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**TO** : **Regulated Entities:**  
i. **Alternative Investment Fund Managers (AIFMs)**<sup>1</sup>  
ii. **UCITS Management Companies**<sup>2</sup>

**FROM** : **Cyprus Securities and Exchange Commission**

**DATE** : **10 September 2020**

**CIRCULAR No** : **C403**

**SUBJECT** : **ESMA Guidelines on Liquidity Stress Testing in UCITS and AIFs**

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1. The Cyprus Securities and Exchange Commission ('**CySEC**') wishes, with this circular, to inform the Regulated Entities, that the European Securities and Markets Authority ('**ESMA**') issued on July 16, 2020, the official translations in all EU official languages (including translation in the Greek language), of its [Guidelines on Liquidity Stress Testing \('LST'\) in UCITS and AIFs \('the Guidelines'\)](#) with reference number ESMA34-39-897 EN.
2. The Guidelines apply to managers, depositaries and NCAs.
3. The purpose of these Guidelines is to establish consistent, efficient and effective supervisory practices within the European System of Financial Supervision and to ensure the common, uniform and consistent application of Union law. In particular, their purpose is to increase the standard, consistency and, in some cases, frequency of LST already undertaken and promote convergent supervision of LST by NCAs.
4. The Guidelines apply from **30 September 2020**.
5. CySEC adopted the Guidelines and therefore urges the Regulated Entities to whom these Guidelines apply, to make every effort to comply.

Sincerely,

Demetra Kalogerou  
Chairman of Cyprus Securities and Exchange Commission

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<sup>1</sup> The term includes a) Cyprus based AIFMs and internally managed AIFs whose total asset under management ('AuM') exceed the thresholds of Articles 4(2)(a) or 4(2)(b) of the Alternative Investment Fund Managers Law ('[AIFM Law](#)') as the case may be, and b) Cyprus based AIFMs and internally managed AIFs whose Total AuM do not exceed the thresholds of Articles 4(2)(a) or 4(2)(b) of the AIFM Law, as the case may be, but have exercised the 'opting-in' possibility of Article 4(6) of the AIFM Law.

<sup>2</sup> The term includes Cyprus based Management Companies of Common Funds and/or Variable Capital Investment Companies and internally managed UCITS in accordance with the provisions of Law 78(I)/2012 ('[UCITS Law](#)')