
TO : **Cyprus Investment Firms (CIFs)**
FROM : **Cyprus Securities and Exchange Commission**
DATE : **May 19, 2021**
CIRCULAR No : **C451**
FILE No : **E.K. 02.03.001, E.K. 01.03.004 and E.K. 01.13.001.002.002**
SUBJECT : **Risk Based Supervision Framework ('The RBS-F') – Electronic submission of information for the year 2020 (Form RBSF-CIF).**

The present Circular is issued pursuant to section 25(1)(c)(ii) & (iii) of the Cyprus Securities and Exchange Commission Law of 2009, as amended ('the CySEC Law').

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform the Cyprus Investment Firms ('the CIFs') about the following:

1. Information requested by CySEC

- 1.1.** A new version of the Form **RBSF-CIF Version 4** ('the Form'), found in the [Appendix](#), is now issued and its scope is the collection of various statistical information. This Form is issued on an annual basis. CySEC will use this information, for the purposes of conducting statistical analyses, risk management and other purposes.
- 1.2.** The Form must be completed, and **successfully submitted** to CySEC, by **all CIFs that were authorised by December 31, 2020**. In this respect, CIFs that were authorised by December 31, 2020, but have not made use of their authorisation must also submit the Form.
- 1.3.** The Form must be **successfully submitted electronically** via the CySEC's Transaction Reporting System ('TRS') **by 15:00 hrs, Friday, June 18, 2021, at the latest.**
- 1.4.** The steps that CIFs will have to follow, for the successful submission of the Form to the TRS, can be found [here](#). Upon submission, the 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.
- 1.5.** 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, the 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, within the deadlines set in point 1.3. above.

1.6. CySEC emphasises the importance of meeting the deadline of **15:00 hrs, Friday, June 18, 2021** and stresses that **NO extension will be granted**.

1.7. Failure to promptly and duly comply, with the above, will bear the administrative penalties of section 37(5) of the CySEC Law.

2. Additional Information Requested

In the sections of the Form listed below, various additional or entirely new information is requested, as follows:

2.1. Section F - Governance and Ownership

Two (2) additional questions are added in this Section as follows:

- **New Question 7.1:** Does the CIF have any Board Members and/or shareholders who are Politically Exposed Persons (PEP)?
- **New Question 7.2:** Does the CIF have any Board Members and/or shareholders that obtained residency or citizenship in Cyprus in exchange of capital transfers, purchase of property or government bonds, or investment in corporate entities in Cyprus?

2.2. Section K - Products, Services and Transactions

- **Questions 1.1, 1.2, 2.1 – 2.4 and 3.1:** Within the new version of the Form, these questions request the number of customers instead of YES/NO.
- **Questions 2.5 and 2.6:** These questions used to be a single question in the previous version under the number 2.4. Within the new version of the Form, these questions request the number of customers instead of YES/NO.

2.3. Section L - Countries and Geographical Areas

- **Questions 1.1 – 1.4:** Within the new version of the Form, these questions request the number of customers instead of YES/NO.

2.4. Section M - Customer Analysis (This is an entirely **new section**)

This new section consists of thirteen (13) new questions related to the CIFs' customers as follows:

- **New Question 1:** Customers whose activities are related with donations, crowdfunding, non-profit organisations, import/export of goods, weapons trading, or virtual assets.

- **New Question 2:** Customers whose activities are related with cash intensive business.
- **New Questions 3-4:** Customers' relations with Non Profit Organisations (NPO).
- **New Question 5:** Customers' close links with Terrorist Financing (TF).
- **New Question 6:** Customers with complex structures.
- **New Question 7:** Customers involved in virtual assets.
- **New Question 8:** Customers' method of payment.
- **New Question 9:** Customers' financial assets/instruments/investments.
- **New Question 10:** Customers' volume and number of transactions in cross-border transactions of currency and bearer negotiable instruments (CBNIs).
- **New Question 11:** Customers' volume and number of transactions in incoming Cross Border Wire Transfers (CBWTs).
- **New Question 12:** Customers' volume and number of customers' currency conversions.
- **New Question 13:** Customers' suspicion reports (STRs/SARs) on TF submitted to FIU.

2.5. Section N - Internal Policies and Procedures (This is an entirely new section)

This new section consists of forty-six (46) new questions mostly related to the CIFs' internal policies and procedures.

In addition Questions 17-19, 22-23 and 28 request information about the percentage (%) of customers for whom the entity has performed specific processes during the reporting period, information about suspicious activity and transaction reporting and information about the times during the reporting period, that AML/CFT been an agenda item at the meetings held.

Questions 33-46 request to evaluate the quality and effectiveness of the CIFs' processes, using a scale from 1 to 10, where 1 means 'Poor' and 10 means 'Excellent'.

2.6. Section O - Geographical Analysis (This is an entirely new section)

This new section consists of six (6) new questions related to geographical analysis as follows:

- **New Question 1:** Please analyse the total number of natural persons (customers and customers' beneficial owners), per country of residence.

- **New Question 2:** Please analyse the total number of customers (legal entities), per country of registration.
- **New Question 3:** Please analyse the total number of PEP customers and/or PEP beneficial owners, per country of residence / incorporation, as at the reference date.
- **New Question 4:** Please select the countries (other than Cyprus) where the CIF has presence.
- **New Question 5:** Please select the countries (other than Cyprus) where the CIF has financial and other trade linkages.
- **New Question 6:** Please select the countries (other than Cyprus) where the CIF has business promotion establishments.

3. General Comments for the Form

- 3.1. The Form will be available **only** in the **English language**.
- 3.2. Reporting entities are required to report data in **Euro**, rounded to the nearest unit.
- 3.3. Please always ensure that you have the latest version of the Form, i.e. **Version 4**.
- 3.4. Instructions on the completion of the Form can be found in the 'Instructions' Worksheet of the Form.
- 3.5. **Before submitting the Form, please ensure that all validation tests that are contained in the Form (Sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O) at the bottom of the page and Validation Tests Worksheet) are TRUE (Green Colour).**

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

After populating the required Excel fields in the Form found in the [Appendix](#), the CIFs should name their Excel file in accordance to the following naming convention:

Username_yyyymmdd_RBSF-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 that have previously submitted any electronic file to the TRS system. This codification should be entered in capital letters.
For CIFs that have not previously requested the TRS credentials they can do so by referring [here](#) where further information are 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 20201231 format. Future forms will have different reporting periods.
- (3) **RBSF-CIF** – this is the coding of the Form RBSF-CIF that it remains unchanged and should be inserted exactly as it appears.

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 be inserted manually, under any circumstances

5. Important Dates Summarised

Dates	Task
May 19, 2021	The CIFs can start submitting the digitally signed Form to the CySEC's TRS system.
From May 19 until June 14, 2021	The CIFs can submit any queries that they have for this Circular and the Appendices attached.
June 18, 2021	Deadline for submitting the Form duly completed.

6. Support

6.1. Queries on how to complete the fields

Should you have any queries on the completion of Form RBSF-CIF, please submit them **only** in writing, any day **PRIOR to Monday, June 14, 2021**, 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 specified [section](#). For further clarifications, the CIFs are asked to use the electronic address information.technology@cysec.gov.cy.

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

Yours sincerely,

Demetra Kalogerou
Chairman, Cyprus Securities and Exchange Commission