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FROM : Cyprus Securities and Exchange Commission

DATE : 19 August 2022

CIRCULAR NO. : C527

SUBJECT : EU Council's Restrictive Measures against Russia due to its military aggression against Ukraine – “maintenance and alignment” sanctions package

Further to the notifications sent, dated 22 July 2022, via through the RSS Service from the “Sanctions/Restrictive Measures” section on the Cyprus Securities and Exchange Commission’s (CySEC) website, regarding the “maintenance and alignment” 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 amendment of Article 9 of [Council Regulation \(EU\) 2022/1273 of 21 July 2022 implementing Regulation \(EU\) No. 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine](#), as published in the Official Journal of the European Union, dated 21 July 2022. Article 9 is quoted below in its entirety, after its amendment:

Article 9 (replaced by the following):

“Article 9

1. It shall be prohibited to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the measures referred to in Article 2.

2. Natural or legal persons, entities or bodies listed in Annex I, shall:

(a) report before 1 September 2022 or within 6 weeks from the date of listing in Annex I, whichever is latest, funds or economic resources within the jurisdiction of a Member State belonging to,

owned, held or controlled by them, to the competent authority of the Member State where those funds or economic resources are located; and

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

3. Failure to comply with paragraph 2 shall be considered as participation, as referred to in paragraph 1, in activities the object or effect of which is to circumvent the measures referred to in Article 2.

4. The Member State concerned shall inform the Commission within two weeks of the information received pursuant to paragraph 2(a).

5. The obligation in paragraph 2(a) shall not apply until 1 January 2023 with regard to funds or economic resources located in a Member State that had laid down a similar reporting obligation under national law before 21 July 2022.

6. Any information provided or received in accordance with this Article shall be used only for the purposes for which it was provided or received.

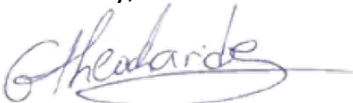
7. Any processing of personal data shall be carried out in accordance with this Regulation, Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 of the European Parliament and of the Council and only in so far as necessary for the application of this Regulation.'."

Following the amendment of Article 9, paragraph (2) states that the natural or legal persons, entities, or bodies listed in Annex I of Regulation (EU) No. 269/2014 (designated persons) are obliged to report to the relevant competent authority, before the 1st of September 2022 or within 6 weeks of listing in Annex I, the funds or economic resources belonging to them, own, held or controlled by them, and which are located in the Republic of Cyprus. It is noted that non-compliance with the reporting obligation to the relevant competent authorities shall be considered, based on the provisions of the Regulation, an attempt to circumvent the restrictive measures.

The Ministry of Finance has issued a relevant [announcement](#), dated 9 August 2022, which includes guidelines on how to disclose the funds or economic resources of designated persons, as well as the relevant disclosure form.

It is emphasized that the said reporting obligation burdens the designated persons, and therefore, if Regulated Entities submit any disclosure on behalf of a designated person, they should take all appropriate actions/measures to ensure the completeness and accuracy of the said disclosure.

Sincerely,



Dr. George Theocharides
Chairman, Cyprus Securities and Exchange Commission