



## ANNOUNCEMENT

Following its [Announcement dated 09 July 2015](#), in order to improve the process of authorisation, and in order to avoid, as much as possible, legal and practical issues which often arise in such circumstances, the Cyprus Securities and Exchange Commission ("CySEC") would like to inform all interested parties **who have already submitted and/or intend to submit an application to obtain CIF, UCITS Manager and external AIF Manager authorisation (license of operation)**, that, following the CySEC Board's decision dated 14 November 2016, the authorisation procedure is hereby amended as follows:

1. CySEC will continue to assess applications for granting of authorisation according to its current practice – in accordance to the relevant legislation in each case.
2. Following the assessment of an application, and should the CySEC Board be satisfied that the Firm prima facie fulfills the Legal prerequisites for being granted authorisation, such decision will be notified to the Firm together with the conditions that need to be fulfilled **for the authorisation to be granted**.

**At this point the Firm will not be granted authorisation and no announcement will be made on the CySEC website, since the Firm has not been granted authorisation by CySEC.**

3. CySEC will grant a maximum period of 12 months within which the conditions for granting authorisation need to be fulfilled. At the date of examination of fulfilling the said conditions, CySEC will **only** examine information as to the said conditions being fulfilled and will not accept any updates/changes in relation to any substantial information that were submitted together with the authorisation application.

**At the end of the 12-month period, if the CySEC Board is not satisfied that the said terms have been fulfilled, the application may be rejected.**

**In case the Firm wishes to proceed with substantial changes during this 12-month period, it must withdraw its application (without any reimbursement as to costs incurred) and resubmit it, bearing the cost of examining its new application.**

**The following are considered significant changes:**

1. **Change of shareholder(s)**
2. **Change of over 1 person of the Firm's Board**
3. **Change of business model**
4. **Any derogation as to the conditions of granting authorisation that CySEC has set out.**

4. After submitting all the information for fulfilling the authorisation conditions pursuant to paragraph 2, CySEC will proceed to carry out on-sight inspections at the firm's registered office for the purposes of assessing the firm's compliance with the authorisation conditions.
5. Following the on-sight inspection, and where there is no evidence to doubt the sound and prudent management of the Firm/applicant, the matter shall be brought upon the CySEC Board for the granting of authorisation.
6. CySEC shall notify the applicant of its decision for granting an authorisation and will proceed to the publication of the Firm's name on the CySEC website, as an authorised Firm (licensed to operate).
7. Following the granting of authorisation, authorised firms are obliged, within reasonable time that shall not exceed one month, to notify CySEC of:
  - Bank accounts containing the Firm's funds and the Firm's client's funds, to ensure compliance with section 18 of the Law which provides for the provision of Investment Services, the exercise of Investment Activities and the operation of Regulated Markets, section 18 of the Law regarding Alternative Investment Fund Managers and article 112 of the Law regulating Open-ended Undertakings for Collective investment, and
  - Persons authorised to sign for the transfer of funds in relation to the said accounts.

In relation to firms which have already received authorisation (license of operation) and are in the process of activation, the procedure as set out in the [CySEC announcement dated 09 July 2015](#) shall be in effect.

The present procedure shall be in effect from 14 November 2016, the date on which the CySEC Board decision was taken.

**Nicosia, 18 November 2016**

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