



---

TO : **Cyprus Investment Firms ('CIFs')**  
FROM : **Cyprus Securities and Exchange Commission ('CySEC')**  
DATE : **April 7, 2025**  
CIRCULAR No : **C699**  
FILE No : **E.K. 02.03.001, E.K. 01.03.001 and E.K. 01.13.001.002.002**  
SUBJECT : **Updated Electronic Cross-Border Form, Freedom to Provide Investment Services and Activities ('Cross Border Activity')**

---

The present Circular is issued pursuant to section 25(1)(c)(ii) & (iii) of the Cyprus Securities and Exchange Commission Law ('the CySEC Law').

The exercise is initiated by the European Securities and Markets Authorities ('ESMA') and is addressed to all Investment Firms ('Firms') providing investment services in other Member States of the European Economic Area (i.e. including Norway, Iceland, and Liechtenstein), other than their home Member State, during the year 2024.

Following Circular [C694](#), the present circular provides detailed information regarding the completion of the online questionnaire via EU's online platform. The information below, is addressed to Cypriot Investment Firms ('CIFs') that fulfil the conditions set out in point 1.1 of Circular [C694](#).

## 1. General Information

1.1. Information collected through the Cross-border online questionnaire on the CIFs' cross border activity refers to the reporting period **01/01/2024 – 31/12/2024** and reference date **31/12/2024**, as relevant.

1.2. CIFs are required to report data on the cross-border provision of investment services to retail clients in the EU/EEA, **only** for those host Member States where services were provided **to more than 50 retail clients** (including those treated as professionals according to Section II of Annex II of MiFID II).

1.2.1. Provision of Cross-border services in other Member States refers to services and activities provided on a "*freedom to provide services*" basis and CIFs **should not account** for any services and activities provided on a "*freedom of establishment*" basis (i.e. through a branch).

1.2.2. CIFs should **exclude inactive clients** from their reporting. For the purposes of this exercise, clients are considered to be **inactive** only if the following conditions **are cumulatively met**:

- i) client's inactivity lasted for at least one year,
- ii) no investment or ancillary services were provided to the client, and
- iii) the CIF no longer receives any revenues from such clients.

Regarding iii), if the CIF is still receiving any form of remuneration from the client during the inactivity period (for instance, the client has a securities account, that has not been holding any securities for more than a year, but during this time the CIF is still receiving a fee because the account is still open), we would expect such clients to be accounted for in the CIF's reporting.

1.2.3. CIFs may use the residence of the client to assess whether investment services and activities are provided in other Member States.

1.3. For the purposes of this exercise and in contrast to the collection last year, each CIF must now submit **a separate contribution for each host Member State that qualifies under 1.2 above**, e.g. if the CIF provides investment services to more than 50 retail clients in four host Member States, the online questionnaire should be filled out four times, one for each host Member State.

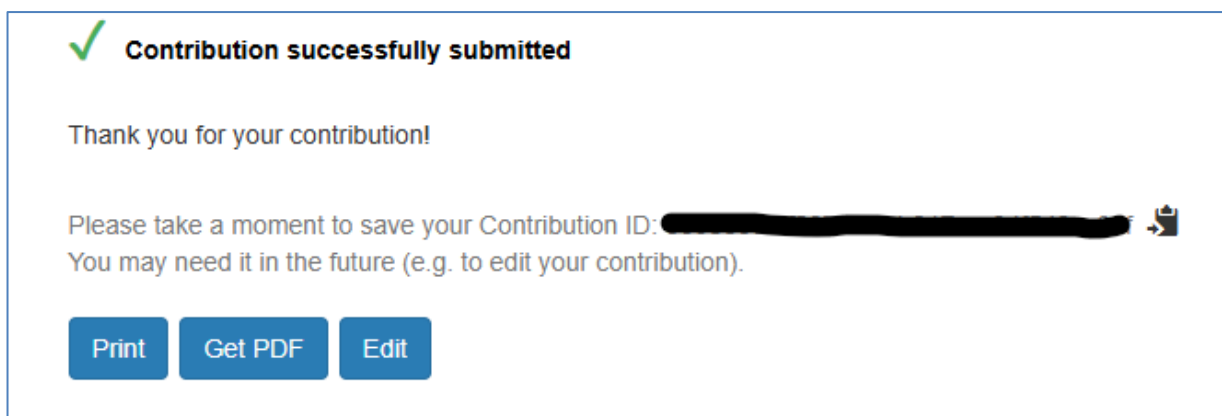
1.4. CIFs **should not submit** a contribution for their home Member State, i.e. Cyprus.

## 2. Procedural Information

2.1. An email with the **link and password** to access the online questionnaire will be sent out to all CIFs that fulfil the conditions set out in point 1.1 of Circular [C694](#).

2.2. Participating CIFs must complete the online questionnaire and submit their **contribution for each host Member State that qualifies under 1.2 above**, by 26<sup>th</sup> of May 2025, at the latest.

2.3. Upon successful submission of the Form, the message ***"Contribution successfully submitted"*** and a contribution ID will be populated on the screen. As per the below image, you can request a ***print*** of your contribution, or have your contribution ***sent to your email*** in a PDF format or ***edit*** your contribution.



2.4. CIFs are advised to save the contribution ID for each Member State, for reference purposes.

- 2.5. CIFs can request a confirmation to the tool that the information has been submitted, after having completed the online questionnaire for each host Member State. The confirmation will be sent by the tool via e-mail.
- 2.6. At all times, and **prior** to the submission deadline (as set out in point 2.2 above) CIFs may temporarily save a draft version of their contribution for each host Member State, and return to edit it, by selecting the “*Save as Draft*” button, which is found on the right of the online questionnaire (as shown in the below image). Please be aware that saving the contribution as draft **does not** constitute submission of the contribution. In this respect, CIFs must ensure that the final version of the contribution **is submitted successfully by 26<sup>th</sup> of May 2025, at the latest.**



- 2.7. **In case the CIF needs to correct the data submitted with respect to a specific host Member State, it is necessary to resubmit the questionnaire for the relevant host Member State, with the corrected data.**
- 2.8. **In case an error concerns the host Member State identification itself, and the CIF has provided information for a host Member State that should not have been included, the CIF can correct this by resubmitting the questionnaire for that host Member State introducing the value zero “0” in response to question number 8 (number of active retail clients).**
- 2.9. Any enquiries regarding the completion of the form shall be directed to [riskstatistics.cifs@cysec.gov.cy](mailto:riskstatistics.cifs@cysec.gov.cy) any day **PRIOR to 19<sup>th</sup> of May 2025, at the latest.**

### 3. Specific Instructions for the completion of the Online Questionnaire

- 3.1. CIFs are prompted at the importance of successfully completing the online questionnaire by the set deadline (as set out in point 2.2), and are encouraged to **diligently follow the instructions** below, as these will ultimately dictate whether a successful submission has been made.
- 3.2. The reporting template is composed of **two Sections**:
- Information on the Firm (legal name, type of firm, LEI) and contact person within the firm for this reporting template. **CIFs must ensure that the information provided is valid and accurate.**
  - Detailed information on the cross-border provision of MiFID investment services to retail clients (and clients treated as professionals on request according to Section II of Annex II of MiFID II).

- For every contribution that will be submitted, in point 7 of the form, CIFs should select the respective host Member state for which the questionnaire is completed, regarding the cross-border services offered to more than 50 retail clients, in that specific host Member state.
- In point 12 of the form, CIFs should enter the total net turnover as a whole number without using decimals or any separators for thousands, such as commas (,) full stops (.) or spaces. If decimals need to be included, please note that the full stop (.) is used as the decimal separator, not for thousands and it is limited to two decimals.
- For some questions, additional instructions on the form are available, to help CIFs complete the survey. **CIFs are advised to click on the question mark (?) next to the respective question, to view the additional instructions provided.**
- Some fields will automatically verify the consistency of the information provided and CIFs will not be able to submit the information in case of errors. Specific details are available alongside the validation cells, under the question mark. **CIFs are advised to click on the question mark (?) next to the respective validation check, to ensure the validity of the data reported.**
- During the completion of the questionnaire CIFs are encouraged to allow reasonable time for the page to load properly, before clicking on the submit button at the bottom of the page.

**Failure to promptly and duly comply with the above may bear the administrative penalties of section 37(5) of the CySEC Law. It is further noted that CySEC will not send any reminders to participating CIFs, which fail to promptly and duly comply.**

Yours sincerely,

Dr George Theocharides  
Chairman, Cyprus Securities and Exchange Commission