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**APPLICATION FOR AN EXTENSION**

**OF THE CIF AUTHORISATION**

**Name of applicant : «…..……………………………..»**

**Purpose of this form**

You should complete this form if you are a Cyprus Investment Firm that wishes to extent its CIF Authorisation into additional investment services/activities, ancillary services and/ or financial instruments.

**Application pursuant to section 23 of the Investment Services and Activities and Regulated Markets Law of 2007 (‘the Law’)**

General comments

1. This application must be completed in electronic form. An electronic version of it can be downloaded from the website of the Cyprus Securities and Exchange Commission (‘the CySEC’) at the address [www.cysec.gov.cy](http://www.cysec.gov.cy).
2. The questions must remain unaltered and the answers must be provided below each question.
3. All questions applicable in the case of the applicant should be duly completed, or, if they are not applicable state “N/A”.
4. In the case where the attachment of details or documents is required, add a reference to the relevant question and attach them as a numbered Appendix following the numbering order set out by the CySEC. The numbering of the Appendices must remain unchanged even when there are no details/documents to be submitted (for example, if there are no details/documents to be attached as Appendix 2 then this should be numbered and left empty).
5. Where there are no competent authorities for the issue of certificates, attach equivalent documents from an independent and reliable source.
6. This application, when submitted to the CySEC, must be accompanied by the required charge, as this is defined in Appendix I.
7. If the application involves the extension of the CIF Authorisation into financial instruments only then no charges are required to be paid for the assessment of the application.
8. Οn completing this application, it should not be assumed that information, which is publicly available, or which has been previously disclosed to the CySEC or to another regulatory body is known to the CySEC.

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**PART A**

1. **Details of the person that CySEC will contact about this application**

|  |  |  |
| --- | --- | --- |
| Contact person name | : |  |
| Telephone number | : |  |
| Fax number | : |  |
| e-mail address | : |  |

1. **Services, activities and financial instruments for which authorisation is requested**
	1. Complete the following tables by marking with ‘✓’ **ONLY** the box that corresponds to the additional investment services, ancillary services and financial instruments in respect of which the CIF is requesting an extension of its authorisation.

|  |  |  |
| --- | --- | --- |
| **No.** | 1. **Investment Services as defined in Part I of the Third Appendix of the Law**
 | **Tick where applicable (✓)** |
| 1. | Reception and transmission of orders in relation to one or more financial instruments. |  |
| 2. | Execution of orders on behalf of clients. |  |
| 3. | Dealing on own account. |  |
| 4. | Portfolio management. |  |
| 5. | Investment advice. |  |
| 6. | Underwriting of financial instruments or placing of financial instruments on a firm commitment basis. |  |
| 7. | Placing of financial instruments without a firm commitment basis. |  |
| 8. | Operation of a Multilateral Trading Facility. *If the applicant intends to operate a Multilateral Trading Facility, the applicant must also complete Part B.* |  |

|  |  |  |
| --- | --- | --- |
| **No.** | **Ancillary Services as defined in Part II of the Third Appendix of the Law** | **Tick where applicable (✓)** |
| 1. | Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/ collateral management. |  |
| 2. | Granting credits or loans to an investor to allow the investor to execute a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction. |  |
| 3. | Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings |  |
| 4. | Foreign exchange services where these are connected to the provision of investment services. |  |
| 5. | Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments. |  |
| 6. | Services relating to underwriting. |  |
| 7. | Investment services and activities as well as ancillary services of the type included under points I and II above related to the underlying of the derivatives included under point III (5), (6), (7) and (10) where these are connected to the provision of investment or ancillary services. |  |

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| --- | --- | --- |
| **No.** | **Financial Instruments as defined in Schedule 1 of S.I. No. 60 of 2007 (‘MiFID Financial Instruments’)** | **Tick where applicable (✓)** |
| 1. | Transferable securities. |  |
| 2. | Money market instruments. |  |
| 3. | Units in collective investments undertakings  |  |
| 4. | Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash |  |
| 5. | Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event). |  |
| 6. | Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF. |  |
| 7. | Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of Part III and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls. |  |
| 8. | Derivative instruments for the transfer of credit risk. |  |
| 9. | Financial contracts for differences. |  |
| 10. | Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls. |  |

1. **Systematic internaliser**

3.1 In the case that the CIF is requesting the provision of the investment service of Execution of orders on behalf of clients and Dealing on own account, state whether the CIF intends on acting as a systematic internaliser for shares admitted to trading on a regulated market

 ……………………………………………………………………………………..

If yes, state the following:

|  |  |  |  |
| --- | --- | --- | --- |
| 3.1.1 | Name of issuer  | : |  |
| 3.1.2 | Name of regulated market where the shares are admitted to trading  | : |  |
| 3.1.3 | Home member state of regulated market  | : |  |

1. **Capital adequacy**
	1. State the level of the capital of the CIF[[1]](#footnote-1).

 ……………………………………………………………………………...

* 1. In the case where with the extension of the CIF authorisation, an increase in the capital is required, disclose the following:
		1. State the level and the method of increase.

………………………………………………………………………..

* + 1. Attach as **Appendix 1** certification by the CIF that it possesses or will possess the funds required for the increase in its initial capital.

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4.3 State whether the applicant CIF intends on holding funds or\and financial instruments belonging to clients.

 ……………...………………………………………………………………..

* 1. State whether the applicant CIF intends on using the capability provided for in section 10(2)(b) or 10(4)(b) of the Law. If yes, attach as **Appendix 2** true copy of the insurance document with regards to the professional indemnity insurance.

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* 1. Attach as **Appendix 3** the latest Internal Capital Adequacy Assessment Process (“ICAAP”) approved by Board of Directors.

State the Projected CRD Pillar 2 Capital Requirement: …………………………

1. **Organisational structure**

Attach as **Appendix 4** chart of the CIF’s new organisational structure, in which the following must be shown analytically:

5.1 All the levels of reporting (up to the applicant’s Board of Directors)

* 1. All departments/functions
	2. Committees
	3. Third parties to which services/activities/functions are outsourced.
	4. Number of employees in each department/function
	5. Names of employees (if known)
	6. Position of each employee, type of employment (full/part-time) and his place of establishment
1. **Operation of a Multilateral Trading Facility**

In the case that the applicant CIF has applied for the provision of services Ι(8) (Operation of MTF) it must complete Part B of this Form.

1. **Organisational requirements**

 Attach as **Appendix 5** extract of the internal regulation of operation, stating the procedures, mechanisms, operations that concern the services, activities and financial instruments for which this application for extending the CIF authorisation was submitted.

In the case where the applicant has applied for the provision of services Ι(8) (Operation of MTF) the applicant needs to include additional information in its internal regulation of operation as set out in Part B.

1. **Business plan**

Attach as **Appendix 6** the revised business plan stating the amendments in the business plans of the CIF, which relate with the provision of the new services.

**PART B - Operation of a Multilateral Trading Facility (‘MTF’)**

1. **Overview MTF Operations:**

1.1 The internal regulation of operation of the applicant referred to in paragraph 7 of Part A (**Appendix 5**) must also include the following in relation to the Trading Platform:

1.1.1 The proposed instruments to be traded on the platform (including a detailed instrument specification (e.g. base currency, minimum trading increment, minimum contract size, how contracts are liquidated or rolled forward, tick size etc.);

1.1.2 The proposed systems and controls in place for monitoring and reviewing the operation of the trading platform and trading on its platform;

1.1.3 The proposed market participants (including market makers etc.) and overview of requirements for membership;

1.1.4 An overview of proposed rulebook(s) and market parameters;

1. **Trading Process and Finalisation of Transactions**

2.1 Attach as **Appendix 7** the Rulebook of the MTF that will include details of the proposed procedures, processes and/or other arrangements that the applicant proposes to put in place to satisfy the following specific criteria:

 2.1.1 Transparent and non-discretionary rules and procedures for fair and orderly trading and objective criteria for the efficient execution of orders.

 2.1.2 Transparent rules regarding the criteria for determining the financial instruments that can be traded within its system.

2.1.3 Transparent rules, based on objective criteria, governing access to the MTF facility, and that the applicant has ensured that the rules comply with the conditions and requirements established under Section 106 (3) of the Law.

2.1.4 Access to sufficient publicly available information to enable the users of the MTF to form an investment judgement, taking into account both the nature of the users and the types of instruments traded.

2.1.5 Appropriate systems and procedures to ensure that it is in a position to comply immediately with any instruction from CySEC to suspend or remove a financial instrument from trading.

2.1.6 Effective arrangements and procedures, relevant to the MTF, for the regular monitoring of the compliance by its users with its rules.

2.1.7 Effective systems to monitor the transactions undertaken by its users under its systems in order to identify -

* + - 1. breaches of its rules
			2. disorderly trading conditions;
			3. conduct that may involve market abuse; and
			4. effective procedures to ensure that it can report such instances to CySEC.

2.1.8 Effective procedures to ensure that it is in a position to provide full assistance to CySEC in investigating and prosecuting market abuse occurring on or through its systems.

2.1.9 Effective arrangements to facilitate the efficient clearing and settlement of the transactions concluded under its systems.

2.1.10 Clear information to the potential users of the MTF of their respective responsibilities for the settlement of the transactions concluded under its systems.

1. **Pre-trade and Post-Trade Transparency Requirements**

3.1 Does the applicant intend to offer trading facilities in relation to shares which are admitted to trading on a regulated market?

**If yes**, the details of the proposed procedures, processes and/or other arrangements that the applicant proposes to put in place regarding the following issues must be included in the Rulebook of the MTF:

3.2 The arrangements to make public on reasonable commercial terms and on a continuous basis during normal trading hours:

 (i) any current bid and offer prices that will be advertised through its systems in respect of shares admitted to trading on a regulated market; and

(ii) the depth of the trading interests at those prices.

3.3 Any pre-trade transparency waiver which the applicant intends to request under Section 49 (2) of the Law together with a full description of the functionality of the order type for which the request is made.

3.4 The procedures to ensure that the applicant can make public the price, volume and time of the transactions carried out under its systems as soon as possible on reasonable commercial terms and in a manner accessible to other market participants.

3.5 The systems to determine whether applicant can defer publication in accordance with the criteria set out in table 4 of Annex II of Commission Regulation (EC) No. 1287/2006[[2]](#footnote-2) if it intends to defer publication in accordance with Regulation 50 (2) of the Law.

3.6 Any post-trade transparency deferment arrangement that the applicant intends to request under Regulation 50(2) of the Law including the procedures to ensure that the proposed deferment arrangement will be clearly disclosed to market participants and the public.

1. Attach as **Appendix 8** the completed Checklist for the Part B of the Application Form (Form 144-03-04) accompanying the application for the granting of a CIF Authorisation.

**PART C – Confirmation**

**I responsibly declare, having full knowledge of the consequences of the Law, that:**

1. **Ι have exercised all due diligence in ensuring that all the information stated in this application, as well as the details and documents that accompany it are correct, complete and accurate.**
2. **I will notify the CySEC immediately if there is a significant change to the information, details and documents submitted with this application.**
3. **I am authorised to sign on behalf of the firm.**

**I acknowledge and accept that the CySEC may reveal information in the discharge of its duties, as these are defined in the Law.**

**The provision of false, or misleading information or details or documents or forms, or the withholding of material information from the current application, in addition to constituting a violation subject to an administrative fine not exceeding €350.000 and in case of remission or continuation of the violation, an administrative fine not exceeding €700.000 and a criminal offence punishable, in the event of conviction, by imprisonment not exceeding five years.**

Full name: ……………...…………….............................................................................

Position held in the Investment Firm: …………..………………………………………

Signature: …………………………………..……………………………….………….

Date: ..…………………………………….……………………………………………

......................................................... ...........................................................

Full name and capacity Signature

Date ...........................................

**Appendix I**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial****Instruments** | **Investment Services/Activities** |  | **Ancillary Services** | **Sum of charge****€** |
|  | **Ι(1)** | **Ι(2)** | **Ι(3)** | **Ι(4)** | **Ι(5)** | **Ι(6)** | **Ι(7)** | **Ι(8)** |  | **ΙΙ(1)** | **ΙΙ(2)** | **ΙΙ(3)** | **ΙΙ(4)** | **ΙΙ(5)** | **ΙΙ(6)** | **ΙΙ(7)** |  |
| **ΙΙΙ(1)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(2)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(3)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(4)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(5)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(6)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(7)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(8)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(9)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **ΙΙΙ(10)** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Calculation of charge  | 1.000 | 1.500 | 2.000 | 1.500 | 1.000 | 2.000 | 1.000 | 25.000 |  | 500 | 500 | 500 | 500 | 500 | 500 | 500 | = (1) |

|  |  |
| --- | --- |
| Other activities (total charge from paragraph 5) | (2) |
| **Total charges to be paid (in euro)**  | **(3)=(1)+(2)** |

**Notes regarding Table above**

**I. Investment Services (Part Ι of the Third Appendix of the Law 144(Ι)/2007)**

I(1) Reception and transmission of orders in relation to one or more financial instruments

I(2) Execution of orders on behalf of clients

I(3) Dealing on own account

I(4) Portfolio management

I(5) Investment advice

I(6) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis

I(7) Placing of financial instruments without a firm commitment basis

I(8) Operation of Multilateral Trading Facility

**ΙΙ. Ancillary Services (Part IΙ of the Third Appendix of the Law 144(Ι)/2007)**

ΙΙ(1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management

ΙΙ(2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction

ΙΙ(3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings

ΙΙ(4) Foreign exchange services where these are connected to the provision of investment services

ΙΙ(5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments

ΙΙ(6) Services related to underwriting

ΙΙ(7) Investment services and activities as well as ancillary services of the type included under points I and II above related to the underlying of the derivatives included under point III (5), (6), (7) and (10) where these are connected to the provision of investment or ancillary services.

**ΙΙΙ. Financial instruments (Part III of the Third Appendix of the Law 144(Ι)/2007)**

ΙΙΙ(1) Transferable securities

ΙΙΙ(2) Money-market instruments

ΙΙΙ(3) Units in collective investment undertakings

ΙΙΙ(4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash

ΙΙΙ(5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).

ΙΙΙ(6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and an MTF

ΙΙΙ(7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of Part III and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls

ΙΙΙ(8) Derivative instruments for the transfer of credit risk

ΙΙΙ(9) Financial contracts for differences

ΙΙΙ(10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

1. *Refer to section 2 of the Law, definition of "initial capital".*  [↑](#footnote-ref-1)
2. Commission Regulation (EC) No 1287/2006 implementing Directive 2004/39/EC as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive. [↑](#footnote-ref-2)