ΕΠΙΤΡΟΠΗ ΚΕΦΑΛΑΙΑΓΟΡΑΣ ΚΥΠΡΟΥ
CYPRUS SECURITIES AND EXCHANGE COMMISSION

ANNOUNCEMENT

Cyprus Securities and Exchange Commission reviews impact of Swiss franc on CIFs

158 of 182 licensed entities unaffected

The Cyprus Securities and Exchange Commission (CySEC), in response to recent developments surrounding the Swiss franc, has proceeded with the collection of data from all the supervised entities that provide investment services (Cyprus Investment Firms - CIFs), in order to determine the potential impact on capital adequacy and/or in their operations.

The evaluation of data gathered found that 158 of the 182 licensed CIFs had no negative impact on their capital adequacy and/or in their operations. The remaining 24 CIFs said that they have suffered some damage, but this either has no effect on their capital adequacy, or the effect is not significant. Consequently, affected CIFs continue to have own funds and capital adequacy ratio above the minimum limits required by law.

The total losses for affected CIFs were around €42.5m and arise mainly from CIFs negative balances in the accounts of their customers due to leverage and balances/ differences with liquidity providers who they cooperated with. The CIFs are making efforts to collect these amounts.

It is worth mentioning that there has been a slight increase in the work of the CIFs due to the problems faced by firms in other countries.

The CySEC has always paid particular attention to capital adequacy issues and has exercised close supervision of CIFs, something that it will continue to do. The CySEC has been monitoring this issue closely from the first moment and is in contact with the CIFs where required.

Nicosia, 23 January 2014