

PRESS RELEASE

Practical guide on combating the financing of the proliferation of weapons of mass destruction

Through the guide, the regulated entities will enhance their awareness in such cases

NICOSIA, 23 December 2024 – A [practical guide](#) on the measures that regulated entities should take to comply with their obligations to combat financing the proliferation of weapons of mass destruction was published by the Cyprus Securities and Exchange Commission (CySEC). Through the practical guide, the regulated entities will raise their awareness in situations where there may be potential financing the proliferation of weapons of mass destruction.

The practical guide provides common definitions and a general understanding an overview of the domestic and international regulatory framework, together with international standards and obligations. It also focuses on mapping out the characteristics of effective risk assessment and management practices that the regulated entities should have in place to counter financing the proliferation of weapons of mass destruction, including a list of risk indicators or red flags. The practical guide also provides recommended controls and mitigating measures that the regulated entities could implement.

The Financial Action Task Force (FATF) defines ‘Proliferation Financing’ as *«The act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations»*.

Cyprus implements a legal framework for combating financing the proliferation of weapons of mass destruction in accordance with the provisions of the Law for the Implementation of the Provisions of the United Nations Security Council Resolutions or Decisions (Sanctions) and the European Union Council’s Decisions and Regulations (Restrictive Measures) of 2016 (Law 58(I)/2016) and the FAFT recommendations. The Cyprus legal framework also consists of the Combating of Terrorism and Victims’ Protection Law of 2019 and the Import and Export of Controlled Items and the Conduct of Controlled Activities Law of 2011.

Regulated entities are responsible for developing and implementing policies, procedures and controls, to mitigate and manage their exposure to Proliferation Financing risks. In cases where a regulated entity identifies suspicious customer transactions or activity, must be immediately submitted to the Unit for Combating Money Laundering in Cyprus (MOKAS).

CySEC has also added the section “[Terrorism Financing \(TF\)/Proliferation Financing \(PF\)](#)” on CySEC’s website to provide useful information and publications on combating terrorism financing and the proliferation of weapons of mass destruction to its regulated entities, as well as relevant notifications, when available.

ENDS

Press Office Contacts

For media information and interviews, please contact Eleni Nicolaou at enicolaou@cysec.gov.cy or Monica Elia at monica.elia@cysec.gov.cy