

TO : **Cypriot Investment Firms**
FROM : **Cyprus Securities and Exchange Commission**
DATE : **13 January 2011**
CIRCULAR No : **CI144-2011-01**
FILE No : **E.K. 6.1.14**
SUBJECT : **Annulment and replacement of Commission's Directives regarding capital adequacy and large exposures of Investment Firms with new Directives**

The Cyprus Securities and Exchange Commission ('the Commission') wishes, with the present circular, to inform the CIFs regarding the following:

1. The Directives DI144-2007-05 and DI144-2007-05(A) of the Commission on the Capital Adequacy of Investment Firms have been revoked and replaced by the new Directive DI144-2007-05 of the Commission.
2. The Directive DI144-2007-06 of the Commission on Large Exposures of Investment Firms has been revoked and replaced by the new Directive DI144-2007-06 of the Commission.
3. The above new Directives were published in the Official Gazette of the Republic on December 22, 2010 and entered into force on December 31, 2010. They have already been posted in the Commission's Web Site (http://www.cysec.gov.cy/directives_en.aspx).
4. For purposes of convenience, a table has been prepared and is attached as Annex, which lists the paragraphs of the new Directives that have been added/altered/deleted/replaced in connection with the paragraphs of the revoked Directives.
5. The above new Directives were issued for harmonisation purposes with the European Directive 2009/111/EC.

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6. Within the next few days, the revised forms for the calculation of capital adequacy (Form 144-05-06.1) and the notification of large exposures (Form 144-06-08) will be posted on the Commission's Web Site.

Kind regards

Christina Christou
Vice-Chairman, Cyprus Securities and Exchange Commission

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ANNEX

Amendments in the Directive for capital adequacy (DI 144-2007-05) and the Directive for large exposures (DI 144-2007-06) regarding the transposition with the European Directive 2009/111/EC

DI 144-2007-05	Type of amendment
Contents: Part A, Chapter 3 (title)	Amended
Contents: Part C, Chapter 6, Sub-Chapter B (title)	Amended
Contents: Part C, Chapter 8 (title)	Replaced
Contents: Part C, Chapter 9 (title)	Added
Contents: Part D, Chapter 2, Par. 4 (title)	Amended
Contents: Part D, Chapter 2, Par. 5 (title)	Amended
Introduction, point (c)	Amended
Introduction, point (d)	Amended
Introduction, point (e)	Added
Part A, Chapter 1 (term «consolidating supervisor»)	Added
Part A, Chapter 1 (term «Large exposures directive»)	Amended
Part A, Chapter 1 (term «group of connected persons προσώπων»)	Amended
Part A, Chapter 2, Par. 8(1)	Amended
Part A, Chapter 3 (title)	Amended
Part A, Chapter 3, Par. 10, 2 nd sub-paragraph	Added
Part B, Chapter 1, Par. 1	Amended
Part B, Chapter 1, Par. 2(1)(a)	Amended
Part B, Chapter 1, Par. 2(1)(ca)	Added
Part B, Chapter 1, Par. 2(1)(m)	Amended
Part B, Chapter 1, Par. 2(1)(u), 2 nd sub-paragraph	Added
Part B, Chapter 1, Par. 2(1)(v)	Added
Part B, Chapter 1, Par. 6(2), 3 rd sub-paragraph	Added
Part B, Chapter 1, Par. 6(4)	Added
Part B, Chapter 1, Par. 8(1)(a)	Amended
Part B, Chapter 1, Par. 9(1)(a)	Amended
Part B, Chapter 1, Par. 9(1)(b)	Amended
Part B, Chapter 1, Par. 9(1a)	Added
Part B, Chapter 1, Par. 9(2)	Amended
Part B, Chapter 1, Par. 9(4)	Amended
Part B, Chapter 1, Par. 12(2)	Amended
Part C, Chapter 1, Par. 3(2)(c)	Amended
Part C, Chapter 1, Par. 4(8)	Amended
Part C, Chapter 1, Par. 5(2)	Amended
Part C, Chapter 2, Par. 10(4)(a)	Amended
Part C, Chapter 2, Par. 11(11)	Amended
Part C, Chapter 2, Par. 11(12)	Amended
Part C, Chapter 2, Par. 13(1)(d)	Amended
Part C, Chapter 4, Par. 21(2)	Amended
Part C, Chapter 7, Par. 34(1)	Amended
Part C, Chapter 7, Par. 36(1)	Amended
Part C, Chapter 7, Par. 37(1)	Amended
Part C, Chapter 7, Par. 39(2), 2 nd sub-paragraph	Added
Part C, Chapter 7, Par. 39(6)	Replaced
Part C, Chapter 7, Par. 39(7)	Added
Part C, Chapter 8	Replaced
Part C, Chapter 9	Added

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Part C, Annex III, Part 1, Par. 5, 2 nd sub-paragraph	Added
Part C, Annex III, Part 2, Par. 3	Amended
Part C, Annex III, Part 5, Par. 15	Amended
Part C, Annex V, Par. 8	Amended
Part C, Annex V, Par. 14	Replaced
Part C, Annex V, Par. 15	Replaced
Part C, Annex V, Par. 16-22	Added
Part C, Annex VI, Part 1, Par. 5	Amended
Part C, Annex VII, Part 4, Par. 22	Amended
Part C, Annex IX, Part 3, Par. 7(a)	Added
Part C, Annex XI, Par. 1(b)	Amended
Part C, Annex XI, Par. 1(e)	Amended
Part C, Annex XI, Par. 1a	Added
Part C, Annex XII, Part 2, Par. 3(a)-(b)	Amended
Part D, Chapter 2, Par. 4(1), 4(1)(a), 4(1)(c), 4(2)	Amended
Part D, Chapter 2, Par. 5(1) – (3)	Amended
Part D, Chapter 2, Παρ. 6, 6(a) – (c), 6(e)	Amended
Part D, Chapter 2, Par. 7	Amended
Part D, Annex VI, Par. 1	Amended

DI 144-2007-06	Type of amendment
Contents: Part III, Paragraph 7, (title)	Replaced
Introduction, points (a), (b)	Amended
Introduction, point (c)	Added
Part I, Par. 2 (term «guarantee»)	Amended
Part I, Par. 2 (term «institutions»)	Added
Part I, Par. 2 (term «Directive for capital adequacy»)	Amended
Part I, Par. 2 (term «countries members of the Basel Committee on Banking Supervision»)	Deleted
Part II, Par. 4(1)	Amended
Part II, Par. 5(2)(a)-(b)	Amended
Part II, Par. 5(2)(c)-(d), 2 nd sub-paragraph of Par. 5(2)	Added
Part II, Par. 5(4)	Added
Part III, Par. 6(1)-(2)	Replaced
Part III, Par. 6(3)(b)	Amended
Part III, Par. 7	Replaced
Part III, Par. 8(2)-(3)	Amended
Part III, Par. 10	Amended
Part IV, Par. 11, 1 st sub-paragraph	Amended
Part IV, Par. 11(e)	Amended
Part IV, Par. 11(f)	Replaced
Part IV, Par. 11(i)	Replaced
Part IV, Par. 11(j)	Amended
Part IV, Par. 11(l)	Replaced
Part IV, Par. 11(m)	Amended
Part IV, Par. 11(o)	Added
Part IV, Par. 12(1)	Amended
Part IV, Par. 12(2)	Deleted
Part IV, Par. 13(1), (2), (4)	Amended
Part IV, Par. 14(1), (2), (4), (5)(b)	Amended
Part IV, Par. 14(6)	Deleted

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Part IV, Par. 15(1)	Amended
Part IV, Par. 15(2)-(4)	Deleted
Part IV, Par. 16(1)(a)-(b)	Amended
Part IV, Par. 16(1), 2 nd and 3 rd sub-paragraphs	Added
Part IV, Par. 16(2)	Amended
Part V, Par. 17(1)	Amended
Part V, Par. 17(1)(a)-(d), 2 nd sub-paragraph	Added
Part V, Par. 17(2)	Deleted
Part V, Par. 17(3)-(4)	Amended
Part V, Par. 18(1)-(3)	Amended

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