

TO : Cyprus Investment Firms
FROM : Cyprus Securities and Exchange Commission
DATE : August 10, 2018
CIRCULAR No : C 280
SUBJECT : ESMA's Publication of Data for the Systematic Internaliser Calculations

The Cyprus Securities and Exchange Commission wishes, with this Circular, to inform the Cyprus Investment Firms ('CIFs') about the following:

1. According to Article 2(1) of the Law 87(I)2017 ('the CIF Law'), CIFs dealing on own account when executing client orders over the counter (OTC) on an organised, frequent, systematic and substantial basis are subject to the mandatory systematic internaliser (SI) regime.
2. Articles 12- 17 of the [Commission Delegated Regulation \(EU\) No 2017/565](#), specify the thresholds determining what constitutes frequent, systematic and substantial OTC trading.
3. The European Securities and Markets Authority ('the ESMA') issued on August 1, 2018, the publication of [data for the SI calculations](#).
4. Based on the data published, CIFs are required to assess whether they are SIs in a specific instrument (for equity, equity-like instruments and bonds). Specifically, for each specific instrument/sub-class, a CIF is required to compare the trading it undertakes on its own account compared to the total volume and number of transactions executed in the European Union (EU). If the CIF exceeds the relative thresholds it will be deemed an SI and will have to fulfil the SI-specific obligations.
5. The ESMA publication includes only aggregated EU-wide data for equity and equity-like instruments and bonds under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR). For all other asset classes the mandatory SI-assessment will only apply after the first publication of the data for those asset classes on 1st February 2019 as set out in the [plan](#) announced by ESMA on 12 July 2018.

6. All relevant information, as well as the [template](#) for the SIs calculations for CIFs are available on ESMA's website.

Sincerely

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