

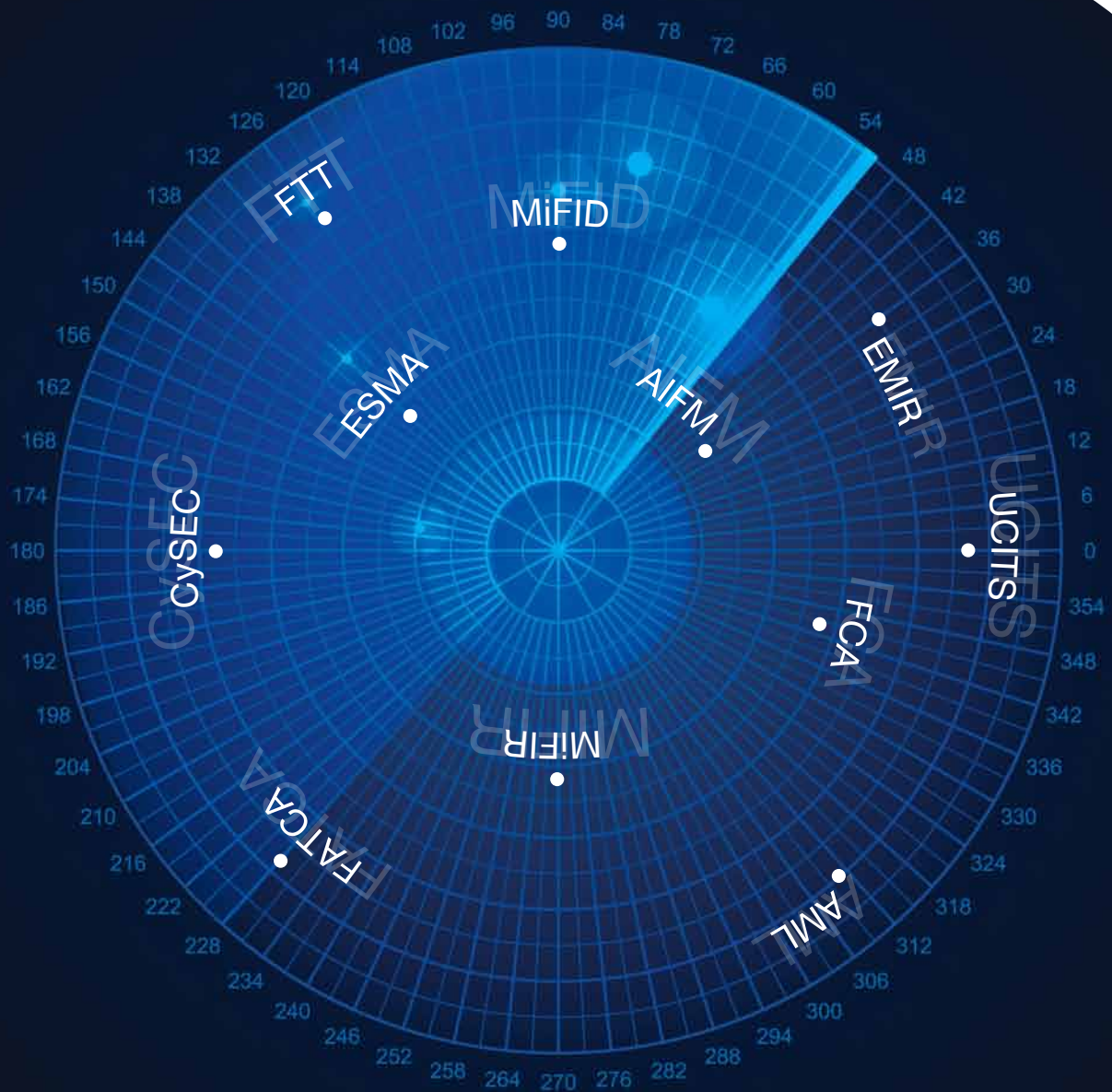


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Issue 021 / October 2018

# REGULATORY RADAR

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





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## Second Summary

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

- **MiFID II**
  - MiFID II applied from 3 January 2018
  - ESMA continues to issue level 3 guidance in the form of Questions and Answers, Frequently Asked Questions; opinions, reports and other publications
- **MARKET ABUSE REGULATION**
  - ESMA updated the current version of Q&As on the Market Abuse Regulation with three new questions on delayed disclosure of insider information
- **EMIR**
  - Mandatory margin requirements for non-cleared OTC derivatives was introduced on a staggered basis: variation margin is required except for physically-settled FX forwards; initial margin applies on dates commencing from 4 February 2017 to 1 September 2020
  - The requirement for variation margin for physically-settled FX forwards is still under review; Member States' national competent authorities may apply regulatory forbearance in the meantime
  - Proposals to revise EMIR are still being negotiated

### 2. Anti-Money Laundering Legislation

- The 5th Anti-Money Laundering Directive was published in the Official Journal on 19 June 2018 and must be transposed into national law by Member States by 10 January 2020

### 3. EU Financial Transaction Tax (FTT)

- Political decisions on FTT postponed until Brexit outcome is known

### 4. Taxation

- No update on CRS and FATCA

### 5. Fund Regulation

### 6. UK - Developments of Interest to Investment Firms

- The UK FCA issued a statement on selling high-risk speculative investments to retail clients following ESMA's action on CFD products and a letter to banks on how to handle the financial crime risks posed by crypto-assets

### 7. EU - Developments in the interest of CFDs and Binary Options providers

- ESMA renewed temporary product intervention measures on CFDs and binary options and updated its Q&As. The prohibition runs for a further three months from 2 October 2018 for binary options and from 1 November 2018 for CFDs

### 8. CySEC Developments

- Announcement of CySEC's supervisory priorities for the second half of 2018
- Adoption of ESMA's and EBA's joint Guidelines on the assessment of the suitability of members of management bodies and key function holders
- Reminder for Application of the AML Risk Factors Guidelines
- Information on discretions of Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)
- Information on ESMA's Publication of Data for the Systematic Internaliser Calculations

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

## I. MiFID II

The MiFID II legislation consists of an amending Directive (MIFID II) and a new regulation (the Markets in Financial Instruments Regulation = MiFIR) (together MIFID II). 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” texts. The application date of the entire MiFID II and MiFIR legislation was 3 January 2018.

### **MiFID/MiFIR data available**

ESMA, in cooperation with national competent authorities (NCAs) in the European Economic Area, oversaw the launch of MiFID II and MiFIR on 3 January 2018. A key element in ensuring the new regime functions properly is ensuring the availability of data to market participants – firms and trading venues – and NCAs. This data is available on ESMA's [website](#) and is continuously updated.

### **ESMA updates to its Questions and Answers (Q&As)**

#### [Q&A on MiFID II and MiFIR transparency topics and market structures topics](#)

On 4 October 2018, ESMA updated its questions and answers (Q&As) documents regarding [transparency topics](#) and [market structures topics](#) under MiFID II. The Q&A provides clarification on the following topics:

- Classification of derivatives on derivatives for transparency purposes;
- Default liquidity status of bonds (amendment to an existing Q&A);
- Scope of the pre-trade transparency waiver provided under Article 9(1)(c) of MiFIR;
- Market Making activities and incentives to be provided during stressed market conditions;
- Treatment of bulk quotes for the calculation of the Order to Trade Ratio;
- Scope of Article 17(6) of MiFID II and Chapter IV (Articles 24-27) of Delegated Regulation (EU) 17/589 (RTS 6);
- Arranging of transactions that are ultimately formalised on another trading venue;
- Registration of a segment of an MTF as an SME growth market; and
- Maker Taker schemes.

On 12 July 2018, ESMA updated its questions and answers (Q&As) documents regarding transparency topics and market structures topics under MiFID II. This Q&A of 12 July 2018 provides clarification on the following topics:

- corporate actions where traded International Securities Identification Numbers (ISINs) are replaced with new ISINs; and
- the timing for the publication of data in respect of the systematic internaliser regime.

The Q&A dated 4 October 2018 is a consolidated version containing all the Q&As including the questions and answers of 12 July 2018.

### Q&A on MiFID Investor Protection and Intermediaries

On 3 October 2018, ESMA updated its questions and answers (Q&As) documents regarding [investor protection and intermediaries topics](#). The new Q&As cover the topics Best execution: reporting for firms using a venue's RFQ (request for quote) system to agree a trade; and, Investment advice on an independent basis: the use of a 'look-through' approach.

On 12 July 2018, ESMA included 2 new items in its Q&A on MiFID Investor Protection and intermediaries. The updated Q&As were on the topics of inducements (research) and information on costs and charges.

The Q&A dated 3 October 2018 is a consolidated version containing all the Q&As including the questions and answers of 12 July 2018.

### Q&A on MiFIR data reporting

On 26 September 2018, ESMA updated its [questions and answers \(Q&As\) documents on MiFIR data reporting](#), with two new questions on FX swaps reporting and interest rate reporting.

### **ESMA FAQs on Transitional Transparency Calculations**

On 6 August 2018, ESMA updated its [FAQs on MiFID II -Transitional Transparency Calculations](#) for equity and bond instruments. These calculations have to be performed both for the transition from MiFID to MiFID II/MiFIR as well as on an ongoing basis. National competent authorities are responsible for performing these transparency calculations.

## **II. MARKET ABUSE REGULATION**

The current version of the ESMA [Questions and Answers on the Market Abuse Regulation](#) is dated 1 October 2018 (with 3 new questions on delayed disclosure of insider information).

The current version of the ESMA [Questions and Answers on the common operation of the Market Abuse Directive](#) is dated 1 April 2016.

## **III. EMIR**

### **ESMA EMIR Q&As**

On 26 September 2018, ESMA updated its [EMIR Q&A](#) on practical questions regarding EMIR. The updated Q&A provides clarification on transaction reporting for FX swaps and CCP (central counterparty) access models. The Q&A were also updated on 12 July 2018 as follows: General Q&A 1 was amended to confirm that a portfolio manager could be counterparty to a derivative when entering into one on its own account and behalf; amendments were made to the existing TR (Trade repositories) Q&A 40 on Legal Entity Identifier (LEI) amendments to simplify the description of the existing process; a new case for reporting derivatives was also added to the Part IV of the Q&A which explains the procedure for reporting to trade repositories in a transaction scenario involving portfolio management companies. The Q&A dated 26 September 2018 is a consolidated version.

# European Supervisory Authorities issue final draft RTS amending margin requirements for non-centrally cleared OTC derivatives

On 18 December 2017, the European Supervisory Authorities (ESAs) published their jointly developed [draft Regulatory Technical Standards \(RTS\) amending the framework of the European Market Infrastructure Regulation \(EMIR\) with regard to physically settled foreign exchange \(FX\) forwards](#). These amendments aim at aligning the treatment of variation margin for physically-settled FX forwards with the supervisory guidance applicable in other key jurisdictions.

The draft RTS amend the risk mitigation techniques related to the exchange of collateral to cover exposures arising from non-centrally cleared over-the-counter (OTC) derivatives with respect to physically settled FX forwards.

The current framework is based on the ESAs' RTS published on 8 March 2016, adopted by the Commission as a Delegated Regulation on 4 October 2016, which entered into force on 4 January 2017. The Delegated Regulation would require, from 3 January 2018 onwards, the mandatory exchange of variation margin for physically-settled FX forwards for all the counterparties within the scope of EMIR.

However, the ESAs have been made aware of the challenges certain end-user counterparties are facing to exchange variation margin for physically settled FX forwards. In particular, the adoption of the international standards (i.e. the framework developed by the Basel Committee on Banking Supervision (BCBS) and the International Organisation of Securities Commissions (IOSCO)) in other jurisdictions through supervisory guidance has led to a more limited scope of application than the one proposed by the ESAs.

In the light of this, the ESAs undertook a review of the RTS and amended them to align the treatment of variation margin for physically-settled FX forwards with the supervisory guidance applicable in other key jurisdictions.

Specifically, the amendment of the RTS and their subsequent implementation would reiterate the commitment to apply the international standards with a more comparable scope to that of other key jurisdictions. In particular, this would imply that the requirement to exchange variation margin for physically settled FX forwards should target only transactions between institutions (credit institutions and investment firms).

The review of the treatment of variation margin for physically-settled FX forwards is ongoing and is part of the overall EMIR review - see EMIR review below. For UK FCA position on regulatory forbearance, please refer to section 6 below.

## EMIR review - revised rules

The proposed Regulation to amend EMIR as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivatives contracts not cleared by a Central counterparty (CCP), the registration and supervision of trade repositories and the requirements for



trade repositories (EMIR review (part 1) has been in trilogue negotiations between the European Commission, the European Parliament and the Council since 12 June 2018. The proposed new rules will introduce simpler clearing rules, distinct clearing thresholds for small and non-financial firms and temporarily exempt pension funds from the clearing obligation.

The EMIR review also proposes a Regulation amending EMIR as regards the procedures and authorities involved for the authorisation of CCPs and requirements for the recognition of third-country CCPs.

## ESMA on the clearing and the trading obligation for pension scheme arrangements

EMIR introduced a temporary exemption for pension scheme arrangements (PSAs) from the clearing obligation to allow time for a suitable technical solution for the transfer of non-cash collateral as variation margins to be developed by CCPs, and provided for two possible extensions of this temporary extension. Following the two possible extensions there is no legal mechanism to further extend this temporary exemption under EMIR. The final exemption from the clearing obligation for PSAs under EMIR expired on 16 August 2018.

On 3 July 2018, ESMA issued a [Communication](#) explaining that it was aware of the difficulties that PSAs will face during the timing gap between the expiry of the current EMIR clearing exemption on 16 August 2018 and the day on which the EMIR review comes into force.

The Communication invites national competent authorities to exercise regulatory forbearance (i.e. to not require PSAs and their counterparties to start putting processes in place to clear derivatives for which they are currently exempt from clearing under EMIR) during such timing gap.

In a further [Communication](#) on 8 August 2018, ESMA acknowledged the difficulties that PSAs trading certain OTC derivative contracts will also face during this timing gap, to meet the trading obligation under Markets in Financial Instruments Regulation (MiFIR). ESMA invited national competent authorities to exercise regulatory forbearance (i.e. not require PSAs and their counterparties to start putting processes in place to trade their OTC derivative contracts on trading venues, which they are currently exempt from under MiFIR), during such timing gap.

## 2. Anti-Money Laundering

### The Fifth Money Laundering Directive

On 19 June 2018, the [Fifth Money Laundering Directive](#) (MLD5) was published in the Official Journal and came into force on 9 July 2018. EU Member States must transpose MLD5 into national law by 10 January 2020. MLD 5 amends the Fourth Money Laundering Directive (MLD 4). The main changes from MLD 4 are:

- broadening access to information on beneficial ownership, improving transparency in the ownership of companies and trusts;
- addressing risks linked to prepaid cards and virtual currencies;

- cooperation between financial intelligence units;
- improved checks on transactions involving high-risk third countries.

## Directive on countering money laundering by criminal law sanctions

The proposed [new directive](#) which aims to harmonise rules and penalties in the EU and to facilitate cross-border cooperation in order to combat money laundering and terrorist financing was endorsed in the relevant European Parliament committee (Civil Liberties, Justice and Home Affairs) on 10 July 2018 and formally approved in the European Parliament on 12 July 2018. The proposal now requires to be formally approved by the Council. The final compromise agreed establishes that:

- Money laundering activities will be punishable by a maximum term of imprisonment of 4 years.
- Additional sanctions and measures may be imposed by judges together with imprisonment.
- Aggravating circumstances will apply to cases linked to criminal organisation or for offences conducted in the exercise of certain professional activities.
- Legal entities will also be held liable for certain money laundering activities and can face a range of sanctions.

## 3. EU Financial Transaction Tax (FTT)

Political decisions on the FTT are being postponed until the EU's future relationship with the UK is settled. This does not mean the end of FTT negotiations, with technical meetings on scope and further implementation mechanisms still ongoing.

## 4. Taxation

There was no further public information since September 2016 on FATCA or CRS. Please refer to Issues [10](#) and [12](#) of MAP S.Platis Regulatory Radar for the latest information on FATCA and CRS, respectively.

## 5. Fund Regulation

### UCITS and AIFMD

#### UCITS - ESMA updated Q&As

The most recent ESMA [questions and answers document \(Q&A\) for UCITS](#) is dated 23 July 2018. The Q&A document includes new questions and answers on:

- UCITS investing in other UCITS with different investment policies;
- Calculation of issuer concentration limits pursuant to Article 52 of the UCITS Directive;
- Reuse of assets by a UCITS depository under Article 22(7) of the UCITS Directive; and
- The supervision of branches of UCITS Management Companies or AIFMs providing MiFID investment services.



## AIFMD - ESMA updated Q&As

The most recent [ESMA questions and answers document \(Q&A\)](#) for AIFMD is dated 4 October 2018. There is one new question on notification of AIFMs' requirements with regards to AIFMs managing umbrella AIFs on a cross-border basis.

## 6. UK – Developments of Interest to Investment Firms

### FCA statement on selling high-risk speculative investments to retail clients

On 1 August 2018, the FCA published a [statement](#) on selling high-risk speculative investments to retail clients following ESMA's action on CFD products. The FCA notes that in common with other regulators across Europe, they know that other products can create the same kinds of risks to consumers as CFDs, particularly where they expose the investor to significant leverage. These substitute products could be sold under a variety of labels but share common features with CFDs and these features may cause large trading losses to retail clients. The FCA is concerned that firms may consider getting around ESMA's measures by selling other similarly complex products to retail clients. The FCA states that it will work with ESMA and other European regulators to monitor and assess the sale of these alternative, speculative products to retail clients. If they have evidence that these products are causing similar harms, they will work with ESMA and will, if necessary, support further action to extend the scope of its intervention.

### FCA “Dear CEO” letter on crypto-assets and financial crime

On 11 June 2018, the FCA published a [“Dear CEO” letter](#) to banks on how to handle the financial crime risks posed by crypto-assets. The FCA advises banks that offer services to current or prospective clients who derive significant business activities or revenues from crypto-related activities, to enhance the scrutiny of these clients and their activities, including by:

- developing staff knowledge and expertise on crypto-assets to help them identify the clients or activities which pose a high risk of financial crime;
- ensuring that existing financial crime frameworks adequately reflect the crypto-related activities which the firm is involved in, and that they are capable of keeping pace with fast-moving developments;
- engaging with clients to understand the nature of their businesses and the risks they pose
- carrying out due diligence on key individuals in the client business including consideration of any adverse intelligence;
- in relation to clients offering forms of crypto-exchange services, assessing the adequacy of those clients' own due diligence arrangements.

### Variation margin requirements under EMIR for physically settled FX forwards

On 7 December 2017, the FCA published on their website the following [statement](#) granting regulatory forbearance

in relation to variation requirements under EMIR for physically settled FX forwards:

*“On 24 November 2017, the European Supervisory Authorities (ESAs) issued a [statement](#) on the variation margin requirements under EMIR for physically settled FX forwards. They confirmed they are in the process of reviewing, and proposing amendments to, the Regulatory Technical Standards (RTS) on risk mitigation techniques for OTC derivatives not cleared by a central counterparty. The ESAs indicated that the changes will look to align the treatment of physically settled FX forwards with the supervisory guidance applicable in other jurisdictions*

*We support the ESAs’ statement. They recommend competent authorities “generally apply their risk-based supervisory powers in their day-to-day enforcement of applicable legislation in a proportionate manner”.*

*The amendments to the RTS should become increasingly clear over time and we would expect firms to make their plans as a result. Although how they will be amended is not completely clear at this time, the proposals as outlined in the ESAs’ statement can be used by firms as an indication of what the amended requirements may look like.*

*Accordingly, we will not require firms whose physically settled FX forwards are likely to be outside the scope of the amended requirements to continue putting processes in place to exchange variation margin. This approach is subject to any further statements that may be issued by the ESAs or the FCA.*

*We, in any event, continue to recognise that the exchange of variation margin is a prudent risk management tool.”*

This FCA statement remains in force.

## 7. EU - Developments in the interest of CFDs and Binary Options providers

### ESMA renews restrictions on binary options for a further three months

On 22 August 2018, ESMA agreed to [renew](#) its prohibition on the marketing, distribution or sale of binary options to retail investors, in effect since 2 July 2018, from 2 October 2018 for a further three-month period. ESMA has agreed on the exclusion of a limited number of products from the scope of the measure.

### ESMA renews restrictions on CFDs for a further three months

On 28 September 2018, ESMA renewed the restriction on the marketing, distribution or sale of contracts for differences (CFDs) to retail clients, in effect since 1 August, from 1 November 2018 for a further three-month period.

### ESMA updates its Q&As on temporary product intervention measures on CFDs and binary options

On 28 September 2018, ESMA updated its accompanying [Q&As On ESMA’s temporary product intervention measures on the marketing, distribution or sale of CFDs and Binary options to retail clients](#). One of the Q&As clarifies when rolling spot forex products are in scope of the CFD prohibition.

The Q&A were also updated on 30 July 2018 and provided clarification in relation to turbo certificates and structured finance products. Answer 5.10 stated that *“ESMA and NCAs will closely monitor whether new distribution trends in respect of turbo certificates raise similar investor protection concerns for retail clients and whether any firms attempt to circumvent ESMA’s CFD Decision and will act as necessary.”*

## 8. CySEC Developments

### CySEC announcement regarding the supervisory Priorities for the second half of 2018

On 22 June 2018, CySEC [announced](#) its main supervisory priorities and activities for the second half for 2018 in order to exercise its effective supervision of CIFs and to ensure maximum investor protection and the healthy development of the securities market.

According to the announcement, CySEC has identified the below key areas of priority for its actions and activities for the second half of 2018:

- MiFID II requirements;
- PRIIPs requirements;
- EMIR requirements; and
- Prudential requirements.

In relation to MiFID II requirements key priority for CySEC, the aforesaid plans target visits, full risk assessment and thematic reviews to CIFs to ensure that they comply with the requirements emanating from the latter. CySEC will be monitoring CIFs progress in relation to the aforesaid and assisting them with the implementation process.

Particularly, the subjects which CySEC will emphasise and monitor during the second half of 2018 are the following:

- Organisational requirements, including governance arrangements;
- Inducements, remunerations;
- Costs and charges;
- Appropriateness of products/services;
- Best execution of orders;
- Information addressed to clients, including marketing communications; and
- Transaction reporting and transparency.

During the first half of 2018, CySEC carried out thematic reviews on the product governance requirement under MiFID II, where the findings will be published in due course.

Finally, concerning the prudential requirements, CySEC will place emphasis on ensuring CIFs financial soundness. Among the key areas of CySEC supervision in relation to the subject matter are the:

- Safekeeping of Clients' funds;
- Risk Management; and
- Capital Adequacy (Pillar I, Pillar II and ICCAP).

## ESMA and EBA joint Guidelines on the assessment of the suitability of members of management bodies and key function holders

On 17 July 2018, CySEC through the issuance of [Circular C275](#), informs investment firms that it has adopted the [Joint Guidelines on the assessment of the suitability of the members of the management body and key function holders](#), issued by the European Securities and Market Authority (“ESMA”) and by the European Banking Authority (“EBA”).

The Guidelines applies as of June 30th 2018 and specify that all institutions and competent authorities have to assess the members of the management body and, for significant institutions, the heads of internal control functions and the chief financial officer, where they are not members of the management body.

These guidelines specify the notions of sufficient time commitment; honesty, integrity and independence of mind of a member of the management body; adequate collective knowledge, skills and experience of the management body; and adequate human and financial resources devoted to the induction and training of such members. They also specify the notion of diversity to be taken into account for the selection of members of the management body.

The above mentioned guidelines apply to all competent authorities across the EU. The aim is to harmonise and improve suitability assessments within EU financial sectors, ensuring sound governance arrangements in financial institutions in line with CRD IV and MiFID II.

## The Application of the Risk Factors Guidelines

On 17 July 2018, CySEC through the issuance of [Circular C276](#), reminds Regulated Entities of the ‘Joint Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on simplified and enhanced customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional transactions ([‘The Risk Factors Guidelines’](#))’, issued by the Joint Committee of the European Supervisory Authorities. More specifically:

- The Risk Factors Guidelines entered into force on the 26th of June 2018.
- The Regulated Entities should apply these Guidelines for the purposes of complying with the requirements set out in Articles 58(a), 58(d), 58(h), 58A, 61(2), 62(2), 63 and 64 of the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007.
- CySEC expects the Regulated Entities to fully comply with the said Guidelines and be able to demonstrate that the AML/CFT policies, controls and procedures that have in place are appropriate in view of the ML/TF risks that have been identified.

## Discretions of Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)

On 10 August 2018, CySEC through the issuance of [Circular C279](#), reminds regulated entities of their obligations emanating from the [Regulation \(EU\) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products \(PRIIPs\)](#), entered into force on 1 January 2018 which is directly applicable in all Member States.

With the said Circular CySEC also specifies that it has adopted the following legislative acts issued pursuant to the aforesaid regulation:

- The [Commission Delegated Regulation \(EU\) 2017/653 of 8 March 2017 supplementing Regulation by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents](#),
- The [Guidelines on the application of Regulation](#), and
- The [three European Supervisory Authorities](#) have adopted relevant [Questions and Answers](#) and [Flow diagrams for the risk and reward calculations](#) for the implementation of the Regulation and the Delegated Regulation.

Although the regulation is applicable to all member states and designated authorities have the discretion to decide upon certain operational matters, in this respect CySEC informs regulated entities that the:

- The ex-ante notification of the KID by the PRIIP manufacturer or the person selling a PRIIP to the competent authority for PRIIPs marketed in that Member State is not required for the PRIIPs that are distributed in the Republic of Cyprus. In any case, the competent authorities should be provided, upon request, with all the information necessary to check the content of the KID, to assess compliance with the Regulation and to ensure full investor protection.
- The KID may be written in Greek, as one of the official languages of the Republic, and/or in English, as it is a language that is widely used in the financial sector.'

## ESMA's Publication of Data for the Systematic Internaliser Calculations

On 10 August 2018, CySEC through the issuance of [Circular C280](#), informs dealing on own account Cyprus Investment Firms (CIFs) executing client orders over the counter (OTC) on an organised, frequent, systematic and substantial basis, are subject to the mandatory systematic internaliser (SI) regime.

In view of the above, CIFs are required to assess, whether they are SIs in a specific instrument (for equity, equity-like instruments and bonds) taking into consideration articles 12 – 17 of the [Commission Delegated Regulation \(EU\) no 2017/565](#) and the [European Securities Markets Authority \(ESMA\) document issued on August 1<sup>st</sup> 2018](#). In specific, CIFs should assess their trading on own account, for each specific instrument/ sub-class, compared to the total volume and number of transactions executed in the European Union (EU). In case where CIFs exceeds the relative threshold it will be deemed as a SI which will be subject to SI regime/

obligations.

All relevant information, as well as the [template](#) for the SIs calculations for CIFs is available on ESMA's website.

For all other asset classes the mandatory SI-assessment will only apply after the first publication of the data for those assets classed on 1st of February 2019 as set out in the [plan](#) announced by ESMA on 12 July 2018.



# Acronyms & Definitions used

AIF	Alternative Investment Fund under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers
AIFLNPs	Alternative Investment Funds of Limited Number of Persons
AIFMs	Alternative Investment Fund Manager
AMF	Autorite des Marches Financiers
ASPs	Administrative Service Providers
CBC	Central Bank of Cyprus
CDS	Credit Default Swap
CFD	Contracts for Difference
CIF	Cyprus Investment Firm
Commission	European Commission
CP	Consultation Paper
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
EBA	European Banking Authority
ESAs	Joint Committee of the European Supervisory Authorities (EBA, ESMA, EIOPA)
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
ICF	Investors Compensation Fund
IRS	Interest Rate Swap
ITS	Implementing Technical Standards
LIBOR	London Inter bank Offered Rate
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
Official Journal	The Official Journal of the European Union
OTC	Over-the-Counter

Q&As	Questions and Answers
PRIIPS	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products
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 MCs	UCITS Management Companies
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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