



CYPRUS

FINANCIAL SERVICES

FIRMS ASSOCIATION



ASSOCIATED WITH THE CYPRUS CHAMBER OF COMMERCE AND INDUSTRY (CCCI)

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## NEWS BULLETIN

April /2017

### NEWS OF THE ASSOCIATION

#### Activities - Initiatives

##### 1. Collaboration with MNK Risk Consulting Ltd

In response to the needs of its Members, and its efforts towards the continuous professional education of executives and employees of IFs, the Association in collaboration with MNK Risk Consulting Ltd will be providing updates or analysis on issues pertaining to changes in Cyprus or European legislation.

MNK is a risk consulting and financial services advisory firm of a team of professionals, subject matter experts in their respective fields assisting Banks, Investment Firms, FX Brokers, Funds and other regulated entities in the financial sector. For more information, please visit [www.mnkriskconsulting.com](http://www.mnkriskconsulting.com).

Attached you may find an analysis prepared by Mr. Constantinos Demetriou, a regulatory compliance expert working with MNK Risk Consulting Ltd, on the 4<sup>th</sup> Anti-money Laundering Directive of the European Union, outlining what are the coming key changes and where financial services firms should start from in complying with the new requirements.

##### 2. Meetings

During January to April 2017 the Association's Board of Directors held a number of constructive meetings with organizations and institutional bodies with the aim for furthering the Association's objectives and also help to upgrade the Association's own role and influence in the investment services area. In this context, meetings took place with Cyprus Investment Promotion Agency (CIPA), the Cyprus Chamber of Commerce and Industry, the Cyprus Association of Listed Companies and the Cyprus Employers and Industrialist Federation (OEB). Further to the above, another three meetings will be take place in the next few days with the Cyprus Stock Exchange (CSE), Cyprus Investments Funds Association (CIFA).

##### 3. Annual Seminars - Continuing Professional Training for certified persons

The Association has released the analytical program of upcoming Continuous Professional Development (CPD) Seminars for the first semester of 2017, for purposes of training hours earned necessary for the renewal of registration of certified persons in the Public Register maintained by CySEC,

It is noted that, pursuant to **an amendment** in relevant legislation in January 2017, persons included in the public register having passed the **Basic** examination, have to undertake at least **10 training hours per year**, whereas persons registered in the public register having passed the **Advanced** examination, as well as compliance officers, have to undertake at least **15 training hours per year**. Attached you may find the relevant announcement of the Association.

Further to the above, CySEC proceeded with an additional amendment on the Directive regarding the certification of persons and the certification registers. According to this amendment, persons deleted from the public register in case of failure to renew the registration within two months from the end of each calendar year that follows their registration in the certification registers. They may submit a request for re-registration, within a 12-month time period. Each de-registered person may request to get re-registered 2 times in total regardless of the calendar year. Submitting the first request for re-registration, the relevant person should pay a re-registration fee of €200 in addition to the amount of €80 and should cover the hours of continued professional training he might have missed. Submitting the second request for re-registration, the relevant person should pay a re-registration fee of €500 in addition to the amount of €80 and should cover the hours of continued professional training he might have missed. Deleted persons, when they exhaust the right of re-registration as above, they are entitled, if they wish, to get re-registered in the certification register only after they pass the examinations.



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### **New Members**

We have welcomed 7Q Financial Services Ltd, Novox Capital Ltd, Omega Funds Investment Ltd, Aeonic Securities PLC and Emergo Wealth Management as new members of the Association.

### **GENERAL INDUSTRY RELATED INFORMATION**

#### **Investor Compensation Fund**

Attached you may find the Consultation Paper 2017-02 as issued by CySEC, (both in Greek and English), regarding the Replacement of the legal framework governing the operation of the Investor Compensation Fund.

The Association has submitted to CySEC its comments regarding the Consultation Paper.

As a matter of principle, the Association believes that before any modification/consolidation of the Directives governing the operation of the ICF is being implemented, the following issues must first be addressed:

1. The audited accounts for the last three years are sent to all ICF Members.
2. The Refund of funds to ICF Members where appropriate is implemented.
3. The various studies currently undertaken are completed and their findings are properly communicated.

Further to the above, the Association objects to the:

1. Enforcement of an annual fee for the ICF's administration.
2. Implementation of a new method of calculating the annual regular contribution.
3. Discretion for the payment of compensation equal to the maximum coverage limit by the ICF to each co-beneficiary in the cases of a joint investment business.
4. Non-refund of funds to ICF members.
5. Non-inclusion of provisions regarding the termination of payment of contributions by ICF Members.

#### **Financial Ombudsman of the Republic of Cyprus**

An Imminent amendment of the legislation governing the operation of the Financial Ombudsman of the Republic is expected. The Association requested the relevant Bill for review and comments.