



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

From : **Cyprus Securities and Exchange Commission**

Date : **March 22, 2019**

Circular No. : **C 303**

Subject : **Financial Action Task Force (FATF) Public Consultation on the Draft Risk-Based Approach Guidance for Trust and Company Service Providers**

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

1. The risk-based approach (RBA) is central to the effective implementation of the revised FATF International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation, which were adopted in 2012.¹
2. The FATF is developing guidance to assist countries, competent authorities and professionals in the trust and company service providers sector in the application of a risk-based approach (RBA) to AML/CFT. The guidance is intended to provide support both to the private sector and public authorities, by focusing on ML/TF risks and associated mitigation measures.
3. The FATF is consulting private sector stakeholders before the guidance is finalised, and wishes to receive views and specific proposals to the text of the [FATF-RBA Guidance for Trust and Company Service Providers](#).

¹ www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf

4. As regards to the [FATF-RBA Guidance for Trust and Company Service Providers \(TCSPs\)](#), the FATF has reviewed its 2009 RBA Guidance for TCSPs, in order to bring it in line with the new FATF requirements and to reflect the experience gained by public authorities and the private sector over the years in applying the RBA. The revised version applies to the TCSP sector as well as, accountant and legal professionals who provide TCSP services, and financial institutions who are engaged in TCSP activity (e.g. through subsidiaries that conduct TCSP activity).
5. The [Consultation Paper on the RBA Guidance for the TCSPs sector](#) is addressed to Practitioners in the TCSP sector, to countries and their competent authorities, including AML/CFT supervisors of TCSPs, SRBs², AML/CFT supervisors of banks and other financial institutions that have TCSPs as customers, Financial Intelligence Units (FIU), Practitioners in the banking sector and other financial services sectors and DNFPBs that have TCSPs as customers.
6. The CySEC encourages the Regulated Entities to respond to the abovementioned public consultation.
7. To respond to the [Consultation Paper on the RBA Guidance for the TCSPs sector](#), please send your comments directly to the FATF (FATF.Publicconsultation@fatf-gafi.org), with subject-line “*Comments of XX on the draft RBA Guidance for the XX Sector*”, no later than **Monday, 08 April 2019**. All the comments received will be shared with the FATF delegations.
8. The FATF intends to adopt the final Guidance at its June 2019 Plenary meeting.

Sincerely,

Demetra Kalogerou

Chairwoman of the Cyprus Securities and Exchange Commission

² ‘Self-regulatory body’ see definition of the term in the [FATF Glossary](#)