

UNOFFICIAL TRANSLATION

DIRECTIVE ON THE PREVENTION AND SUPPRESSION OF MONEY LAUNDERING AND
TERRORIST FINANCING
(REGISTER OF BENEFICIAL OWNERS OF EXPRESS TRUSTS AND SIMILAR LEGAL
ARRANGEMENTS)

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The Cyprus Securities and Exchange Commission, in exercising the powers conferred upon it by virtue of sections (4)(d), (6)(c), (7)(b), (9)(a)(i), 9(a)(iii), (11)(b), (13)(a)(ii), (14)(b), (16)(a)(ii) and (20) of Article 61C of the Prevention and Suppression of Money Laundering and Terrorist Financing Law, for purposes of harmonization with Article 1, Paragraph 16 of the act of the European Union titled:

Official Gazette of the EU: L 156, 19.6.2018, p.43.
«Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU»,

hereby issues the following Directive:

Short title. 1. This Directive shall be cited as the Directive on the Register of Beneficial Owners of Express Trusts and Similar Legal Arrangements.

Interpretation. 2. (1) In this Directive, unless otherwise derived from the text:

«Other equivalent person» means a person holding an equivalent position with a trustee in a similar legal arrangement;

«Trust» means a written legal arrangement with which the settlor transfers property to one or more trustees/commissioners which hold it for the benefit of one or more other persons/beneficiaries;

«Express Trust» means a Trust as defined in sub-paragraph (2) of paragraph 3 of this Directive;

«Authorised User» means the natural person who is registered in the System -

(i) in his/her capacity as trustee in an Express Trust or Other equivalent person,

(ii) as a person who may be granted access to the Register under paragraphs (a) to (d) of section (12) of Article 61C of the Law, and includes, where the persons referred to in (i) and (ii) are legal entities, the natural person acting for their account;

«Commission» means the Securities and Exchange Commission;

«Register» means the Register of Express Trusts and Similar Legal Arrangements established and kept by the Commission through the System, by virtue of paragraph (a), section (4) of Article 61C of the Law;

188(I) of 2007
58(I) of 2010
80(I) of 2012
192(I) of 2012
101(I) of 2013
184(I) of 2014
18(I) of 2016
CORR. Official
Gazette Annex.
I(I), No. 4564
13(I) of 2018
158(I) of 2018
81(I) of 2019
13(I) of 2021

«Law» means the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007;

«System» means the electronic system through which the registration in the Register, the notification, management, keeping and updating of the Register's information as well as access to the Register shall be effected.

- (2) Any other terms used in this Directive not otherwise construed, shall bear the meaning attributed to them in the Law.
- Scope of Application. 3. (1) This Directive shall apply to Express Trusts and similar legal arrangements within the scope of paragraphs (b) and (c) of section (5) of Article 61C of the Law.
- (2) For the purposes of this Directive and paragraph (d) of section (4) of Article 61C of the Law, an express trust shall be deemed to be a Trust established expressly by a settlor at their own will and shall not include Trusts arising by operation of law or Trusts for which the settlor shows no express intention or decision for the establishment of a Trust or a similar legal arrangement, such as an implicit Trust.
- Official Gazette of the EU: L 119, 4.5.2016, p. 1.
125(I) of 2018 (3) This Directive shall apply subject to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) and on the Law providing for the Protection of Natural Persons with regard to the Processing of Personal Data and for the Free Movement of such Data.
- Register of Express Trusts and Similar Legal Arrangements. 4. (1) The Commission shall keep the Register electronically through the System pursuant to paragraphs (a) and (b) of section (4) of Article 61C of the Law.
- (2) Authorised Users shall have a right to use the System.
- (3) An Authorised User shall be registered to the System in such manner as set out by the Commission. Provided that the Commission may in any case request from the persons referred to in sub-paragraph (2) such information and/or documents for purposes of identification and compliance with the Law.
- Submission of application for registration of Express Trusts or similar legal arrangements in the Register. 5. (1) A Trustee in an Express Trust or Other equivalent person established or residing in the Republic shall, within fifteen (15) days from appointment, submit to the Commission through the System, an application for registration in the Register providing the information set out in sub-paragraphs (3), (4), (5) and (6).
- (2) A Trustee of an Express Trust or Other equivalent person established or residing outside the European Union that establishes a business relationship or acquires immovable property in the name of the Express Trust or similar legal arrangement in the Republic, shall comply with the provisions of

sub-paragraph (1) within fifteen (15) days from the day of forming the business relationship or acquiring the immovable property, as the case may be.

- (3) The information provided for registration in the Register on the Express Trust or similar legal arrangement shall include the following:
- (a) name,
 - (b) country and date of incorporation and/or establishment,
 - (c) applicable law,
 - (d) termination date (if any),
 - (e) with regard to a similar legal arrangement, the type of such arrangement,
 - (f) information on the country of establishment or residence of the trustee or other equivalent person as well as their residential address,
 - (g) where a trustee or other equivalent person is established or resides outside the European Union and establishes a business relationship in the name of the Express Trust or similar legal arrangement in the Republic, the date of commencement of the business relationship, the name of the person with whom the business relationship is established together with the letter of agreement which governs the business relationship,
 - (h) where a trustee or other equivalent person is established or resides outside the European Union and acquires immovable property in the name of the Express Trust or similar legal arrangement in the Republic, the registration number and address of the immovable property together with title deeds of the immovable property,
 - (i) any other information and/or supporting documents which are deemed necessary by the Commission for identification purposes.
- (4) The information provided to the Commission for registration in the Register on the beneficial owners of an Express Trust or similar legal arrangement, in the case of the persons set out in paragraphs (b) and (c) in the definition of «beneficial owner» in section (1) of Article 2 of the Law, shall include the following:
- (a) full name,
 - (b) father's name,
 - (c) date of birth,
 - (d) place of birth,

- (e) nationality or nationalities,
 - (f) residential address,
 - (g) number, type and country of issuance of identification document,
 - (h) year of death, where applicable,
 - (i) date on which the natural person became a beneficial owner,
 - (j) the nature and extent of the rights, which are directly or indirectly held by each beneficial owner,
 - (k) his/her role in the Express Trust or similar legal arrangement,
 - (l) any other information and/or supporting documents which are deemed necessary by the Commission for identification purposes of the beneficial owner as arises from paragraphs (b) and (c) in the definition of «beneficial owner» in section (1) of Article 2 of the Law.
- (5) For purposes of sub-paragraph (4), in the case of a beneficiary of a legal arrangement or legal entity not yet determined pursuant to the provisions of paragraph (b)(iv) in the definition of «beneficial owner» in section (1) of Article 2 of the Law, the following information shall be provided regarding each category of beneficiaries:
- (a) description of the class of beneficiaries and its members,
 - (b) the nature and extent of the interest of each class of beneficiaries.
- (6) The information provided for registration in the Register, whereby the settlor, trustee, protector, beneficiaries or, in case the persons being beneficiaries of the Express Trust have not yet been determined and the category of persons for the benefit of which the Express Trust has been mainly established or operates is a legal person or legal persons, shall include the following:
- (a) the name of the legal person,
 - (b) the type of the legal person,
 - (c) its registration number,
 - (d) its country and date of incorporation,
 - (e) the address of its registered office,
 - (f) its role in the Express Trust or similar legal arrangement,

- (g) the information referred to in sub-paragraph (4) on the beneficial owners of the legal person,
- (h) any other information or supporting documents which are deemed necessary by the Commission for identification purposes of the beneficial owners.
- Submission of application for registration in the Register regarding existing Express Trusts or similar legal arrangements upon entry into force of the Directive.
6. A Trustee of an existing Express Trust or a person holding an equivalent position in a similar legal arrangement shall submit an application to the Commission through the System for registration in the Register providing the information set out in paragraph 5, within six (6) months from the date of entry into force of this Directive.
- Notice of change of information on Express Trusts or similar legal arrangements.
7. A Trustee in an Express Trust or Other equivalent person shall notify the Commission through the System of any change in the information provided upon its registration in the Register within fifteen (15) days from the date on which such change became known to him.
- Provided that if the change pertains to a change in trustee, the new trustee shall proceed to the notification.
- Approval of application for registration of Express Trusts or similar legal arrangements in the Register.
8. (1) The Commission shall approve an application for registration in the Register when the application for registration in the Register is duly completed and complies with the Law and this Directive.
- (2) In case the Commission does not proceed with the registration in the Register, the paid fees shall not be refundable.
- Suspension of registration of Express Trusts or similar legal arrangements in the Register.
9. (1) The Commission may suspend the registration of an Express Trust or similar legal arrangement in the Register for a time period deemed necessary, in cases where it deems for any reason that information or details or documents or forms provided under Article 61C of the Law are incorrect and/or incomplete and/or false.
- (2) Any decision for suspension of the registration of an Express Trust or similar legal arrangement in the Register under sub-paragraph (1) deemed necessary to be taken immediately, may be taken by the Chairman and/or Vice-Chairman of the Commission who shall inform the Commission at its next meeting.

- (3) In case the Commission suspends the registration of an Express Trust or similar legal arrangement in the Register under sub-paragraph (1), it shall serve a notice to the trustee or other equivalent person setting a deadline of fifteen (15) days for the correction of the relevant information and/or the provision of explanations to the Commission.
- (4) A Trustee or Other equivalent person shall, within the deadline set by the Commission pursuant to the provisions of sub-paragraph (3), inform the Commission of its compliance with the Commission's recommendations and/or its provision of any explanations.
- (5) The Commission shall then decide whether to continue or not the suspension of the registration of the Express Trust or similar legal arrangement in the Register.

Provided that the suspension or not of the registration of an Express Trust or similar legal arrangement in the Register and/or the continuation or lifting of the suspension of registration of an Express Trust or similar legal arrangement in the Register, shall not prejudice any right of the Commission under subparagraphs (v) and (vi) of paragraph (a) and subparagraphs (i) and (ii) of paragraph (b) of section (9) of Article 61C of the Law.

Fees and annual
subscriptions.

10. (1) A Trustee or Other equivalent person shall pay to the Commission for purposes of registration and/or renewal of registration of an Express Trust or similar legal arrangement in the Register, an annual subscription for all Express Trusts or similar legal arrangements to which the application relates, according to the following categories:
 - (a) 250 Euro for 1-5 Express Trusts or similar legal arrangements,
 - (b) 400 Euro for 1-10 Express Trusts or similar legal arrangements,
 - (c) 700 Euro for 1-20 Express Trusts or similar legal arrangements,
 - (d) 900 Euro for 1-30 Express Trusts or similar legal arrangements,
 - (e) 1,250 Euro for 1-50 Express Trusts or similar legal arrangements,
 - (f) 2,000 Euro for 1-100 Express Trusts or similar legal arrangements,
 - (g) 3,600 Euro for 1-200 Express Trusts or similar legal arrangements,
 - (h) 4,800 Euro for 1-300 Express Trusts or similar legal arrangements,

- (i) 7,000 Euro for 1-500 Express Trusts or similar legal arrangements,
- (j) 12,000 Euro for 1-1000 Express Trusts or similar legal arrangements.

Provided that if during the year for which a subscription has been paid, a trustee or other equivalent person submits an application for registration of new Express Trusts or similar legal arrangements resulting in the total number of Express Trusts or similar legal arrangements not to be covered by the category for which the subscription has already been paid, an additional subscription of one (1) year shall be paid to the Commission which shall pertain to the number of new Express Trusts or similar legal arrangements not covered by the category for which the annual subscription has been paid and which shall be calculated according to the categories provided for in items (a) – (j).

- (2) Further to the subscription provided for in sub-paragraph (1), a trustee or other equivalent person shall not pay any other fee or subscription to the Commission with regard to the registration and/or renewal of the registration of the Express Trust or similar legal arrangement in the Register as well as for the submission and/or examination of requests and/or for the notifications concerning the Express Trust or the similar legal arrangement and/or for issue of a registration certificate or excerpt of the information on the beneficial owner of the Express Trust or similar legal arrangement.

Provided that for the access by the trustee or other equivalent person to the information on the Express Trusts or similar legal arrangements registered by the same, no fee or subscription shall be paid to the Commission.

- (3) Upon submission by obliged entities of a request for access to the Register, a subscription shall be paid to the Commission for all Express Trusts or similar legal arrangements to which the request pertains, which shall grant an one (1) year access to the Register according to the following categories:
 - (a) 250 Euro for 1-50 Express Trusts or similar legal arrangements,
 - (b) 450 Euro for 1-100 Express Trusts or similar legal arrangements,
 - (c) 800 Euro for 1-200 Express Trusts or similar legal arrangements,
 - (d) 1,750 Euro for 1-500 Express Trusts or similar legal arrangements,
 - (e) 3,000 Euro for 1-1000 Express Trusts or similar legal arrangements.

Provided that if during the year for which access to the Registry has been granted, the obliged entity submits a request for access

for new Express Trusts or similar legal arrangements resulting in the total number of Express Trusts or similar legal arrangements not to be covered by the category for which the subscription has already been paid, an additional subscription of one (1) year shall be paid to the Commission which shall pertain to the number of the new Express Trusts or similar legal arrangements not covered by the category for which the annual subscription has been paid and which shall be calculated according to the categories provided for in items (a) – (j).

- (4) Upon submission of a request for access to the Register by a natural or legal person demonstrating a legitimate interest, a subscription shall be paid to the Commission for the total number of the Express Trusts or similar legal arrangements to which the request pertains, which shall grant an one (1) month access to the Register according to the following categories:
 - (a) 500 Euro for 1-5 Express Trusts or similar legal arrangements,
 - (b) 900 Euro for 1-10 Express Trusts or similar legal arrangements,
 - (c) 1,600 Euro for 1-20 Express Trusts or similar legal arrangements,
 - (d) 2,100 Euro for 1-30 Express Trusts or similar legal arrangements,
 - (e) 3,000 Euro for 1-50 Express Trusts or similar legal arrangements,
 - (f) 5,000 Euro for 1-100 Express Trusts or similar legal arrangements.

- (5) Upon submission of a request for access to the Register by a natural or legal person under paragraph (d) of section (12) of Article 61C of the Law, a subscription shall be paid to the Commission for all Express Trusts or similar legal arrangements to which the request pertains, which shall grant an one (1) month access to the Register according to the following categories:
 - (a) 250 Euro for 1-50 Express Trusts or similar legal arrangements,
 - (b) 450 Euro for 1-100 Express Trusts or similar legal arrangements,
 - (c) 800 Euro for 1-200 Express Trusts or similar legal arrangements,
 - (d) 1,750 Euro for 1-500 Express Trusts or similar legal arrangements,

- (e) 3,000 Euro for 1-1000 Express Trusts or similar legal arrangements.

Access to the Register. 11. Subject to the provisions of sections (12),(13) and (14) of Article 61C of the Law and paragraphs 12, 13 and 14 of this Directive, Authorised Users shall gain access to the Register through the System.

Access to the Register by an obliged entity. 12. For purposes of access to the Register by an obliged entity under paragraph (b) of section (12) of Article 61C of the Law, the following shall apply:

(1) The Commission shall receive:

- (a) a statement by the obliged entity that the purpose of the access relates exclusively to the taking of measures relating to customer due diligence and identification,
- (b) a consent by the trustee or other equivalent person to the proposed access,
- (c) any other information and/or document which the Commission shall consider necessary.

Provided that any refusal to provide a consent on the part of the trustee or other equivalent person as provided for in item (b) shall not prejudice the right of the obliged entity to take any other measures, including the termination of its business relationship with the Express Trust or similar legal arrangement.

(2) The obliged entity shall have access to the following information on the beneficial owners of an Express Trust or similar legal arrangement:

- (a) full name,
- (b) month and year of birth,
- (c) country of residence,
- (d) nationality,
- (e) nature and extent of the rights directly or indirectly held by each beneficial owner.

Access to the Register by a person demonstrating a legitimate interest. 13. For purposes of access to the Register by a natural or legal person under paragraph (c) of section (12) of Article 61C of the Law, the following shall apply:

(1) The request by the natural or legal person shall be submitted duly justified to the Commission through the System.

- (2) If during the examination of a request for access to the Register, the Commission judges that the existence of a legitimate interest can be prima facie demonstrated under paragraph (c) of section (12) of Article 61C of the Law, the Commission shall inform the trustee or other equivalent person of the request for access and of its conclusions regarding the existence of the legitimate interest giving a deadline of ten (10) days for the submission, if he wishes, of written representations.
- (3) The Commission shall, after taking into account any written representations which may be submitted, communicate its final decision to the applicant and the trustee or other equivalent person.
- Access to the Register under Article 61C(12)(d) of the Law.
14. For purposes of access to the Register by a natural or legal person under paragraph (d) of section (12) of Article 61C of the law, the following shall apply:
- (1) The request by the natural or legal person shall be submitted duly justified to the Commission through the System.
- (2) During the examination of a request for access to the Register, the Commission may, at its discretion, request from the applicant further information and/or details and/or documents and/or seek the opinion of any other person or authority.
- Exemption from disclosure of information on the beneficial owner.
15. For purposes of a request for exemption from access to the whole or part of the information on the beneficial owner of an Express Trust or similar legal arrangement to the Register, under paragraph (a) of section (16) of Article 61C of the Law, the following shall apply:
- (1) Any of the reasons referred to in subparagraph (i) of paragraph (a) of section (16) of Article 61C of the Law may constitute a reason for the submission of a request for exemption.
- (2) The request shall be submitted duly justified to the Commission through the System.
- (3) During the examination of a request for exemption, the Commission may, at its discretion, request from the applicant further information and/or details and/or documents and/or seek the opinion of any other person or authority.
- (4) (α) As from the date of submission of the request for exemption from access to the whole or part of the information on the beneficial owner of an Express Trust or similar legal arrangement to the Register, access to the information forming the object of the application for exemption shall be suspended until the Commission reaches a relevant decision, except for the persons of paragraph (b) of section (16) of Article 61C of the Law.

- (β) In case the Commission's decision is positive, then access to the relevant information shall be exempted, except for the persons of paragraph (b) of section (16) of Article 61C of the Law, while in case the decision is negative, the provisions of the proviso of item (iv) of paragraph (a) of section (16) of Article 61C of the Law shall apply.

Differences and discrepancies in the Register.

16. With regard to the submission of a report under paragraph (a) of section (15) of Article 61C of the Law, the following shall apply:
- (1) The report shall be submitted to the Commission through the System and include the following:
 - (a) description of the difference and discrepancy identified between the information kept in the Register and that at the disposal of the authority or obliged entity, as the case may be, submitting the report,
 - (b) information and/or details and/or documents justifying each difference and discrepancy.
 - (2) The Commission shall inform the trustee or other equivalent person of the report and request its positions.
 - (3) During the examination of the report, the Commission may, at its discretion, request from the entity submitting the report further information and/or details and/or attach documents and/or seek the opinion of any other person or authority.
 - (4) In case the Commission concludes that the information kept in the Register on the beneficial owners of an Express Trust or similar legal arrangement is false and/or inaccurate and/or incomplete, it shall request from the trustee or other equivalent person to proceed to corrections and/or amendments within a period to be determined by the Commission and shall inform the person that submitted the report.

Entry into force.

- 17 . This Directive shall enter into force upon its publication in the Official Gazette of the Republic.