

PRESS RELEASE

Firms given permission to operate under TPR, until their applications are reviewed

NICOSIA 14 December 2021 - CySEC has issued a Policy Statement (available [here](#)) relating to its decision to further amend Directive 87-04, in an effort to ensure the smooth transition of UK groups operating under the Temporary Permissions Regime (TPR), until they establish a physical presence in Cyprus.

It should be noted that in December 2020, CySEC introduced a Temporary Permission Regime so that UK firms can continue to provide investment services without a physical presence in Cyprus, under the condition that they only offer their services to eligible counterparties and/or professional clients based in Cyprus.

In this framework, 96 companies filed an application to join the TPR as of February 2021, eight of which either did not meet the requirements, or withdrew their applications. The remaining companies secured a temporary permit to continue to provide their services (including investment activities) to professional clients and eligible counterparties in Cyprus, up until 31 December 2021, without having a physical presence in the country. Amongst the groups of the TPR Entities (the 'TPR Groups'), several sought to continue their solicited activities in Cyprus and in this context relevant applications have been submitted to CySEC.

It should be noted that the applications received by CySEC are reviewed in order of priority, creating a series of challenges as it comes to the evaluation's completion in a timely manner. Considering that reviewing applications that entail the establishment of a physical presence within the Republic is a cumbersome procedure, CySEC has decided to proceed with amending Directive 87-04, allowing companies operating under TPR to continue to operate under this regime, until the relevant application is reviewed.

Upon the approval of the relevant application, a period of additional six months is granted for the smooth and compliant onboarding of clients to the Physical Establishments and/or for such establishment becoming fully operational, as applicable.

It should be stressed that the Policy Statement concerns UK companies operating under TPR that either they *per se* or their group, as the case may be:

- attempted to continue their activities by acquiring a physical presence in Cyprus, either by establishing a third-country branch or by establishing a new CIF or acquiring stakes, including qualifying stakes, in an existing CIF and whose applications have not been fully evaluated yet;
- will seek to continue their activities through the establishment of a physical presence in Cyprus by filing a relevant application by 31 December. Prospective applicants were included to avoid negatively affecting applications that are in the process of finalization and submission to CySEC.

The entities that will be able to continue to operate based on TPR after 31 December 2021, will be published in a relevant section of the CySEC website. The remaining TPR entities will have to cease their activities in the Republic by 1 January 2022.

For any inquiries or further information relating to the content of the present Policy Statement, interested parties can contact CySEC's Policy Department at: policy@cysec.gov.cy.

END