
TO : Cyprus Investment Firms

FROM : Cyprus Securities and Exchange Commission

DATE : 19 October 2017

CIRCULAR NO. : C246

SUBJECT : European Banking Authority “Opinion on the design of new prudential framework for investment firms”

The Cyprus Securities and Exchange Commission wishes to inform the Cyprus Investment Firms about the following:

1. The European Banking Authority (EBA) issued on the 29th of September 2017, its [Opinion](#) on the design and calibration of a new prudential framework for investment firms (the ‘Opinion’), which is specifically tailored to the needs of investment firms’ different business models and inherent risks.
2. The EBA has developed the Opinion in response to the European Commission's call for advice of 13 June 2016 on the design of a new prudential framework for those MiFID investment firms for which the current prudential regime of the Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR) is not appropriate.
3. The Opinion includes a series of recommendations aiming to develop a single and harmonised set of requirements that are reasonably simple, proportionate and relevant to the nature of investment firms authorised to provide MiFID services and activities. It covers the design and calibration of capital and liquidity requirements, consolidated supervision, reporting requirements, the suitability of the proposed framework for commodity derivatives firms and the need of macro prudential tools.

Sincerely,

Demetra Kalogerou
Chairman of Cyprus Securities and Exchange Commission