

---

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

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

**DATE** : **23 December 2024**

**CIRCULAR NO.** : **C672**

**SUBJECT** : **Guidance on combatting Proliferation of weapons of mass destruction and Proliferation Financing**

---

With the present Circular, the Cyprus Securities and Exchange Commission (CySEC) wishes to notify the regulated entities for issuing a practical guide on [Guidance on combatting Proliferation of weapons of mass destruction and Proliferation Financing](#), available on CySEC's [website](#).

The practical guide provides some common definitions and a general understanding on proliferation of weapons of mass destruction (WMD) and Proliferation Financing (PF) and how it works. It also provides an overview of the domestic and international regulatory framework, together with international standards and obligations that are relevant to combatting PF risks. It also focuses on mapping out the characteristics of effective risk assessment and management practices that the regulated entities should have in place to counter PF, including

a list of PF risk indicators or red flags. The practical guide also provides recommended controls and mitigating measures that the regulated entities could implement to counter WMD proliferation and PF. Through the practical guide, the regulated entities will raise their awareness in situations where there may be potential WMD proliferation and/or PF.

The practical guide will be updated from time to time, if deemed necessary.

Sincerely,

Dr George Theocharides  
Chairman, Cyprus Securities and Exchange Commission