

TO : **Regulated Entities:**

- i. Cyprus Investment Firms ('CIFs')**
- ii. UCITS Management Companies ('UCITS MC')**
- iii. Alternative Investment Management Companies ('AIFMs')**
- iv. Self-Managed Alternative Investment Funds¹ ('SM AIFs')**
- v. Administrative Service Providers ('ASPs')**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **4 November, 2015**

CIRCULAR No : **C092**

SUBJECT : **National Risk Assessment of Anti Money Laundering and Counter Terrorist Financing Measures – Request for the electronic submission of information**

The Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the Regulated Entities the following:

1. National Risk Assessment ('NRA')

In accordance with the international standards set by the Financial Action Task Force ('FATF') and the relevant European directives on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, the CySEC, in collaboration and coordination with other regulatory authorities have decided to conduct a risk assessment on a national level, following the internationally accepted and recognised methodology of the World Bank.

The purpose of the NRA is to identify, assess and understand the money laundering and terrorist financing risks at a national level which is essential for the implementation and development of a national anti-money laundering/countering the financing of terrorism regime. The exercise will allow the regulatory authorities to identify any deficiencies in the regulatory framework and to assess the efficiency

¹ 1 It refers to the 'Alternative Investment Funds in the Republic' and to the 'Alternative Investment Funds with limited number of investors', as these are defined in article 2 of the Alternative Investment Funds Law of 2014 [Law 131(1)/2014] that are self-managed.

of the procedures, currently followed by all stakeholders involved, in order to take corrective measures.

The NRA is at its early stages and it is expected to be completed by the end of 2016. The resulting report with the recommendations will be submitted to the Cyprus Government, the Cypriot regulatory authorities and the private sector for implementation.

CySEC would like to stress the great importance of the project for the country's efforts to reinforce the fight against the use of the financial sector for money laundering and terrorist financing. The project will also contribute significantly towards the reinstatement of Cyprus as a reputable international financial centre and will facilitate substantially the various assessments of our country that are carried out from time to time. CySEC will work closely with all the Regulated Entities and the associations that represent them, as their input is vital to the successful completion of the NRA.

2. Information requested by the Commission

Given the above, the CySEC requests **all Regulated Entities that were authorized and operated² before 31/10/2015** to complete the relevant Form in the **Appendix** and submit it to the electronic address aml@cysec.gov.cy, not later than **November 18, 2015**.

There are three different forms ('the Forms') in the Appendix, depending on the type of the regulated entity:

	Type of Regulated Entity	Name of Form	Appendix
1.	Cyprus Investment Firms	T144-188-003	1
2.	UCITS Management Companies	T56-78-131-188-004	2
3.	Alternative Investment Management Companies	T56-78-131-188-004	2
4.	Self-Managed Alternative Investment Funds	T56-78-131-188-004	2
5.	Administrative Service Providers	T196-188-005	3

2.2 The Regulated Entities that were authorized and operated, by **October 31, 2015**,

² Regulated Entities that were authorised by October 31, 2015, but they have not made use of their authorisation are not obliged to complete and submit the Forms.

inclusive, must complete and submit the Form that relates to their case (e.g. CIFs must complete Form T144-188-003, AIFMs must complete Form T56-78-131-188-004 etc).

3. General Comments for the completion and submission of the T144-188-003, T56-78-131-188-004 and T196-188-005

3.1 The Forms are available **only** in the English language.

3.2 The Forms must be submitted to the CySEC as described in Section 4 below, **until November 18, 2015. Extension to the above deadline will not be granted.**

For the successful completion of the NRA, it is imperative that all the information requested from the Regulated Entities stated above, to be completed and submitted within the timeframes set. The CySEC wishes to emphasise the importance of meeting the deadlines set.

4. Method of creating and submitting the Forms to the CySEC

The Forms must be submitted via email to the electronic address aml@cysec.gov.cy
The steps to prepare and submit the Forms are as follows:

4.1 Preparing the Forms

After populating the required fields in the Forms found in **Appendix 1, 2 and 3** the Regulated Entities should name their Excel file in accordance to the following naming convention:

For CIFs:

{Licence number}_T144-188-003

For UCITs MC, AIFMs and SM AIFs:

{Licence number}_T56-78-131-188-004

For ASPs:

{Licence number}_T196-188-005

The information below explains the naming convention:

(1) For the Form T144-188-003 use only the first part of the CIF's CySEC licence number. For example, a CIF with licence number 180/12 will complete this section as 180. A CIF with licence number 001/03 will complete this section as 001.

(2) For the Form T56-78-131-188-004 use only the first part of the entity's CySEC licence number. For example, an AIFM with licence number AIFM01/56/2013 will complete this section as AIFM03. An Alternative Investment Fund with Limited Number of Persons (AIFLNP) with licence number LPAIF01/2014 will complete this section as LPAIF01. A UCITS MC with licence number ΕΔ ΟΣΕΚΑ2/13 will complete this section as ΕΔΟΣΕΚΑ1

(3) For the Form T196-188-005 use only the first part of the ASP's CySEC licence number. For example, an ASP with licence number 01/196 will complete this section as 01. An ASP with licence number 10/196 will complete this section as 10.

(4) **T144-188-003** – this is the coding of the form, it remains unchanged and should be inserted exactly as it appears.

(5) **T56-78-131-188-004** – this is the coding of the form, it remains unchanged and should be inserted exactly as it appears.

(6) **T196-188-005** – this is the coding of the form, it remains unchanged and should be inserted exactly as it appears.

(7) The Excel® must be of 2007 version and onwards. **Macros must ne enabled** in order to fill the Form. The file **must be saved as Excel Macro-enabled Workbook**. Excel will add the extension .xlsm as soon as it is saved. This extension should not under any circumstances inserted manually.

(8) The above naming convention must not contain any spaces.

4.3 Submitting the Forms

Excel files should be submitted to CySEC via email to the electronic address aml@cysec.gov.cy

5. Support

Should you have any queries on the completion of the **Appendix**, please do not hesitate to contact: Mr. Andreas Jacovides (Officer, AML/CFT Department), or send an email to the address aml@cysec.gov.cy .

Yours sincerely

Demetra Kalogerou
Chairwoman, Cyprus Securities and Exchange Commission