
TO : Cyprus Investment Firms
FROM : Cyprus Securities and Exchange Commission
DATE : 23 August 2013
CIRCULAR No : CI144-2013-24
FILE No. : E.K. 6.1.14
SUBJECT : Freedom to provide investment services and/or perform investment activities in a third country

The Cyprus Securities and Exchange Commission ('the Commission') wishes, with this circular, to inform the Cyprus Investment Firms (the 'CIFs') about the following:

1. The European Directive 2004/39/EC on markets in financial instruments does not regulate the provision/performance of investment services/activities in third countries. The issue constitutes discretion of each Member State.
2. The Commission allows the provision/performance of investment services/activities in third countries and approves such requests made by CIFs, pursuant to section 79(4) of the Investment Services and Activities and Regulated Markets Law ('the Law').
3. CIFs are obliged to verify that the provision/performance of investment services/activities is permitted by the legislative framework of a third country. Therefore, CIFs must ensure/verify that they are acting lawfully within the territories of a third country, when they receive an approval by the Commission to provide/perform investment services/activities in that third country.
4. Failure to comply with the above obligation and/or with the relevant laws in force in a third country draws measures.
5. The current circular replaces the circulars of the Commission with numbers CI144-2013-22 and CI144-2013-22A in relation to the above subject, which are recalled.

Yours sincerely

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission

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