
TO : **Regulated Entities**

- i. **Cyprus Investment Firms ('CIFs')**
- ii. **Administrative Service Providers ('ASPs')**
- iii. **UCITS Management Companies ('UCITS MC')**
- iv. **Self-Managed UCITS ('SM UCITS')**
- v. **Alternative Investment Fund Managers ('AIFMs')**
- vi. **Self-Managed Alternative Investment Funds ('SM AIFs')**
- vii. **Self-Managed Alternative Investment Funds with Limited Number of Persons ('SM AIFLNP')**
- viii. **Companies with sole purpose the management of AIFLNP**
- ix. **Small Alternative Investment Fund Managers ('Small AIFMs')**
- x. **Crypto Asset Service Providers**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **1 August 2025**

CIRCULAR NO. : **C724**

SUBJECT : **New legal framework for Restrictive Measures/Sanctions in the Republic of Cyprus**

The Cyprus Securities and Exchange Commission (the 'CySEC') wishes with this Circular to inform the Regulated Entities that on Friday, July 25, 2025, three new pieces of legislation (one of which is an amending law) were published in the [Official Gazette of the Republic of Cyprus](#), regarding the issue of Restrictive Measures/Sanctions. These pieces of legislation, which together constitute the new legal framework for Restrictive Measures/Sanctions, are briefly analysed below and are now, after their publication in the Official Gazette, in force. It is also noted that, when the new legislation becomes available in the English language, it will be added to the section '[Sanctions/Restrictive Measures](#)' on CySEC's website.

[The Criminalization of the Violation of the Restrictive Measures of the European Union Law of 2025 \(L. 149\(I\)/2025\)](#)

It harmonizes Directive (EU) 2024/1226 of the European Parliament and of the Council of 24 April 2024 on the definition of criminal offences and penalties for the violation of Union

restrictive measures and amending Directive (EU) 2018/1673 and repeals the Implementation of the Provisions of the Resolutions or Decisions of the United Nations Security Council (Sanctions) and the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law of 2016.

[The Establishment of the National Sanctions Implementation Unit Law of 2025 \(L. 150\(I\)/2025\)](#)

It establishes, within the Ministry of Finance, a Directorate called the 'National Sanctions Implementation Unit' (NSIU), which has, among others, the following responsibilities: the implementation and supervision of the Restrictive Measures of the Council of the European Union and the Sanctions of the United Nations Security Council in relation to economic sanctions, the coordination of all authorities and state services for the implementation of the Restrictive Measures/Sanctions in the Republic, the collection of information, the cooperation with other state authorities and bodies in the Republic, with competent authorities abroad and with other organizations, the examination of requests for the granting of licenses or derogations in accordance with the legislative acts establishing Restrictive Measures and/or Sanctions, the evaluation of cases of potential violation of the Restrictive Measures/Sanctions, the issuance of directives, circulars, guidelines, clarifications and guidance on issues related to the implementation of Restrictive Measures/Sanctions in the Republic, the organization of educational or training seminars or conferences and the publication and distribution of training material on issues related to the implementation of Restrictive Measures/Sanctions in the Republic.

The law also establishes the framework for authorization applications, for the obligations of regulated entities, as well as for the imposition of administrative fines by the NSIU without affecting the powers and responsibilities of the Supervisory Authorities.

[The Protection of Persons Reporting Breaches of Union and National Law \(Amending\) Law of 2025 \(L. 148\(I\)/2025\)](#)

It harmonizes Directive (EU) 2024/1226 of the European Parliament and of the Council of 24 April 2024 on the definition of criminal offences and penalties for the violation of Union restrictive measures and amending Directive (EU) 2018/1673 by adding the violations of Union restrictive measures listed in article 5 of the Law on the Criminalization of the Violation of Union Restrictive Measures, including cases of incitement, aiding and abetting and attempting to commit them, to the application of the relevant law.

CySEC calls the Regulated Entities to harmonise the existing measures and procedures in place that are designed and implemented for the detection of actions that are in breach or may potentially be in breach of the provisions of the Restrictive Measures and/or Sanctions, in accordance with the new legal framework for Restrictive Measures/Sanctions that is in force in the Republic of Cyprus.

Sincerely,

Dr George Theocharides
Chairman, Cyprus Securities and Exchange Commission