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**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 AIFLNPs**
- ix. Small Alternative Investment Fund Managers ('Small AIFMs')**
- x. Crypto Asset Service Providers**

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

**DATE** : **28 November 2023**

**CIRCULAR NO.** : **C605**

**SUBJECT** : **European Banking Authority ('EBA') public Consultation Paper on new Guidelines on preventing the abuse of funds and certain crypto-assets transfers, for money laundering and terrorist financing purposes**

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

On 24<sup>th</sup> November 2023, the EBA launched a public [consultation](#) on new Guidelines on preventing the abuse of funds and certain crypto-assets transfers for money laundering and terrorist financing purposes under Regulation (EU) 2023/1113 ('Travel Rule Guidelines' or 'Guidelines'). The said Guidelines relates to the so-called '*travel rule*' obligation.

The Travel Rule Guidelines specify the steps that Payment Service Providers ('PSPs'), Intermediary PSPs ('IPSPs'), crypto-asset service providers ('CASPs') and Intermediary CASPs ('ICASPs') should take to detect missing or incomplete information, that accompanies a transfer of funds or crypto-assets and detail the procedures all these providers should put in

place to manage a transfer of funds or a transfer of crypto-assets that lacks the required information.

**The said Guidelines aim at forging a common understanding to ensure the consistent application of EU law as well as a stronger anti-money laundering and countering the financing of terrorism (AML/CFT) regime.**

The main objective of the Travel Rule Guidelines is to prevent the abuse of funds and crypto-assets transfers for terrorist financing and other financial crime purposes. The Guidelines also ensure that relevant authorities can fully trace such transfers where this is necessary to prevent, detect or investigate money laundering and terrorist financing. To achieve this, the EBA promotes the development of a common understanding by PSPs, IPSPs, CASPs and ICASPs and competent authorities across the EU, of what are the effective procedures to detect and manage the transfer of funds and crypto-assets lacking the required information on the payer/originator and the payee/beneficiary, and how they should be applied.

Regulated Entities may respond to the abovementioned public consultation by submitting their comments through the [EBA's consultation page](#). The deadline for the submission of comments is 26 February 2024.

Further to the above, it is noted that the EBA will hold a virtual public hearing on the consultation paper on 17 January 2024, from 14:00 to 16:00 Paris time, and interested stakeholders may register using [this link](#) by 3 January 2024 at 16:00 CEST.

The CySEC encourages the Regulated Entities to respond to the said consultation paper.

Sincerely,

Dr George Theocharides  
Chairman, Cyprus Securities and Exchange Commission