



CENTRAL BANK OF CYPRUS  
EUROSYSTEM

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**By e-mail**

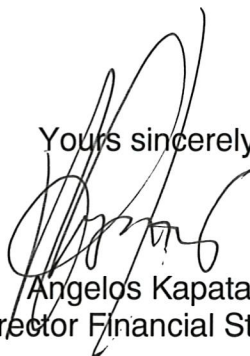
Dear Sirs,

**Subject: Notification by the Central Bank of Cyprus regarding the exemption of small and medium-sized investment firms from the requirement to maintain a countercyclical capital buffer.**

We refer to the above subject and wish to inform you that pursuant to Section 5 of the Macroprudential Oversight of Institutions Law of 2015 (Law 6(I) of 2015) and to Article 130 of the CRD, the Central Bank of Cyprus, as the designated authority, decided on 19 June 2017 to exempt all but one of the small and medium-sized investment firms from the requirement to maintain a countercyclical capital buffer, for the year 2017.

The investment firm that was not exempted, is an investment firm that even though it meets the definition of a small investment firm according to the criteria set out in the European Commission Recommendation 2003/361/EC concerning the definition of micro, small and medium-sized enterprises, it has also been designated by the Central Bank of Cyprus as an Other Systemically Important Institution (O-SII), pursuant to article 131 of the CRD.

Yours sincerely,



Angelos Kapatais  
Director Financial Stability

ANT/CT