
TO : Persons registered in the certification registers¹ and persons² that provide continuous professional training courses

FROM : Cyprus Securities and Exchange Commission

DATE : 13 December 2020

CIRCULAR NO. : C421

SUBJECT : Continuous Professional Training of the persons registered in the certification registers

The Cyprus Securities and Exchange Commission (“the CySEC.”) wishes, with the current circular, to inform the interested parties on the following with respect to paragraphs 17(2)(a), 17(3) and 17(4) of the Directive regarding the Certification of Persons and the Certification Registers (“the Directive”):

1. According to paragraph 17(2)(a) of the Directive:

“(2) Registered persons 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 legislative framework which applies to them and which relates directly to the duties which they will undertake as part of their certification, of a duration of:

- i. ten (10) hours for persons registered in the public register for the basic examination,*
 - ii. fifteen (15) hours for persons registered in the public register for the advanced examination,*
 - iii. ten (10) hours for persons registered in the public register for AML compliance officers,*
- for the preceding year of the renewal.*

¹ “certification registers” mean the registers as defined in paragraph 15 of the Directive regarding the Certification of Persons and the Certification Registers.

«trainers» means the educational institutions, the CIFs’ and credit institutions’ associations and any other person that carries out professional training courses for the purposes of compliance with the obligation of paragraph 17(2)(a) & 17(2)(b) of the Directive for continuous professional training of the persons registered in the certification registers.

It is provided that, a person that registers for the first time to the public register and/or the AML compliance officers register during the preceding year of his renewal, is not obliged to complete the hours of continued professional training of the sub-paragraph (2)(a) for the renewal of this certain registration.”

The purpose of the above provision is to ensure that, the persons registered in the certification registers (“certified persons”) are informed of the legal framework, they are obliged to comply with, when they provide/carry out investment services/activities or when they offer their services as AML compliance officers.

2. The professional training courses for the Basic and Advanced certification must concern topics «*that fall within the existing legislation on the capital market*», for example, the analysis/explanation/application (based on best practices) of the provisions of the laws, regulations, directives, guidelines or circulars regarding the capital market.

The professional training courses for the AML Compliance Officer certification must concern topics that fall within the existing legislation regarding the Prevention and Suppression of Money Laundering and Terrorist Financing Laws, for example, the analysis/explanation/application (based on best practices) of the provisions of the laws, regulations, directives, guidelines or circulars regarding the money laundering and terrorist financing.

However, there are professional training courses that cover topics like ethics and professional conduct (including anti-bribery and anti-corruption) and corporate governance, and these courses should not exceed the 50% of the total hours of the CPT.

The professional training courses, which are carried out for the purposes of compliance with paragraph 17(2)(a) of the Directive, for continuous professional training of the certified persons, must explicitly state on their outline the said purpose and the parts/sections/paragraphs/topics of the laws/regulations/directives/guidelines/circulars they will be dealing with.

3. The courses concerning general principles of finance and do not fall under paragraph 2 above, do not constitute continuous professional training for the purposes of paragraph 17(2)(a) of the Directive.

The courses that cover financial innovation issues (e.g. distributed ledger technology) may be deemed as CPT and may cover only up to 50% of the total duration of the CPT hours of a certified person.

4. The educational institutions, the CIFs' and credit institutions' associations and any other trainer that carries out professional training courses, for the purposes of compliance with the obligation of paragraph 17(2)(a) of the Directive, must apply, at least, the following:

- (a) Ensure that trainers presenting the topics ("the trainers") have sufficient academic/professional qualifications and professional experience on the topics they will be dealing with, as well as training experience.

For this purpose, the curriculum vitae or profile of the trainers (in which information is given on their academic/professional qualifications, professional experience and training experience) must be attached to the detailed content of the professional training course. It is advised that trainers possess relevant CySEC's certification that includes the topic that the training course will cover.

- (b) Apply a control system of the attendance of the course by the participants, a system of evaluation of the trainers and the training course by the participants and award a relevant Certificate to those participants that completed successfully the course.
- (c) State the total duration of the course. The duration of the course must not include break and lunch time.

It is recommended that each course is restricted to maximum fifty (50) participants and includes time, of not more than 30 minutes, to resolve questions.

5. In regards to on-line courses, the organisation/trainers carrying out the on-line courses should have the mechanisms in place to ensure that the person has participated to the online course until the end of it. For example, an assessment could be performed at the end of each seminar to check the knowledge acquired by participants.
6. Conferences or summits may not be deemed as professional training courses since they are unlikely to be in line with paragraph 4 above.
7. During the promotion or advertisement of the professional training courses, by the persons of paragraph 4 above, it should not be implied in any way that the courses have been approved by the CySEC.
8. The certified persons are obliged to keep a record as per paragraph 17(4) of the Directive, with the content and agenda of the professional training course they attended (which must be accompanied by the curriculum vitae of the trainers) and the relevant



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Certificates awarded as evidence of their professional training. During CySEC inspections, persons should be able to submit all the above information.

Yours sincerely,

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Chairman
Cyprus Securities and Exchange Commission