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TO : **Alternative Investment Fund Managers ('AIFMs')**  
FROM : **Cyprus Securities and Exchange Commission**  
DATE : **July 26, 2021**  
CIRCULAR No : **C460**  
FILE No : **01.13.001.002.002**  
SUBJECT : **ESMA Guidelines on Article 25 of Directive 2011/61/EU**

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1. The Cyprus Securities and Exchange Commission ('CySEC'), wishes with this Circular, to inform the AIFMs, that the European Securities and Markets Authority ('ESMA'), issued on June 22, 2021, the official translations in all European Union official languages (including translation in the Greek language), of its Guidelines ('the Guidelines'), on Article 25 of Directive 2011/61/EU ('the Directive') with reference number [ESMA34-32-701 EN](#).
2. Section 32(1) of Law 56(I)/2013 ('the Law'), transposes the provisions of Article 25 of the Directive. Based on Section 32(1) of the Law, CySEC uses the information collected under section 31 of the Law, for the purposes of identifying the extent to which the use of leverage contributes to the built-up of systemic risk in the financial system, risks of disorderly markets or risks to the long-term growth of the economy.
3. The Guidelines apply to National Competent Authorities ('NCAs').
4. The purpose of the Guidelines, is to establish consistent, efficient and effective supervisory practices within the European System of Financial Supervision and to ensure the common, uniform and consistent application of Article 25 of the Directive. In particular, they relate to the assessment of leverage-related systemic risk and aim to ensure that NCAs adopt leverage related measures are met.
5. The Guidelines apply from 23 August 2021 for the AIFMs that have a reporting obligation under Section 31 of the Law.
6. We wish to inform you that CySEC adopted the Guidelines and therefore urges the AIFMs reporting under Section 31 of the Law, to make every effort to comply with the reporting obligations of the Law, within the set deadlines.

Yours sincerely,

Demetra Kalogerou  
Chairman, Cyprus Securities and Exchange Commission