
To : **Regulated Entities**
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From : **Cyprus Securities and Exchange Commission**

Date : **5 August 2021**

Circular No : **C463**

Subject : **Consultation of the European Banking Authority on new draft Guidelines on the role of anti-money laundering and countering the financing of terrorism (AML/CFT) compliance officers**

The Cyprus Securities and Exchange Commission (the 'CySEC') wishes with this Circular to inform Regulated Entities of the following:

1. The European Banking Authority (EBA) on 2 August 2021, launched a public consultation on [new Draft Guidelines on the role, tasks and responsibilities of anti-money laundering and countering the financing of terrorism \(AML/CFT\) compliance officers](#) (the 'Guidelines').
2. The Guidelines comprehensively address, for the first time at the level of the EU, the whole AML/CFT governance set-up. They set clear expectations of the role, tasks and responsibilities of the AML/CFT compliance officer and the management body and how they interact, including at group level. AML/CFT compliance officers need to have a sufficient level of seniority, which entails the powers to propose, on their own initiative, all necessary or appropriate measures to ensure the compliance and effectiveness of the internal AML/CFT measures to the management body in its supervisory and management function.
3. Without prejudice to the overall and collective responsibility of the management body, the Guidelines also specify the tasks and role of the member of the management board, or the senior manager where no management board exists, who are in charge of AML/CFT overall, and on the role of group AML/CFT compliance officers. As information reaching the management body needs to be sufficiently comprehensive to enable informed decision-

making, the Guidelines set out which information should be at least included in the activity report of the AML/CFT compliance officer to the management body.

4. Where a financial services operator is part of a group, the draft Guidelines provide that a Group AML/CFT compliance officer in the parent company should be appointed to ensure the establishment and implementation of effective group-wide AML/CFT policies and procedures and to ensure that any shortcomings in the AML/CFT framework affecting the entire group or a large part of the group are addressed effectively.
5. The provisions set out in the Guidelines should be applied in a manner that is effective and proportionate to the financial sector operator's type, size, internal organisation, the nature, scope and complexity of its activities, and the ML/TF risks to which the financial sector operator is exposed. They are also in line with existing ESA guidelines, in particular: the revised Guidelines on internal governance under the capital requirements Directive (CRD); the revised Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body; the draft Guidelines on the authorisation of credit institutions; and the draft Guidelines for common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing.
6. The CySEC encourages the Regulated Entities to send their comments to the Guidelines through the [EBA's consultation page](#), by the **2 November 2021 the latest**.

Sincerely,

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission