
To : **Regulated Entities**

- i. CIFs**
- ii. ASPs**
- iii. UCITS Management Companies**
- iv. Internally managed UCITS**
- v. AIFMs**
- vi. Internally managed AIFs**
- vii. Internally managed AIFLNPs**
- viii. Companies with sole purpose the management of AIFLNPs**

From : **Cyprus Securities and Exchange Commission**

Date : **10 November 2020**

Circular No : **C416**

Subject : **Business relationship with persons who have acquired Cypriot citizenship under the Cyprus Investment Program (CIP)**

Within the scope of its mandate for market supervision and ensuring the compliance of Regulated Entities with the legislation in force, the Cyprus Securities and Exchange Commission ('CySEC'), wishes to inform the Regulated Entities of the following:

1. According to section 58 of the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007 (the 'Law'), Regulated Entities must apply adequate and appropriate policies, controls and procedures, which are proportionate to their nature and size, so as to mitigate and manage the risks of money laundering and terrorist financing effectively.
2. Furthermore, on the basis of section 58A of the Law, Regulated Entities must take appropriate steps to identify and assess the risks of money laundering and terrorist financing which they face, taking into account risk factors, including factors which relate to their customers, countries and geographical areas, products, services, transactions or delivery channels for providing banking services.
3. In addition, according to section 68B of the Law, Regulated Entities must apply systems and procedures, which make possible the timely response to enquiries of the Cyprus FIU (MOKAS) and CySEC, as to whether they keep or have kept during the last five (5) years a business relationship with specific persons as well as the type of this business relationship.

4. **Taking into account the abovementioned points 1-3, Regulated Entities are immediately called upon to examine their records in order to identify whether they maintain or have maintained during the last five (5) years, a business relationship with customers and/or customers' beneficial owners who have acquired, either themselves or their spouses and/or their children, Cypriot citizenship under the Cyprus Investment Program (CIP).**
5. Regulated Entities and specifically the member of the board of directors, designated in accordance with section 58D of the Law, as the responsible person for the implementation of the provisions of the Law and of the Directives and/or Circulars issued pursuant thereto, are required to inform CySEC the soonest and **no later than Monday, 30 November 2020, at aml@cysec.gov.cy**, for the results of the investigation referred to in point 4 above.

Sincerely,

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission