CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO	: **Cyprus Investment Firms**
FROM	: **Cyprus Securities and Exchange Commission**
DATE	: **21 May 2008**
CIRCULAR No:	: **CI144-2008-09**
FILE No:	: **E.K. 6.1.14**
SUBJECT	: **Details for the seminar for the completion of the documents for the calculation of the capital adequacy of CIFs**

Further to Circular CI144-2008-08 the Cyprus Securities and Exchange Commission ('the Commission') wishes with the present circular to inform the Cyprus Investment Firms (CIFs) the following:

1. The seminar will be organised on June 9 and 10, 2008, at the Ministry of Finance (1st floor, room 4160-4161) in Nicosia. We attach the agenda of the seminar (Appendix A). The seminar will be conducted in the English language.

2. Due to the increased interest the seminar will be repeated on June 17 and 18, 2008, at the Ministry of Finance (1st floor, room 4160-4161) in Nicosia. The seminar will be conducted in the Greek language.

3. The participation fee is three hundred and fifty euro (€350) per participant. This fee should be paid **prior** the dates of the seminars by:
   - a cheque drawn to the 'Cyprus Securities and Exchange Commission', which can be submitted at the Commission's accounting department (1st floor) daily (8.30 – 14.30), or
   - by transfer of funds to the bank account of the Commission by completing the attached document with all the necessary information (Appendix B).

4. For any queries or further information regarding the seminars you can contact Mrs Koulla Lazarou (tel. 22875475 or at the electronic address investmentfirms@cysec.gov.cy).

Sincerely

Georgios Charalambous
Chairman, Cyprus Securities and Exchange Commission

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Appendix A

Day 1:

Time	Subject	Duration
08:15-08:30	**Registration**	
08:30-10:00	**Introduction** • Overview of Basel II • The three Pillars • Pillar 1: Risks and Approaches • Capital Adequacy – the formula	25’
	Basel II – Pillar 1 calculations • Overview of Types of Risk in Pillar 1 • Methods of calculation of capital requirements under Pillar 1 (Standardised and Advanced Methods)	30’
	CoRep Templates • Introduction of CoRep templates and their scope • Connection of templates to Pillar 1 methods per risk type	35’
10:00-10:20	**Break**	
10:20-13:00	**Credit Risk – The Standardised Approach** • Overview of the method • Asset classes (portfolios) under the standardized approach • Calculation of Risk weighted Assets • Use of Credit ratings • Credit Risk mitigation techniques (Simple and Comprehensive)	60’
	Credit Risk Example • Application of credit risk capital requirements using the corresponding CoRep template	60’
13:00-13:20	**Break**	
13:20-15:00	**Operational Risk– Basic Indicator Approach and Standardised Approach** • Overview of the Methods • Qualitative criteria for the Standardised Approach	40’
	Operational Risk Example • Application of operational risk capital requirement using the corresponding CoRep template for both the Basic Indicator and The Standardised Approach	60’

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Day 2:

Time	Subject	Duration
08:30-10:00	**Market Risk-The Standardised Approach** • Overview of the methods regarding equities, traded debt instruments, commodities and foreign exchange • General and Specific Risk **Market Risk foreign exchange example** • Application of market risk capital requirements for FX using the corresponding CoRep template **Market Risk commodities example** • Application of market risk capital requirements for commodities using the corresponding CoRep template	40’ 25’ 25’
10:00-10:20	**Break**	
10:20-11:50	**Market Risk Equity example** • Application of market risk capital requirements for equities using the corresponding CoRep template **Market Risk Traded Debt Instruments example** • Application of market risk capital requirements for Traded Debt Instruments using the corresponding CoRep template	40’ 50’
11:50-12:10	**Break**	
12:10- 13:10	**Capital Base** • Overview of the CoRep template for Capital Base. • Application of capital base using the corresponding CoRep template	60’
12:30-12:50	**Break**	

12:50-14:50	**Case Study**
	• A simple but comprehensive case study covering the following approaches
	  • TSA for credit risk
	  • TSA for market risk
	  • BIA for operational risk
		120’

14:50-15:10	Wrap up and Questions	20’

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Appendix B

CYPRUS SECURITIES AND EXCHANGE COMMISSION

FUNDS TRANSFER FORM

→ **Please fill in all the fields and send this form to your bank**

BANK OF CYPRUS LTD
Nicosia - CYPRUS
SWIFT code: BCYPCY 2N

Company Name: ____

City / Country: ______________________ / ______________________
(City) (Country)

Amount: ____________ **£CY from Bank A/c No.:** __________________

Description/ Invoice no.: ______________________________________

PAYABLE TO: **Bank A/c No.:**
IBAN CY27 0020 0118 0000 0005 0024 4300

Bank of Cyprus
Tel.: (00357) 22 666266
Fax: (00357) 22 668249

BENEFICIARY: **CYPRUS SECURITIES & EXCHANGE COMMISSION**

NOTE: All bank charges are to be bourn by the payee only.

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