

TO : **Cypriot Investment Firms**  
FROM : **Cyprus Securities and Exchange Commission**  
ΗΜΕΡΟΜΗΝΙΑ : **1<sup>η</sup> March 2013**  
CIRCULAR : **CI144-2013-06**  
FILE No : **E.K. 6.1.14**  
SUBJECT : **Contracts for differences - warning**

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The Cyprus Securities and Exchange Commission (the 'Commission'), wishes, with this circular, to inform the Cyprus Investment Firms ('the CIFs') that the European Securities and Markets Authority (ESMA) has issued a warning to investors about the financial instrument 'contracts for differences' - [http://www.esma.europa.eu/system/files/2013-267\\_0.pdf](http://www.esma.europa.eu/system/files/2013-267_0.pdf).

Financial contracts for differences are complex financial instruments and therefore are not suitable for all investors.

CIFs, holding an authorisation to provide investment services in relation to this specific financial instrument, must fully inform their existing and potential clients about the nature and the risks associated with this instrument. In general, CIFs must fully comply with all the relevant provisions of the Investment Services and Activities and Regulated Markets Law and the Directive DI 144-2007-02 for the professional competence of IFs and the natural persons employed by them.

Sincerely,

Demetra Kalogerou  
Chairman, Cyprus Securities and Exchange Commission