
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 : **21 October 2021**

CIRCULAR NO. : **C474**

SUBJECT : **United Nations Security Council Resolutions or Decisions (Sanctions) and the European Union Council’s Decisions and Regulations (Restrictive Measures)**

Through this Circular, the Cyprus Securities and Exchange Commission ('CySEC'), would like to inform the Regulated Entities that section "Sanctions/Restrictive Measures" has been added on CySEC's website under 'Regulatory Framework'. It includes information and notifications regarding compliance with the provisions of the United Nations (UN) Security Council Resolutions or Decisions (Sanctions) and the European Union (EU) Council's Decisions and Regulations (Restrictive Measures).

The Regulated Entities are reminded of their ongoing obligation to implement:

- The Sanctions that are adopted in line with the UN Security Council Resolutions/Decisions, on the basis of Article 41 of Chapter VII of the Charter of the United Nations, which has direct and immediate effect on the Republic of Cyprus, as part of its obligation to implement the Provisions of the United Nations Security Council Resolutions or Decisions (Sanctions) and the European Union Council's Decisions and Regulations (Restrictive Measures) Law of 2016 (L. 58(I)/2016) (the 'Law'). Additionally, the EU and therefore the Republic of Cyprus, implements UN Sanctions by incorporating them into EU Law, through the adoption of the relevant Decisions and Regulations, as part of the EU's Common Foreign and Security Policy (C.F.S.P).
- The Restrictive Measures that are adopted by the EU Council, through the publication of relevant Decisions (on the basis of Article 29 of the Treaty of the European Union) and Regulations (on the basis of Article 215 of the Treaty on the Functioning of the European Union), as part of the C.F.S.P, which prevail over any applicable domestic legislation. The Restrictive Measures are

legally binding acts in their entirety for the EU Member States and their citizens, with direct and immediate effect on the domestic legal order of the EU Member States.

- Any other European legislation or legally binding international act on Sanctions/Restrictive Measures.

Hence, the necessity of monitoring the UN Security Council's Sanctions and the EU Council's Restrictive Measures, which are binding legal acts for the Republic of Cyprus, is imperative, whilst taking the appropriate actions/measures, if required, is mandatory for all natural and legal persons, including the Regulated Entities.

CySEC expects from the Regulated Entities to continuously monitor, inter alia, the Section "Sanctions/Restrictive Measures" on CySEC's website, through the [RSS Service](#), and ensure their full compliance with the Law.

Taking the above into consideration, CySEC urges its Regulated Entities:

- To study the notifications in Section "Sanctions/Restrictive Measures" on CySEC's website and assess whether the Sanctions/Restrictive Measures contained therein affect their customers.
- To assess or reassess money laundering and terrorist financing risks, in the case of a business relationship with any person subject to Sanctions/Restrictive Measures.
- In the case of a new/prospective customer who is subject to Sanctions/Restrictive Measures, to avoid the commencement of any business relationship with such a customer.
- In the case of an existing customer who is subject to Sanctions/Restrictive Measures, to carefully examine the actions/measures that must be implemented (e.g. whether the freezing of funds/accounts is necessary, etc.) in accordance with the relevant UN Security Council Resolutions/Decisions and/or the EU Council's Decisions and Regulations.

Sincerely,

Dr George Theocharides
Chairman, Cyprus Securities and Exchange Commission