



**CYPRUS SECURITIES AND EXCHANGE COMMISSION**

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TO : **Cyprus Investment Firms**  
FROM : **Cyprus Securities and Exchange Commission**  
DATE : **24 September 2008**  
CIRCULAR No : **CI144-2008-19**  
FILE No : **E.K. 6.1.14**  
SUBJECT : **Distributing of financial products and granting of credits or loans to CIFs' clients**

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The Cyprus Securities and Exchange Commission ('the Commission'), following the circulars CI144-2008-17 and CI144-2008-18, dated 17 and 19 September 2008, respectively, requests the CIFs to:

1. Inform the Commission by **Friday 26 September 2008, at 15:00 p.m. the latest**, whether they have distributed financial products (including structured products) of the organisations Lehman Brothers, Merrill Lynch, Morgan Stanley, Goldman Sachs and AIG to their clients. In case the answer is yes, please state the following:
  - i. The financial products they have been distributed to clients.
  - ii. The clients' categories to whom the specific products have been distributed.
  - iii. Estimation of the amounts that have been invested by the clients to the specific financial products for the last two years.
2. Re-examine whether the credits or loans that have been granted to their clients to carry out transactions, are adequately collateralized and they are consistent with the procedures that have been adopted for this purpose. Due to the financial turmoil, a revaluation of the collaterals that have been given by clients may be required. It is noted that corrective measures should be taken in cases that are required, and all the above should be included in the calculation of the capital adequacy.

Sincerely

Georgios Charalambous  
Chairman, Cyprus Securities and Exchange Commission

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