
FOR : Cyprus Investment Firms

FROM : Cyprus Securities and Exchange Commission

DATE : July 8, 2016

CIRCULAR No. : C145

SUBJECT : Clarifications for Circular C138 - Remuneration policies and practices

The Cyprus Securities and Exchange Commission ('the CySEC') wishes, with this circular, to clarify the following with regards to CySEC's Circular C138, concerning the remuneration policies and practices ('the Circular'):

1. Paragraph 5 of the Circular refers to some examples of remuneration which may entail conflict of interests and conduct of business risks.
2. As mentioned in paragraph 2 of the Circular, CIFs must identify the types of remunerations that may entail conflict of interests and conduct of business risks (like the examples in paragraph 5 of the Circular) and take reasonable measures to prevent them, unless they can satisfy the CySEC that such types can be managed, in an objective and demonstrable manner.

Yours sincerely

Demetra Kalogerou
Chairman of the Cyprus Securities and Exchange Commission