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TO : **Cyprus Investment Firms ('CIFs')**

FROM : **Cyprus Securities and Exchange Commission ('CySEC')**

DATE : **February 9, 2026**

CIRCULAR No : **C754**

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) and (iii) of the Cyprus Securities and Exchange Commission Law ('the CySEC Law').

This exercise is initiated by the European Securities and Markets Authorities ('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.

As in the previous year, the exercise will be conducted via EU's online platform having the format of an online questionnaire (electronic form). This year however, ESMA has introduced some technical improvements on the reporting template, regarding the collection of data from Investment Firms with cross border activity (*'freedom to provide investment services and activities'*), to their retail clients (and also to clients treated as professionals on request, according to Section II of Annex II of MiFID II), analysed per each host Member State.

## 1. Important information

- 1.1 In view of the above, CySEC wishes to inform Cypriot Investment Firms ('CIFs') that the Cross-border online questionnaire must be completed by CIFs that were **authorised by December 31, 2025, and which have provided cross-border services to more than 50 active retail clients, (including clients treated as professionals on request according to Section II of Annex II of MiFID II) (therein 'retail clients'), in at least one host Member State**.
- 1.2 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.
- 1.3 For the purposes of this exercise, 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 provided on a *"freedom of establishment"* basis.

- 1.4 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) clients' 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 point iii) above, 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 firm is still receiving a fee because the account is still open), we would expect that such clients to be accounted for in the CIF's reporting.

- 1.5 CIFs may use the residence of the client(s), in order to assess whether investment services and activities, are provided in other Member States.

- 1.6 **In order for CIFs to assess whether they fall under the scope of this exercise as per point 1.1 above, CIFs must consult all information provided in points 1.2 - 1.5 above.**

- 1.7 **CIFs that fall under the scope of this exercise (as set out in point 1.1) must provide a single, valid, company email address (i.e. compliance@..., info@...) to CySEC to which the Cross-border electronic form will be forwarded to, by sending an email to [riskstatistics.cifs@cysec.gov.cy](mailto:riskstatistics.cifs@cysec.gov.cy), by Wednesday 18<sup>th</sup> of February 2026, at the latest.**

CySEC will send the link of the Cross-border electronic form, **only to those CIFs that fall under the scope of this exercise** (as set out in point 1.1).

- 1.8 CIFs that **do not meet the conditions** (as set out in point 1.1) i.e. CIFs that do not **reach the materiality threshold of more than 50 active retail clients, in at least one EEA Member State**, should inform CySEC of the fact that they are not required to complete the Form, by sending an email to [riskstatistics.cifs@cysec.gov.cy](mailto:riskstatistics.cifs@cysec.gov.cy), by Wednesday 18<sup>th</sup> of February 2026, at the latest.

- 1.9 Detailed information regarding the completion of the Cross-border electronic form, as well as the deadline of submission, will be sent via a **new Circular**, that will be published in due time.

- 1.10 **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 those CIFs, which fail to promptly and duly comply.**

Yours sincerely,

Dr George Theocharides  
Chairman, Cyprus Securities and Exchange Commission