
TO : **Cyprus Investment Firms**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **5 February 2020**

CIRCULAR No : **C350**

SUBJECT : **Preparation, submission of consolidated audited financial statements and consolidated capital adequacy forms**

The Cyprus Securities and Exchange Commission ('CySEC') wishes herein to provide guidance to the Cyprus Investment Firms ('the CIFs') that fall under the consolidated supervision of CySEC. In particular:

1. CySEC issued on 16 June 2019 a Dear CEO letter regarding consolidated supervision exercised by CySEC to all CIFs that fall within the scope of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and CySEC's Directive DI144-2014-14.
2. Following this, CIFs submitted by November 30, 2019, to CySEC their external auditor's Report on actual findings and their own assessment on whether they fall under the consolidated supervision of CySEC.
3. CIFs that after the above assessment concluded **that are subject to consolidated supervision by CySEC** are expected to:
 - i. Submit their consolidated capital adequacy forms on a quarterly basis from December 31, 2019 and onwards, along with their solo requirements through CySEC's TRS.

Details regarding the submission can be found in [CySEC's 'Guide for the submission of COREP Forms](#).

- ii. Submit their consolidated audited financial statements within 4 months from the end of each financial year (in case they are required by the International Financial Reporting Standards and/or Companies Law and/or any other legislation to prepare consolidated audited financial statements).

In case CIFs or their parent entity are not required by the International Financial Reporting Standards and/or Companies Law and/or any other legislation to prepare consolidated audited financial statements then they should:

- (a) submit a declaration duly signed by the CIF's Board of Directors within 4 months from the end of each financial year stating that are not required by the International Financial Reporting Standards and/or Companies Law and/or any other legislation to prepare consolidated audited financial statements and
 - (b) should follow the procedures in CySEC's [Circular C305](#) in order to be able to include profits in their consolidated Common Equity Tier 1 Capital.
- iii. Submit their consolidated capital adequacy forms based on the results of their audited financial statements within 5 months from the end of each financial year (in case they prepare audited financial statements per point 3(ii) above).

Yours sincerely

Demetra Kalogerou
Chairman of the Cyprus Securities and Exchange Commission