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**TO** : **Cyprus Investment Firms**

**FROM** : **Cyprus Securities and Exchange Commission**

**DATE** : **May 19, 2023**

**CIRCULAR NO.** : **C574**

**SUBJECT** : **ESMA launches a Common Supervisory Approach with NCAs on the application of MiFID II disclosure rules with regard to marketing communications across the European Union (EU).**

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1. The Cyprus Securities and Exchange Commission (CySEC) wishes, with this circular, to inform the Cyprus Investment Firms (CIFs) that the European Securities and Markets Authority (ESMA) has launched the [CSA 2023](#) with national competent authorities (NCAs) on the application of MiFID II disclosure rules with regard to marketing communications across the European Union (EU).
2. The scope of the CSA 2023 is set as follows:
  - to review whether marketing communications (including advertisements) are fair, clear and non-misleading and how firms select the target audience for the marketing communications, especially in the case of riskier and more complex investment products.
  - to consider marketing and advertising by firms through distribution channels including apps, websites, social media and collaborations with affiliates such as influencers.
  - to collect information about possible 'greenwashing practices' observed in marketing communications and advertisements.
3. In the context of the CSA, CySEC is planning to conduct on-site visits and/or desk based reviews on a sample of CIFs that fall within the scope of the said CSA providing investment services to retail clients, during the second half of 2023. This action will allow CySEC to assess how the CIFs apply the MiFID II requirements on marketing communications and it will also enhance the protection of investors in line with ESMA's objectives.
4. For the purposes of the CSA 2023, CySEC will consider the following regulatory framework:
  - a. Articles 17(3), 17(5) and 25(3) of Law 87 (I) / 2017

b. Articles 21, 44, 46(5) and 46(6) of MiFID II Delegated Regulation (DR)

Therefore, CySEC expects CIFs to adhere to the content of this Circular as this will form part of CySEC's supervisory review for the purpose of the 2023 CSA.

Sincerely,

George Theocharides  
Chairman Cyprus Securities and Exchange Commission