



**CYPRUS SECURITIES AND EXCHANGE COMMISSION**

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**TO : Cyprus Investment Firms**  
**FROM : Cyprus Securities and Exchange Commission**  
**DATE : 16 January 2013**  
**CIRCULAR No : CI144-2013-02**  
**FILE No : E.K. 6.1.14**  
**SUBJECT : Amendment of the Directive DI144-2007-04 of the Cyprus Securities and Exchange Commission for the charges and annual fees of CIFs and revision of Form 144-04-12**

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The Cyprus Securities and Exchange Commission ('the Commission') wishes with the present Circular, to inform the Cyprus Investment Firms ('CIFs') of the following:

1. The Commission, having reviewed the policies of the supervisory authorities of other Member States regarding charges and fees paid by their supervised entities and after taking into account the comments of relevant parties involved, has decided to revise the charges and fees for CIFs/IFs operating in the Republic through a branch, Regulated Markets and Multilateral Trading Facilities (MTFs). For this purpose, the amending Directive DI144-2007-04 (A) of 2012, of the Commission was issued for the payable charges and annual fees (the "amending Directive").
2. The amending Directive has been published in the Official Gazette of the Republic on the 28<sup>th</sup> of December 2012 and has immediate effect. The amending Directive and its consolidation with the Directive DI144-2007-04 of the Commission for the charges and annual fees, have been published on the Commission's website ([DI144-2007-04](#)).
3. The Form 144-04-12 (Calculation of the annual fees) has been revised (updated on 15 January 2013) in order to include the provisions of the amending Directive and has been published on the Commission's website ([F144-04-12](#)). CIFs and Investment Firms operating in the Republic through a branch are obliged to use the revised Form 144-04-12 for the calculation of their annual fees.
4. For the calculation of the annual fees, the CIF<sup>1</sup> must complete the gray cells in the fields 1.1 – 1.5 of **part A** of Form 144-04-12, following the instructions on the Form. For fields 1.2 and 1.3, note the following:

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<sup>1</sup> The term "CIF" includes third country Investment Firms operating in the Republic through a branch

- Field 1.2, with respect to the section of the Law 144(I)/2007 under which the CIF falls, must be completed in accordance with the instructions set out in the **Appendix** of this Circular.
- Field 1.3 refers to the turnover of the CIF for the reporting financial year. According to the amending Directive, turnover means the income resulting from the provision of investment and ancillary services, the performance of investment activities and the conduction of other business, as disclosed in the audited financial statements.

The CIF states on Form 144-04-12, the turnover, in the reporting currency of the audited financial statements (field 1.3), the reporting currency of the audited financial statements (field 1.4) and where applicable, the exchange rate published on the website of the European Central Bank, for the last day of the financial year (field 1.5), according to the instructions on the Form.

5. CIFs attach as an Annex to the Form, the extract from the audited financial statements where the total turnover of the corresponding year is disclosed.
6. CIFs, which have not been activated within the calendar year in which they were licensed, shall pay to the Commission annual fees, in proportion to the time-period for which they hold the license. For the calculation of the annual fee, the month in which the CIF license was granted (field 1.1 of **part A** of Form 144-04-12) is taken into account and not the day the CIF licence was granted.
7. Member State Investment Firms which are operating in the Republic through a branch, complete **part B** of Form 144-04-12 and pay an annual fee of 300 euro.
8. The completed and duly signed Form 144-04-12 shall be submitted to the Commission within four months from the end of each financial year, along with the payment of the annual fee.

Sincerely,

Demetra Kalogerou  
Chairman, Cyprus Securities and Exchange Commission

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## APPENDIX

Section of the Law 144(I)/2007, under which the CIF falls, <u>on 31/12 of the reporting year</u>		Fixed amount €	Maximum amount of annual fee €
10(4)	<p>The CIF is registered to provide insurance intermediary services in the insurance sector (under the Insurance Services and other Related Issues Law) and is licensed by the Commission to provide the following investment services:</p> <ul style="list-style-type: none"> <li>• Reception and transmission of orders in relation to financial instruments <b>or/and</b></li> <li>• Provision of investment advice <b>and</b></li> </ul> <p><b>does not hold</b> clients' money or/and clients' financial instruments</p> <p><b>(initial capital 40.000 euro or 20.000 euro and professional indemnity insurance)</b></p>	3.000	50.000
10(2)	<p>The CIF is licensed by the Commission to provide the following investment services:</p> <ul style="list-style-type: none"> <li>• Reception and transmission of orders in relation to financial instruments <b>or/and</b></li> <li>• Provision of investment advice <b>and</b></li> </ul> <p><b>does not hold</b> clients' money or/and clients' financial instruments</p> <p><b>(initial capital 80.000 euro or 40.000 euro and professional indemnity insurance)</b></p>	3.500	50.000
10(1)	<p>The CIF is licensed by the Commission to provide <b>one or more</b> of the following investment services:</p> <ul style="list-style-type: none"> <li>• Reception and transmission of orders in relation to financial instruments</li> <li>• Execution of orders on behalf of clients</li> <li>• Portfolio management</li> <li>• Provision of investment advice <b>and</b></li> </ul> <p><b>holds</b> clients' money or/and clients' financial instruments</p> <p><b>(initial capital 200.000 euro)</b></p>	3.750	75.000
10(3)	<p>The CIF is licensed by the Commission to provide/perform <b>one or more</b> of the following investment services/activities:</p> <ul style="list-style-type: none"> <li>• Dealing on own account</li> <li>• Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis</li> <li>• Placing of financial instruments without a firm commitment basis</li> <li>• Operation of Multilateral Trading Facility</li> </ul> <p><b>(initial capital 1.000.000 euro)</b></p>	4.250	75.000

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