
TO : Regulated Entities

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FROM : Cyprus Securities and Exchange Commission

DATE : 22 March 2023

CIRCULAR NO. : C555 (re-issuing of C551)

SUBJECT : EU Council's Restrictive Measures against Russia due to its military aggression against Ukraine – Tenth sanctions package

Further to the notifications sent, dated 28 February 2023, via the RSS Service from the “Sanctions/Restrictive Measures” section of the Cyprus Securities and Exchange Commission’s (CySEC) website, regarding the [Tenth sanctions package](#) adopted by the Council of the European Union (EU Council) against Russia due to its military aggression against Ukraine, CySEC wishes to draw the attention of the Regulated Entities to the **new reporting obligations**, following the amendments of Article 8 of Council Regulation (EU) No. 269/2014 and Article 5a of Council Regulation (EU) No. 833/2014, as published in the [Official Journal of the European Union](#), dated 25 February 2023. The relevant amendments of both articles are quoted below for ease of reference:

Article 8 of Council Regulation (EU) No. 269/2014 is replaced by the following:

“Article 8

1. Notwithstanding the applicable rules concerning reporting, confidentiality and professional secrecy, natural and legal persons, entities and bodies shall:

(a) supply immediately any information which would facilitate implementation of this Regulation, such as:

- information on funds and economic resources frozen in accordance with Article 2 or information held about funds and economic resources within Union territory belonging to, owned, held or controlled by natural or legal persons, entities or bodies listed in Annex I and which have not been

*treated as frozen by the natural and legal persons, entities and bodies obliged to do so, to the competent authority of the Member State where they are resident or located, **within two weeks of acquiring this information;***

*- information held on funds and economic resources within Union territory belonging to, owned, held or controlled by natural or legal persons, entities or bodies listed in Annex I and which have been subject to any move, transfer, alteration, use of, access to, or dealing referred to in Article 1(e) or 1(f) in the two weeks preceding the listing of those natural or legal persons, entities or bodies in Annex I, to the competent authority of the Member State where they are resident or located, **within two weeks of acquiring this information;** and*

(b) cooperate with the competent authority in any verification of such information.

1a. The information on funds and economic resources frozen in accordance with Article 2 supplied under paragraph 1 of this Article shall include at least the following:

(a) information identifying the natural or legal persons, entities or bodies owning, holding or controlling the frozen funds and economic resources, including their name, address and VAT registration or tax identification number;

(b) the amount or market value of such funds or economic resources at the date of reporting and at the date of freezing; and,

(c) the types of funds, broken down according to the categories set out in points (i) to (vii) of Article 1(g) as well as crypto-assets and other relevant categories, and an additional category corresponding to economic resources within the meaning of Article 1(d). For each of those categories and where available, the quantity, location and other relevant features of the funds or economic resources.

1b. The Member State concerned shall transmit to the Commission the information received pursuant to paragraphs 1 and 1a within two weeks of receiving it. The Member State concerned may transmit such information in an anonymised form if an investigating or judicial authority has declared it to be confidential in the context of pending criminal investigations or criminal judicial proceedings.

Central securities depositories within the meaning of Regulation (EU) No 909/2014 of the European Parliament and of the Council () shall provide the information referred to in paragraphs 1 and 1a, and information on extraordinary and unforeseen loss and damage concerning the relevant funds and economic resources, to the competent authority of the Member State where they are located, within two weeks of acquiring it and every three months thereafter, and transmit it simultaneously to the Commission.*

1c. Member States, as well as the relevant natural and legal persons, entities and bodies, shall cooperate with the Commission in any verification of the information concerning the funds or economic resources referred to in paragraphs 1 and 1a. The Commission may request any additional information it requires to carry out such verification. When such a request is addressed to a natural or legal person, entity or body, the Commission shall simultaneously transmit it to the Member State concerned.

[...]"

In Article 5a of Council Regulation (EU) No. 833/2014, the following paragraphs are inserted:

“4a. Notwithstanding the applicable rules concerning reporting, confidentiality and professional secrecy, natural and legal persons, entities and bodies, including the European Central Bank, national central banks, financial sector entities as defined in Article 4 of Regulation (EU) No 575/2013 of the European Parliament and of the Council (1), insurance and reinsurance undertakings as defined in Article 13 of Directive 2009/138/EC of the European Parliament and of the Council (2)*, central securities depositories as defined in Article 2 of Regulation (EU) No 909/2014 and central counterparties as defined in Article 2 of Regulation (EU) No 648/2012 of the European Parliament and of the Council (3)* shall provide, **no later than two weeks after 26 February 2023 27 April 2023**, to the competent authority of the Member State where they are resident or located, and simultaneously to the Commission, information on the assets and reserves referred to in paragraph 4 of this Article which they hold or control or are a counterparty to. Such information **shall be updated every three months** and shall at least cover the following:*

(a) information identifying the natural or legal persons, entities or bodies owning, holding or controlling such assets and reserves, including the name, address and VAT registration or tax identification number;

(b) the amount or market value of such assets and reserves at the date of reporting and at the date of immobilisation;

(c) types of the assets and reserves, broken down according to the categories set out in points (i) to (vii) of Article 1(g) of Council Regulation (EU) 269/2014 (4) as well as crypto-assets and other relevant categories, and an additional category corresponding to economic resources within the meaning of Article 1(d) of Regulation (EU) 269/2014. For each of those categories and where available, relevant features, such as quantity, location, currency, maturity and contractual conditions between the reporting entity and the asset owner shall be indicated.*

4b. Where the reporting natural or legal person, entity or body has established an extraordinary and unforeseen loss or damage to the assets and reserves referred to in paragraph 4a, this information shall be reported immediately to the competent authority of the relevant Member State and transmitted simultaneously to the Commission.

4c. Member States, as well as the natural and legal persons, entities and bodies covered by the reporting obligation set out in paragraph 4a, shall cooperate with the Commission in any verification of the information received pursuant to that paragraph. The Commission may request any additional information it requires to carry out such verification. When such a request is addressed to a natural or legal person, entity or body, the Commission shall simultaneously transmit it to the competent authority of the relevant Member State. Any additional information received directly by the Commission shall be made available to the competent authority of the relevant Member State.

[...]”

In summary, the amended Article 8 of Council Regulation (EU) No. 269/2014 is introducing more detailed reporting obligations on funds and economic resources belonging to listed individuals

and entities which have been frozen or were subject to any move shortly before the listing, while specifying when (paragraph 1) and how the information on funds and economic resources frozen should be reported to the competent authorities (paragraph 1b). The amended Article 5a of Council Regulation (EU) No. 833/2014 is also introducing new reporting obligations to the Member States on immobilized reserves and assets of the Central Bank of Russia (paragraph 4a).

Therefore, considering the new and continuous reporting obligations, as stated above, all the Regulated Entities that are affected by the amendments of Article 8 of Council Regulation (EU) No. 269/2014 and Article 5a of Council Regulation (EU) No. 833/2014 are expected to inform CySEC, within the set timeframes and according to the set manner, by using the email address EU.sanctions@cysec.gov.cy.

Finally, CySEC wishes to remind the Regulated Entities to continuously monitor the Section entitled "Sanctions/Restrictive Measures" on CySEC's website and the EU Council's website for guidance on the implementation of EU Council's Restrictive Measures, including the relevant [Consolidated FAQs](#) and the Consolidated List of Sanctions, which are continuously updated. It is also noted that the European Commission has issued relevant [Q&As](#) for the Tenth sanctions package.

Sincerely,

Dr. George Theocharides
Chairman, Cyprus Securities and Exchange Commission