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**TO** : **Cyprus Investment Firms**

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

**DATE** : **May 4, 2017**

**CIRCULAR NO.** : **C204**

**SUBJECT** : **Freedom to provide investment and ancillary services and/or perform investment activities in a third country**

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Following Circular C192, issued on March 3, 2017, regarding the freedom to provide investment and ancillary services and/or perform investment activities in a third country, the Cyprus Securities and Exchange Commission ('the CySEC') requests, in the context of its supervisory powers, the following:

1. The Cyprus Investment Firms ('the CIFs') must assess their existing third-country-passports and consult with their legal consultants by taking the appropriate legal advice, and/or letters/official documents from the competent authority of the host third-country, affirming either the carrying out of legitimate investment services and activities (holding a relevant authorisation), or the exception of holding such authorisation, in that territory.
2. CIFs must submit to CySEC, through CySEC's web portal as a free text by the end of business on May 31, 2017, with title: «C204 - Freedom to provide investment and ancillary services and/or perform investment activities in a third country», the following:
  - i. A confirmation letter signed by all board members with regard to the CIF's compliance with paragraph 1.
  - ii. A list of third-countries that the CIF provides investment and ancillary services and/or performs investment activities, stating for each country whether a legal advice or letter/official document has been obtained. CIFs are not obliged to submit the relevant supporting evidence to CySEC but this will be available for inspection when CySEC deems necessary.

CySEC expects that all CIFs will take into account the aforementioned when preparing and submitting the information requested in paragraph 2, in order to ensure timely and full compliance with their obligations deriving from the Investment Services and Activities and Regulated Markets Law of 2007 ('the Law') and/or Directives and/or European Regulations (the "relevant legislation"). CySEC therefore draws the attention to all CIFs, that the relevant legislation provides that CySEC, within its supervisory powers, may take the necessary supervisory decisions, including the imposition of appropriate administrative sanctions and/or

the restriction of the CIF's access to provide investment and ancillary services and/or perform investment activities in a third country and/or other administrative measures; in case of non-compliance with this Circular.

Yours sincerely,

Demetra Kalogerou  
Chairman, Cyprus Securities and Exchange Commission