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ΚΥΠΡΟΥ

CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : **Regulated Entities**

    i. **Alternative Investment Fund Managers in the Republic ('AIFMs')**

    ii. **Sub Threshold AIFMs[1]**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **February 1, 2016**

CIRCULAR No : E110

SUBJECT : **Reporting Obligations of AIFMs and Sub Threshold AIFMs**

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform the Regulated Entities about their reporting obligations.

1. Reporting Obligations

The Regulated Entities are required to provide to CySEC certain information. More specifically:

AIFMs - According to section 31 of the Alternative Investment Fund Managers Law of 2013 ('the AIFM Law'), AIFMs must provide regularly to the CySEC detailed information on the AIFs they manage or market in the EU [article 31(1), (2) and (4) of the AIFM Law].

Sub Threshold AIFMs – The same obligation as above is also applied in Sub Threshold AIFMs [section 4(3)(d) of the AIFM Law].

2. Information requested

The Regulated Entities must provide the information specified under article 110(1), (2) and (5) of the EU Regulation 231/2013, in accordance with the pro-forma reporting template set out in the Annex IV of the said Regulation.

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[1] Sub-threshold AIFMs are the external managers and internally managed AIFs as per the definition of section 2 of the Alternative Investment Funds Law of 2014, excluding the AIFMs.

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For this regard, the Regulated Entities must provide the information mentioned above through the XML files mentioned in point 4 below.

The CySEC has prepared a specific section on its website providing all the information and guidance, including the following files that are available for download:

- Technical guidance for AIFMD reporting
- AIFMD Application
- Crystal Reports

For further assistance on the completion of the XML files, the Regulation Entities are encouraged to consult the ESMA Guidelines on reporting obligations and ESMA Questions and Answers on the application of the AIFMD.

3. **Frequency of the reporting**

AIFMs - The frequency of the reporting is on a quarterly basis, or on a half-yearly basis, or on a yearly basis, depending on the value of assets under management, as determined in Article 110(3) of the EU Regulation 231/2013.

The information must be provided as soon as possible and not later than one month after the end of the reporting reference date. Where the AIF is a fund of funds, this period may be extended by the AIFM by 15 days [article 110(1) of EU Regulation 231/2013].

Sub Threshold AIFMs – According to Article 5(5) of the EU Regulation 231/2013, the information must be provided on an annual basis, as soon as possible and not later than one month after the end of the year. Where the AIF is a fund of funds, this period may be extended by the AIFM by 15 days.

The first reporting reference date for providing information to the CySEC is **December 31, 2015**. The Regulated Entities must create, sign and submit the XML files, exceptionally for this reporting period, by **March 11, 2016**.

4. **Method of creating, signing and submitting the XML files to the CySEC**

i. Creating the XML files

Regulated Entities can create the XML files either using the AIFMD Application prepared by CySEC, or directly by using the technical guidance.

The data to be reported must be completed in the English language and information marked as optional has to be reported if the AIFM has information to report.

The Regulated Entities should name their XML file in accordance to the following naming convention:

For AIFM XML file:
{TRS username}_DATMAN_XXXXXX_ZZ

The information below explains the naming convention:
- TRS username for the XML file is the username of the TRS credentials (refer to Section 4(iii) of this Circular on how to request this) in capital letters.
- **XXXXXX** – It denotes a unique six-digit sequence number that the AIFM will give to the file. This sequence number changes every time there is a new submission. The uniqueness of this number applies to cases that the AIFM corrects a previously erroneous file. This six-digit can be any number that the AIFM wishes as long as the above requirements are met.
- **ZZ** – It denotes the year (in a two-digit format) that the submission is made. For example all the submissions in 2016 should have the '16' numbering.
- The above naming convention must not contain any spaces.

For AIF XML file:
{TRS username}_DATAIF_XXXXXX_ZZ

The information below explains the naming convention:
- TRS username for the XML file is the username of the TRS credentials (refer to Section 4(iii) of this Circular on how to request this) in capital letters.
- **XXXXXX** – It denotes a unique six-digit sequence number that the AIFM will give to the file. This sequence number changes every time there is a new submission. The uniqueness of this number applies to cases that the AIFM corrects a previously erroneous file. This six-digit can be any number that the AIFM wishes as long as the above requirements are met.
- **ZZ** – It denotes the year (in a two-digit format) that the submission is made. For example all the submissions in 2016 should have the '16' numbering.
- The above naming convention must not contain any spaces.

ii. Signing the XML files

After the naming convention, the Regulated Entities can use their qualified certificate and their Secure Signature Creation Device (SSCD) to sign their XML files. The method of acquiring a qualified certificate and a SSCD has been described in Appendix A of CySEC Circular CI144-2013-25.

The CySEC has prepared a specialised program (CySEC Digital Signer) to facilitate the Regulated Entities to validate and sign their xml files. It is available at the CySEC's website here.

iii. Submitting the XML files

After digitally signing the XML files, the files should be submitted to the Commission via the Transaction Reporting System ('TRS') only and not in any other format. The technical information, to log in to the TRS is the following:

- Address:
  Server IP address: 212.31.100.75
  Server Port: 22
  Server Type: SFTP using SSH2

- Program to be used:
  Any file transfer program (SFTP – SSH2) can be used, such as FileZilla, which is a free program and is available at http://filezilla.sourceforge.net/

- TRS directories:
  At user home directory, there are two directories:
  ✓ Incoming – the Digitally Signed xml files must be uploaded in this specific folder.
  ✓ Outgoing – the feedback file of the XML can be downloaded from this specific folder.

  Special emphasis is given to the fact that the root directory should not be used to upload any files.

- Login/Password:
  The login and password will be given to the Regulated Entity after requesting so, via email, to information.technology@cysec.gov.cy. The email subject must include the following:
  ''TRS Credentials – {*name of the Regulated Entity*}_{TRS username*}
  *if it is available

- After login into the TRS system and submitting the XML files, the Regulated Entities will receive, via TRS, the feedback files of the XML files [located in the outgoing folder], which will have an 'OK' indication and will be the only evidence that the XML file was submitted successfully.

- In cases where the submission of the XML file is not successful, meaning that error(s) are identified by the TRS during data processing of the XML file, the Regulated Entities will receive the feedback files of the XML files, via TRS, [located in the outgoing folder] which will describe the error(s).

  In these instances, the Regulated Entities are required to immediately correct the error(s) and re-submit the XML file using the procedure described above. During this period and until the successful submission of the XML file, the Commission will consider the Forms as not submitted.

5. Support

Queries on how to complete the fields

Should you have any queries on the completion of the fields of the XML file, please submit them in writing by sending an email to the address supervision@cysec.gov.cy, or call to the telephone number +357 22 506600, Mr. Vasilis Spanos.

<u>Technical Queries on digitally signing and submitting the Form</u>

For technical matters on digitally signing and submitting the Form, the Regulated Entities are advised to frequently visit the CySEC's Website. For further clarifications, the Regulated Entities are asked to use the electronic address information.technology@cysec.gov.cy.

All email communication with the CySEC should include, in the subject, the Regulated Entity's full name and the TRS username.

Yours sincerely

Demetra Kalogerou
Chairman, Cyprus Securities and Exchange Commission