

ANNOUNCEMENT

The Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the below mentioned interested parties, that the European Securities and Markets Authority (ESMA) has issued the [Guidelines on ETFs and other UCITS issues](#) (ESMA/2014/937) (the 'revised guidelines'). The revised guidelines amend the [Guidelines on ETFs and other UCITS issues](#) (ESMA/2012/832) (the 'original guidelines') and modify provisions on diversification collateral.

The revised guidelines apply to:

- a) **UCITS Management companies** authorised pursuant to Article 111(1) of the Open – Ended Undertakings for Collective Investment (UCI) Law (the 'UCI Law'), and
- b) **UCITS taking the form of self-managed investment companies** authorised pursuant to Article 9(2) of the UCI Law, where a UCITS Management Company has not been designated as per Article 34 of the same Law.

The purpose of the revised guidelines is to protect investors by providing guidance on the information that should be communicated with respect to index-Tracking UCITS and UCITS ETFs together with specific rules to be applied by UCITS when entering into over-the-counter financial derivative transactions and efficient portfolio management techniques. Finally, the said guidelines set out criteria that should be respected by financial indices in which UCITS invest.

The CySEC adopts the said guidelines and expects all the above persons to comply with them. In addition, please note that the CySEC is in the process of amending those Directives that are affected by the above mentioned revised guidelines.

Nicosia, 08 April 2016