



CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : Investment Firms
FROM : Cyprus Securities and Exchange Commission
DATE : September 13, 2006
CIRCULAR NO : IF (2006-09)
FILE NO. : E.K. 6.1.14
SUBJECT : Submission of evidence for identifying a financial conglomerate group

The Cyprus Securities and Exchange Commission (the 'Commission') wishes, hereby to ask from the Cypriot Investment Firms (the 'CIFs'), by **September 27, 2006, the latest**:

1. To inform the Commission whether they belong to a group in which at least one entity is within the insurance sector.
2. To submit to the Commission, in case their answer in point 1 above is positive, the information which is requested in the attached Appendix, using the audited consolidated financial statements of the group as at 31st December, 2005. The purpose of this is to establish whether a CIF is a member of a financial conglomerate group as defined in the Directive IF 1/2005 of the Commission (the 'Directive').
3. To declare, until further harmonisation of the sectoral rules is achieved, and after taking into account the provisions of paragraph 20 of the Directive, in which of the three sectors (banking/investment/insurance) they have classified asset management companies.

Yours sincerely

Georgios Charalambous
Chairman of the Cyprus Securities and Exchange Commission

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APPENDIX

In order to establish whether the operations of the group in the insurance sector and in the banking/investment sectors are material:

- i) for each financial sector, give the balance sheet total of the entities of the sector, using the Table below, together with the consolidation summary schedule for each section¹:

SECTOR²	BALANCE SHEET TOTAL OF SECTOR (£)
1. Banking sector /investment sector (for the purposes of this Table the banking and investment sectors are regarded as one sector)	
2. Insurance sector	
3. Other sectors	
Balance Sheet total as per the audited financial statements on 31.12.2005	

- ii) for each financial sector³, please give the total of the capital requirements or of the solvency requirements, using the following Table, together with a summary schedule for each sector stating the capital requirement or solvency requirement for each entity within each sector⁴:

FINANCIAL SECTOR	TOTAL OF CAPITAL REQUIREMENTS AND SOLVENCY REQUIREMENTS (£)
1. Banking sector / investment sector (for the purposes of this Table the banking and investment sectors are regarded as one sector)	
2. Insurance sector	
Capital requirements total and solvency requirements total on 31.12.2005	

¹ The balance sheet total of the entities in which the parent or the subsidiary entities hold participations, should be included in the table on a proportional basis, using the percentage held in them by the group.

² The entities to be included in each sector, are defined in paragraph 2(9) of the Directive.

³ The computation of the capital requirements and of the solvency requirements is performed using the sectoral rules, therefore the computation of the capital requirements for the investment sector should be calculated using the Securities and Exchange Commissions' Directive EPEY 7/2003 and the solvency requirements for the insurance sector should be calculated in accordance with the Insurance Companies Law 35(I) of 2002, as subsequently amended.

⁴ If there is no data for the capital requirements or solvency requirements of any entities, please state their regulatory own funds instead.

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