
TO : **Cyprus Investment Firms**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **5 February 2020**

CIRCULAR No : **C351**

SUBJECT : **Preparation and submission of recovery plans by CIFs**

The Cyprus Securities and Exchange Commission ('CySEC') wishes herein to provide guidance to the Cyprus Investment Firms ('the CIFs') that fall within the scope of section 10(1)¹ of the Investment Services, Activities and Regulated Markets Law [144(I)/2007]² and thus, are within the scope of the Law regarding the recovery of CIFs Law 20(I)/2016 (the 'Recovery Law'). In particular:

1. CySEC issued on December 20, 2019, the Directive [DI20-01](#) regarding the determination of simplified obligations in relation to the content and details of the CIF's recovery plans (the 'Directive').
2. According to par. 4 of the Directive, CIFs that **fulfil** the criteria stated there in, are subject to simplified obligations for the purpose of preparing their recovery plans. Therefore, these CIFs should:
 - i. Submit to CySEC's [Form 20-01](#) (the 'Form'), which represents the main contents of their recovery plan, via email to crdsubmission@cysec.gov.cy **by 30.9.2020, the latest**. CIFs should start submitting the Form from 1.9.2020 to 30.9.2020.
 - ii. Update the contents of the Form and submit it to CySEC **every two years**, i.e. the second submission of the Form should be made by 30.9.2022, the third submission by 30.9.2024, and so on.
3. CIFs that **do not fulfil** the criteria of par. 4 of the Directive and thus are not subject to simplified obligations, should:

¹ Initial capital requirement €730.000

² Which remain in force as per article 104 of Law 87(I)/2017

- i. Prepare a solo recovery plan in accordance with the provisions of section 4 of the Recovery Law and submit it via CySEC's portal under the title 'Solo recovery plan' **by 30.6.2020, the latest.**
- ii. Update their recovery plan and submit it to CySEC **every year**, i.e. the second submission should be made by 30.6.2021, the third submission by 30.6.2022, and so on.
- iii. Complete and submit the Form to CySEC via email to crdsubmission@cysec.gov.cy **by 30.6.2020**. CIFs should start submitting the Form from 1.6.2020 to 30.6.2020.

This Form should be submitted every year by June, 30, i.e. the second submission should be made by 30.6.2021, the third submission by 30.6.2022, and so on.

4. CySEC published the Form in its website in a draft version to facilitate the timely submission by the CIFs. The final version of the Form will be issued in the coming weeks as CySEC intends to enhance it with validations rules. The contents of the Form will not change.

Yours sincerely

Demetra Kalogerou
Chairman of the Cyprus Securities and Exchange Commission