
TO : **Cyprus Investment Firms**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **8 April 2020**

CIRCULAR No : **C379**

SUBJECT : **Population data collection by the European Banking Authority regarding the new prudential framework for investment firms**

The Cyprus Securities and Exchange Commission ("CySEC") wishes to inform the Cyprus Investment Firms ('CIFs') about the following:

1. On 6th March 2020, CySEC issued the Circular [C355 'New prudential framework for investment firms'](#), and a related [Practical Guide](#) introducing the new prudential framework for investment firms, which will replace the existing prudential requirements of investment firms, currently set out in the Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment Firms (the "CRR")¹ and the European Directive 2013/36/EU (the "CRD IV")².

The new prudential framework, which comprises of the [Regulation \(EU\) 2019/2033](#) ('IFR') and [Directive \(EU\) 2019/2034](#) ('IFD'), will come into force on 26th June 2021.

2. The European Banking Authority (the 'EBA') has a mandate, based on Art.54 and 55 of the IFR, to develop the reporting requirements for IFs, in terms of own funds, levels of minimum capital, concentration risk, liquidity requirements, level of activity in respect of small and non-interconnected IFs (class 2) and the other reporting requirements. The EBA will launch a public consultation on these reporting requirements. In parallel with this consultation, the EBA will also launch a data collection process in order to develop an impact assessment.

¹On 7th June 2019, the [Regulation \(EU\) 2019/876 of the European Parliament and of the Council of 20 May 2019](#) ('CRR2') was published on the Official Journal of the European Union, amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012. CRR2 shall enter into force on 28th June 2021, with some exemptions.

² On 7th June 2019, the [Directive \(EU\) 2019/878 of the European Parliament and of the Council of May 20, 2019](#) ('CRDV') was published on the Official Journal of the European Union, amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. CRDV shall enter into force on 28th June 2021, with some exemptions.

3. On the basis of the above, CySEC is requested to submit to EBA a population data template ('the Template') with a few core data points on the whole population of CIFs.

The Template can be found [here](#).

4. Thus, **ALL** CIFs are requested to fill in and submit the above Template to CySEC, using the guidelines set therein. It is noted that this data collection exercise is **mandatory** for all CIFs.
5. CIFs should report with a 'yes/no' answer in **Column Z** of the Template (tab 'Population') whether they intend to participate in the upcoming 'EBA Investment Firm data collection' which will be launched in the coming months. CySEC urges CIFs to participate in this data collection otherwise if the number of CIFs is not adequate, CySEC will select itself additional CIFs in order to target a sample that is balanced in terms of size, business models/investment services and activities, group structure and geographical location.
6. CIFs should fill in the Template and **submit it to CySEC via email only** at the electronic address crdSubmission@cysec.gov.cy, quoting as email subject: '(CIF Name) – EBA Template'.

The excel file Template should have the following naming convention: "**XX_EBA Template**" (XX represents CIF's TRS Code) when submitted to CySEC.

7. Thus, all CIFs should complete and submit to CySEC the above mentioned template the latest **by 15th May 2020**.
8. In case of any queries regarding the completion of the Template you may contact CySEC via email **ONLY** to crdSubmission@cysec.gov.cy. However, CIFs are kindly requested to go through the relevant guidelines set within the Template, prior to submitting any queries to CySEC.

Yours sincerely,

Demetra Kalogerou
Chairman of the Cyprus Securities and Exchange Commission