
TO : Cyprus Investments Firms
FROM : Cyprus Securities and Exchange Commission
DATE : 11 February 2015
CIRCULAR No : C048
SUBJECT : Treatment of risks, especially those related to currencies

The Cyprus Securities and Exchange Commission would like to draw the attention of the Cyprus Investment Firms ('the CIFs') to the following:

1. According to Directive DI144-2014-14 for the prudential supervision of investment firms, CIFs must establish strategies and policies for taking up, managing, monitoring and mitigating the risks the firm is or might be exposed.

These strategies and policies must be periodically reviewed.

2. Taking into account the developments in the markets globally, CIFs must monitor very closely their exposures related to currencies and take all possible actions to minimize potential losses in the event of adverse movements of a currency or a pair of currencies.

CIFs must also warn their clients as well.

Yours sincerely

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Chairman of the Cyprus Securities and Exchange Commission