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**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**
- ix. **Crypto Asset Service Providers**
- x. **Small AIFMs under Law 81(I)/2020**

**FROM** : **Cyprus Securities and Exchange Commission**

**DATE** : **15 April 2022**

**CIRCULAR NO.** : **C501**

**SUBJECT** : **EU Council's Restrictive Measures against Russia due to its military aggression against Ukraine**

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Further to Circular [C489](#), the Cyprus Securities and Exchange Commission ('CySEC') wishes to draw the attention of Regulated Entities to [additional restrictive measures](#) of the Council of the European Union ('EU Council'), dated 8 April 2022, imposed against Russia due to its military aggression against Ukraine.

The said restrictive measures impose, inter alia, restrictions on trusts (Article 5m of COUNCIL REGULATION (EU) 2022/576). The Ministry of Finance has issued a relevant [announcement](#), dated 13 April 2022, which provides clarifications regarding Article 5m of COUNCIL REGULATION (EU) 2022/576 on trusts. CySEC has already notified the Regulated Entities regarding the said announcement via the relevant notifications sent for Sanctions/Restrictive Measures.

Furthermore, regarding the additional restrictive measures, the following articles have been amended, inter alia:

a) Regarding COUNCIL REGULATION (EU) 2022/576 of 8 April 2022, amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine:

- **Article 5f (paragraph 1 is replaced by the following):**

"1. It shall be prohibited to sell transferable securities denominated in any official currency of a Member State issued after 12 April 2022 or units in collective investment undertakings providing exposure to such

securities, to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia.”

- **Article 5b (replaced by the following):**

“1. It shall be prohibited to accept any deposits from Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of deposits of the natural or legal person, entity or body per credit institution exceeds EUR 100 000.

2. It shall be prohibited to provide crypto-asset wallet, account or custody services to Russian nationals or natural persons residing in Russia, or legal persons, entities or bodies established in Russia, if the total value of crypto-assets of the natural or legal person, entity or body per wallet, account or custody provider exceeds EUR 10 000.”

**b) Regarding COUNCIL REGULATION (EU) 2022/577 of 8 April 2022, amending Regulation (EC) No 765/2006 concerning restrictive measures in view of the situation in Belarus and the involvement of Belarus in the Russian aggression against Ukraine:**

- **Article 1y (paragraph 1 is replaced by the following):**

“1. It shall be prohibited to sell transferable securities denominated in any official currency of a Member State issued after 12 April 2022 or units in collective investment undertakings providing exposure to such securities, to any Belarusian national or natural person residing in Belarus or any legal person, entity or body established in Belarus.”

Considering points (a) and (b) above, all Regulated Entities affected by the said restrictive measures are expected to inform CySEC by **Wednesday, 20 April 2022**, at the latest, using the email address [aml@cysec.gov.cy](mailto:aml@cysec.gov.cy), regarding:

1. Article 5f of COUNCIL REGULATION (EU) 2022/576 and Article 1y of COUNCIL REGULATION (EU) 2022/577:

- (i) For the appropriate actions/measures taken or intended to be taken by the Regulated Entity for compliance with paragraph 1 of the said Articles, if applicable.
- (ii) For the level of exposure of the Regulated Entity, by providing information regarding the business operations (exposure to clients affected as opposed to the total clientele) and the possible impact on the Regulated Entity.

2. Article 5b of COUNCIL REGULATION (EU) 2022/576:

- (i) For the appropriate actions/measures taken or intended to be taken by the Regulated Entity for compliance with paragraphs 1 and 2 of the said Article, if applicable.

Additionally, further to Circular [C489](#), regarding the obligation to report the existence of business relationships with persons or entities subject to the EU Council's Restrictive Measures against Russia due to its military aggression against Ukraine, it is stressed that the said obligation to report to CySEC constitutes a **continuous obligation** of the Regulated Entities and requires compliance for both existing EU Council's Restrictive Measures, and those which may be imposed in the future against Russia for its military aggression against Ukraine.

Finally, CySEC reminds Regulated Entities to continuously monitor the Section entitled “Sanctions/Restrictive Measures” on CySEC’s website, where, inter alia, notifications are sent regarding any additional EU Council’s Restrictive Measures against Russia due to its military aggression against Ukraine, and to also consult the EU Council’s website for guidance on the implementation of EU Council’s Restrictive Measures, including relevant [Frequently asked questions](#), which are continuously updated.

Sincerely,

Dr. George Theocharides  
Chairman, Cyprus Securities and Exchange Commission