

PRESS RELEASE

€360,000 total administrative fine to CIF MCA Intelifunds

The Cyprus Securities and Exchange Commission has identified violations in matters concerning the granting of investment products to investors

NICOSIA, 19 April 2024 – The Cyprus Securities and Exchange Commission (CySEC) has announced a decision to impose fines amounting to €360.000 on the Cyprus Investment Firm (CIF) MCA Intelifunds ([the board decision](#)).

The Board of CySEC reached this decision after identifying a series of violations of the Investment Services and Activities and Regulated Markets Law of 2017 by MCA Intelifunds following an inspection of the CIF conducted in September 2022.

The fines to MCA Intelifunds include:

- €80.000 for failure to comply at all times with the authorization condition of the Law by not establishing adequate policies and procedures sufficient to ensure its compliance with its obligations.
- €150.000 after it was established that the CIF did not act honestly, fairly and professionally when providing investment services to clients, in accordance with their best interests.
- €25.000 as the CIF, which manufactures financial instruments (CFDs) for sale to clients, did not take reasonable steps to ensure that the financial instruments were distributed to the identified target market.
- €25.000 due to the CIF's failure to assess the compatibility of the financial instruments it offered or recommended with the needs of the clients to whom it provided investment services; not taking into account the identified target market of end-clients, and not ensuring that those financial instruments being offered or recommended were in the interest of the client.
- €60.000 as the CIF did not require clients or potential clients to provide all necessary information regarding that person's knowledge and experience in the investment field, relevant to the specific type of product offered, so as to enable itself to assess whether the product envisaged was appropriate for the client.

- €20.000 for the CIF's failure to properly warn the client or the potential client, on the basis of the information received, that the product or service was not appropriate for him/her.

In order to impose the administrative fines, CySEC took into account, among other factors, the importance attached to ensuring that persons subject to its supervision fully comply with the provisions of the Law. CySEC also took into account that the CIF has the responsibility to comply with its obligations and that, with its omissions at the essential time, it did not ensure the protection of its clients' interests, to which CySEC attaches particular importance.

Furthermore, the CIF's obligation to act honestly, fairly and professionally as a measure to strengthen the confidence of investors in the market as well as the need to collect information regarding the experience and knowledge of its clients. This allows CIFs to better assess whether an investment service or financial instrument is compatible with a client. It is also important that the CIFs inform the client when a product or service is not compatible to enable them to make informed decisions.

ENDS.

CySEC clarifies that the content of this press release is strictly informative and does not intend to substitute the CySEC Board's decision in any way.

Press Office Contacts

For media information and interviews, please contact Eleni Nicolaou at enicolaou@cysec.gov.cy or Monica Elia at monica.elia@cysec.gov.cy