
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 : **12 August 2021**

Circular No. : **C465**

Subject : **Revised EBA Guidelines on ML/TF risk factors**

Following Circulars [C276](#) and [C219](#), the Cyprus Securities and Exchange Commission ('CySEC') with the present Circular wishes to inform the Regulated Entities of the Revised EBA Guidelines on customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering (ML) and terrorist financing (TF) risk associated with individual business relationships and occasional transactions (['The ML/TF Risk Factors Guidelines'](#)) under Articles 17 and 18(4) of Directive (EU) 2015/84.

The ML/TF Risk Factors Guidelines take into account changes to the EU Anti Money Laundering and Counter Terrorism Financing (AML/CFT) legal framework and new ML/TF risks, including those identified by the EBA's implementation reviews and in the ESAs' 2019 Joint Opinion on ML/TF risks. They include new guidance on ML/TF risk assessments, customer due diligence for beneficial owners and compliance with the provisions on enhanced customer due diligence related to high-risk third countries. The said Guidelines also incorporate new sectoral guidance on crowdfunding platforms, corporate finance, payment initiation services providers (PISPs) and account information service providers (AISPs) and for firms providing activities of currency exchange offices.

The Revised Risk Factors Guidelines will **enter into force on 26 October 2021**. Upon the date of application, the original risk factors guidelines (JC/2017/37) will be repealed and replaced with the revised guidelines.

The Regulated Entities should apply these Guidelines for the purposes of complying with the requirements set out, at a minimum, in Articles 58, 58A, 61(2), 62(2), 62(6), 63, 64, 66(2A) of the Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007-2021.

CySEC expects 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