
TO : Cyprus Investment Firms (CIFs)
FROM : Cyprus Securities and Exchange Commission
DATE : April 3, 2019
CIRCULAR NO : C308
SUBJECT : Cypriot Investment Firms' Quarterly Statistics – Revised Form

The present Circular is issued pursuant to section 25(1)(c)(ii) & (iii) of the Cyprus Securities and Exchange Commission Law ('the CySEC Law').

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform CIFs about the **following changes (points 1-7)**, concerning **Form QST-CIF** that will be applied from the reporting period **01/01/2019-31/03/2019 and onwards**:

1. Change in the Version of the Form

CySEC wishes to inform CIFs that a new version of the Form QST-CIF ('the Form'), in the [Appendix](#) is issued (Version 3).

2. CIFs that should submit the Form

The Form must be completed and submitted to CySEC by **all CIFs that were authorised by March 31, 2019**. In this respect, CIFs that were authorised by March 31, 2019, but have not made use of their authorisation **must also submit the Form**.

3. Changes related to Section D2 – Clients' Financial Instruments analysed per type of Instrument

A new column was added, **Column K** under the name 'Value in CFDs on Cryptocurrencies'.

4. Changes related to Section A – General Questions

Point 7 of Section A, regarding the provision of services, was updated according to Part I, First Appendix Law 87(I)/2017.

5. Changes related to Section F – Volume by Geographical Analysis of Clients’ Residence

5.1. New Instructions regarding Clients’ Volume of Transactions

All CIFs are required to complete Section F, by reporting the Clients’ Volume of Transactions, if they are authorised with any of the following services according to Part I, First Appendix Law 87(I)/2017:

- Reception and transmission of orders in relation to one or more financial instruments;
- Execution of orders on behalf of clients;
- Portfolio management;

In this respect, CIFs that provide only one of the above services, must also complete and report the respective volume of transactions in Section F of the Form.

5.2. New Definition regarding Clients’ Volume of Transactions (Section Definitions, Definition D5) and further clarifications

New Definition:

5.2.1. The following part of Definition D5 **was deleted**, as all CIFs that fall under the categories described as per point 4.1. above are now required to complete Section F:

~~If your company is just transmitting the orders to another entity, then do not include these transactions in this figure.~~

5.2.2. Please report both opening and closing transactions, executed during the cumulative reporting period. For example in case a transaction was opened during 01/01/2019-31/03/2019 and closed after 31/03/2019, then report only the opening transaction.

Further Clarifications¹:

5.2.3. Clients’ Volume of Transactions, include clients’ trading transactions, for all types of clients i.e. Retail, Professional and Eligible Counterparties.

5.2.4. Where clients’ transactions are performed with leverage, this should be included in the reported volume.

5.2.5. Any transactions that for rollover purposes are closed and re-opened the next day should not be included in the reported volume of transactions.

¹ These remain the same as before and are mentioned here for your convenience

5.3. Three New Columns are added in Section F

For the following **three new columns**, CIFs must apply the new instructions and definition of clients' Volume of Transactions as described in points 4.1. and 4.2. above.

5.3.1. **Column L:** Volume in CFDs on Cryptocurrencies

Volume from activities under Section 5(5)(b)

5.3.2. **Column O:** Volume in Cryptocurrencies

5.3.3. **Column P:** Volume from activities under Section 5(5)(b) (other than cryptocurrencies)

5.4. One Column is deleted in Section F

Column Q, as appeared in version 2 of Form QST-CIF, was deleted

6. One new Section is added, Section I: Rejected and Terminated business relationships with customers

This is a **new section**. CIFs are requested to provide details about the rejected and terminated business relationships with customers, during the periods:

- 01/01/2016-31/12/2016
- 01/01/2017-31/12/2017
- 01/01/2018-31/12/2018
- 01/01/2019-31/03/2019

For the completion of Section I, one new Definition was added in Section Definitions, under D20 (Business relationship).

7. Other Changes

In the Section Instructions, some more clarifications were added under Important Notes, in order to facilitate the completion of the Form.

8. Submission of the Form

- 8.1.** The Form must be submitted electronically via the CySEC's Transaction Reporting System ('TRS') **by Thursday, May 3, 2019, at the latest.**
- 8.2.** The steps that CIFs will have to follow for the **successful submission** of the Form to the TRS can be found [here](#). CIFs are responsible for checking that they receive an official submission confirmation dispatched by the TRS in the Outgoing directory, which is the feedback file.
- 8.3.** The file will contain either a NO ERROR indication or an error(s) description. CIFs need to ensure that if errors are detected the Form should be corrected, digitally signed (only

applicable for the Excel Files) and re-submitted. **The Form is considered as successfully submitted to CySEC when a NO ERROR indication feedback file is received.** This feedback file is dispatched during CySEC regular hours only.

- 8.4.** CySEC emphasises the importance of meeting the deadline of **Thursday, May 3, 2019** and stresses that NO extension will be granted.
- 8.5.** **Failure to promptly and duly comply with the above will bear the administrative penalties of section 37(5) of the CySEC Law. It is further noted that CySEC will not send any reminders to those who fail to promptly and duly comply.**

9. Method of creating, signing and submitting the Form to the Commission

After populating the required Excel fields in the Form found in the [Appendix](#), the Regulated Entities should name their Excel file in accordance to the following naming convention:

Username_yyyymmdd_QST-CIF

The information below explains the naming convention:

- (1) **username**– is the username of the TRS credentials which should already be in the possession of the Regulated Entities that have previously submitted any electronic file to the TRS system. This codification should be entered in capital letters. For Regulated Entities that have not previously requested the TRS credentials they can do so by referring [here](#) where further information are provided about TRS.
- (2) **yyymmdd** – this denotes the end of the reporting period of the Form. In this case the Form should have a 20190331 format.
- (3) **QST-CIF** – this is the coding of the Form **QST-CIF** that it remains unchanged and should be inserted exactly as it appears.
- (4) **The Excel® must be of 2007 version and onwards.** Excel will add the extension .xlsx as soon as it is saved. This extension should not under any circumstances be inserted manually.

The fully completed excel form, which is named based on the above paragraph, must be submitted only electronically through the Transaction Reporting System ('TRS System'), within the timeframes set.

The steps that will have to be followed for the successful submission of the Form can be found [here](#).

10. Support

10.1. Queries on how to complete the fields

In case you have any queries on the completion of the Form, please submit them **only** in writing by sending an email to riskstatistics.cifs@cysec.gov.cy. All email communication should include in the subject, the CIF full name and the TRS coding.

10.2. Technical Queries on digitally signing and submitting the Form

For technical matters on digitally signing and submitting the Regulated Entities are advised to frequently visit the CySEC's specified [section](#). 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 Entities full name and the TRS coding.

Yours sincerely,

Demetra Kalogerou
Chairman, Cyprus Securities and Exchange Commission