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TO: **Regulated Entities:**  
**i. AIFMs**

FROM: **Cyprus Securities and Exchange Commission**

DATE: **December 13, 2016**

CIRCULAR NO.: **C174**

SUBJECT: **Guidelines on sound remuneration policies under the AIFMD (ESMA/2016/579)**

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The Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the Regulated Entities, that the European Securities and Markets Authority (ESMA) has issued the [Guidelines on sound remuneration policies under the AIFMD](#) (ESMA/2016/579) (the 'Amending Guidelines'), **applicable from January 01, 2017**.

The Amending Guidelines amend the [guidelines on sound remuneration policies under the AIFMD](#) (ESMA/2013/232), which were adopted by the CySEC with [Circular C054](#), and have the same scope of application.

The Amending Guidelines apply to **Alternative Investment Fund Managers** authorised pursuant to Article 8 of the Alternative Investment Fund Managers Law, which are either external managers or, where the legal form of the AIF permits internal management and where the AIF's governing body chooses not to appoint an external AIFM, the AIF itself.

The purpose of the Amending Guidelines is to amend paragraph 33 of ESMA guidelines 2013/232.

The CySEC adopts the Amending Guidelines and expects all the above Regulated Entities to comply with them.

Sincerely,

Demetra Kalogerou  
Chairman of Cyprus Securities and Exchange Commission

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