

TO : **Cyprus Investment Firms (CIFs)**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **21 January 2021**

CIRCULAR No : **C424**

SUBJECT : **Requirements of the Spanish Securities and Exchange Commission ('the CNMV') regarding the provision of investment services and/or the performance of investment activities in the territory of Spain**

The Cyprus Securities and Exchange Commission (the "CySEC") hereby draws the attention of the Cyprus Investment Firms (the "CIFs") to the CNMV's [public statement](#), regarding certain bad practices in cross-border marketing of investment services by Investment Firms located in other EU countries (the "IFs").

In particular, the public statement refers to certain inappropriate, common practices followed by some IFs and contains a series of guidelines for due compliance with applicable rules and regulations. The aforementioned practices include, but are not limited to, the use of (i) aggressive marketing, (ii) unauthorised third parties to carry on the IFs' marketing activities (e.g. affiliates, call centres, etc.), and/or client acquisition, and (iii) common websites in Spanish to market the activities of third country firms within the EU.

The public statement, which also refers to the use of references to third-country entities within a group for marketing purposes, includes some specific requirements for financial intermediaries operating in Spain, particularly those specialising in the marketing of CFDs or other complex products, in order to guarantee appropriate retail investor protection.

CySEC expects all CIFs that provide investment services in Spain to take, where necessary and by way of urgency, appropriate actions and measures to adhere to the content of the CNMV's public statement and to the relevant requirements included therein.

CySEC highlights that the content of the CNMV's public statement will form part of CySEC's supervisory assessments.

Sincerely,

Demetra Kalogerou
Chairman of Cyprus Securities and Exchange Commission