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TO: **Regulated Entities:**  
**i. UCITS Management Companies**  
**ii. Self-managed UCITS investment companies**

FROM: **Cyprus Securities and Exchange Commission**

DATE: **December 13, 2016**

CIRCULAR NO.: **C173**

SUBJECT: **Guidelines on sound remuneration policies under the UCITS Directive (ESMA/2016/575)**

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The Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the Regulated Entities, that the European Securities and Markets Authority (ESMA) has issued the [Guidelines on sound remuneration policies under the UCITS Directive \(ESMA/2016/575\)](#) (the 'Guidelines'), **applicable from January 01, 2017.**

The Guidelines apply to:

- a) **UCITS Management companies** authorised pursuant to Article 111(1) of the Open – Ended Undertakings for Collective Investment Law (the 'UCI Law'), and
- b) **UCITS taking the form of self-managed investment companies** authorised pursuant to Article 9(2) of the UCI Law, where a UCITS Management Company has not been designated as per Article 34 of the same Law.

The purpose of these Guidelines is to ensure common, uniform and consistent application of the provisions on remuneration in Articles 14a and 14b of the UCITS Directive (Articles 123A, 123B and 123C of the UCI Law).

The CySEC adopts the said Guidelines and expects all the above Regulated Entities to comply with them.

Sincerely,

Demetra Kalogerou  
Chairman of Cyprus Securities and Exchange Commission

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