MAP S.Platis

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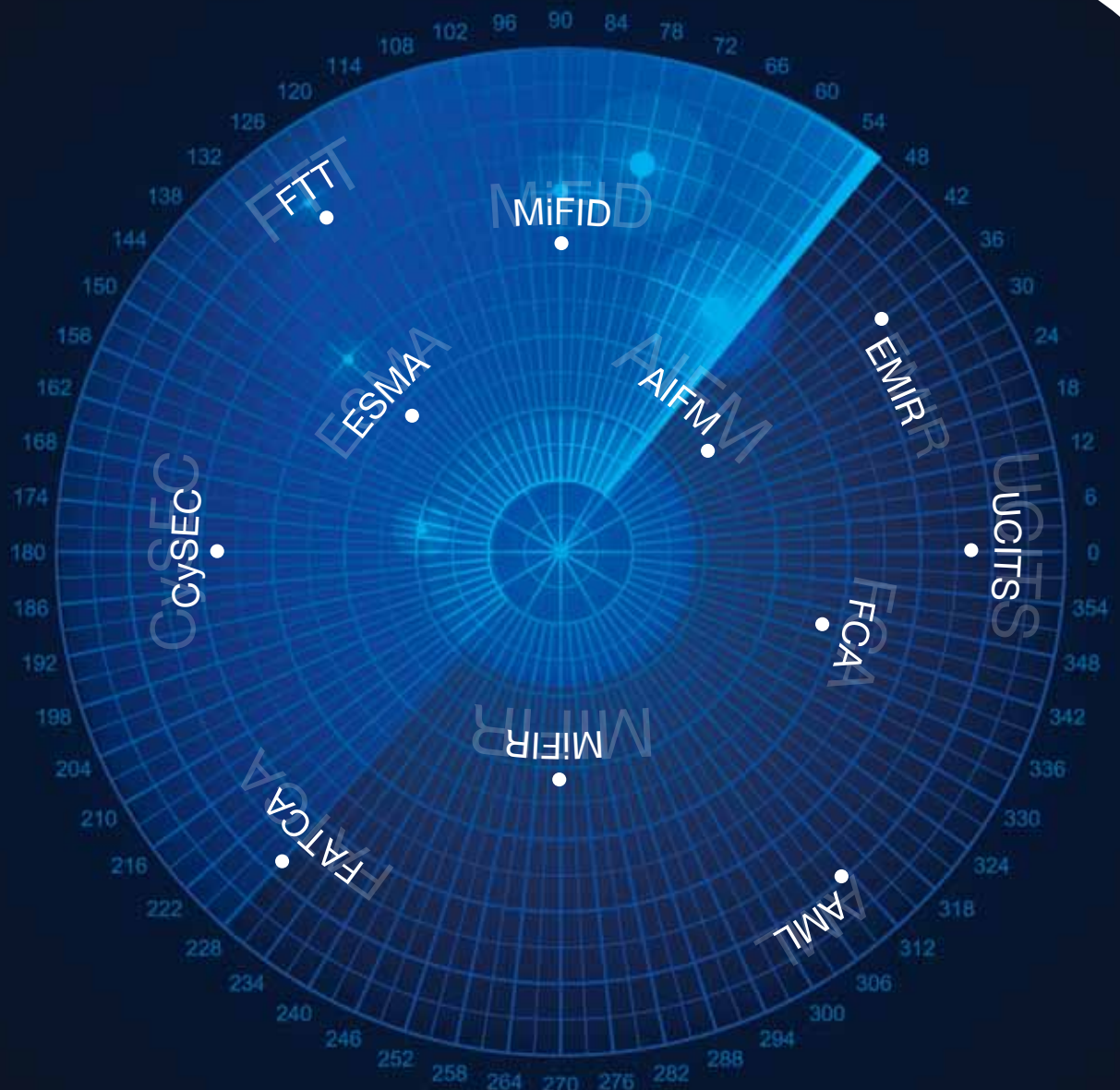
Issue 008 / October 2015

REGULATORY RADAR

Periodical round-up on major regulatory and legislative developments in the EU and Cypriot financial services sector



Index

60 Second Summary

1. Developments in the EU Financial Services Legislation Affecting Investment Firms

- **MiFID II**
  The new MiFID II rules come into force on 3 January 2017; Level 2 legislation progressing; delays on some Level 2 texts; some draft Level 2 texts now published on 28 September; some Market Abuse level 2 text also published
- **EMIR**
  Staggered implementation continues: the clearing obligation is next; the Commission has adopted the first Interest Rate Swaps RTS; the European Parliament and the Council needs to agree the text; ESMA has finalised the CDS draft RTS and sent to the Commission for adoption; NDF mandatory clearing abandoned for now; a new consultation on certain IRS in EEA currencies has taken place. Mandatory uncleared margin requirements to commence on a staggered basis on 1 September 2016
- **Other**
  Securities Financing Transactions: political position agreed; final legislation expected by end 2015

2. Anti-Money Laundering Legislation

- UK government review of money laundering red tape

3. Regulatory Developments in the European FX Industry

- The delineation of MiFID FX financial instruments vs spot FX contracts will be resolved in MiFID II text; ESMA has not issued any guidance

4. EU Financial Transaction Tax

- No apparent progress

5. Taxation

- Global standard for automatic exchange of financial account information comes into effect in stages beginning in January 2016
- Cyprus Ministry of Finance FATCA Decree

6. Fund Regulation

- Money Markets Funds – not in trilogue negotiations yet

7. UK – Developments of Interest to Investment Firms

- FCA MIFID 2 implementation roundtable minutes released

8. CySEC Developments

- Clarifications regarding persons wishing to participate in the certification exams.
- Issuance of Consultation Paper (2015-08) regarding the proposed amendments of UCITS Law (UCITS V).
- Issuance of Circular C085 regarding the website addresses, domain names and web redirecting of CIFs.
- Electronic submission that accompanies applications for authorisation.
- Issuance of Directive DI144-2007-16 in relation to the supplementary supervision of Investment Firms, UCITS Management Companies or Alternative Investment Fund Managers in a Financial Conglomerate.
- Amendment of CySEC Law.
- The appointment of CySEC, Central Bank of Cyprus and Superintendent of Insurance as the competent authority for the application of certain (EU) Regulations and Directive.

1. Developments in the EU Financial Services Legislation Affecting Investment Firms

I. MiFID II

The MiFID II legislative proposal consists of an amending Directive (MiFID II) and a new regulation (the Markets in Financial Instruments Regulation = MiFIR. The final texts of MiFID II and MiFIR were published in the Official Journal on 12 June 2014. These texts are often referred to as "Level 1" texts; further detail is provided in subsequent, secondary legislation often referred to as "Level 2" text.

National transposition is required by 3 July 2016; the new rules will apply from 3 January 2017. This is a 30 month implementation period.

Secondary legislation (known as "Level 2 measures")

MiFID II/MiFIR contain over 100 requirements for ESMA to draft Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS). Regulatory Technical Standards drafted by ESMA and subject to approval by the European Commission, were to have been submitted by mid-2015. ESMA provided Technical Advice (TA) to the European Commission, to allow it to adopt delegated acts ("delegated acts" are drafted by the European Commission on the basis of advice from ESMA).

On 22 May 2014, ESMA published:

- a Consultation Paper on MiFID II/MiFIR Technical Advice; and
- a Discussion Paper on MiFID/MiFIR draft RTS/ITS.

On 19 December 2014, ESMA published:

- final Technical Advice to the Commission on Delegated Acts; and,
- a Consultation Paper on draft RTS and ITS following on from ESMA's earlier Discussion Paper.

On 28 September 2015, ESMA publishes:

- Final Report on draft RTS and ITS together the draft texts and a cost benefit analysis.

The final report covers the areas of transparency, market microstructure, data publication and access, requirements applying on and to trading venues, commodity derivatives, market data reporting, post-trading and best execution. ESMA has published with these final proposals a total of 28 draft technical standards.

The key rules introduce:

Market structure

- ranges for the new EU-wide commodity derivatives position limits regime;
- rules governing high-frequency-trading, imposing a strict set of organisational requirements on investment firms and trading venues;
- provisions regulating the non-discriminatory access to central counterparties (CCPs), trading venues and benchmarks, designed to increase competition;
- provisions requiring trading venues to offer disaggregated data on a reasonable commercial basis;

Transparency

- thresholds for the pre- and post-trade transparency regimes extended to equity-like instruments, bonds, derivatives, structured finance products and emission allowances;
- a newly introduced liquidity assessment for non-equity instruments;
- a newly-introduced trading obligation for shares and certain derivatives to be traded only on regulated platforms and, in the case of shares, systematic internalisers, instead of over-the-counter;
- a double volume cap mechanism to limit dark trading and reshape the use of waivers for shares and equity-like instruments;
- newly introduced reporting requirements for commodity derivatives; and

Investor protection

- improved disclosure to strengthen the best execution regime.

The regulatory standards on reporting obligations under Article 26 of MIFIR (transaction reporting are covered in draft RTS 22).

ESMA has submitted the Final Report to the European Commission on 28 September 2015. The Commission has three months to decide whether to endorse the technical standards.

The Commission's ***Delegated Acts*** referred to above (which were due by the end of June 2015) are now further delayed and now expected in November. The delegated acts cover a number of issues including the treatment of research as an inducement.

The new Market Abuse regime

The pre-existing Market Abuse regime (an EU-wide market abuse regime and a framework for establishing a proper flow of information to the market) has been extended and aligned with MiFID II. There is now a new Market Abuse Regulation (MAR) (which replaces the old Market Abuse Directive in its entirety and creates a single rule book for market abuse) and a supplementing Directive on Criminal Sanctions for Insider Dealing and Market Manipulation (MAD). MAR will apply from 3 July 2016.

On 28 September 2015, ESMA published its Final Report on draft Technical Standards on MAR.

ESMA's MAR TS will strengthen the existing market abuse framework by extending its scope to new markets, platforms and behaviours. They contain prohibitions for insider dealing and market manipulation, and provisions to prevent and detect these. The Technical standards focus on:

- the conditions under which transactions in buy-back programmes and stabilisation measures are not considered market abuse;
- requirements for market participants conducting market soundings and for competent authorities establishing accepted market practices;
- specific requirements to report suspicious orders and transactions;
- rules for public disclosure of insider information and the delays of such;

- specific formats for establishing insider lists and for the notification and disclosure of managers' transactions; and
- specific arrangements on how to present investment recommendations or other information recommending or suggesting an investment strategy.

This final report will be submitted to the European Commission for it to decide whether to endorse ESMA's draft regulatory and implementing technical standards.

II. EMIR

Scope - FX spot contracts

The question of where the boundary between an FX financial instrument (i.e. an FX Forward) and a spot FX contract would be set will be dealt with by MiFID II Level 2 measures. ESMA has not issued guidelines.

EMIR implementation timetable – next phase: the clearing obligation

The EMIR Regulation was adopted 4 July 2012 and entered into force 16 August 2012.

EMIR is being implemented on a staggered basis with certain EMIR obligations already in force.

Staged implementation timetable:

- **As of 16 August 2012**, record keeping requirement for OTC derivatives and Exchange Traded Derivatives (ETD) entered on or after 16 August 2012.
- **As of 15 March 2013**, confirmation and daily valuation requirements for non-cleared OTC derivatives entered on or after 16 August 2012.
- **As of 15 September 2013**, portfolio reconciliation and compression and dispute resolution requirements apply to non-cleared OTC derivatives outstanding as of 15 September 2013.
- **As of 12 February 2014**, reporting to Trade Repositories for all derivatives relating to all asset classes with "Backloading" (i.e. trades outstanding on 16 August 2012 and live, or entered into on or after 16 August 2012 but not outstanding, need to be reported).
- **As of 12 August 2014**, reporting to Trade Repositories of data on exposure i.e. valuation and collateral for all derivatives.
- **April 2016 (estimated)**, clearing obligation will commence for clearing members (Category 1 counterparties).
- **October 2016 (estimated)**, clearing obligation for certain non-clearing members will commence (Category 2 counterparties).
- **April 2017 (estimated)**, clearing obligation for further category of non-clearing members will commence (Category 3 counterparties).
- **1 September 2016 (estimated)**, variation margin for non-cleared OTC derivatives and initial margin on a phased implementation timetable will begin.
- **October 2017 (estimated)**, clearing obligation for further category of non-clearing members will commence (Category 4 counterparties).

IRS, CDS and NDF

On 6 August 2015, the European Commission adopted a delegated regulation that makes it mandatory for certain OTC interest rate derivative contracts to be cleared through central counterparties. This text needs to be approved by the European Parliament and the Council. It is not clear how long they will take to approve the RTS and have it published in the Official Journal. The timetable set out above assumes that the final IRS RTS publication in September (which did not occur).

On 2 October 2015, ESMA finalised and submitted to the European Commission for endorsement a draft regulatory technical standard (RTS) for the central clearing of certain types of Credit Default Swap (CDS). More specifically, Table 1 of the RTS proposes for mandatory clearing to apply to the following two iTraxx Index CDS:

- Untranched iTraxx Index CDS (Europe Main, 5 year tenor, series 17 onwards, with EUR as the settlement currency)
- Untranched iTraxx Index CDS (Europe Crossover, 5 year tenor, series 17 onwards, with EUR as the settlement currency)

As expected, the approach taken in this draft RTS reflects that taken in the first RTS in a number of areas, such as the categorisation of counterparties, scope of frontloading and treatment of intragroup transactions.

ESMA has sent the draft RTS for endorsement to the European Commission, which has three months to do so, followed by a non-objection period by the European Parliament and Council.

On 11 May 2015, ESMA published a fourth consultation on proposed regulatory technical standards on the clearing obligation under EMIR in relation to fixed-to-float interest rate swaps denominated in in certain non-G4 European currencies CZK, DKK, HUF, NOK, SEK and PLN as well as forward rate agreements denominated in NOK, SEK and PLN. (The G4 currencies are EUR, GBP, JPY and USD). This consultation closed on 15 July 2015. We await feedback.

ESMA had already stated that it is not proposing a clearing obligation on the NDF classes at this stage.

MAP S.Platis will continue to monitor all developments.

ESMA Q&As

On 1 October 2015, ESMA published the 14th update to its Q&As on the implementation of EMIR.

This update includes guidance on the procedure to be followed by firms and trade repositories to update a counterparty's identifier where a counterparty obtains an LEI or its LEI changes due to a merger or acquisition.

With reference to TR Question 20b, ESMA expects from Trade Repositories to be able to implement the second level validation by end October 2015. The second level of validation refers to the verification that the values reported in the fields comply in terms of content and format with the rules set out in the technical

standards. The reporting requirements are specified in the Validations table (to be found at http://www.esma.europa.eu/system/files/emir_validation_table.xlsx). Trade Repositories should reject the reports which are not submitted in line with the requirements specified in the Validation table.

Mandatory rules for margin for non-cleared trades

For the latest position with all relevant dates, please refer to Issue 5 of MAP S.Platis Regulatory Radar.

III. Securities Financing Transactions (SFT) proposal

The Commission, the Council and the European Parliament have reached political agreement on this proposal. The formal adoption of the regulation is expected later in 2015.

Please refer to Issue 1 of MAP S.Platis Regulatory Radar for more information regarding the SFT proposal.

2. Anti-Money Laundering

UK government review of effectiveness of anti-money laundering and terrorist financing rules

The UK government is conducting a review to improve the effectiveness of rules designed to prevent money laundering and terrorist financing. Businesses have expressed concerns that current guidance, rules and proof of identity requirements can be unnecessarily cumbersome and complicated. Inconsistency and confusion over how rules to stamp out money laundering are applied leads to a less effective regime, which disproportionately affects legitimate businesses.

The government wants these rules to protect the country and safeguard the UK's world leading financial services industry, without putting disproportionate burdens on legitimate businesses or those companies that use their services. The review is seeking a wide range of evidence, including:

- whether current guidance meets businesses needs
- the effectiveness and proportionality of supervisors' approach to supervision and enforcement
- where and how supervision and enforcement is not proportionate to the risks posed
- any examples of good practice that could help businesses meet their obligations and might be replicated elsewhere

The call for evidence will run for 8 weeks until 23 October 2015.

3. Regulatory Developments in the European FX Industry

The issue of where the boundary between an FX financial instrument (i.e. an FX Forward) and a spot FX contract should be set remains unresolved for the time being. See Section 1 Part II (EMIR) of Issue 5 of MAP S.Platis Regulatory Radar, for more details. MAP S.Platis shall continue to monitor all developments.

ESMA has considered the application of the clearing obligation under EMIR to non-deliverable foreign-exchange forwards (NDFs) and stated that it is not proposing a clearing obligation on the NDF classes at this stage. See Issue 4 of MAP S.Platis Regulatory Radar, for more details.

4. EU Financial Transaction Tax (FTT)

There is no further public information since February 2015. Please refer to Issue 5 of MAP S.Platis Regulatory Radar for the latest position.

5. Taxation

The global standard for automatic exchange of financial account information set out in the Common Reporting Standard (CRS) will come into effect in stages, beginning 1 January 2016, and was developed by the Organisation for Economic Co-operation and Development (OECD) with G20 countries and in close cooperation with the EU. Under the Standard, jurisdictions obtain financial information from local financial institutions and automatically exchange that information with other countries on an annual basis.

The CRS has commonality with some EU directives and conventions, but draws most heavily on Foreign Account Tax Compliance Act (FATCA) but in a broader, more global sense. The standard consists of three components:

- The CRS, which contains the reporting and due diligence rules.
- The Model Competent Authority Agreement (Model CAA), which contains the detailed rules on the exchange of information.
- The OECD Commentaries, which provides additional guidance on local implementation of the CAA and CRS.

97 countries have so far signalled their intention to adopt the legislation, with 58 of these formally committing to be early adopters in January 2016.

The document containing the global standard for automatic exchange of financial account information sets out in Part I the introduction to the standard and Part II the text of the Model Competent Authority Agreement (CAA) and the Common Reporting and Due Diligence Standard (CRS).

Furthermore, on 7 August 2015 OECD published three new documents: "Practical guidance on implementation of automatic exchange of financial information for tax purposes", "Report on programs of voluntary disclosing

of information on offshores" and "Model Protocol to the Tax Information Exchange Agreements". Additionally, the first publication of the full version of the "Standard for Automatic Exchange of Financial Account Information in Tax Matters" can be found in this Link.

Further to this, the aforementioned publication contains the text of the Model Competent Authority Agreement, the Common Reporting Standard, the multilateral and nonreciprocal versions of the Model Competent Authority Agreement, the technical modalities as well as a wider approach to the Common Reporting Standard.

Finally, and as per the Joint Statement of October 2014, the Republic of Cyprus is an early adopter of the Common Reporting Standard of the OECD where it will exchange its first information by the end of September 2017 or September 2018 depending on when financial institutions identify their reportable accounts.

Ministry of Finance FATCA Decree

On the 26 August 2015 through the issuance of a Decree (in Greek), the Ministry of Finance informed all interested parties about the provisions of Foreign Account Tax Compliance Act (FATCA) in the Republic of Cyprus. Furthermore the most important provisions of the said Decree which may require some additional actions from the Cyprus Reporting Financial Institutions are the following:

- **Alternative Procedures:**
  The Decree clearly states that Financial Institutions (FIs) are permitted to apply the alternative procedures outlined in Annex I of the IGA under which FIs will treat new accounts opened by entities between 1 July 2014 and 31 December 2014 as "preexisting accounts" for the purposes of performing their due diligence obligations.

- **Accounts Treatment:**
  In the case of accounts which were opened on or after 1 July 2014 and before 1 January 2015, and for which a self-certification document was not obtained, Cyprus Financial Institutions would have to either close such accounts, or treat such accounts as U.S. Reportable Accounts.

- **Accounts information:**
  FIs must retain, for a period of six years, all relevant documents used for preparing the information submitted to the Cyprus Tax Department. The Cyprus Tax Department may request any financial institution (falling within the scope of FATCA) to provide all the relevant documents used to prepare its filings with the Cyprus Tax Department to verify that information submitted was correct and complete.

- **3rd party providers:**
  An FI can rely on third party service providers to fulfill its obligations arising under the IGA. However, where it does so, the obligations remain the responsibility of the FI and any failure to comply with the Regulations will be seen as a failure on the part of the FI.

- **Definition of Controlling Persons:**
  Controlling Persons as per the Decree are interpreted in the following manner:

- For companies and partnerships, the ultimate beneficial owner owning more than 10% in the relevant entity, as defined by the Anti-Money Laundering (AML) legislation and the relevant Directives:
- For non-incorporated entities such as Associations, Foundations, Clubs and similar entities the members of the board and the administrators of the accounts: and
- For trusts, the settlor and the trustee.

- **Reporting Deadlines:**
  With regards to the reporting period of financial year 2014, the FATCA reporting deadline was 31 August 2015. Going forward the deadline for FATCA reporting related to any particular financial year shall be 30 June of the subsequent year.

- **FI Obligations:**
  Any Cyprus Financial Institution that does not comply with its obligations under this Decree shall be subject to relevant penalties as provided in the Assessment and Collection of Taxes Laws of 1978 to 2015 as amended. Furthermore, such penalties will not apply for the first FATCA reporting period of 2015.

6. Fund Regulation

Money Market Funds (MMFs)

On 28 April 2015, the European Parliament in plenary session voted to adopt the draft Regulation on Money Market Funds (MMFs). Once the position of Member States in the Council of the EU is agreed, trilogue negotiations can begin between the European Parliament, the Council and the Commission.

7. UK – Developments of Interest to Investment Firms

FCA MIFID 2 implementation roundtable meeting

The FCA published the minutes of a roundtable meeting on MiFID 2 implementation that took place on 14 September 2015. The following points relating to the FCA's implementation work were discussed:

- although it noted that the timetable for its planned December 2015 consultation on changes to the FCA Handbook may shift, the FCA stated that the transposition deadline (July 2016) or date of application (January 2017) will not necessarily change;
- the FCA will undertake a cost benefit analysis for the aspects of MiFID 2 implementation where it has discretion. It will shortly send a questionnaire to firms and use the responses to inform its cost benefit analysis; and
- the FCA MiFID 2 conference will take place on 19 October 2015.

In addition, the FCA provided an update on the implementation of the Market Abuse Regulation (MAR):

- the FCA is expected to issue a consultation paper to enable changes to the FCA Handbook in October or November 2015 and is planning MAR roundtable meetings with trade associations at the end of 2015 or in early 2016.

FCA Regulation round up

In the FCA Regulation round-up explains the changes being made to the FCA's supervisory model and that the FCA is increasingly interested in how markets work as a whole and is engaging in sector and market-wide analysis as well as looking at the behaviour of individuals and firms. This results in firms now being categorised as either "fixed portfolio" or "flexible portfolio". Flexible portfolio firms will be supervised proactively but will no longer have a named supervisor.

However, the FCA's fundamental expectations remain: firms are expected to have "the interests of their customers and the integrity of the market at the heart of how they run their business".

FCA fines and bans director for conflict of interest

The FCA has banned Robert Shaw, a former director of TailorMade Independent Ltd (TMI), from holding a senior role in financial services, and fined him £165,900, for failing to manage a conflict of interest between his role as director of TMI and of TailorMade Alternative Investments (TMAI).

The FCA found that Mr Shaw failed in his duties to make sure that TMI assessed the suitability of investments made through self-invested personal pensions (SIPPs) for its customers. Also, Mr Shaw failed to ensure that TMI identified and managed its conflicts of interests. Mr Shaw received financial benefit from his role as director and shareholder of TMAI, a company that referred customers to TMI for a fee, creating a conflict of interest with his duty to TMI's customers. The financial benefit was not disclosed to TMI customers to obtain their consent. As a result, the FCA held that Mr Shaw breached Principle 7 of its Statements of Principles for Approved Persons.

8. CySEC Developments

Circular regarding the persons wishing to participate in the certification exams

On 10 August 2015, through the issuance of Circular C084 (in Greek), CySEC informed all interested parties who are willing to sit the relevant CySEC certification exams about the success threshold and provided some clarifications regarding the treatment of Compliance Officers. In particular, the Commission announced that:

- the minimum pass mark would be kept at 60% until the end of October 2015,
- the examinations for Compliance Officers have not been implemented and, therefore, at present are not obliged to register with the Public Register.
- other relevant persons wishing to provide services in the scope of operational compliance will need to attend and obtain the advanced exam certifications. Furthermore, and as per article 24 of the relevant

directive the maximum number of attempts during a period of 12 months is two. Additionally, persons who fail on both attempts will need to step down from their duties until they successfully pass the said exams.

Consultation Paper CP (2015-08) regarding proposed amendments of UCITS Law (UCITS V)

On 28 August 2015, CySEC published the Consultation Paper CP (2015-08) (in Greek) in order to invite the public to submit comments and/or suggestions regarding the proposed modification of the Open-ended Undertakings for Collective Investment Law for the purpose of harmonisation with the Directive 2014/91/EU that amends Directive 2009/65/EC for the coordination of laws and regulation and administrative provisions relating to undertakings of collective investments in transferable securities (UCITS) as regards to the functions of depositaries, remuneration policies and sanctions (Directive UCITS V). The deadline for the submission of comments and/or suggestions from the public was the 21 September 2015.

Further to this, the amendment of Directive 2009/65/EC (UCITS IV) was deemed necessary in order to take into account the market developments and to eliminate the disparities between national provisions of the Member States relating to the duties and responsibilities of UCITS, the remuneration policy for Management Companies of UCITS and sanctions that can be imposed for infringements.

Finally, and for this purpose the Directive 2014/91/EU intends to control risky behaviour of people who are in position to take higher risks during the management of UCITS (through the remuneration policy) and to supplement incomplete provisions that were in the UCITS IV Directive regarding the depositaries. Furthermore, it intends to strengthen the provisions on penalties in order to achieve consistent application in all Member States and to enhance the deterrent impact.

Circular regarding the notification of website address Domain name - Redirecting and informing clients

On 2 September 2015, through the issuance of Circular C085, CySEC informed all Cyprus Investment Firms about certain obligations and requirements pertaining mainly to the operation of website addresses and the information provided to clients by means of a website.

The aforementioned Circular, inter alia, specifies the following:

- CIFs shall ensure that during their operation, they only operate through the website addresses notified to CySEC and correspond to the ones posted on commission's website. Furthermore, CySEC also mentions that operating through a non-registered website will be considered as a violation of certain provisions of the Law.
- In cases where the domain name of a CIF differs from the name under which the CySEC authorisation was obtained, then visitors of such website should be informed in detail about the name of the person that they deal with.
- Within the framework of compliance with Article 36 of the Law, CIFs must operate through a unique domain

belonging exclusively to the CIF. Therefore, CIFs that form part of a group, may use the same domain name with other persons of the group provided that:

i. the potential client, when selecting/entering into the domain name, is directed to a page, or to a sub-domain, or to another domain, which it is exclusively operated by the CIF;
ii. the visitors of a website must be informed on the name of the person that operate the website and provide investment services.

- A CIF can refer visitors from its domain to another domain for the provision of investment services, only when all of the following conditions apply:

i. the domain belongs to the same group and it is licensed/supervised by a competent authority for the provision of investment services;
ii. the CIF is not license for the provisions of investment services within the territories of the country of residence of the potential clients;
iii. the potential clients are clearly informed and consent to this redirection.

- A CIF allowing customers to accept electronically the terms and conditions through its website may be deemed to comply with paragraph 8 of the Directive DI144-2007-02 of 2012, only when it adopts and implements such measures, which are able to demonstrate the disclosure of the terms and conditions to the clients. Such measures must comply with the provisions of Paragraph 4(2) of Directive DI144-2007-02.

Finally, CIFs by 25 September 2015 were requested to submit all their website addresses and to update their electronic records, if required, as well as to confirm to CySEC their full compliance with the requirements of the Circular, **within two (2) months from the date of its issuance**.

Electronic submission that accompanies applications for authorisation

On 4 September 2015, through the issuance of an announcement, CySEC requests from the parties that submit applications for authorisation to accompany their hard copy applications with an electronic copy in .pdf format stored within a USB Flash Drive. In addition, a written confirmation, stating that the hard copy format application and the .pdf file(s) stored within the USB Flash Drive are exactly the same, must be enclosed with the relevant submission.

The above procedure has entered into force as of date of the aforementioned announcement and therefore applicants must now comply with above requirement. Finally, CySEC's Web Portal will soon go live, in order to receive all the forms/correspondence from the Regulated Entities in digital format.

Directive DI144-2007-16 in relation to the supplementary supervision of Investment Firms, UCITS Management Companies or Alternative Investment Fund Managers in a Financial Conglomerate

On 25 September 2015 CySEC issued the Directive DI144-2007-16 of 2015 (In Greek) on the "Supplementary supervision of Investment Firms, UCITS Management Companies or Alternative Investment Fund Managers in a Financial Conglomerate", or otherwise called the "Financial Conglomerates Directive", in replacement of the Directive DI144-2007-11 of 2012. The new Directive lays down the rules for the supplementary supervision of an Investment Firm, a UCITS Management Company or an Alternative Investment Fund Manager, which has been granted an authorisation by CySEC and is part of a Financial Conglomerate.

The most major and relevant changes in the new Directive are the following:

i. When calculating the supplementary capital adequacy requirements with regard to a financial conglomerate by applying Method 1 (Accounting consolidation), the own funds and the solvency requirements of the entities in the group shall be calculated by applying the corresponding sectoral rules on the form and extent of consolidation as laid down in Article 18 of Regulation (EU) No 575/2013. On the other hand, when applying Methods 2 ("Deduction and aggregation"), or 3 ("Book value-Requirement deduction"), the calculation shall take account of the proportional share held by the parent undertaking or undertaking which holds a participation in another entity of the group. "Proportional share" means the proportion of the subscribed capital which is held, directly or indirectly, by that undertaking.
ii. The risk management processes shall now also include arrangements that contribute and develop suitable plans for recovery and resolution. These arrangements shall be regularly updated.
iii. Pending further coordination of sectoral rules, CySEC in cooperation with the Superintendent of Insurance and the Central Bank of Cyprus shall provide for the inclusion of asset management companies:

    a. in the scope of consolidated supervision of investment firms, banks, and/or in the scope of supplementary supervision of insurance undertakings in an insurance group; and
    b. where the group is a financial conglomerate, in the scope of supplementary supervision within the meaning of this Directive.

Amendment of CySEC Law

On 29 September 2015 CySEC issued the Amending Law 135(I)-2015 (in Greek) that modifies the CySEC Law of 2009 towards 2014. Further to this, they weren't any major amendments of the said Law apart for the deletion of the following:

- Paragraph 3 of the Article 11,
- Paragraph 5 of the Article 12,
- Paragraph 3 of the Article 14, and
- Paragraph 2 of the Article 17

The appointment of CySEC, Central Bank of Cyprus and Superintendent of Insurance as the competent authority for the application of certain (EU) Regulations and Directive

On 30 September 2015, following a notification issued by the Minister of Finance (In Greek), CySEC notified all interested parties of its appointment as the competent authority for the application of the following provisions:

(a) Regulation (EU) No 596/2014 on market abuse;
(b) Regulation (EU) 2015/760 on European long-term investment funds;
(c) Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;
(d) Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms;
(e) Regulation 1286-2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).

The Central Bank of Cyprus (CBC) is appointed as the competent authority for the application of Directive 2013/36/EU and Regulation (EU) No 575/2013 with respect to the provisions applying for credit institutions. In addition the CBC is assigned as the competent authority for the application of Regulation 1286-2014 in regards to institutions and persons that are already under its supervision. Finally, the Superintendent of Insurance is assigned as the competent authority for the application of Regulation 1286-2014 in regards to institutions and persons that are already under its supervision.

Acronyms & Definitions used

CAA	Competent Authority Agreement
CDS	Credit Default Swap
CBC	Central Bank of Cyprus
Commission	European Commission
CP	Consultation Paper
CRS	Common Reporting Standard
CySEC	Cyprus Securities and Exchange Commission
EMIR	European Market Infrastructures Regulation – Regulation (EU) 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories
ESMA	European Securities and Markets Authority
ETD	Exchange-Traded Derivative
EU	European Union
FCA	UK Financial Conduct Authority
FTT	Financial Transaction Tax
FX	Foreign Exchange
IRS	Interest Rate Swap
ITS	Implementing Technical Standards
MAD	Directive no.2014/57/EU of the European Parliament and of the Council on criminal sanctions for market abuse
MAR	Regulation no. 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation (market abuse)
MiFID	Markets in Financial Instruments Directive – Directive 2004/39/EC of the European Parliament and the Council
MiFID II	Directive no. 2014/65/EU of the European Parliament and of the Council on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament and of the Council (compromise reached, number to be assigned)
MiFIR	Regulation no. 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories [EMIR]
MMF	Money Market Fund
NDF	Non-deliverable forwards
OECD	Organisation for Economic Co-operation and Development
Official Journal	The Official Journal of the European Union
OTC	Over-the-Counter
Q&As	Questions and Answers
RTS	Regulatory Technical Standards
SFT	Securities Financing Transaction
TA	Technical Advice

UCITS	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)
UCITS V	Directive of the European Parliament and of the Council amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions

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Contact Us

Mailing Address:

P.O. Box 59521, CY-4010, Limassol, Cyprus

Main Offices in Cyprus

Limassol:

74 Archiepiskopou Makariou C'

Amaranton Court, 3rd Floor, Mesa Geitonia

4003 Limassol, Cyprus

Tel: +357 2535 1335

Fax: +357 2535 1330

Nicosia:

25 Demostheni Severi Avenue

Metropolis Tower, 4th Floor

1080 Nicosia, Cyprus

Tel: +357 2287 7744

Fax: +357 2287 7780

www.mapsplatis.com