

**UNOFFICIAL CONSOLIDATION OF DIRECTIVE REGARDING THE
CERTIFICATION OF PERSONS AND THE CERTIFICATION REGISTERS
AND DIRECTIVE 2017 REGARDING THE CERTIFICATION OF PERSONS AND
THE CERTIFICATION REGISTERS**

DIRECTIVE

**OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION REGARDING THE
CERTIFICATION OF PERSONS AND THE CERTIFICATION REGISTERS**

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The Cyprus Securities and Exchange Commission exercising the powers vested in it by virtue of:

- (a) articles 18(2)(a), 53(2) & (3), 54 and 56 of the Investment Services and Activities and Regulated Markets Law of 2007 and
- (b) article 59 of the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007
- (c) articles 9(3) & (4) and 31 of the Law regulating Companies providing Administrative Services and Related Matters of 2012
- (d) articles 34(1)(a) and 112(2) & (6) of the Open-Ended Undertakings for Collective Investment Law of 2012,
- (e) articles 53(2)(d), 103 and 116(a)(iii) & (13) of the Alternative Investment Funds Law of 2014
- (f) articles 8(8)(c) & 18 of the Alternative Investment Fund Managers Law of 2013

hereby issues the following Directive:

PART I INTRODUCTORY PROVISIONS

Short title R.A.D.174/2015 R.A.D. 22/2017	1. This Directive will be cited as the Directive regarding the Certification of persons and the public register.
Definition L144(I) of 2007 L106(I) of 2009 L154(I) of 2012 L193(I) of 2014 L73(I) of 2009 L5(I) of 2012 L65(I) of 2014	2. In this Directive, unless the context shall otherwise prescribe: «public register» shall mean the register as defined in paragraph 15(1) of this Directive and shall include the Public Register as defined in article 53 of the Investment Services and Activities and Regulated Markets Law «Securities and Exchange Commission» or «Commission» shall mean the legal person of public law which is governed by the Cyprus Securities and Exchange Commission Law. «registered persons» shall mean the persons who are registered in the respective public registries. «examinations» shall mean the examinations as defined in article 53(1) of the Investment Services and Activities and Regulated Markets Law, which are carried out in accordance with Part II of this Directive as well as any other examinations as defined in this Directive.

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L188(I) of 2007
L58(I) of 2010
L80(I) of 2012
L192(I) of 2012
L101(I) of 2013
L184(I) of 2014
RAD 480 of 2012

«compliance officer» shall mean the person appointed for the purposes of compliance with the Prevention and Suppression of Money Laundering and Terrorist Financing Law and has the meaning and duties that are appointed to this term in paragraph 2 of Directive D1144-2007-08 of 2012 for the Prevention and Suppression of Money Laundering and Terrorist Financing

«certification registries» shall mean the public registry and the registry for compliance officers

«registry for compliance officers» shall mean the registry as described in paragraph 15(2) of this Directive

L56(I) of 2013
L8(I) of 2015

«AIFM Law» shall mean the Alternative Investment Fund Managers Law

«IF Law» shall mean the Investment Services and Activities and Regulated Markets Law

L131(I) of 2014
L11(I) of 2015
L.78(I) of 2012

«AIF Law» shall mean the Alternative Investment Funds Law

«UCITS Law» shall mean the Open-Ended Undertakings for Collective Investment Law of 2012

«person» shall mean a natural person

«associated person» shall mean

(a) the spouses and blood relatives or relatives by affinity of up to first grade,

(b) a company, in which the person holds or controls directly or indirectly at least twenty percent (20%) of the voting rights in General Meeting,

(c) a person who according to the judgement of the Commission is depending from or has common interests in a substantial extent with that person

«candidate» shall mean the natural person who wishes to participate in the examinations of this Directive.

Without prejudice to the above provisions, any terms used in this

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Directive and not otherwise interpreted shall have the meaning attributed to them by the Laws under which this Directive is issued by.

Where in this Directive a reference is made to a Law, this shall include the Regulatory Administrative Acts issued thereof.

- Objective
3. This Directive shall, among other things, :
- (a) determine, specify or clarify the frequency, the organisation and the content of the examinations and the examination content;
 - (b) determine every relevant issue in relation to the creation of the certification registries , the procedure of their update, the registration, renewal of registration and deletion of persons registered in them;
 - (c) determine the level of examination fees and the fees for the annual renewal of registration in the certification registers; and
 - (d) determine, specify or clarify any other matter that has to be determined, specified or clarified by virtue of the Laws and articles as defined in the preamble of this Directive.
- Scope
4. This Directive shall apply to the following persons:
- (1) Subject to the provisions of article 15 of the IF Law, the persons who wish to be certified or who are already certified to work in Cyprus Investment Firms, or by a tied agent established in the Republic and to provide the investment services or to perform the investment activities mentioned below:
 - (a) reception and transmission of orders regarding one or more financial instruments;
 - (b) execution of orders on behalf of clients;
 - (c) dealing on own account;
 - (d) portfolio management;
 - (e) investment advice;
 - (f) underwriting of financial instruments and/or placing of financial instruments on/without a firm commitment basis.
 - (2) Subject to the provisions of article 111(1)(b) of the UCITS Law, to persons who wish to be certified in order to be able to work in a

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Management Company, or Investment Company of Variable Capital which has obtained an operational licence in the Republic, or to persons who enter into a contract with the UCITS Management Company for the marketing of UCITS units in the Republic, or to their representatives established in the Republic in order to provide the following services:

- (a) UCITS investment management;
- (b) marketing of UCITS or other Collective Investment Firm units;
- (c) investment management by virtue of article 109(4)(a) of the UCITS Law;
- (d) provision of investment advice for one or more financial instruments by virtue of article 109(4)(b) of the UCITS Law;

(3) To every person who wishes to be appointed as or provide services, to a regulated by CySEC legal person, as a compliance officer for the purposes of compliance with the Prevention and Suppression of Money Laundering and Terrorist Financing Law.

It is provided that wherever compliance officer is mentioned, it shall include, where it applies, every other person which performs, to any degree, the duties of a compliance officers.

(4) Subject to the provision of articles 18(2)(a) of CIF Law, 112 of UCITS Law, 18 of AIFM Law, 53(2)(d) and 116(3)(a)(ii) of AIF Law, to every person who wishes to be appointed as or provide the services of the compliance function as stated in the said articles.

It is provided that the duties mentioned in this subparagraph do not include the duties of the compliance officer which require a separate certification as outlined in subparagraph 3 above.

(5) Subject to the provision of articles 8(2)(c) of AIFM Law and 53(2)(a)(iv) of AIF Law, to every person who wishes to be certified to be able to be employed to an Alternative Investment Funds Manager or to a self-managed Alternative Investments Fund which has obtained an operational licence in the Republic or to persons who enter into a contract with the UCITS Management Company for the marketing of UCITS units in the Republic, or to their representatives established in the Republic in order to provide the following services:

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- a) Of article 6(5)(a) of AIFM Law and article 6(1)(a) of AIF Law
- b) Marketing of units of AIF according to article 33 of AIF Law
- c) Management of portfolios of investments according to paragraph (a) of section 6 of article 6 of AIFM Law
- d) The services described in paragraph (b) of section 6 of article 6 of AIFM Law

- Certified persons
5. (1) Subject to the provisions of article 15 of the IF Law, a person may provide/perform any investment services/activities contained in paragraph 4(1), if:
- (a) the person has succeeded in the advanced examination as defined in Part II; and
 - (b) the person is registered in the public register as defined in Part III.
- (2) Notwithstanding the provisions of subparagraph (1) and subject to the provisions of article 15 of the IF Law, a person may provide only the investment services of paragraphs 4(1)(a) and 4(1)(b), if:
- (a) the person has succeeded in the basic examination as defined in Part II; and
 - (b) the person is registered in the public register as defined in Part III.
- (3) Subject to the provisions of article 111(1)(b) of the UCITS Law, a person may provide any of the activities of paragraph 4(2), if:
- (a) the person has succeeded in the advanced examination as defined in Part II; and
 - (b) the person is registered in the public register as defined in Part III.
- (4) Notwithstanding the provisions of subparagraph (3) and subject to the provisions of article 111(1)(b) of the UCITS Law, a person may provide only the activities of paragraph 4(2)(b), if:
- (a) the person has succeeded in the basic examination as defined in Part II; and
 - (b) the person is registered in the public register as defined in Part III.
- (5) A person may be appointed as a compliance officer if they:

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- (a) have succeeded in the examination of Part II; and
 - (b) are registered in the registry for compliance officers according to Part II
- (6) A person may be appointed as or provided the services of a compliance officer in the context of paragraph 4(4) above, if they:
- (a) have succeeded in the advanced examination, according to Part II; and
 - (b) are registered in the public register according to Part III
- (7) A person may be appointed as or provide the services of paragraph 4(5) if they:
- (a) have succeeded in the advanced examination, according to Part II; and
 - (b) are registered in the public register, according to Part III
- (8) The Commission may, but only in exceptional circumstances, notwithstanding the provisions of subparagraphs (5) – (7) above, to allow for the appointment of a person who is not registered in the relevant certification registry, provided that the Commission is informed beforehand in writing, by the legal person who wishes to appoint the said person and approves the said appointment or undertaking of duties, giving the said person a deadline of 2 examinations within a period of 6 months, during which the said person must register in the relevant certification registry.

PART II EXAMINATIONS

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|---------------------------|---|
| Frequency of examinations | 6. The examinations are carried out at least once (1) a year. |
| Examinations announcement | 7. (1) The examinations shall take place following a relevant announcement by the Commission published on its website.

(2) The announcement of subparagraph (1) shall determine: <ul style="list-style-type: none"> (a) the exact date of the examinations; (b) the examination content; |

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		(c) how to submit the application for participating in the examination;
		(d) the deadline for the submission of the application;
		(e) how to pay the fees referred to in paragraph 8; and
		(f) anything else related to the examinations
Participation in the examinations	8.	(1) The candidate should submit to the Commission, within the deadline specified in the announcement of paragraph 6, an application form duly completed.
		The application document is prepared by the Commission and shall
		(2) The Commission may request clarifications or confirm the information contained in the application of subparagraph (1).
Examination fees	9.	(1) Candidates are obliged to pay to the Commission examination fees of two hundred euro (€200) for the basic examination, three hundred euro (€300) for the advanced examination and three hundred euro (€300) for the compliance officers examination.
		(2) A candidate who for whatever reason does not attend the examinations or does not succeed in the examinations, in accordance with paragraph 13, shall not be entitled to the return of the fees of subparagraph (1).
Structure of examinations	10.	Taking into consideration the investment services and activities of paragraph 4 and subject to the provisions of paragraph 5, three independent examinations shall take place:
		(a) the basic examination; and
		(b) the advanced examination; and
		(c) the compliance officers examination.
Language of examinations	11.	The examinations shall be held in the Greek or English language, according to the candidate's choice.
Cooperation of the Commission with third parties	12.	(1) The Commission may cooperate with universities, educational institutions or specialists or scientists and delegate to them, on a case by case basis, specific duties regarding the conduction of the examinations, such as the preparation of the examination topics, the assessment of the papers and in general the provision of support in the preparation and the conduction of the examinations.

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(2) Persons of subparagraph (1), should have no direct or indirect relation (professional, financial or otherwise) with Investment Firms, Management Companies , Investment Companies of Variable Capital, Administrative Services Providers or Alternative Investment Funds Managers or other relevant companies or organisations which are affected by this Directive and they should not create any such relation during their cooperation with the Commission.

(3) The persons of paragraph (1) who undertake the carrying out of the examinations and the persons connected to them, may not provide any preparatory courses for the examinations or proceed to any acts that may put into doubt the unimpeachable procedure of the examinations and the reputation of the Commission.

Examination
success

13. (1) The maximum grade for each examination of paragraph 9 is one hundred (100) points and the minimum grade is zero (0). A successful candidate is the person who has acquired the following score:

(i) at least 60 points, in each examination of paragraph 9 and 5(1)(2)(3)(4) and (6) and from the 1st of September 2015, a successful candidate shall be the person who will have acquired at least 70 points (instead of 60).

(ii) at least 70 points in the examination for the compliance officers, from the first examination, whenever this is set.

(2) In case a candidate who participates in the examinations brings with him in the examination room any object or mean of cheating or cheats during the examination in any way or makes noise and does not comply with the recommendations of the supervisors trying to cheat or to prevent the examination of the other candidates or he is acting fraudulently in any way, he shall be removed from the room and assessed with the minimum grade of zero (0).

(3) Candidates of subparagraph (2) may participate in the examinations of Part II, 2 years after the date of their participation in the examinations.

Examination
results

14. The Commission shall prepare and make public on its website a table of the successful candidates.

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PART III
PUBLIC REGISTER

- Public Register and the Register for compliance officers
15. (1) The Commission shall prepare and maintain a public register freely accessible by the public, in which all persons who have succeeded in the examinations, held by the Commission according to the provisions of this Directive, shall be registered into with the exception of compliance officers.
- (2) The Commission shall prepare and maintain a register for the compliance officers, freely accessible by the public, in which all persons who have succeeded in the compliance officers examination, held by the Commission according to the provisions of this Directive, shall be registered into.
- Registration in the certification registers
16. (1) The Commission shall register the successful candidates of paragraph 14 in the relevant certification register.
- (2) The date of registration in the certification register shall be the date of publication of the table of the successful candidates of paragraph 14 on the Commission's website.
- Renewal of registration in the certification registers
17. (1) Registered persons shall be obliged to renew their registration in the certification register within two months from the end of each calendar year that follows their registration in the certification registers:
- (2) Registered persons in the public register shall be deemed to have renewed their registration when they:
- (a) submit to the Commission a statement of continued professional training on topics that fall within the relevant legislation which applies to them and which relates directly to the duties which they will undertake as part of their certification, of a duration of:
- R.A.D. 22/2017
- i. ten (10) hours for persons registered in the public register for the basic examination,
- R.A.D. 22/2017
- ii. fifteen (15) hours for persons registered in the public register for the advanced examination,
- R.A.D. 22/2017
- iii. fifteen (15) hours for persons registered in the public register for compliance officers,
for each calendar year

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	(b) pay to the Commission an annual renewal fee of eighty euro (€80).
R.A.D. 22/2017	(3) Persons registered in the public register should keep a record with their continued professional training and maintain evidence of such training.
R.A.D. 22/2017	(4) Persons registered in the public register should maintain the record mentioned in subparagraph (4) for five years and make it available for inspection at any time by the Commission.
Submission of details to the Commission	18. The Form of paragraph 8 shall be submitted to the Commission in electronic format or hard copy. The statement of paragraph 17(2)(a) shall be submitted to the Commission in electronic format only.
Time of submission of details	19. The submission of details in electronic format shall be deemed to be made and received by the Commission only when accepted by the Commission's electronic system.
Deletion from the public register	20. Persons registered in the public register shall be deleted from the public register in the following cases: (a) In case of failure to renew the registration according to paragraph 17.
R.A.D. 22/2017	(b) In case a person registered in the certification registers is convicted for a criminal offence related to the financial sector.
R.A.D. 22/2017	(c) In case the Commission, acting within its duties, decides, with justification of its decision, that the certified person is deemed inappropriate based on its evaluation according to any legislation relevant to the Commission.

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(d) In case where the person provides information, for the purposes of compliance with this Directive or any other legislation relevant to the Commission, which is false.

Re-registration in
the public register
R.A.D. 22/2017

21. (1) Persons deleted from the public register according to paragraph 20 (a) may submit a request for re-registration in the register they were registered, within 12 (twelve) months from the deadline set in paragraph 17 (1).

Each deleted person may request to get re-registered 2 (two) times in total, regardless of the calendar year.

Submitting the first request for re-registration, within the time limit set above, the relevant person:
a) should pay a re-registration fee of two hundred euro (€ 200) in addition to the amount of eighty euro (€ 80) of paragraph 17 (2) (b) and
b) should cover the hours of continued professional training he might have missed.

Submitting the second request for re-registration, within the time limit set above, the relevant person:
a) should pay a re-registration fee of five hundred euro (€ 500) in addition to the amount of eighty euro (€ 80) of paragraph 17 (2) (b) and
b) should cover the hours of continued professional training he might have missed.

Deleted person wishing to apply for re-registration, as above, submits the relevant application form duly completed to the Commission. The relevant application form for re-registration is issued by the Commission and is available on its website.

21 (2) The deleted, from the certification register, persons mentioned in paragraph 20 (a), when they exhaust the right of re-registration as per paragraph 21 (1) they are entitled, if they wish, to get re-registered in the certification register only after they pass the examinations, as they are specified in Part II.

21 (3) The deleted, from the certification register, persons mentioned in paragraphs 20(b), (c) and (d) they are not allowed in any case to attend the examinations of Part II for re-registration in the certification register.

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**PART IV
FINAL AND TRANSITIONAL PROVISIONS**

Persons registered in the Public Register

22. Persons, who have already registered in the public register according to the Directives repealed in paragraph 23, shall remain registered in the public registry.

Repeal of Directives on entry into force of this Directive

23. At the date of entry into force of this Directive, the Directive regarding the certification of persons and the public registry R.A.D. 499/2012 and amending Directives R.A.D 118/2013, R.A.D. 403/2013 and R.A.D. 466/2014, shall be repealed.

RAD. 4609,
30.11.2012

RAD. 4653,
12.4.2013

RAD 4732,
15.11.2013

RAD 4826,
17.10.2014

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Transitional provisions

24. (1) Regarding the persons who, at the date of entry into force of this Directive, are employed or appointed as compliance officers by a legal person which has acquired an operational licence by the Commission or are employed or appointed to perform the duties of the compliance function according to paragraph 4(4) or duties and responsibilities as laid out in paragraph 4(5), the following shall apply:
- a) They must submit an application to take part in the relevant examination, as soon as possible,
 - b) If they fail to succeed in the relevant examination, they should apply for the next examination. The maximum number of participations shall be two (2) times within a period of twelve (12) months. The twelve month period begins on the date of the Commission's first announcement for the examination period.
 - c) In case of failure on the second attempt, as described in subparagraph (b) above, then their employment or assignment or appointment in a legal person which has acquired an operational licence by the Commission, shall not be continued.
 - d) Until they succeed at the examinations within the period of twelve (12) months, as described in subparagraph (b) above, the said natural persons shall continue to perform their duties without being registered in a certification registry.

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(2) Regarding the persons who, at the date of entry into force of this Directive, are employed or appointed or intend to be appointed or employed, to perform the duties or operations as set out in paragraphs 4(4) and 4(5) above, and are already registered in the certification registry after having succeeded in the advanced examination of paragraph 5(1) or (3), depending on the case, are not required to act any further.

Entry into force R.A.D. 22/2017 25. The obligation for the increase of the continued professional education's hours of paragraph 17 (2) (a) shall enter into force as from the 1st of March 2017.

(ii) This Directive shall enter into force as of its publication in the Official Gazette of the Republic.

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