
TO : **Cyprus Investment Firms**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **22 June 2022**

CIRCULAR NO. : **C518**

SUBJECT : **Introduction of CySEC’s Prudential Form 165-03 ‘Prudential Supervision Information’ and prudential Form 165-04 ‘Application form for prudential permissions’**

The Cyprus Securities and Exchange Commission (the ‘CySEC’) wishes to inform the Cyprus Investment Firms (the ‘CIFs’) about the following:

A. Prudential Form 165-03 ‘Prudential Supervision Information’

1. The prudential **Form 165-03 updates and replaces the Form 144-14-11** which has been introduced via CySEC’s Circular [C326](#), the purpose of which is to collect relevant information by the CIFs in order to facilitate CySEC’s supervisory role in the areas of:
 - i. the assessment of Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP),
 - ii. the assessment of audited financial statements,
 - iii. the safeguarding of clients’ money.

We note that the Form 165-03 has been updated to incorporate the changes that have taken place following the introduction of the new prudential framework for investment firms (IFR/IFD). **The Form 144-14-11 is withdrawn.**

2. The **Form 165-03** is addressed to **all CIFs** and can be found under Section ‘[Forms](#)’ in CySEC’s website.
3. The CIFs should complete the Form 165-03 once a year and submit it to CySEC via the Transaction Reporting System (‘TRS’) from 1st to 30th June each year, ie. **the deadline to submit the Form 165-03 is the 30th of June each year**. Details regarding the submission of the Form can be found in the sheet ‘Instructions’ of the Form.

CySEC notes that for the submission for the year ended 31/12/2021 the CIFs should submit the Form 165-03 via TRS by **30th July 2022**.

4. The Form 165-03 should be submitted **ONLY** electronically via TRS, after it is duly digitally signed. The steps that CIFs need to follow for the successful submission of the Form 165-03 can be found [here](#). CySEC will not accept any other ways of submitting the Form 165-03.

5. It is clarified that CIFs should continue to submit through CySEC's portal their annual audited financial statements and suitability report from their external auditors irrespective of the submission of the Form 165-03.

B. Prudential Form 165-04 'Application form for prudential permissions'

6. The purpose of the new prudential **Form 165-04** is to facilitate the CIFs when requesting CySEC's permission, with reference to the Regulation (EU) 2019/2033 ('IFR'), Regulation (EU) 575/2013 ('CRR') and Law L.165(I)/2021, where applicable, in the following areas:
 - A. Application for interim profit recognition
 - B. Application for liquidity reduction
7. Thus, the CIFs that wish to request CySEC's permission, for any of the areas mentioned above, should complete only the relevant Section(s) of the Form 165-04 for which the permission is requested and submit it to CySEC via TRS. The remaining sections, not applicable for the CIF, should be left empty.
8. The Form 165-04 is addressed to all CIFs and can be found under Section '[Forms](#)' in CySEC's website.
9. The Form 165-04 should be submitted **ONLY** electronically via TRS, after it is duly digitally signed. Details regarding the submission of the Form 165-04 can be found in the sheet 'Instructions' of the Form. Also, the steps that CIFs need to follow for the successful submission of the Form 165-04 via TRS can be found [here](#). CySEC will not accept any other ways of submitting the Form 165-04.
10. CySEC's Circular [C305](#) regarding interim profit recognition continues to remain in force but CySEC's permission should only be requested via the submission of Form 165-04 via TRS.

C. Other information

11. CIFs should always use the latest available version of the Forms, which can be found in [CySEC's website](#). CIFs are urged to subscribe to [RSS Service](#) so as to ensure that they are informed for any changes in the Forms.
12. CIFs may conduct prudential@cysec.gov.cy for queries regarding the completion of the Forms and information.technology@cysec.gov.cy for any queries regarding the TRS.

Sincerely,

Dr. George Theocharides
Chairman, Cyprus Securities and Exchange Commission