

DIRECTIVE DI144-2007-04 OF 2012  
OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ON CHARGES AND  
ANNUAL FEES OF INVESTMENT FIRMS AND REGULATED MARKETS

The Cyprus Securities and Exchange Commission in accordance with the power vested in it by virtue of section 144 of the Investment Services and Activities and Regulated Markets Law of 2007, issues the following Directive:

Short title            1. This Directive may be cited as the Directive DI144-2007-04 of 2012 on  
R.A.D. 387/2011       Payable Charges and Fees.  
R.A.D. 7/2012

Definition            2. In this Directive, unless the context otherwise indicates:

N144(I)/2007        «Law» means the Investment Services and Activities and Regulated  
N                        Markets Law of 2007;

160(I)/2009

«turnover» means the income and commissions resulting from the provision of investment and ancillary services, the performance of investment activities and the conduction of other business, beside the income from transactions made on own-account;

In case the Investment Firm deals in own account on behalf of its clients or performs back-to-back trading, despite if those transactions are deemed to be transactions on own-account for CIF authorisation purposes or for any other purpose, the income from the said transactions shall be counted in the IF's turnover.

The above income and commissions shall not include commissions or remunerations paid by the CIF to third persons as long as they are connected with the income and commissions or form part thereof, resulting from the provision of specific investment and ancillary services, the performance of specific investment activities and the conduction of specific business.

Terms used in this Directive that are not interpreted differently shall have the meaning given to them by the Law.

Where in this Directive reference is made to the Law, this includes any Regulations issued thereof.

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| Scope  | 3. This Directive shall determine the charges payable for the examination of applications or for the submission of notifications and/or communications, in respect of CIFs and regulated markets, as well as the annual fees paid to the Commission.  |
| Charges for the submission of applications, communications and notifications to the Commission | 4. (1) On the submission of applications, communications and notifications to the Commission, charges are paid as determined in Part I of this Directive. Failure to pay such charges, the applications and notifications shall be considered not submitted to the Commission.<br><br>(2) Charges paid for the submission of applications, communications and/or notifications by CIFs shall be the same for IFs registered in third countries which provide services or intend to provide services in the Republic through a branch.                           |
| Payable annual fees  | 5. (1) (a) CIFs, IFs operating in the Republic through a branch, and regulated markets shall pay annual fees to the Commission, as determined in Part II of this Directive.<br><br>(b) CIFs, which have not started operating within the calendar year they are granted their CIF authorisation, shall pay annual fees to the Commission for the specific calendar year, since they come under the supervision of the Commission.<br>It is provided that CIFs, which obtain their CIF authorisation during a calendar year, shall pay annual fees in proportion |

to the time-period for which they hold the CIF authorisation. When calculating the annual fee, the month in which the CIF authorisation is granted is taken into account and not the day the CIF authorisation is granted.

- (c) IFs which are operating in the Republic through a branch shall pay annual fees from the calendar year during which the Commission received the communication provided in section 77(2) of the Law from the competent authority of the IF home member state regarding the establishment of a branch in the Republic.

*It is provided that CIFs which are operating in the Republic through a branch shall pay annual fees in proportion to the time-period since the establishment of the relevant branch.*

- (2) Non-payment of the fees referred to in Part II within the deadline of subparagraph (3), entails suspension of the CIF authorisation, or the authorisation of the branch of the third country IF, or the regulated market authorisation until their payment.
- (3) The fees prescribed in subparagraph (1) and (2) of Part II are payable within four months from the end of each financial year, at the same time as the submission of Form 144-04-12.
- (4) The fee prescribed in subparagraph (3) of Part II is payable within two months from the end of each semester. Regulated markets are obliged within four months from the end of each financial year to submit to the Commission a reconciliation of the incomes of paragraph 3 of Part II with the corresponding incomes of the audited financial statements of the financial year in reference. In case of a difference in the subscription amount paid, there will be a set off with the amount to be submitted for the next semester fee.
- (5) The regulated markets produce to the Commission, in conjunction with the submission of the fee of sub paragraph 4, a confirmation of the accuracy of the calculation of the said fee signed by a person authorised to do so.
- (6) The Commission in case of any doubt retains the right to appoint independent auditors for the purpose of confirming the accuracy of the calculation of the fee paid by the persons mentioned in sub paragraph (1). In such a case the expenses for the appointment shall be paid by the persons mentioned in sub paragraph (1).

Repeal of  
Directive  
DI144-2007-  
04 of 2011  
and Directive  
DI144-2007-  
04(A) of 2012

6. The Directives regarding the charges and annual fees paid to the Commission, with references Regulatory Administrative Decisions (Κ.Δ.Π.) 387/2011 and 7/2012, are hereby repealed and replaced by this Directive.

Official  
Government  
Gazette,  
Annex  
III (I):  
17.10.2011  
13.01.2012

Entry into  
force

7. This Directive shall enter into force on the day of its publication in the Official Gazette of the Republic.

PART I

Cyprus Securities and Exchange Commission Charges

	<u>Relevant Section of the Law</u>	<u>Payable Charge</u>
1.	Section 6(9) – Application for the conduction of any other business, beyond the services or/and activities stated in the CIF authorisation	Three hundred (300) euros per requested business
2.	Section 21(1) – Application for the granting of a CIF authorisation	Three thousand (3,000) euros, plus an additional one thousand (1,000) euros per investment service or activity of Part I, Annex III of the Law, except for the operation of a Multilateral Trading Facility (MTF) the additional amount of which is ten thousand (10,000) euros, as well as five hundred (500) euros per ancillary service of Part II, Annex III of the Law
3.	Section 23 – Application for extending a CIF authorisation	(a) One thousand (1,000) euros per investment service or activity of paragraph 1-7 of Part I, Annex III of the Law`  (b) ten thousand (10,000) euros for the investment service of paragraph 8 of Part I, Annex III of the Law or five thousand (5.000) euros in case of extending the authorisation of an existing MTF`  (c) five hundred (500) euros per ancillary service of Part II, Annex III of the Law.
4.	Section 31(1) – Application for the reduction of of CIF share capital	Five hundred (500) euros
5.	Section 32 – Changes in the persons who effectively direct the business of CIF	Five hundred (500) euros
6.	Section 33 – Application for the acquisition, sale, increase or reduction of CIF holding	One thousand (1000) euros
7.	Section 40(6) – Application for registration in the public register of tied agents	Five hundred (500) euros
8.	Section 53- Maintenance and Supervision of a register. It is implied that this fee is submitted by the Examination board referred to in section 54.	Forty (40) euros for each successful candidate.

9.	Section 67 – Application for the evaluation of the CIF capital adequacy calculation method in accordance with the Directive regarding the capital requirements of CIFs	The payable charge includes all expenses connected to the assessment of such application based on the time spent by the Commission's officers. In case the Commission assigns such assessment to an expert instead of its officers, the charge shall include the cost of the expert
10.	Part VIII – Any other application in respect of the CIF capital adequacy in accordance to the Directive regarding the capital requirements of CIFs and the Directive regarding large exposures	Five hundred (500) euros
11.	Section 75 – Application for the establishment of a CIF branch in the Republic	One thousand (1,000) euros
12.	Section 76 – Application for the establishment of a CIF branch in another Member State and/or a third country	One thousand (1,000) euros
13.	Section 77 – Notification for the establishment of a branch in the Republic by a Member State IF	Two hundred fifty (250) euros
14.	Section 79 –Application for free provision of investment and ancillary services and/or performance of investment activities by a CIF in another Member State and/or a third country	Five hundred (500) euros
15.	Section 83 – Notification regarding central counterparty, clearing and settlement arrangements	Five hundred (500) euros
16.	Section 87(1) – Application for the granting of a regulated market authorisation	One hundred thousand (100,000) euros
17.	Section 89 – Application to change, amend or extend regulated market authorisation	Ten thousand (10,000) euros
18.	Section 97(4) – Application for change in the person who effectively direct the business and operation of the regulated market	Five hundred (500) euros
19.	Section 98(4) – Application for change in the person exercising significant influence over the operation of the regulated market	Five hundred (500) euros
20.	Section 106(6) – Notification of a regulated market of the provision of appropriate arrangements in another member state	Five hundred (500) euros

21.	Section 52(2) – Request for the taking up of duties by persons not registered in the public register provided for in section 53	Two hundred fifty (250) euros
22.	Section 18(2)(d) and paragraph 17(2) of Directive DI144-2007-01 – Communication for the outsourcing of services to a service provider located in a third country	Five hundred (500) euros
23.	For each true translation of CIF and/or regulated market authorization issued by the Commission	Twenty (20) euros
24.	For each true copy issued by the Commission	Twenty (20) euros

## PART II

### Cyprus Securities and Exchange Commission Annual Fees

#### Section 144 – Fees

1. The CIF or IF registered in a third country which provide services in the Republic through a branch shall pay annual fees which shall be the sum of points (a) and (b) as follows:

- (a) A fixed charge of three thousand (3,000) euros plus
- (b) Accumulated increment according to the product of the turnover of the CIF or of the branch of the IF registered in a third country which provides services in the Republic, provided that the turnover exceeds five hundred thousand (500,000) euros, by the respective scale of percentages, as defined below:
  - (i) 0.5% for a turnover between five hundred thousand (500,001) and one million (1,000,000) euros;
  - (ii) 0,125% for a turnover between one million one (1,000,001) and five million (5,000,000) euros;
  - (iii) 0.075% for a turnover between five million one (5,000,001) and ten million (10,000,000) euros;
  - (iv) 0.050% for a turnover exceeding ten million one (10,000,001) euros.

The increment is calculated on the basis of the annual financial statements of the previous year.

The maximum fee shall be fifty thousand (50,000) euros.

The branch of an IF registered in a third country shall pay annual fees based on its turnover.

- 2. The annual fees for an IF incorporated in a Member State which provides services in the Republic through a branch shall be three hundred (300) euros.
- 3. The regulated market shall pay a 6-month charge equal to 10% of its income

derived by the transactions in financial instruments conducted in or notified to the regulated market.