

**TO** : Cyprus Investment Firms

**FROM** : Cyprus Securities and Exchange Commission

**DATE** : 11 April 2017

**CIRCULAR No.** : C198

**SUBJECT** : Changes in the form regarding the submission of complaints (Form XX\_yyyymmdd\_T144-002-01)

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The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform the Cyprus Investment Firms (the 'CIFs') **further to Circular C100**, that the form for collection of complaints (Form XX\_yyyymmdd\_T144-002-01) will be revised, starting from April 2017. The revision aims to adopt the changes that the European Securities and Markets Authority ('ESMA') has introduced, regarding the classification of complaints and to capture a complete picture of the actions of the CIFs, in accordance with the supervisory responsibilities of CySEC.

#### **A. Changes**

The Form that needs to be completed by the CIFs regarding the complaints that were submitted to them from 1<sup>st</sup> April 2017 onwards, **will additionally include**:

1. A relevant field where each CIF shall report whether it has received complaints from clients during the reporting period. CIFs that did not receive complaints during the reporting period, shall select "No" in the relevant field and shall submit the Form without completing any further information.
2. A relevant field where each CIF shall report the number of its clients (who during the last six months have entered into at least one transaction) at the end of the reporting period.
3. The following complaints category (complaints cause): "issue in relation to investor's withdrawal of investor's funds". CIFs should include in this category any complaint which relates in any manner with withdrawals of clients funds, including the cases where a disagreement occurs between the client and the CIF regarding the amount that the client is eligible to withdraw from his investing account. Therefore the above mentioned complaints will no longer be registered to category "Terms of Contracts/Fees/Charges", which still remains, but CIFs shall register to it **only** complaints that relate **specifically** to contractual provisions and fees.

4. Column in which the date that the incident took place will be registered, regarding the complaint of the client.
5. Column in which the amount that was paid to the investor shall be registered, in case the complaint was resolved (settlement amount).

The form XX\_yyyymmdd\_T144-002-01, you will find it here:

<http://www.cysec.gov.cy/legislation/services-markets/epey/FORMS/42290/>

## **B. Effective Date**

CIFs shall start collecting the data referred to Part A, from 1<sup>st</sup> April 2017. Hence, CIFs are required to submit the first Form with the additional information by the 5<sup>th</sup> May 2017.

It should be noted that ESMA has created subcategories of complaints for some of the existing categories, which are currently being examined by CySEC. Therefore there might be a second phase of changes where those subcategories will be added. It is provided that the adequate time will be given for the submission of information in regards to those subcategories.