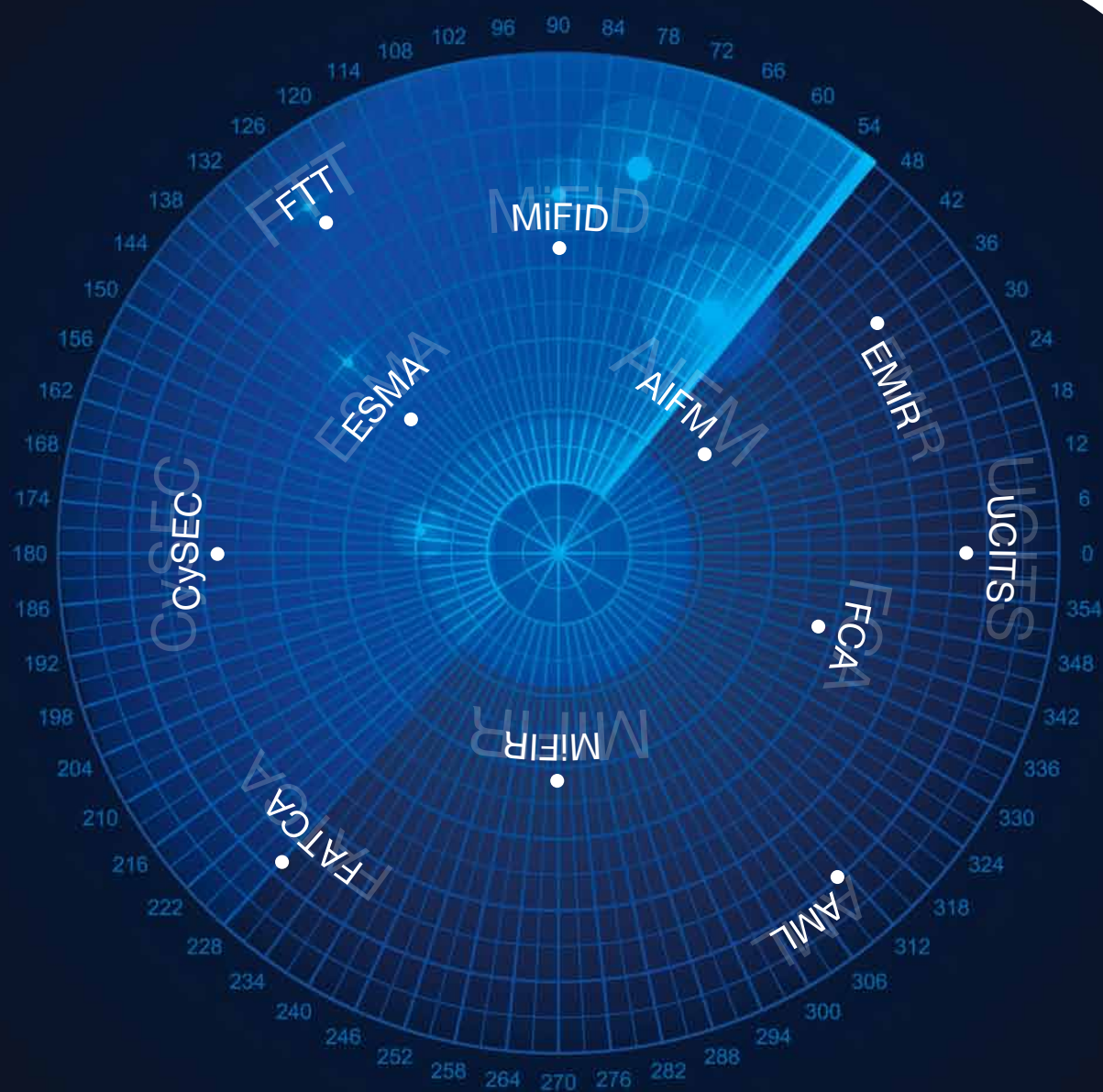


REGULATORY RADAR

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





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60 Second Summary

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

- **MiFID II**
 - ESMA continues to issue guidance in the form of questions and answers, frequently asked questions; opinions, reports and other publications as well as issuing market data
 - ESMA and UK FCA each issue statements on the impact of Brexit on the trading obligation for shares under MiFIR
 - ESMA issued a supervisory briefing on MiFID II Appropriateness Requirements
- **EMIR**
 - The revisions to EMIR known as EMIR 2 have been finalised. The new regulation has been published and will come into force on 17 June 2019 (with certain provisions at later dates)
 - Mandatory margin requirements for non-cleared OTC derivatives were 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
 - ESMA invited Member States' national competent authorities to apply regulatory forbearance in relation to the requirement for variation margin for physically-settled FX forwards. The need for regulatory forbearance (which is currently available) on the clearing and trading obligations for small financial and certain non-financial counterparties and pension scheme arrangements will fall away on 17 June 2019 when EMIR 2 comes into force

2. Anti-Money Laundering Legislation

- The 5th Anti-Money Laundering Directive must be transposed into national law by Member States by 10 January 2020, with early transposition being urged as part of a new action plan on anti-money laundering. The Directive on combatting money laundering by criminal law came into force on 2 December 2018
- Delegated Regulation under the 4th Anti-Money Laundering Directive on the minimum action and type of additional measures to mitigate money laundering and terrorist financing in certain third countries has been published and will come into force on 3 September 2019

3. EU Financial Transaction Tax (FTT)

- Political decisions on FTT postponed until Brexit outcome is known

4. Taxation

- No update

5. Fund Regulation

- **PRIIPS Regulation**
 - The European Supervisory Authorities have decided to not propose amendments to the Key Investor Document (KID) prior to a more comprehensive review which is still awaited

6. UK - Developments of Interest to Investment Firms

- Brexit webpage gives guidance to regulated firms; a temporary permissions regime is available and was extended to 30 October 2019
- FCA is undertaking a review of the risks to clients and markets arising from brokerage firms operating in the wholesale markets
- FCA imposes large fines for breaches of anti-money laundering controls and for transaction reporting failures

7. EU - Developments of interest to CFDs and Binary Options providers

- ESMA renewed its temporary product intervention measures for CFDs and binary options. The prohibition relating to binary options will run for a further three months, from 2 April 2019. The prohibition relating to CFDs runs for a further three months, from 1 May 2019.

8. CySEC Developments

- New directive on the operation of the Investor Compensation Fund
- Announcement on CySEC's supervisory priorities for 2019
- Circular on common weaknesses/deficiencies and good practices identified by CySEC during inspections in relation to AML
- New directive for the prevention and suppression of money laundering and terrorist financing
- Consultation paper on the imposition of national permanent measures in relation to marketing, distribution and sale of Contracts for Difference
- Cyprus publishes its National Risk Assessment with respect to AML as well as an action plan to address possible vulnerabilities

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

I. MiFID II

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

ESMA's MiFID/MiFIR data

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 issues transparency calculations for equity and equity-like instruments

On 6 March 2019, ESMA made available the annual transparency calculations for equity and equity-like instruments (the ESMA website link is above under “Financial Instruments Transparency System (FITRS) Database for equity and non-equity transparency calculation results”).

By way of background, MiFID II/MiFIR introduced pre-trade and post-trade transparency requirements for equity and non-equity instruments. Pre-trade transparency requirements may be waived for transactions, whose size is above large-in-scale thresholds (LIS), and systematic internalisers (SIs) have pre-trade transparency obligations for instruments traded on a traded venue which are liquid and when dealing with orders up to the standard market size (SMS). The publication of post-trade information can be deferred for transactions whose size is above large-in-scale thresholds (LIS).

Currently, there are 1,344 liquid shares and 389 liquid equity-like instruments other than shares, subject to MiFID II/MiFIR transparency requirements. These calculations shall be **applicable from 1 April 2019**. The transitional transparency calculations shall cease to apply on 1 April 2019.

ESMA publishes the annual transparency calculation of LIS and SSTI thresholds for bonds

On 18 March 2019, ESMA published the annual calculation of the large in scale (LIS) and size specific to the instruments (SSTI) thresholds for bonds.

By way of background, MiFID II/MiFIR introduced pre-trade and post-trade transparency requirements for equity and non-equity instruments. For transactions whose size is above the relevant “large in scale” (LIS) thresholds and the “size specific to instrument” (SSTI) threshold, pre-trade transparency requirements may be waived and the publication of post-trade information can be deferred.

The transparency requirements based on the results of the annual calculations of the large in scale (LIS) and size specific to the instruments (SSTI) thresholds for bonds shall apply from 1 June 2019 until 31 May 2020.

From 1 June 2020, the results of the next annual calculations of the LIS and SSTI thresholds for bonds, to be published by 30 April 2020, will become applicable.

ESMA issues latest Double Volume Cap data

On 08 May 2019, ESMA updated its website (the ESMA website link is above under “Double volume cap mechanism data”) with the latest set of double volume cap (DVC) data.

By way of background, the double volume cap mechanism aims to limit so called “dark trading” in equities allowed under the reference price waiver and the negotiated transaction waiver. The DVC is calculated per instrument (ISIN) based on the rolling average of trading in that instrument over the last 12 months. The DVC data and calculations published cover the period of 1 April 2018 to 31 March 2019 and the period of 1 March 2018 to 28 February 2019 which was not included in the previous data publication.

Trading under the waivers for all new instruments in breach of the DVC thresholds should be **suspended from 14 May 2019 to 13 November 2019**. The instruments for which caps already existed from previous periods will continue to be suspended. As of 8 May 2019, there was a total of 297 instruments suspended.

ESMA makes available bond liquidity data

On 1 May 2019, ESMA updated its website (the ESMA website link is above under “Financial Instruments Transparency System (FITRS)”) with bond liquidity data. ESMA made available the third quarterly liquidity assessment for bonds that are available for trading on EU trading venues. For the Q1 2019 period, there are currently 987 liquid bonds subject to MiFID II transparency requirements. The increased number of liquid bonds is the result of a higher level of data completeness driven particularly by better data reporting by systematic internalisers.

By way of background, MiFID II introduced pre-trade and post-trade transparency requirements for equity and non-equity instruments, including for bonds. Post-trade, MiFID II requires real-time publication of the price and quantity of trades in liquid bonds. It is possible to defer the publication of post-trade reports if the instrument does not have a liquid market, or if the transaction size is above large-in-scale thresholds (LIS), or above a size specific to the instrument (SSTI). In order to assist market participants to know whether a bond should be considered as liquid or not, ESMA publishes these quarterly liquidity assessments for bonds.

The transparency requirements for bonds deemed liquid on 1 May 2019 will **apply from 16 May 2019 to 15 August 2019**.

ESMA updates plan for systematic internaliser regime calculation and publications

On 30 January 2019, ESMA updated its action plan (within the updated Q&As on MiFID II and MiFIR transparency topics section 7 Question 1 – see below for the link to the Q&A). By way of background, MiFID II and MiFIR stipulates that investment firms dealing on own account when executing client orders over the counter (OTC) on an organised, frequent, systematic and substantial basis are subject to the mandatory systematic internaliser (SI) regime.

ESMA, upon request of market participants, decided to compute, on a voluntary and best effort basis, the total

volume and number of transactions executed in the EU in order to help market participants in the performance of the SI test since that data is essential for the operation of the SI regime and is not otherwise easily available. ESMA was required to amend its action plan as it considered that data completeness for various non-equity asset classes has not yet reached adequate levels. ESMA therefore considers it premature to publish the SI calculations for non-equity instruments other than bonds at this stage.

The updated action plan maintains the ongoing publication for equity, equity-like instruments and bonds while postponing the publication for derivatives and other non-equity instruments until at the latest 2020. For the current data please refer to the ESMA website link above under “Data for the systemic internaliser calculations”.

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

Q&A on MiFID II and MiFIR transparency topics and market structures topics

On 3 June 2019, ESMA updated its questions and answers (Q&As) documents regarding [transparency topics](#) and under MiFID II. The Q&A provides clarification on the following topics:

- The mandatory systematic internaliser (SI) regime;
- The voluntary SI regime; and
- Quoting obligation for SI in non-traded on trading venue (TOTV) instruments.

On 2 April 2019, new Q&As had addressed transparency topics relating to:

- the determination of the turnover to be used for the average value of transactions calculation;
- market money instruments;
- the reporting of prime brokerage transactions;
- the quoting obligation for systematic internalisers (SIs) in non-equity financial instruments; and
- the impact for SIs of an instrument changing in liquidity status in between the SI determination dates.

On 2 April 2019, ESMA updated its Q&A document regarding [market structures topics](#) relating to:

- Impact for systematic internalisers of an instrument changing liquidity status in between the systematic internaliser determination dates;
- Branches of third country firms operating as SI in the EU; and
- Third-country trading venues' access to an EU CCP.

Q&A on MiFID Investor Protection and Intermediaries

On 29 May 2019, ESMA updated its Q&A on [investor protection and intermediaries topics](#) and provides new answers on best execution and information on costs and charges as follows:

Best execution

- Reporting for venues on the ‘trading mode’ according to RTS 27;
- Reporting for venues and firms on template fields of RTS 27 and 28 if the required content is not applicable to their activities;
- Reporting on ‘passive’ and ‘aggressive’ orders for firms using quote-driven systems to have client orders executed; and
- RTS 28 reporting and execution venues.

Information on costs and charges

- Information on costs and charges: Ex-ante information in case of sell orders;
- Information on costs and charges: Ex-ante information in case of telephone trading;
- Information on costs and charges: Use of assumed investment amounts for ex-ante information in relation to investment services and/or products with non-linear charging structures; and
- Information on costs and charges: Use of ranges and maximum amount/percentages for ex-ante information.

On 28 March 2019, ESMA had updated its Q&A to provide new answers on:

- Provision of investment services and activities by third-country firms - Reverse solicitation;
- Product governance - Target market of CoCo-bond funds;
- Suitability report - Use of generic statements;
- Information on costs and charges;
 - Level of individualisation of ex-ante information;
 - Conditions to be met to use costs grids/tables for ex-ante information;
 - Ex-ante information for the service of portfolio management;
 - Terminology;
 - Taxes to be included in the ex-ante and ex-post costs and charges information;
- Other issues – Durable medium;
- Best Execution - RTS 27 reporting requirements for market makers and other liquidity providers.

ESMA has also updated two Q&As on:

- Suitability report: availability on firm's website;
- Information on costs and charges - Use of products' costs presented in the PRIIPs KID.

Q&A on MiFIR data reporting

The current [questions and answers \(Q&As\) documents on MiFIR data reporting](#) is dated 9 April 2019. These Q&As provide clarifications in relation to the requirements for submission of reference data under MiFIR. In particular, the Q&As relate to reporting obligations for trading venues operating on the basis of a specified list of instruments. The Q&A on a defined list of instruments provides new answers on how operators of trading venue(s) should report instrument reference data in accordance with Article 2 of RTS 23 and related MAR RTS and ITS. The amendments to the existing Q&A on MiFIR data reporting became effective from 9 April 2019.

ESMA and FCA statements on the impact of Brexit on the MiFIR share trading obligation

On 29 May 2019, ESMA issued a revised [statement](#) on the impact of the United Kingdom (UK) leaving the European Union (EU) without a withdrawal agreement (no-deal Brexit) on the trading obligation for shares (STO) under Article 23 of MiFIR and in the absence of an equivalence decision in respect of the UK by the European Commission (EC). ESMA had issued a public statement on [19 March 2019](#) which aimed at reducing the potential impact created by a no-deal Brexit; the guidance provided by ESMA has significantly reduced the scope of the STO under no-deal Brexit circumstances: while there are currently around 23,000 shares that are admitted to trading or traded on a trading venue in the EU, ESMA's guidance limited the application of the STO to 6,243 shares, among them 14 shares with a GB ISIN.

ESMA is issuing this new statement (29 May 2019) to further mitigate potential adverse effects of the application of the STO, within the constraints of the extraordinary circumstances of a no-deal Brexit and taking into account the concerns expressed by some stakeholders about the guidance published on 19 March 2019.

ESMA has concluded that an approach to the STO based only on the ISIN of the share would be more likely to minimise any such risk of disruption in the interest of orderly markets and, as a consequence, the EU27 STO would not be applied to the 14 GB ISINs included in its previous guidance. Accordingly, under this revised approach, ESMA assumes that all EU27 shares, i.e. ISINs starting with a country code corresponding to an EU27 Member State and, in addition, shares with an ISIN from Iceland, Liechtenstein and Norway (all together EEA ISINs) are within the scope of the EU27 STO. GB ISINs are outside the scope of the EU27 STO.

On 29 May 2019, the UK FCA published a [statement](#) in response to ESMA's revised approach stating that applying the EU STO to all shares issued by firms incorporated in the EU (EU ISINs) would still cause disruption to investors, some issuers and other market participants, leading to fragmentation of markets and liquidity in both the EU and UK. A number of shares with EU-27 ISINs have both a listing, as well as their main or only significant centre of market liquidity, on UK markets. In their view, the ISIN that a share carries does not and should not determine the scope of the STO. Some shares have their main or only centre of market liquidity outside the country in which the issuer is incorporated. The ESMA approach would place restrictions on a company's access to investors and freedom to choose where they seek a listing on a public stock market.

The FCA considers that the risk of disruption from potentially conflicting EU27 and UK STOs is not mitigated by the revised ESMA approach given that article 23 of the onshored MIFIR implies overlapping obligations for firms.

In the absence of reciprocal equivalence, applying both UK and EU STOs in a way that maintains the status quo for a limited period of time after exit remains an alternative way of mitigating disruption whilst longer term solutions are found. The FCA wants to engage constructively with ESMA and other European authorities.

In addition, absent a determination of equivalence, the FCA will engage with market participants and trading venues about the steps that may be needed to protect the integrity of markets in the UK and to ensure that participants in the UK can continue to achieve high standards of execution for their clients, including when trading EU-27 shares.

ESMA – Investor protection – Appropriateness and execution-only

On 4 April 2019 ESMA published an updated version of its [supervisory briefing](#) on MIFID II appropriateness requirements. This supervisory briefing is an updated version of ESMA's 2012 supervisory briefing on the same topic and takes into account the new version of ESMA's guidelines on suitability published on 28 May 2018 with respect to aspects also relevant to the appropriateness rules.

This supervisory briefing covers the following topics:

- Determining situations where the appropriateness assessment is required;
- Obtaining information from clients;
- Assessment of appropriateness;
- Warnings to clients;

- Qualification of firm's staff; and
- Record-keeping.

On 3 June 2019, ESMA launched a common supervisory action (CSA) which participant national competent authorities (NCAs) will carry out simultaneously, in the second half of 2019. The supervisory activity will focus on the application of the MiFID II requirements on the assessment of appropriateness, a topic on which ESMA published a supervisory briefing on 3 April (see above) that will serve as a starting point for the CSA. NCAs that participate in the CSA will assess the application of the appropriateness requirements by a sample of investment firms under their supervision.

II. MARKET ABUSE REGULATION

The current version of the ESMA [Questions and Answers on the Market Abuse Regulation](#) is dated 29 March 2019. This latest Q&A includes an update on the scope of firms subject to the Market Abuse Regulation (MAR) provision to detect and report suspicious orders and transactions and new detailed answers on:

- meaning of parent and related undertakings; and
- disclosure of inside information concerning emission allowances, referring to installations of other undertakings of the group.

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

EMIR 2

On 28 May 2019, the [Regulation](#) amending the European Markets Infrastructure Regulation as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories (sometimes referred to as “EMIR 2.1” or “EMIR REFIT”) was published in the Official Journal of the EU. It shall enter into force and apply on 17 June 2018 with the exception of certain provisions which will become applicable from 18 December 2019, 18 June 2020 and 18 June 2021.

The Regulation to amend EMIR introduces simpler clearing rules, a new category of “small financial counterparties” which will be exempted from clearing obligations, reduced clearing obligations for non-financial counterparties, extending by a further two years the temporary exemption of pension scheme arrangements from the clearing obligation, and modifications to the reporting obligations.

The ESMA Statements on clearing and trading obligation for small financial counterparties, on clearing and trading obligations for certain non-financial counterparties and on clearing and trading obligations for pension scheme arrangements, in which ESMA invited National Competent Authorities to exercise regulatory forbearance in the period of the gap before EMIR 2 comes into force remains in place. Please refer to [Issue 23](#) of the MAP S.Platis Regulatory Radar for these ESMA Statements.

ESMA EMIR Q&As

On 28 May 2019, ESMA updated its [EMIR Q&A](#) on practical questions regarding EMIR. The updated Q&As provide clarifications on the new framework introduced by Regulation amending EMIR (so-called EMIR Refit) and amends an existing Q&A on novation. The overall update mainly provides new answers on the implementation of the EMIR Refit framework with regards to:

- The clearing obligation for financial (FC) and non-financial counterparties (NFC);
- The procedure for notifying when a counterparty exceeds or ceases to exceed the clearing thresholds; and,
- How counterparties should report derivatives novations and removes some obsolete references to frontloading when populating field "Clearing Obligation".

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. For UK FCA position on regulatory forbearance, which remains in force in the UK, please refer to section 6 below.

2. Anti-Money Laundering

MLD 4 – RTS for minimum action and type of additional measures to mitigate money laundering and terrorist financing in certain third countries

On 14 May 2019, the [Delegated Regulation](#) with regard to regulatory technical standards for the minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing risk in certain third countries was published in the Official Journal. The Regulation will apply from 3 September 2019.

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 [12](#) and [10](#) of MAP S.Platis Regulatory Radar for the latest information on FATCA and CRS, respectively.

5. Fund Regulation

AIFMD and UCITS - ESMA Q&As

On 4 June 2019, ESMA published an updated questions and answers document on the application of [AIFMD](#) and [UCITS](#). The Q&As relate to the following:

- distinction between depositary functions and mere supporting tasks that are not subject to the delegation requirements set out in the AIFMD and UCITS Directive;
- delegation of safekeeping functions;
- performance of depositary functions where there are branches in other Member States;
- supervision of depositary functions in case of branches in other Member States; and
- delegation of depositary functions to another legal entity within the same group.

On 29 March 2019, ESMA updated its [Questions and Answers](#) on the application of AIFMD. ESMA has added two new Q&As on calculation of leverage under AIFMD. The Q&As provide clarification on:

- the treatment of short-term interest rate futures for the purposes of AIFMD leverage exposure calculations according to the gross and commitment methods;

- the required frequency of the calculation of leverage by an AIFM managing an EU AIF which employs leverage.

On 29 March 2019, ESMA updated its [Questions and Answers](#) regarding the application of the UCITS Directive. The updated Q&As clarify the UCITS KIID benchmark and past performance obligations as follows:

Benchmark disclosure

- UCITS should clearly indicate, in the KIID, whether their strategy is 'active' (or 'actively managed') or 'passive' (or 'passively managed');
- A UCITS managed in reference to a benchmark is one where the benchmark plays a role in the management of the UCITS, for example, in the explicit or implicit definition of its portfolio composition and/or performance objectives and measures (this clarification led to repeal of an existing Q&A on past performance); and
- Investors should be provided with an indication of how actively managed the UCITS is, compared to its reference benchmark index.

Past performance

- Where funds name a target in their investment objectives and policies, the performance should be disclosed against the target, even if the comparator is not named a 'benchmark'
- The performance disclosed in the KIID regarding a benchmark index should be consistent with performance disclosure in other investor communications.

PRIIPs Regulation – treatment of bonds

The European Commission published [a reply dated 14 May 2019](#) to the letter sent by the European Supervisory Authorities (ESAs) in July 2018 clarifying the treatment of bonds under PRIIPS Regulation. The European Commission states that the assessment whether a particular bond made available to retail investors is a packaged retail investment product or not is to be performed on a case-by-case basis and should consider all features of a given bond, regardless of the bond's type or name. Even categories of bonds that could seem to fall outside the scope of the PRIIPs Regulation could still be based on contractual terms and conditions that would qualify those bonds as PRIIPs. Therefore, it is neither feasible nor prudent to agree ex-ante and in abstract terms whether some categories of bonds fall under the PRIIPs Regulation or not. Manufacturers also remain free to offer retail investors exposures or features through a process of wrapping or packaging, in particular in situations where investment strategies would otherwise be inaccessible for their investors.

PRIIPs KID – ESAs update Q&A

On 4 April 2019, the European Supervisory Authorities updated the [Q&A](#) on the key information document (KID) requirements for Packaged Retail and Insurance-based Investment Products (PRIIPs).

PRIIPs KID – ESAs propose amendment to PRIIPs Key Information Document to clarify application to investment funds

On 7 March 2019, the European Supervisory Authorities submitted a [letter](#) to the European Commission on the [draft regulatory technical standards](#) to amend the Delegated Regulation covering the rules for the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs). The amendment clarifies the application of the KID to investment funds where these are offered as underlying investment options to a PRIIP (so-called “multi-option products” or “MOPs”). The amendment follows a recent decision by the European co-legislators to defer the application of the KID to these investment funds by two years from the end of this year until the start of 2022. The aim of the ESAs’ proposal is to provide, in good time, legal certainty to market participants before the expiry of the current provision in the PRIIPs Delegated Regulation at the end of 2019.

6. UK – Developments of Interest to Investment Firms

UK Financial Conduct Authority Brexit page

The [FCA’s Brexit webpage](#) has been updated and provides the FCA’s guidance to regulated UK firms and EEA firms conducting business in the UK. The UK has introduced a temporary permissions regime which will allow EEA-based firms passporting into the UK to continue new and existing regulated business within the scope of their current permissions in the UK for a limited period, while they seek full FCA authorisation, if the UK leaves the EU on exit day without an implementation period in place. It will also allow EEA-domiciled investment funds that market in the UK under a passport to continue temporarily marketing in the UK. Firms and funds need to notify the FCA that they want to enter the regime and obtain a temporary permission.

On 24 May 2019, the FCA [announced](#) the deadline for notifications for the temporary permissions regime will be extended to 30 October 2019.

UK Financial Conduct Authority delays publication of final rules for CFD products and CFD-like products

The FCA [published a Consultation Paper](#) on 7 December 2018, which proposed making ESMA’s temporary product intervention measures for CFDs permanent in the UK. The FCA’s proposed interventions are the same in substance as ESMA’s, although the FCA are also proposing to apply their rules to closely substitutable CFD-like products. The consultation closed on 7 February 2019.

On 26 April 2019, the FCA issued a statement that as it was still considering the consultation feedback and ESMA’s temporary restrictions continue to apply to FCA authorised firms, the FCA now intends to publish a Policy Statement and any final UK rules in Summer 2019 rather than in April 2019 as they had previously indicated.

UK Financial Conduct Authority “Dear CEO” letter to wholesale market broking firms

On 18 April 2019, the UK FCA issued a “[Dear CEO](#)” letter setting out the key harms that brokerage firms operating in wholesale financial markets pose to their clients and markets. The FCA identified four key drivers of harm in this sector:

- Compensation and incentivise;
- Governance and culture;
- Capacity and conflicts of interest;
- Market abuse and financial crime controls.

FCA previous work had also identified the importance of technology in this sector and found serious deficiencies in resilience and readiness to combat cyber-crime.

The FCA expects impact it firms to consider the issues in this letter and take steps to mitigate any issues that apply. In addition, the FCA will engage with large and small brokerage firms throughout 2019 and 2020 and be implementing its strategy to bring about changes.

UK Financial Conduct Authority fines bank for poor anti-money laundering controls

On 9 April 2019, the FCA announced that it had [fined Standard Chartered Bank](#) £102,163,200 for Anti-Money Laundering breaches in two higher risk areas of its business. This is the second largest financial penalty for AML controls failings ever imposed by the FCA.

UK Financial Conduct Authority confirms permanent ban on the sale of binary options to retail consumers

On 29 March 2019, the FCA confirmed that all firms acting in or from the UK are prohibited from selling, marketing or distributing binary options to retail consumers. The FCA's [rules](#) are in substance the same as the European Securities and Markets Authority's (ESMA) existing EU-wide temporary restrictions on binary options. However, the FCA is also applying its rules to so-called ‘securitised binary options’ that were excluded from ESMA's prohibition. Securitised binary options are not currently sold in or from the UK.

The FCA thinks these products pose the same risks for investors and so are extending the scope of the prohibition to prevent a market developing for these products.

The FCA's rules are permanent and come into force on 2 April 2019.

UK Financial Conduct Authority fines firms for transaction reporting failures

On 28 March 2019, the UK FCA announced that [Goldman Sachs International](#) was [fined](#) £34,344,700 by the FCA for failing to provide accurate and timely reporting relating to 220.2 million transaction reports between November 2007 and March 2017.

On 19 March 2019, the UK FCA announced that [UBS AG was fined](#) £27,599,400 by the FCA for failings relating to 135.8 million transaction reports between November 2007 and May 2017.

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 of interest to CFDs and Binary Options providers

ESMA renews its restrictions on contracts for differences for a further three months

On 27 March 2019, ESMA agreed to renew its restriction on the marketing, distribution or sale of contracts for differences (CFDs) to retail clients, in effect since 1 August, from 1 May 2019 for a period of three months. The renewal is on the same terms as the previous renewal decision.

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

On 14 February 2019, 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 April 2019 for a period of three months.

ESMA issues positive opinions on national product intervention measures relating to binary options and CFDs

On 2 April 2019, ESMA issued [four positive opinions](#) on product intervention measures taken by the National Competent Authorities (NCAs) of Poland and the United Kingdom relating to binary option and to the Netherlands relating to binary option and to contracts for differences.

On 13 May 2019, ESMA issued [two positive opinions](#) on product intervention measures taken by the National Competent Authorities of Austria relating to binary option and to contracts for differences.

On 28 May 2019, ESMA issued [five positive opinions](#) on product intervention measures taken by the National Competent Authorities of Spain relating to binary option and of Lithuania and Finland relating to binary option and to contracts for differences.

ESMA's opinions find that the proposed measures are justified and proportionate and that it is necessary for NCAs to take product intervention measures that are at least as stringent as ESMA's measures.

8. CySEC Developments

Evaluation of Cyprus by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism

On 8 March 2019, through the issuance of [Circular C300](#), the CySEC informed Regulated Entities that the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ('MONEYVAL') would perform its fifth mutual evaluation of the Republic of Cyprus in cooperation with the national regulatory and supervisory authorities, including CySEC.

MONEYVAL's assessment team would conduct an on-site visit to Cyprus during May. In this respect, all Regulated Entities should be prepared to demonstrate their level of compliance with the AML/CFT obligations deriving from the relevant regulatory/legislative provisions.

Directive DI87-07 on the operation of the Investor Compensation Fund

On 13 March 2019, the CySEC published [Directive DI87-07](#) regarding the operation of the Investor Compensation Fund (hereinafter 'the new ICF Directive') replacing Directives 144-2007-15 and 144-2007-09. The new ICF Directive applies to, among others, CIFs, branches of Investment Firms established in other member states,

branches of third country Investment Firms, Management Companies of Undertakings for Collective Investment in Transferable Securities ('UCITS') and Alternative Investment Fund Managers ('AIFMs') who provide certain MiFID services.

The new ICF Directive brings changes to the initial, annual, extraordinary contribution that members pay to the ICF as well as changes to the reporting and frequency of reports members submit to the ICF.

Policy Statement on the Replacement of the Legal Framework Governing the Operation of the Investors Compensation Fund

On 13 March 2019 the CySEC issued its second policy statement [PS-02-2019](#) in order to notify its decision in relation to the Consultation Paper (2017-02) (refer to [MAP S.Platis Regulatory Radar Issue 015](#)) for the replacement of the legal framework governing the operation of the Investor Compensation Fund.

Circular on the Public Statement of ESMA with subject 'Common Enforcement Priorities for 2018 annual financial reports'

On 19 March 2019, the CySEC issued [Circular C301](#) (in Greek), informing Issuers of transferable securities listed for trading on a Regulated Market of [ESMA's Public Statement 'European common enforcement priorities for 2018 annual financial reports'](#).

The CySEC encouraged Issuers of transferable securities listed for trading on a regulated market and their Auditors, to take into account the issues raised in the abovementioned ESMA's Public Statement for the preparation or auditing of the financial statements for the year 2018 and the annual financial reports.

Circular on the Financial Action Task Force's Public Consultation on the Draft Risk-Based Approach Guidance for Trust and Company Service Providers

On 22 March 2019, through the issuance of [Circular C303](#), the CySEC informed regulated Entities of FATF developments and provided links to a FATF open consultation regarding the Risk Based Approach Guidance for Trust and Company Service Providers. CySEC urged Regulated Entities to provide feedback to the consultation indicating that the FATF intends to adopt the final guidance at its June 2019 plenary.

Reminder regarding the Deadline for Application to United Kingdom's Financial Conduct Authority ('FCA') Temporary Permissions Regime

On 22 March 2019, the CySEC through the issuance of [Circular C304](#), reminded Regulated Entities of the notification deadline for the UK FCA's Temporary Permissions Regime (hereinafter 'TPR'), introduced through the issuance of [Circular C293](#). EEA firms that wish to continue offering services to the UK after Brexit should have applied for the TPR the latest by 28th of March 2019.

CIFs that did not apply for the TPR but intend to provide services to the UK post-Brexit will have to comply with CySEC's [Circular C256](#) regarding the provision of services to third countries. Please refer to MAP S.Platis Regulatory Radar [Issue 019](#) for more details on Circular C265.

Directive DI87-03(B) on Payable Charges and Fees

On 22 March 2019, the CySEC published [Directive DI87-03\(B\)](#) (in Greek) on Payable Charges and Fees amending Directive DI87-03. The amended Directive concerns data service providers and includes updates with respect to authorisation, licence extension and annual contribution fees.

Amendment of the new Directive for the Certification of Persons and the Certification Registers

On 22 March 2019, the CySEC published Directive [R.A.D. 103/2019](#) amending Directive R.A.D. 44/2019 in relation to the Certification of Persons and the Certification Registers. CySEC with the said amendment, no longer requires persons who work in CIFs or their tied agents and are engaged in activities where they provide information and/or they promote investment and ancillary services in relation to financial instruments as well as attract clients or potential clients, to obtain the Basic CySEC Certificate.

Circular on the Volume of Transactions Analysed by Asset Sub-classes for the Period 01/01/18-31/12/18

On 26 March 2019, the CySEC through the issuance of [Circular C302](#), requested information regarding the volume of transactions analysed by Asset Sub-classes for the period 01/01/18 - 31/12/18. Obligated entities had to complete Form VOT-CIF and submitted in electronic form via CySEC's Transactions Reporting System ('TRS') by Friday, April 12, 2019, at the latest.

Circular on the Inclusion of Interim Profits in Common Equity Tier 1 Capital

On 28 March 2019, the CySEC through the issuance of [Circular C305](#), provided guidance to CIFs, regarding the procedure for the inclusion of interim profits in Common Equity Tier 1 ('CET1') Capital pursuant to Article 26(2) of the [Regulation \(EU\) No 575/2013](#) ('CRR').

In particular, in the event that CIFs decide to proceed with an interim audit in order to capitalise profits, they should first obtain CySEC's prior permission. In case that the said permission is not granted, then the interim profits will not be eligible to be included in CET1 Capital.

Findings of the Assessment of the Compliance Officers' and the Internal Auditors' Annual Reports on the Prevention of Money Laundering and Terrorist Financing

On 28 March 2019, through the issuance of [Circular C307](#), the CySEC published its findings, following an assessment conducted on the Annual Reports of the Anti-Money Laundering Compliance Officer ('AMLCO') and the Internal Auditor (in relation to the prevention of money laundering and terrorist financing) ('the Reports')

for the year 2017 and the relevant minutes of the Board of Directors that were submitted to CySEC in 2018.

CySEC identified a number of weaknesses/deficiencies in the reports and called on Regulated Entities to take into account the above-mentioned Circular for the preparation of the reports going forward.

CySEC's Announcement Regarding the Supervisory Priorities for 2019

On 29 March 2019, the CySEC [announced](#) its main supervisory priorities and activities for 2019 in order to exercise effective supervision of CIFs and to ensure robust investors' protection and healthy development of the securities market.

Circular regarding Management Companies and Self-Managed Funds Quarterly Statistics - Revised Form and Requirement from Regulated Entities which did not have under their management, undertakings of collective investment with operation, to submit the Form

On 29 March 2019, the CySEC with the issuance of [Circular C306](#) informed Management Companies and Self-Managed Funds of an updated version of the Quarterly Statistics Form (QST-MC, Version 4).

Circular regarding Cypriot Investment Firms' Quarterly Statistics – Revised Form

On 3 April 2019, the CySEC with the issuance of [Circular C308](#) informed CIFs of an updated version of the Quarterly Statistics Form (QST-CIF, Version 3).

Request for the Electronic Submission of Information Concerning Administrative Services Providers Quarterly Statistics

On 10 April 2019, through the issuance of [Circular C309](#), the CySEC requested from all Administrative Services Providers ('ASPs'), to complete Form QST-ASP (the 'Form'), which is attached within the Circular, via which they must submit various statistical information, on a quarterly basis.

The deadline for submitting the relevant Form for the first quarter was 3 May 2019 with reference date 31 March 2019. Following the initial submission of the Form, the Form must be completed with the updated information and submitted to CySEC. The next submission is due 31 July 2019.

Directive 124/56-01 on the Payable Fees and Annual Contributions of AIFs and their Managers

On 17 April 2019, the CySEC published [Directive 124/56-01](#) on the Payable Fees and Annual Contributions of AIFs and their Managers ('the Directive'), replacing Directive RAA 279/17. The Directive mainly amends the

fees payable to CySEC by AIFs and their Managers including provisions for the timing of those payments.

Reminder regarding Issuers, Persons responsible for the prospectus – Reminder regarding the application of the European Securities and Markets Authority's ('ESMA') Guidelines on Alternative Performance Measures

On 18 April 2019, the CySEC through the issuance of [Circular C310](#) (in Greek), regarding the application of the ESMA's Guidelines on Alternative Performance Measures, reminded Issuers and Persons responsible for prospectuses to use Alternative Performance Measures for the information they publish or the prospectuses submitted to CySEC for approval.

CySEC examined whether Issuers have been fully compliant with the said Guidelines and identified that in several occasions the relevant provisions were not fully adhered. In this respect, the CySEC further reminded all obliged entities that they should comply with the said Guidelines, adopted since 3 July 2016.

Circular on ESMA's MiFID II supervisory briefing on a) appropriateness and execution-only, and b) suitability

On 22 April 2019, through the issuance of [Circular C311](#), the CySEC informed Regulated Entities that ESMA has published an updated version of its 'MiFID II Supervisory briefing on appropriateness and execution-only' and 'MiFID II Supervisory briefing on suitability' (hereinafter 'the supervisory briefings'). The said supervisory briefings are aimed at competent authorities but at the same time serve as indications to market participants for compliant implementation of the MIFID II appropriateness/suitability rules. The content of both supervisory briefings is used by CySEC in its supervisory approaches to evaluate CIFs' approaches to the application of the MIFID II rules on appropriateness and suitability.

Common Weaknesses/Deficiencies and Good Practices Identified During the Onsite Inspections Performed in relation to the Prevention of Money Laundering and Terrorist Financing

On 7 May 2019, through the issuance of [Circular C314](#), the CySEC aimed to assist Regulated Entities to recognise and/or understand their common weaknesses and deficiencies and provide them with recommendations that need to implement in order to ensure full compliance with the Prevention and Suppression of Money Laundering and Terrorist Financing Law ('the Law') and Directive DI144-2007-08 on the Prevention of Money Laundering and Terrorist Financing ('the Directive').

CySEC identified weaknesses and deficiencies in the following areas Customer Due Diligence Measures, the AML/CTF Risk Assessment, reporting of suspicious transactions/activities to MOKAS as well as Customer screening and monitoring. CySEC instructed Regulated Entities to consider their own arrangements with respect to AML and take the necessary actions to comply.

National Risk Assessment on Money Laundering and Terrorist Financing - Regulated Entities' targeted training to staff in suspicious activity monitoring, reporting and typologies

On 7 May 2019, through the issuance of [Circular C315](#), the CySEC informed Regulated Entities that an Action Plan was formed on the basis of the results of the National Risk Assessment ('NRA') Report on money laundering and terrorist financing (refer to [MAP S.Platis Regulatory Radar Issue 023](#)). CySEC stresses the importance of comprehending the importance of staff training especially in the identification and reporting of anything that gives grounds for suspicion.

The Action Plan was formed to remedy the vulnerabilities identified in the NRA Report and points to the below key features, inter alia, for the establishment of an effective AML/CFT framework:

- implementation of a comprehensive and effective AML/CFT training regime;
- reporting responsibilities (with special consideration to be given to the internal reporting and reporting to MOKAS for Suspicious Transactions and Activity Reports); and
- establishment of an AML/CFT compliance programme by the Board of Directors and Senior Management to ensure compliance with the relevant legislation.

In the event of non-compliance with the above, the CySEC will not hesitate to enforce strict administrative sanctions provided under the Law.

National Risk Assessment on Money Laundering and Terrorist Financing - Improvement of data collection and statistics by Regulated Entities

On 10 May 2019, the CySEC has issued [Circular C317](#) to inform Regulated Entities that the Action Plan which was formed on the basis of the NRA Report on ML/TF (refer to [MAP S.Platis Regulatory Radar Issue 023](#)), emphasises the need for enhanced collection and maintenance of efficient data and statistics by Regulated Entities in order to assist competent supervisory authorities to mitigate threats and vulnerabilities.

In this respect, Regulated Entities are obliged to maintain in their records and appropriately use the following additional statistical data and information in order to identify and assess ML/TF risks:

- Number of customers (natural person/legal person/legal arrangement) broken down by specific types.
- Ownership of customers broken down by the specific types of customers.
- Type of specific service and product provided to customers broken down by the specific types of customers.

Further to the above, the CySEC informed Regulated Entities that upon request, the above stated information must be promptly made available.

National Risk Assessment on Money Laundering and Terrorist Financing – Automated screening systems to enhance customer due diligence measures

On 10 May 2019, the CySEC has issued [Circular C318](#), further to the issuance of [Circular C292](#), to inform Regulated Entities on the implementation of automated screening systems for the enhancement of regulated entities' customer due diligence (CDD) measures which was included in the Action Plan formed on the basis of the NRA Report (refer to [MAP S.Platis Regulatory Radar Issue 023](#)), as an important tool to strengthen AML/CFT practices.

The CySEC stated that despite the fact that automated screening systems are not a mandatory requirement of the Law, such systems are considered important support tools to complement required CDD measures.

In this respect, all Regulated Entities must account for automated screening systems when applying CDD measures, demonstrating and evidencing, based on the information gathered, that the CDD measures applied are commensurate to the ML/TF risks they are exposed to.

Directive DI157/19 for the Prevention and Suppression of Money Laundering and Terrorist Financing

On 10 May 2019, the CySEC published Directive [DI157\(19\)](#) (in Greek) ('the new AML Directive') repealing and replacing Directive D144-2007-08. The measures introduced under the new AML Directive affect the Obligated Entities' (AIFMs registered or authorised, CIFs, UCITS Management Companies and ASPs) internal procedures, staffing, allocation of responsibilities, as well as classification of existing and potential clients in accordance to their AML Risk.

The key changes under the new AML Directive are the following:

- Appointment of a replacement AMLCO.
- Regulated entities should have a system for the retrieval of reports submitted to MOKAS.
- Guidelines on how to categorise clients on an AML risk based approach.
- Indicative due diligence measures and client identification procedures.

Obligated Entities will need to revisit their processes, policies and organisational arrangements with respect to AML and make the necessary adjustments.

Request for the Electronic Submission of Information for the year 2018 regarding the Risk Based Supervision Framework

On 13 May 2019, through the issuance of [Circular C316](#), the CySEC requested from all Companies that have securities listed on the regulated market of the Cyprus Stock Exchange and whose Cyprus is the home member state ('Local Listed Companies') and all Companies that have securities listed on a regulated market on a European Economic Area Country (EEA) and whose Cyprus is the home member state ('International Listed Companies'), to complete Form RBSF-LLC and Form RBSF-ILC respectively, attached within the Circular, via which they must submit various information used by CySEC for on-going monitoring and analysis.

The deadline for submitting the relevant Form for the first quarter was 3 May 2019 with reference date 31 March 2019. Following the initial submission of the Form, the Form must be completed with the updated information and submitted to CySEC on a three-month basis. The next submission is due 31 July 2019.

Circular on CySEC's Directive DI157/19 for the Prevention and Suppression of Money Laundering and Terrorist Financing

On 14 May 2019, through the issuance of [Circular C319](#), the CySEC informed Regulated Entities about the issuance of the [new AML Directive](#) (see above for additional details). In the said Circular, the CySEC has provided brief explanations of the key amendments/additions of the new AML Directive.

Findings of CySEC's Review into Key Information Documents on Packaged Retail and Insurance – based Investment Products

On 16 May 2019, through the issuance of [Circular C312](#), the CySEC published its findings, following a review conducted on the publication of Key Information Documents (the 'KID') of Packaged Retail and Insurance-based Investment Products ('PRIIPs') and in particular CIFs' compliance with the requirements provided under Regulation (EU) No. 1286/2014 (the 'Regulation').

In summary, CySEC identified that all CIFs reviewed had drawn up and published KIDs but there were with respect to the KID format, language and content. CySEC emphasised that CIFs must consider the issues raised in the said Circular against their policies and arrangements in place with regards to the KID's disclosure and publication.

Findings of CySEC's Desk-Based Reviews regarding Capital Adequacy Forms

On 16 May 2019, through the issuance of [Circular C313](#), the CySEC published its findings, following an assessment conducted on a sample of capital adequacy ('COREP') Forms. The review, performed to assess the correctness and completeness of the COREP Forms, identified common and recurring errors in the said Forms, resulting in incorrect and misleading figures of own funds, capital adequacy ratio and exposures of the CIFs reviewed. In addition, some best practices adopted by CIFs were identified.

The CySEC has already notified the CIFs reviewed and requested to rectify the errors identified, including to meet the required minimum limits for own funds and capital adequacy ratio, where applicable. In this respect, CIFs are recommended to undertake a full review of their regulatory reporting practices to ensure that they fit to their business, comply with the relevant reporting provisions and produce materially accurate data.

Directive DI87-03(C) on Payable Charges and Fees

On 28 May 2019, the CySEC published [Directive DI87-03\(C\)](#) (in Greek) on Payable Charges and Fees amending Directive DI87-03. The said Directive amended Part I, in order to include a section for the provision of services by third country firms to eligible counterparties and professional clients in those cases that do not fall within the scope of Regulation (EU) No. 600/2014 on financial markets ('MIFIR').

Consultation Paper CP (2019-02) on the Imposition of National Permanent Measures in relation to the Marketing, Distribution and Sale of CFDs

On 30 May 2019, the CySEC issued [Consultation Paper \(CP2019-02\)](#) on the Imposition of National Permanent Measures in relation to the Marketing, Distribution and Sale of CFDs which called for feedback regarding CySEC's proposal to permanently adopt National Product Intervention Measures ('NPIMs'), the majority of which replicates ESMA's product intervention measures (refer to MAP S.Platis Regulatory Radar [Issue 020](#)). The proposed NPIMs intend to introduce a risk-based approach governing leverage limits and enhance investor protection, with emphasis given to all retail investors exposed to high-risk speculative trading instruments.

In addition, CySEC intends to adopt permanent NPIMs replicating ESMA's Decision on Binary Options, without any public consultation on the subject matter. An official statement will be issued once the NPIMs are formally adopted.

The deadline for the submission of comments was on the 14th of June 2019.

CySEC publishes the third issue of 'Management Companies and Undertakings of Collective Investments Sector Quarterly Statistics'

On 30 May 2019, the CySEC has issued its [third quarterly statistical report](#) on 'Management Companies and Undertakings of Collective Investments Sector Quarterly Statistics' to provide key findings on the Collective Investments Sector. The said Report revealed, inter alia, a 7% increase of the Total Assets under Management ('AUM') in the 1st quarter of 2019, compared to the 4th quarter of 2018.

Request for the Electronic Submission of Information for the year 2018 regarding the Risk Based Supervision Framework

On 31 May 2019, through the issuance of [Circular C320](#), the CySEC requested from all Administrative Service Providers ('ASPs'), to complete Form RBSF-ASP (Version 2), attached within the Circular, via which they must submit various information used by CySEC for on-going monitoring and analysis.

The deadline for submitting the relevant Form is 21 June 2019 with reference date 31 December 2018. The Form must be completed with the updated information and submitted to CySEC on an annual basis.

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 Marchés 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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