



**CYPRUS SECURITIES AND EXCHANGE COMMISSION**

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TO : **Cyprus Investment Firms**  
FROM : **Cyprus Securities and Exchange Commission**  
DATE : **26 February 2008**  
CIRCULAR No : **CI144-2008-05**  
FILE No : **E.K. 6.1.14**  
SUBJECT : **Compliance with the provisions of the Investment Services and Activities and Regulated Markets Law of 2007**

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The Cyprus Securities and Exchange Commission ('the Commission') wishes, with the present circular, to request the Cyprus Investment Firms (the 'CIFs') to notify the Commission of the actions taken or will be taken in order to comply with the provisions of the Investment Services and Activities and Regulated Markets Law of 2007 ('the Law'), which came into force on 1<sup>st</sup> November 2007.

Specifically, the CIFs are requested to prepare a report which:

1. Will state and describe briefly the procedures/ arrangements/ mechanisms that they have been implemented or amended or improved in order to comply with the new provisions of the Law.
2. Will state the procedures/ arrangements/ mechanisms of which their implementation, amendment or improvement has not been completed until today, will describe briefly the actions that the CIFs plan to take in order to implement the above, as well as their implementation timeframe.

The Commission expects that the above report will, at least, include the sections of the Law, the Directives and the Regulation that are specified in the Annex attached.

The CIFs are requested to submit the above report the soonest and not later than **March 14, 2008**.

Furthermore, the CIFs are reminded that they should, after the amendment of their memorandum of association so that it complies with section 11 of the Law, to submit to the Commission a certified true copy of their amended memorandum and articles of association.

**This unofficial English text is for information purposes only and is not legally binding.**

Finally, the Commission requests the CIFs to submit, by **Monday, 31<sup>st</sup> March 2008**, the latest, to the Commission a copy of their amended internal procedures manual.

Yours sincerely

Georgios Charalambous  
Chairman of the Cyprus Securities and Exchange Commission

## **Annex**

### **Minimum Contents of the Report**

<b>No</b>	<b>Section of the Law/ Directives</b>	<b>Description</b>
1.	Section 18	Organisational requirements
2.	Section 29	Conflicts of interest
3.	Section 36	Conduct of business obligations when providing services to clients
4.	Section 38	Obligation to execute orders on terms most favourable to the client
5.	Section 39	Client order handling rules
6.	Section 41	Transactions executed with eligible counterparties
7.	Section 45	Obligation to report transactions
8.	Section 48	Post-trade disclosure by CIFs
9.	Directive DI144-2007-01	Authorisation and operating conditions of the CIFs
10.	Directive DI144-2007-02	Professional competence of CIFs and the natural persons employed
11.	Regulation (EC) 1287/2006	Recordkeeping obligations for investment firms, transaction reporting, market transparency, and admission of financial instruments to trading

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