To	: Regulated Entities -
	(i) **Cyprus Investment Firms ('CIFs')**
	(ii) **Administrative Service Providers ('ASPs')**
	(iii) **Internally managed Undertakings for Collective Investment in Transferable Securities ('UCITS')**
	(iv) **UCITS Management Companies ('UCITS MC')**
	(v) **Alternative Investment Fund Managers ('AIFMs')**
	(vi) **Internally managed Alternative Investment Funds ('AIFs')**
	(vii) **Internally managed Alternative Investment Funds with Limited Number of Persons ('AIFLNPs')**
	(viii) **Companies with sole purpose the management of AIFLNPs ('AIFLNPs MC')**

From   : **Cyprus Securities and Exchange Commission**

Date   : **17 July 2018**

Circular No. : **C 276**

Subject   : **The Application of the Risk Factors Guidelines**

Following the Circular C219, the Cyprus Securities and Exchange Commission ('CySEC') with the present Circular wishes to remind the Regulated Entities of the *Joint Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on simplified and enhanced customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional transactions* ('The Risk Factors Guidelines'), issued by the Joint Committee of the European Supervisory Authorities. More specifically:

1. The Risk Factors Guidelines entered into force on the 26th of June 2018.
2. The Regulated Entities should apply these Guidelines for the purposes of complying with the requirements set out in Articles 58(a), 58(d), 58(h), 58A, 61(2), 62(2), 63 and 64 of the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007.
3. CySEC expects the Regulated Entities to fully comply with the said Guidelines and be able to demonstrate that the AML/CFT policies, controls and procedures that have in place are appropriate in view of the ML/TF risks that have been identified.

Sincerely,

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission

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