

**TO** : **Regulated Entities:**  
i. **Undertakings Collective Investment in Transferable Securities (UCITS) - Management Companies**  
ii. **Alternative Investment Funds ('AIF') – AIF Managers**

**FROM** : **Cyprus Securities and Exchange Commission**

**DATE** : **23 March 2021**

**CIRCULAR No** : **C434**

**SUBJECT** : **Suspension of redemption of UCITS and AIF units on 2<sup>nd</sup> and 5<sup>th</sup> April 2021**

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The Cyprus Securities and Exchange Commission (the “CySEC”) wishes herein to inform Regulated Entities that the redemption of UCITS and AIF units is suspended for the 2<sup>nd</sup> and 5<sup>th</sup> April 2021. It is provided that the suspension refers to UCITS and AIFs that hold assets in transferable securities listed in regulated markets and whose net asset value is calculated on a daily basis.

CySEC reached to the above after taking into consideration the following:

1. The provision of article 20(1) of the Open-Ended Undertakings for Collective Investment (UCI) Law (the “UCI Law”) which states that: *“The Securities and Exchange Commission, in exceptional cases and in the unit-holders’ interest, by virtue of a decision and at its initiative, may suspend the redemption of UCITS units.”*
2. The provision of article 43(3) of the Alternative Investment Funds Law (the “AIF Law”) which states that: *“...the Securities and Exchange Commission may:*
  - (a) *decide, as long as it considers that it is to the investors’ interest or the safeguarding of the proper functioning of the market, the suspension of the redemption or repurchase of AIF units, when the provisions of the applicable legislation or of the fund rules or of the instruments of incorporation of the AIF are not complied with or any other agreements that govern its function...”*



3. The fact that 2<sup>nd</sup> and 5<sup>th</sup> of April 2021 are public holidays in most international stock markets.
4. The fact that the settlement system for payments TARGET2 is closed on those days.
5. The need to safeguard the interests of unit-holders of UCITS and AIFs and the proper functioning of the market.

It is noted that the obligations under article 20(2) of the UCI Law and article 43 of the AIF Law continue to apply.

Yours sincerely

Demetra Kalogerou  
Chairman of the Cyprus Securities and Exchange Commission