



TO : **Cyprus Investment Firms ('CIFs')**
FROM : **Cyprus Securities and Exchange Commission**
DATE : **March 31, 2023**
CIRCULAR No : **C559**
FILE No : **E.K. 02.03.001, E.K. 01.03.001 and E.K. 01.13.001.002.002**
SUBJECT : **CIFs Quarterly Statistics (Form QST-CIF) – 31/03/2023 Submission**

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 Cyprus Securities and Exchange Commission (the 'CySEC') wishes to inform all CIFs that in an attempt to make the collection of information more efficient, the information requested in Form CA-CIF, has been integrated in the **new version** of the **Form QST-CIF** (the 'Form'). Thus, the Form CA-CIF, will no longer be collected. In this respect, CIFs will have to submit only one form on a quarterly basis, i.e. Form QST-CIF. It is important to note that some information previously collected, has now been removed from the Form and therefore we urge all CIFs to read carefully all the information provided in this Circular.

1. Information Requested by CySEC

- 1.1 The latest version of the **Form QST-CIF, Version 10**, found in the [Appendix](#), must be completed and submitted to CySEC by **all CIFs that were authorised by March 31, 2023**. In this respect, CIFs that were authorised by March 31, 2023, but have not made use of their authorisation **must also submit the Form**.
- 1.2 The steps that CIFs will have to follow, for the successful submission of the Form to the TRS, can be found [here](#). Upon submission, CIFs are responsible to ensure that they have received a **feedback file**, i.e. an official submission confirmation dispatched by the TRS in the Outgoing directory.
- 1.3 The feedback file will either contain a NO ERROR indication or, in case that an error(s) has occurred during submission, the description of that error(s). In case of any errors detected during submission of the Form, CIFs must review the Form and ensure that all errors are addressed and corrected, before they digitally sign (only applicable for the Excel files) and re-submit the Form. **The Form is regarded as being successfully submitted to CySEC, only when a NO ERROR indication feedback file is received**. This feedback file is dispatched, only during CySEC regular hours.

2. Deadline for the submission of the Form

- 2.1. The Form must be successfully submitted electronically via the CySEC's Transaction Reporting System ('TRS') **by 15:00 hrs, Friday, May 12, 2023, the latest**. CySEC wishes to emphasise the importance of meeting the deadline set, for successful submission of the Form.
- 2.2. Following the changes that have been implemented in the Form, **the deadline for the first submission** of the revised Form for Q1 2023 will be **6 weeks** after the issuance of the present Circular.
- 2.3. Thereafter, the deadline for **upcoming submissions** of the Form to TRS, will be **5 weeks after the quarter end**.
- 2.4. Please refer to the **table below** for **submission deadlines of all quarters of 2023**:

Quarter	Reporting Period	Submission Deadline
Q1 2023	01/01/2023-31/03/2023	12/05/2023
Q2 2023	01/04/2023-30/06/2023	04/08/2023
Q3 2023	01/07/2023-30/09/2023	06/11/2023
Q4 2023	01/10/2023-31/12/2023	05/02/2024

- 2.5. **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 those CIFs, which fail to promptly and duly comply.**

3. Useful information regarding the new version of the Form

3.1. Section K

3.1.1. Removed sections

Part (4.3) of question 4, question 5, question 6 and question 8 of version 9 of the Form QST-CIF, have been removed from this Section.

3.1.2. Additional information of Clientele

In this Section, question 6, consisting of 3 parts (6.1, 6.2, 6.3) has been added, regarding client categorisation, age group of retail clients and number of retail clients that are classified/considered as first-time investors. The figures reported, must refer to the ***cumulative reporting period***.

3.2. Section L (amended Section A of Form CA-CIF)

- 3.2.1. In **Column C**, choose from the drop-down list, whether the services/activities provided to clients fall under '*freedom to provide services*' basis or under '*freedom of establishment*' basis.
- 3.2.2. In **Columns D-V**, analyse the number of **retail clients** to whom any of the investment services and/or ancillary services were provided, ***during the cumulative reporting***

period, by the country of their residence. For each of the investment services provided, analyse the number of retail clients by those to whom the services were provided exclusively on CFDs, exclusively on non CFDs and/or a combination of CFDs and another Financial Instrument. For each ancillary service (**Columns P-V**), report the total number of retail clients to whom the ancillary service has been provided. **Please note that in case a retail client receives more than one service, this client may appear more than once in the Columns D-V.**

3.2.3. In **Columns W-AP**, report the number of clients, the net turnover, the amount of deposits, the amount of withdrawals and the percentage (%) of withdrawal cancellations (cancelled by the client), out of the total number of withdrawal requests, by client categorisation (Retail, Per se Professional, Professional on Request, Eligible Counterparty), to whom **at least one service was provided, during the cumulative reporting period.**

3.2.4. **Columns X, AC, AH, AM: Definition of ‘Net Turnover’ under this Section has been amended.**

It refers to the CIF’s net income deriving from licensed activities, as these are defined in section 5(5)(b) of Law 87(I)/2017, as amended, and from any other activities which fall within the normal trading activities of the Company. The Net Turnover should be analysed and reported by country and by client categorization, accordingly. The value shall be reported net of VAT. For services that are exempted from VAT, the relevant Net Turnover should be reported accordingly with no VAT deduction.

3.2.5. Finally, please note, that for Section L, information for **ALL Countries, including Cyprus**, must be provided, where the CIF is actually providing investment services and activities, **during the cumulative reporting period.**

3.3. Section M (amended Section B of the Form CA-CIF)

In **Column C**, under the drop-down list of client categorization, the ‘*Eligible Counterparty*’ option has been added.

3.4. Section N (amended Section C of the Form CA-CIF)

Four additional methods of marketing strategy have been added: Social Media Campaign, Post, Webinars and Educational Material.

3.5. Section O (Section D of the Form CA-CIF)

There are no amendments in this Section.

4. General Comments for the Form

4.1. The Form will be available **only** in the **English language**.

4.2. CIFs are required to report data in **Euro**, rounded to the nearest unit.

4.3. Please always ensure that you have the latest version of the Form, i.e. **Version 10**.

- 4.4. Instructions on the completion of the Form can be found in the **‘Instructions’** worksheet of the Form.
- 4.5. Please be informed that in points 7 and 8 of Section A of the Form, **you should report the investment and/or ancillary services that you have provided during the reporting period** and not those that you have the license to provide.
- 4.6. **Definition of ‘client’ varies** across different sections of the Form. CySEC wishes to emphasize the importance of reading the Instructions/Definitions Sections of the Form **carefully** when completing each Section.
- 4.7. **Reporting periods vary** across different sections of the form: **“as at the reference date”, “during the reporting period”, “during the cumulative reporting period”**. CIFs are expected to read **carefully** the **‘General Instructions’** found on the top of each Section so that the figures reported in that Section refer to the correct reporting period.
Kind reminder of the table below:

Quarter	Reporting Period		Cumulative Reporting Period		Reference Date
	Period	Time Span	Period	Time Span	Date
Q1	01/01/20XX-31/03/20XX	3 months	01/01/20XX-31/03/20XX	3 months	31/03/20XX
Q2	01/04/20XX-30/06/20XX	3 months	01/01/20XX-30/06/20XX	6 months	30/06/20XX
Q3	01/07/20XX-30/09/20XX	3 months	01/01/20XX-30/09/20XX	9 months	30/09/20XX
Q4	01/10/20XX-31/12/20XX	3 months	01/01/20XX-31/12/20XX	12 months	31/12/20XX

- 4.8. **Before submitting the Form, please ensure that all validation tests that are contained in the Form (Sections General Info, A, B, C, Reconciliation, D1, D2, E, F1, F2, G, H, I, J, K, L, M, N, O and Validation Tests Worksheet) are TRUE (Green Colour).**

5. Method of creating, signing and submitting the Form to the CySEC

After populating the required Excel fields in the Form, CIFs should name their Excel file in accordance to the following naming convention:

Username_yyyymmdd_QST-CIF

The information below explains the naming convention:

- (1) **Username** – is the username of the TRS credentials, which should already be in the possession of the CIFs, which have previously submitted any electronic files to the TRS system. This codification should be entered in capital letters.
CIFs, that have not previously requested the TRS credentials, can do so, by referring [here](#), where further information is provided about the TRS.
- (2) **yyymmdd** – this denotes the end of the reporting period of the Form. In this case, the Form should have a 20230331 format. Future forms will have different reporting periods.
- (3) **QST-CIF** – this is the coding of the Form, that it remains unchanged and should be inserted, exactly as it appears.

- (4) **The Excel® must be of 2007 version and onwards.** Excel will add the extension .xlsx, as soon as it is saved. This extension should not under any circumstances, be inserted manually.

The fully completed excel form, which is named based on the above paragraph, must be submitted only electronically, through the Transaction Reporting System ('TRS'), within the timeframes set.

6. Support

6.1. Queries on how to complete the fields of the Form

Should you have any queries on the completion of Form QST-CIF, please submit them **only** in writing, any day **PRIOR to Friday, April 28, 2023**, by sending an email to the address riskstatistics.cifs@cysec.gov.cy.

6.2. Technical Queries on digitally signing and submitting the Form

For technical matters on digitally signing and submitting the Form, the CIFs are advised to frequently visit the CySEC's website, at the specified [section](#). For further clarifications, CIFs are requested to use the electronic address information.technology@cysec.gov.cy.

All email communication with CySEC should include in the subject, the CIF's full name and the TRS coding.

Yours sincerely,

Dr George Theocharides
Chairman, Cyprus Securities and Exchange Commission