

The Guideline below is being re issued as Circular C025 for correct filing purposes



Guidelines GD-IF-01

Guidelines for compliance with the authorisation and operating conditions of CIF– Persons employed by a CIF

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I. Introduction

1. Article 6 (3) and (4) of the Investment Services and Activities and Regulated Markets Law of 2007, as applicable from time to time (**'the Law'**), states that the Securities and Exchange Commission (**'the Commission'**) grants CIF authorisation only when it is satisfied that the Applicant meets, or has received all necessary measures to fulfill, all the conditions for granting CIF authorization set out in the Law.
2. Article 15 of the Law, which provides the conditions for granting CIF authorisation, states that *“Persons employed by a CIF must be of sufficiently good repute and have the skills, knowledge and expertise for performing their assigned responsibilities”*.
3. Article 28 (1) of the Law states that *“A CIF must at all times comply with the conditions under which authorisation was granted ...”*.
4. Paragraph 4 (1) (d) of Directive DI144-2007-01 of 2011 of the Commission for the Authorisation and Operating Conditions of CIFs (**“the Directive”**) states that *“a CIF must employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them”*.
5. The Commission assesses the CIF's compliance with the above provisions in two stages:
 - i. During the assessment of the application for granting CIF authorisation.
 - ii. During the operation of the CIF, under controls or investigations.
6. The Commission evaluates the compliance of the CIF on a case by case, taking into account the operational status of each CIF. The Commission is satisfied that the CIF complies with these provisions when the latter, by adopting and implementing recruitment procedures, follows these guidelines. Although it is the responsibility of the CIF to show compliance with the above provisions, the Commission issues these guidelines for the convenience of all interested parties and for their information as to what is expected to do in order to be considered that they are in compliance with the above provisions.
7. The guidelines apply to all:
 - i. companies that submit application to the Commission for granting CIF authorisation,
 - ii. CIFs.
8. These guidelines are not exhaustive but form the general basis for compliance with the above provisions and provide guidance as to what the Commission expects to

see for this purpose, in the application of its powers / responsibilities, in accordance with the meaning of Article 6 (3) and (4) of the Law.

In view of the fact that these guidelines are not binding, in case where any of the persons referred to in paragraph 7 decide not to apply these, they must, when requested, inform the Commission about alternative procedures established and applied when recruiting their employees. In such a case the Commission must be satisfied that the alternative procedures taken meet the requirements of Article 15 of the Law and paragraph 4 (1) (d) of the Directive.

II. Definitions

9. For the purposes of this document, the following terms shall have the meaning as the definition set out below. Terms used in the guidelines and not otherwise defined have the meaning specified in the Law.

"record" means a record kept in accordance with paragraph 14.

"public register" means the public register as specified in Article 53 of the Law •

"person" means a natural person that is employed or will be employed by a CIF to provide investment or ancillary services or perform investment activities, or exercise the functions under paragraph 21.3 of this document.

III. Guidelines for establishing and implementing procedures for the recruitment of CIF employees

A. During the assessment of the application for granting CIF authorisation

10. The Commission, before granting a CIF authorization, it must be satisfied, inter alia, that the Applicant complies, or has taken all necessary measures in order to comply with the provisions of Article 15 of the Law and paragraph 4 (1) (d) of the Directive.
11. The Commission is satisfied that there is compliance or that all necessary measures have been taken to comply with these provisions when the Applicant establishes or will establish procedures for the recruitment of its employees, which are equivalent to those outlined in this section. These procedures are included in the internal regulation of operation of the Applicant, which is submitted to the Commission under paragraph 17.1 of Form 144-03-01 – Application for granting of a CIF authorisation.
12. The Commission, in addition to the information disclosed under paragraph 10.5 of Form 144-03-01, does not require, when applying for a CIF authorization, the provision of other information and / or supporting documents for the recruitment of specific persons.

B. During the operation of the CIF

13. The CIF, during its operation, recruits its employees by implementing the relevant procedures contained in its internal regulation of operation as set out in paragraph 11 of this document.
14. The CIF must keep records of all information, documents and supporting documents received during the recruitment process, which must be available for inspection at any time by the Commission. All relevant documents and supporting documents must be consistent with the requirements of paragraph 5 of Directive DI144-2007-03 of 2011 of the Commission on the granting or extending of a CIF authorization, with regards to their certification.
15. The CIF must, at all times, ensure that the persons it employs meet the requirements of Article 15 of the Law and paragraph 4 (1) (d) of the Directive.
16. The Commission does not approve the recruitment of persons referred to in paragraph 13 of this document. The Commission may, at any time and for the purposes of securing compliance of the CIF with Article 28 (1) of the Law and hence the provisions of Article 15 of the Law and paragraph 4 (1) (d) of the Directive, request for inspection the CIF's records on recruitment of persons (paragraph 14 of this document). The Commission is satisfied that the CIF complies with the above when the CIF proves that the persons it employs meet the criteria of sub section C.

C. Qualifications

17. Persons employed by a CIF must meet the following criteria:

Good repute

18. Persons employed by a CIF must have integrity, morals and credibility. For this purpose, the CIF requests the submission of the following, which are kept in the CIF's records:
 - i. Certificate or copy of certificate of non-bankruptcy, certifying that the person is not bankrupt.
 - ii. Certificate or a copy of criminal record certificate from the competent authorities of the country of residence of the person [for the last five (5) years], attesting that the person has no criminal record.
 - iii. Questionnaire prepared by the CIF and completed by the person and containing questions equivalent to those outlined in the Appendix of this document.
 - iv. Constituent/s letter/s from people who know very well the person in questions i.e. letter from previous employers.

Skills, knowledge and expertise

19. Persons employed by a CIF must hold academic and / or have professional qualifications and professional experience relevant to the responsibilities assigned

to them. For this purpose, the CIF requests the submission of the following, which are kept in the CIF's records:

- i. Copies of academic degrees or diplomas, or/and professional qualifications.
- ii. Certificates from previous employers showing that the person has experience relevant to the assigned responsibilities.

20. In addition, the CIF must ensure that the persons it employs:

- i. Are, where applicable, registered in the public register of Article 53 of the Law. It is possible to employ a person not registered only if the Commission's prior approval is obtained in accordance with Article 52 (2) of the Law, where applicable.
- ii. Have very good knowledge of Greek or/and English.

Relevant academic title or degree or professional qualification and relevant experience

21. The terms 'relevant academic title or degree, or professional qualification' and 'relevant experience' referred to in paragraph 19, are interpreted by the Commission as follows:

21.1 In the event that the persons will receive and transmit orders related to one or more financial instruments and / or execute orders on behalf of clients (1 and 2, Part I Third Appendix of the Law), related academic title or degree or professional qualification and relevant experience means:

- i. secondary education degree or an equivalent qualification or certificate
- ii. certificate of at least two years of study at a public or private institution of post-secondary education in a field related to economics or finance, including banking and finance, or business management (business administration), or accounting, or management information systems, or

university or postgraduate degree or other equivalent qualification in a field related to the subjects of the preceding paragraph, or

professional experience for at least one (1) year in full-time occupation in the financial sector.

21.2 If the person will be dealing on own account, or manage client portfolios or provide investment advice or provide the service of underwriting or placing of financial instruments with or without a firm commitment basis (paragraphs 3, 4, 5, 6 and 7, Part I Third Appendix of the Law), related academic title or degree or professional qualification and relevant experience means:

- i. secondary education degree or an equivalent qualification or certificate
- ii. university or postgraduate degree or other equivalent qualification in a field related to economics or finance, including banking and finance, or business management (business administration), or accounting (accounting), or

professional experience for at least ten (10) years in full-time occupation in the financial sector.

21.3 If the persons will be performing the following functions:

- compliance function in relation to the legislation (paragraph 5 (3) (b) of the Directive)
- compliance with the Prevention of Money Laundering and Terrorist Financing (paragraph 8 of Directive DI144-2007-08)
- internal Audit (paragraph 8 of the Directive)
- risk management (paragraph 6 (2) of the Directive)

relevant academic title or degree or professional qualification and relevant experience means:

- i. secondary education degree or an equivalent qualification or certificate
- ii. university or postgraduate degree or other equivalent qualification in a field related to economics or finance, including banking and finance, or business administration, or accounting and
- iii. professional experience for at least two (2) years in full time occupation in the execution of at least one of the above functions.

22.If the persons will be providing the ancillary services of Part II, Third Appendix of the Law, the CIF must adopt and implement similar conditions to those listed in paragraphs 19, 20 (ii) and 21 of this document.

IV. Other issues

23. Changes to the details of the persons in this document are substantive changes under Article 34 of the Law, paragraph 4 and the Appendix of the Commission's Directive DI144-2007-12 of 2012 for the specialization of the term "substantial change" and disclosure.
24. Paragraphs 19, 20 (ii), 21 and 22 of this document do not apply to persons employed by the CIF before the date of issue of this document.

APPENDIX

SAMPLE QUESTIONNAIRE

**Good repute
[Paragraph 21 (iii)]**

Full name of person	
Position in CIF	

Answer the following questions by placing 'X' in the appropriate box. In the case of a positive answer, give details on a separate paper, indicating: a) the number of the question, b) the date on which the event occurred, c) the nature and amount of penalty, d) the outcome of the case and e) any other relevant information.

Please note that the following questions concern cases / offenses / circumstances both within and outside the Republic.

Responses should not include any family law matters.

		YES	NO
1.	Have you ever been convicted for an offense that involves dishonesty, deceit, financial crime, fraud, theft, false accounting transactions, bribery, venality, forgery, tax offense or other punishable offense?		
2.	Have you ever been convicted for any offenses related to companies, insurances, banking or other financial services or activities, insolvency, bankruptcy, consumer protection, money laundering, market manipulation or offences that involve the use of confidential-privileged- information?		
3.	Are there any cases against you that are pending trial? (Do not include minor cases)		
4.	Are you or were you ever the subject of any criminal investigation or proceeding?		
5.	Are you or were you ever part in a civil procedure, or action, or application, including cases in litigation?		

6.	Are you aware of anyone's intention to commence any civil proceeding or action or application, in which you will be involved?		
7.	Have any complaints or protests even been specifically and justifiably filed against you (include also pending cases) in relation to investment or ancillary services or activities, for the provision of which you were responsible?		
8.	Have you ever been asked to close an account with or had an account closed by a credit institution with which you cooperate with?		
9.	Are there any outstanding damages awarded by court against you?		
10.	Are you or have you even been declared bankrupt or have any of your assets been confiscated or were you obliged to transfer any of your assets to your creditors or have you failed to fulfill your obligations arising from a verdict against you within one year from the issue of the verdict (include pending cases)?		
11.	Have you ever been in voluntary settlement with your creditors?		
12.	Have you ever been in voluntary settlement with any competent or supervisory authority?		
13.	Do you have any outstanding financial obligations arising from regulated activities you were providing in the past associated with investment, insurance, banking or other financial services?		
14.	Have you ever been convicted for carrying out any regulated activities associated with investment, insurance, banking or other financial services without a license, or have you ever been under investigation for this purpose?		
15.	Have you ever been under investigation for allegations of misconduct, abuse of power in relation to any business activities?		
16.	Has your appointment as member of the board or directors or executive staff of a company or trustee ever been revoked, or canceled or have you ever been dismissed or asked to resign, or agreed to resign instead of being dismissed, or resigned whilst under investigation, for reasons pertaining to the exercise of the duties assigned to you, or removed from a position of administrative responsibility in an undertaking or organization (of public or private law) following a court ruling or an administrative decision?		

17.	Have you ever received a negative reply or have you been suspended from performing any kind of service or profession for which a specific license, authorization, registration or membership is required?		
18.	Have you ever been criticized, became the object of disciplinary or administrative measure or have you ever been suspended, expelled from or received a fine or any other administrative or disciplinary or other sanction by competent, supervisory authorities or professional bodies and associations for:		
	18.1 Serious administrative or disciplinary offences?		
	18.2 Inadequate execution of the duties assigned to you?		
	18.3 Violations of the internal rules of operation of the business or of the code of ethics and professional conduct?		
19.	Have you ever obstructed the efficient exercise of supervision by a competent authority in the broader financial sector?		
<p>The following questions refer to any company, partnership or organization to which you served as a member on their board of directors, or as a manager director/partner, or exercised control over them.</p> <p>Has there any of the following taken place while you were performing the above tasks or control, or within 3 years from your removal?</p>			
20.	Have you ever been given a negative reply, or has there ever been a revocation, suspension or withdrawal or cancellation of any permit, approval, registration, membership by any competent or governmental body or professional body or association in any of the legal entities listed above?		
21.	Has there ever been a judgment against any of the above persons in any civil case in relation to services regulated by a competent or regulatory authority?		
22.	Has any of the above persons ever obstructed the efficient exercise of supervision by a competent authority in the broader financial sector?		
23.	Has there ever been submitted, against any of the above persons, an application to dissolve, compulsory liquidation, classification of insolvent or confiscation of assets or administrative receivership?		

24.	Has there ever been conducted an inspection in the books of any of the above persons, other than regular inspections, or has such person been investigated by a competent or supervisory authority?		
25.	Has there been imposed on any of the above persons administrative or other sanctions by a competent or supervisory authority?		
26.	Has a competent or supervisory authority requested or confiscated the books of any of the above persons?		
27.	Has any of the above persons ever been convicted by a court for fraud, negligent performance of duties, unreasonable transactions or for any other mismanagement?		
28.	Has any of the above persons ever been convicted for criminal offence, criticized, taken to disciplinary action during investigation by a governmental or other competent or regulatory authority?		

DECLARATION

I, (full name), responsibly declare that:

1. I have exercised all due diligence in ensuring that all the information included in this questionnaire is correct, complete and accurate.
2. I undertake to submit to the CIF any additional information or clarifications requested for the purpose of this questionnaire.
3. I will be communicating directly to the CIF, in writing, any change that takes place during my employment in relation to the information submitted with the present questionnaire.
4. I authorize the CIF to request confirmation from third parties in relation to the information contained in the present questionnaire.

Full name:

Signature:

Date: