

UNOFFICIAL CONSOLIDATION OF DIRECTIVE DI87-03 OF 2018, DI87-03(A) OF 2018, DI87-03(B) OF 2019 AND DI87-03(C) OF 2019

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DIRECTIVE DI87-03 OF 2018 AND DIRECTIVE DI87-03(A) OF 2018 AND DIRECTIVE DI87-03(B) OF 2019 AND AND DIRECTIVE DI87-03(C) OF 2019 OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ON CHARGES AND ANNUAL FEES OF PERSONS THAT FALL WITHIN THE SCOPE OF THE INVESTMENT SERVICES AND ACTIVITIES AND REGULATED MARKETS LAW OF 2017

The Cyprus Securities and Exchange Commission in accordance with the power vested in it by virtue of section 95 of the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other related matters Law of 2017, issues the following Directive:

Short title 1. This Directive may be cited as the Directive on Payable Charges and Fees.
R.A.D. 4/2018
R.A.D. 344/2018
R.A.D. 102/2019

Definition 2. In this Directive, unless the context otherwise indicates:

L87(I)/2017 «Law» means the Investment Services and Activities and Regulated Markets Law of 2017;

«turnover» means the income resulting from the provision of investment and ancillary services, the performance of investment activities and the conduction of other business, as disclosed in the audited financial statements;

Terms used in this Directive that are not interpreted differently shall have the meaning given to them by the Law.

Where in this Directive reference is made to the Law, this includes any delegated administrative acts issued thereof.

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| Scope | 3. This Directive shall determine the charges payable for the examination of applications or for the submission of notifications, in respect of CIFs, market operators of the Republic authorised to operate an MTF or an OTF, regulated markets, third-country firms and data reporting service providers, as well as the annual fees paid to the Commission. |
| Charges for the submission of applications and notifications to the Commission | <p>4. (1) On the submission of applications and notifications to the Commission, charges are paid as determined in Part I of this Directive. Failure to pay such charges, the applications and notifications shall be considered not submitted to the Commission</p> <p>(2) In relation to third country firms which provide services or intend to provide services in the Republic through a branch, the charges paid for the submission of applications and/or notifications shall be the same as for CIFs.</p> |
| Payable annual fees | <p>5. (1) (a) CIFs, market operators of the Republic authorised to operate an MTF or an OTF, regulated markets, third-country firms and data reporting service providers, shall pay annual fees to the Commission, as determined in Part II of this Directive.</p> <p>(b) CIFs, which have not started operating within the calendar year they are granted their CIF authorisation, shall pay annual fees to the Commission for the specific calendar year, since they come under the supervision of the Commission.</p> <p style="padding-left: 40px;">It is provided that CIFs, which obtain their CIF authorisation during a calendar year, shall pay annual fees in proportion to the time-period for which they hold the CIF authorisation. When calculating the annual fee, the month in which the CIF authorisation is granted is taken into account and not the day the CIF authorisation is granted.</p> <p>(2) In accordance with the Law, non-payment of the fees referred to in Part II within the deadline of subsection (3), entails suspension of the CIF authorisation, as provided in section 71(6)(c) of the Law, until their payment.</p> <p>(3) The fees prescribed in paragraphs (1) and (2) of Part II are payable within four months from the end of each financial year.</p> |

- (4) The fee prescribed in paragraph (2), (3) and (4) of Part II is payable within two months from the end of each semester. Regulated markets are obliged within four months from the end of each financial year to submit to the Commission a reconciliation of the incomes of paragraph (3) of Part II with the corresponding incomes of the audited financial statements of the financial year in reference. In case of a difference in the subscription amount paid, there will be a set off with the amount to be submitted for the next semester fee.
- (5) (a) In conjunction with the submission of the fee prescribed in subsection (1), CIFs, market operators of the Republic authorised to operate an MTF or an OTF, regulated markets, third-country firms and data reporting service providers shall submit to the Commission a confirmation of the accuracy of the calculation of the said fee. The Commission in case of any doubt retains the right to appoint independent auditors for the purpose of confirming the accuracy of the calculation of the fee paid by the persons mentioned in subsection (1). In such a case the expenses for the appointment shall be paid by the persons mentioned in subsection (1).

Repeal of Directive 6. The Commission's Directives DI144-2007-04, DI144-2007-04(A), DI144-2007-04(B), DI144-2007-04(C) and DI144-2007-04(D) regarding the charges and annual fees of IFs and regulate markets are hereby repealed and replaced by this Directive.

Official
Government
Gazette,
Annex
III (I):
26.11.2012
28.12.2012
6.2.2015
17.2.2017
20.10.2017

Entry into force 7. This Directive shall enter into force on the day of its publication in the Official Gazette of the Republic.

PART I

Cyprus Securities and Exchange Commission Charges

| | <u>Relevant Section of the Law</u> | <u>Payable Charge</u> |
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| 1. | Section 5(1) - Application for the granting of a CIF authorisation | (a) A single lump sum of seven thousand (7.000)euro for the investment services of paragraphs 1-7 of Part I, Annex I of the Law; (b) Twenty Five thousand (25,000) euro for the investment activity of paragraphs 8 and 9 of Part I, Annex I of the Law; (c) Five hundred (500) euro per ancillary service of Part II of Annex I of the Law; (d) Two thousand (2000) euro in case that the applicant will engage in algorithmic trading (section 18) |
| 2. | Section 5(5) - Application for the conduction of any other business, beyond the services or/and activities stated in the CIF authorisation | Two thousand five hundred (2.500) euro (includes any changes to the CIF that occur in light of this application) |
| 3. | Section 5(5) - Application for the conduction of any other business, beyond the services or/and activities stated in the CIF authorization regarding the provision of investment and/or ancillary services in relation to any cryptocurrency. | Five thousand (5.000) euro |
| 4. | Section 6 (2) - Application for extending a CIF authorisation | (a) A single lump sum of three thousand five hundred (3.500) euro for any of the investment services of paragraphs 1-7 of Part I, Annex I of the Law; (b) Twenty Five thousand (25.000) euro for the investment activity of paragraphs 8 and 9 of Part I, Annex I of the Law; (c) Five hundred (500) euro per ancillary service of Part II of Annex I of the Law; (d) Two thousand (2000) euro in case that the applicant will engage in algorithmic trading (section 18) |

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| 5. | Section 9 (15) – Any changes in the composition of the board of directors of the CIF (includes persons who effectively direct the business of the CIF) | Two thousand (2.000) euro (for every proposed person) |
| 5A. | Section 9 (15) – Every change in the composition of the CIF's board of directors relating to the appointment of a non-executive director, who has been assessed by the Commission within a two-year period prior to submitting the new application for his/her appointment. | One thousand (1.000) euro (for every proposed person) |
| 6. | Section 12 (1) - Notification of proposed acquisitions | Three thousand five hundred (3.500) euro |
| 7. | Section 30 (3) - Application for registration in the public register of tied agents | Three thousand (3.000) euro |
| 8. | Section 36 (1) and (2) - Application for the establishment of a CIF branch in the Republic or another member state | Three thousand (3.000) euro |
| 9. | Section 36 (2) - Application of a CIF for the use of tied agents established in a Member State other than the Republic | Three thousand (3.000) euro |
| 10. | Section 36 (10) - Changes in the information provided by the CIF in relation to a branch/tied agents (as set out in Section 36 (2)). | One thousand (1.000) euro |
| 11. | Section 39 - Entering into arrangement for the clearing or/and settlement of trades in respect of MTFs | Three thousand (3.000) euro |

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| 12. | (a) Section 40 - Provision of investment services and activities by third country firms through the establishment of a branch (b) Directive DI87-04 for the provision of services by third country firms to eligible counterparties and professional clients in those cases that do not fall within the scope of Regulation (EU) No. 600/2014 on financial markets (MIFIR) | Seven thousand (7.000) euro |
| 13. | Section 45 (1) - Application for the granting of a regulated market authorisation | One hundred thousand (100.000) euro |
| 14. | Section 46 (8) - Changes in the composition of the board of directors of the regulated market | Two thousand (2.000) euro |
| 15. | Section 47 (2) - Notification of any transfer of ownership which gives rise to a change in the identity of the persons exercising significant influence over the operation of the regulated market | Three thousand five hundred (3.500) euro |
| 16. | Section 56 (2) - Entering into arrangement for the clearing or/and settlement of trades (regulated market) | Three thousand (3.000) euro |
| 17. | Section 60(1) & (2) - Application for the authorisation to provide data reporting services | Thirty thousand (30.000) euro |
| 18. | Section 61 - Application for the Extension of authorisation to provide data reporting services | Twenty five thousand (25.000) euro |
| 19. | Section 64 (2) - Changes in the members of the board of directors of a data reporting services provider | Two thousand (2.000) euro |
| 20. | Connectivity fee for an approved reporting mechanism ("ARM") to access the Commission's system for transaction reporting | Ten thousand (10.000) euro |

PART II

Cyprus Securities and Exchange Commission Annual Fees

1. A CIF or an IF registered in a third country which provides services in the Republic via a branch shall pay annual fees which shall be the sum of points (a) and (b) as follows:

(a) A fixed charge the level of which is determined:

(i) to five thousand (5.000) euro for the CIF or IF registered in a third country which provides services in the Republic via a branch, which falls under article 10(7),

(ii) to six thousand five hundred (6.500) euro for the CIF or IF registered in a third country which provides services in the Republic via a branch, which falls under articles 10(4) and 10(6),

(iii) to eight thousand (8.000) euro for the CIF or IF registered in a third country which provides services in the Republic via a branch, which falls under article 10(2),

(iv) to ten thousand euro (10.000) for the CIF or IF registered in a third country which provides services in the Republic via a branch, which falls under article 10(1), plus

(b) Accumulated increment according to the product of the turnover of the CIF or of the branch of the IF registered in a third country which provides services in the Republic, provided that the turnover exceeds five hundred thousand (500.000) euro, by the respective scale of percentages, as defined below:

(i) 0.75% for a turnover between five hundred thousand (500.001) and one million (1.000.000) euro;

(ii) 0.1875% for a turnover between one million one (1.000.001) and five million (5.000.000) euro;

(iii) 0.1125% for a turnover between five million one (5.000.001) and ten million (10.000.000) euro;

(iv) 0.0975% for a turnover exceeding ten million one (10.000.001) euro.

The increment is calculated on the basis of the annual audited financial statements of the previous year.

CIFs that provide services in relation to CFDs shall pay, in addition to points (a) and (b) above a fixed sum of three thousand (3.000) euro.

CIFs that engage in algorithmic trading shall pay, in addition to points (a) and (b) above a fixed sum of two thousand (2.000) euro.

The maximum fee shall be one hundred fifty thousand (150.000) euro for the CIFs or

IFs registered in a third country which provide services in the Republic via a branch.

The branch of an IF registered in a third country shall pay annual fees based on its turnover.

2. An annual fee of seven thousand (7.000) euro shall be paid for the operation of a multilateral trading facility (MTF), as well as a 6-month charge equal to 11% of the income of the multilateral trading facility.
3. A regulated market shall pay a 6-month charge equal to 11% of its income derived by the transactions in financial instruments conducted in or notified to the regulated market.
4. For the operation of an organised trading facility (OTF) a 6-month charge equal to 11% of the income of the organised trading facility shall be paid.
5. A data reporting service provider shall pay a fixed annual fee of twenty five thousand (25.000) euro.
6. In relation to an approved reporting mechanism ("ARM") that is authorized in the Republic or in another member state a fixed fee of four thousand (4.000) euro shall be paid for the use of the Commission's system for transaction reporting, in addition to the fee referred to in point 5 above.