
TO : Cyprus Investments Firms

FROM : Cyprus Securities and Exchange Commission

DATE : 17 May 2017

CIRCULAR No : C208

SUBJECT : BaFin’s General Administrative Act regarding the restriction of marketing, distribution and sale of financial contracts for difference (CFDs) should they have an additional payments obligation, to retail clients in the territory of Germany

The Cyprus Securities and Exchange Commission (the “CySEC”) hereby draws the attention of the Cyprus Investment Firms (the ‘CIFs’)¹ to the Announcement of the General Administrative Act of the German Federal Financial Supervisory Authority (the “BaFin”) regarding limitation on the marketing, distribution and sale of financial contracts for difference (the ‘CFDs’) to retail clients in Germany.

More specifically, on May 8, 2017, BaFin issued a [General Administrative Act](#) pursuant to section 4b(1) of the German Securities Trading Act, where it prohibits the marketing, distribution and sale of CFDs to retail clients in Germany, in so far as they may give rise to additional payments obligation. The prohibition is to be implemented by August 10, 2017.

Therefore, providers of CFDs with an additional payments obligation have three (3) months from the date of publication of the General Administrative Act to adjust their business models in accordance with BaFIN’s new measures.

CIFs may visit BaFIN’s website to read more information on the aforementioned.

The CySEC herewith advises CIFs to consult with their legal consultants regarding the necessary legal actions required to ensure compliance with BaFIN’s new regulatory measures.

Yours sincerely,

Demetra Kalogerou
Chairman of the Cyprus Securities and Exchange Commission

¹ This circular refers to CIFs that are freely providing investment and ancillary services, or/and are performing investment activities, in accordance with Article 79 of the Investment Services and Activities and Regulated Markets Law of 2007, as in force (the “Law”), relating to financial contracts for difference (CFDs) to retail clients, in the territory of Germany.