754](#).

2.2. Participating CIFs must complete the online questionnaire and submit their **contribution for each host Member State that qualifies under 1.2 above**, by 27<sup>th</sup> of March 2026, at the latest.

2.3. **Upon successful submission of the Form, the message “Contribution successfully submitted” and a contribution ID will be populated on the screen. As per the below image, you can request a print of your contribution or have your contribution sent to your email in a PDF format.**

 **Contribution successfully submitted**

Thank you for your contribution!

Please take a moment to save your Contribution ID:    
You may need it in the future (e.g. to edit your contribution).

Print

Get PDF

2.4. **CIFs are advised to save the contribution ID for each Member State, for reference purposes.**

- 2.5. In case the CIF needs to correct the data submitted with respect to a specific host Member State, it is necessary to resubmit the questionnaire for the relevant host Member State, with the corrected data.
- 2.6. In case an error concerns the host Member State identification itself, and the CIF has provided information for a host Member State that should not have been included, the CIF can correct this by resubmitting the questionnaire for that host Member State introducing the value zero “0” in response to question number 8 (number of active retail clients).
- 2.7. Any enquiries regarding the completion of the form shall be directed to [riskstatistics.cifs@cysec.gov.cy](mailto:riskstatistics.cifs@cysec.gov.cy) any day **PRIOR to 20<sup>th</sup> of March 2026, at the latest.**

### 3. Important changes compared to past exercise

- 3.1. Deletion of the “save as draft” function. This year, the EU Survey tool does not allow firms to temporarily save a draft of their contribution and return to complete it at a later stage. In this respect, CIFs are advised to complete and submit their contribution for each Member State in a single session.
- 3.2. Deletion of the “edit contribution” function. This year, the EU survey tool has deactivated the option that allows firms to modify their contribution after submission, to ensure that each entry remains fixed once submitted. In this respect, to make corrections regarding contributions already submitted, please refer to points (2.5) and (2.6) above.
- 3.3. A new category “Cash management”, has been added under Question 11, taking into consideration the definition of inactive clients in the reporting template. This category includes situations where a client has a securities account **that has not been** holding any securities for more than a year, but during this time the firm is still receiving a fee because the account is still open (e.g., account maintenance charges, inactivity fee).
- 3.4. Upon submission of their contributions, CIFs are required to notify CySEC by sending an email to [riskstatistics.cifs@cysec.gov.cy](mailto:riskstatistics.cifs@cysec.gov.cy), specifying, for each host Member State, the number of complaints directly attributable to AML/CFT obligations, out of the total number of complaints declared in the relevant contribution for that Member State. This would cover cases where clients expressed dissatisfaction as a result of facing restrictions affecting their investment or trading activity and/or overall client experience — including, inter alia, issues with deposits, withdrawals or account access — where the underlying root cause stemmed from the application of AML/CFT regulatory requirements. Indicative examples include:
- account restrictions pending the submission of verification documentation;
  - delays in processing deposits due to Source of Funds checks;
  - withdrawal limitations where the recipient account differs from the original source of funds;
  - account closures due to missing due diligence documentation.

*For the avoidance of doubt, these indicative examples are provided solely for the purpose of facilitating this specific statistical reporting request. They do not constitute an assessment, endorsement or validation by CySEC of the lawfulness and/or proportionality of any specific action or practice adopted by a CIF in the context of AML/CFT compliance. Neither the above examples nor any other client complaint considered by the CIFs directly attributable to AML/CFT obligations should be interpreted as implying that such cases fall outside the scope of client complaints within the meaning of the applicable MiFID II framework.*

#### 4. Specific Instructions for the completion of the Online Questionnaire

4.1. CIFs are prompted at the importance of successfully completing the online questionnaire by the set deadline (as set out in point 2.2), and are encouraged to **diligently follow the instructions** below, as these will ultimately dictate whether a successful submission has been made.

4.2. The reporting template is composed of **two Sections**:

- Information on the Firm (legal name, type of firm, LEI) and contact person within the firm for this reporting template. **CIFs must ensure that the information provided is valid and accurate.**
- Detailed information on the cross-border provision of MiFID investment services to retail clients (and clients treated as professionals on request according to Section II of Annex II of MiFID II).
  - For every contribution that will be submitted, in point 7 of the form, CIFs should select the respective host Member state for which the questionnaire is completed, regarding the cross-border services offered to more than 50 retail clients, in that specific host Member state.
  - In point 12 of the form, CIFs should enter the total net turnover as a whole number **without** using decimals or any separators for thousands, such as commas (,) full stops (.) or spaces. If decimals need to be included, please note that the full stop (.) is used as the decimal separator, not for thousands and it is limited to two decimals.
  - For some questions, additional instructions on the form are available, to help CIFs complete the survey. **CIFs are advised to click on the question mark (?) next to the respective question, to view the additional instructions provided.**
  - Some fields will automatically verify the consistency of the information provided and CIFs will not be able to submit the information in case of errors. Specific details are available alongside the validation cells, under the question mark. **CIFs are advised to click on the question mark (?) next to the respective validation check, to ensure the validity of the data reported.**
  - During the completion of the questionnaire CIFs are encouraged to allow reasonable time for the page to load properly, before clicking on the submit button at the bottom of the page.

**Failure to promptly and duly comply with the above may bear the administrative penalties of section 37(5) of the CySEC Law. It is further noted that CySEC will not send any reminders to participating CIFs, which fail to promptly and duly comply.**

Yours sincerely,

Dr George Theocharides  
Chairman, Cyprus Securities and Exchange Commission