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**TO** : Cyprus Investment Firms

**FROM** : Cyprus Securities and Exchange Commission

**DATE** : 14 April 2020

**CIRCULAR No** : C381

**SUBJECT** : Pillar III disclosures in light of COVID-19

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The Cyprus Securities and Exchange Commission (the “CySEC”) continues to acknowledge the material challenges to the Cyprus Investment Firms (the “CIFs”) operations due to the outbreak of the coronavirus (COVID-19) in Cyprus and recognizes that this may prevent a number of CIFs from submitting relevant reports/notifications to CySEC within the required timeframes. Following [Circular C373](#), CySEC wishes herein to clarify the following:

#### **1. Publication of Pillar III Disclosures**

As per article 433 of the Regulation EU No. 575/2013 (‘the CRR’) *“Annual disclosures shall be published in conjunction with the date of publication of the financial statements”*.

It is noted that CySEC will not prioritise its supervisory actions towards CIFs in respect to their compliance with the abovementioned obligation for the year ending on 31<sup>st</sup> December 2019, as of 01/05/2020 – 31/07/2020, taking into consideration that the remittance date of the annual audited financial statements for 2019 has been extended up to 31<sup>st</sup> July 2020.

#### **2. External Auditors’ verification report on Pillar III Disclosures**

As per paragraph 32(1) of CySEC Directive 144-2014-14 *“The information referred to in Part Eight of Regulation (EU) No 575/2013, shall be audited in accordance with the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and shall be published, where possible, as an annex to the annual financial statements or, where applicable, to the consolidated financial statements of the CIF concerned or on the CIF’s website. The CIF will be responsible to submit its external auditors’ verification report to the Commission the latest within five months from the end of each financial year.”*

**It is noted that CySEC will not prioritise its supervisory actions towards CIFs in respect to their compliance with the abovementioned obligation for the year ending on 31<sup>st</sup> December 2019, as of 01/06/2020 – 31/08/2020.**

3. Furthermore, CySEC expects that the affected CIFs:
- i. Will assess the need for additional disclosures in their Pillar III disclosures that may be necessary in order to properly convey the risk profile of the CIF in the context of the COVID 19 outbreak.
  - ii. Which anticipate that the publication of their Pillar III disclosures will be delayed, will inform the market participants for that delay, the reasons of delay and, to the extent possible, their estimated publication date.

Yours sincerely

Demetra Kalogerou  
Chairman of the Cyprus Securities and Exchange Commission