



TO : **Regulated Entities**
i. Administrative Service Providers

FROM : **Cyprus Securities and Exchange Commission**

DATE : **10 May 2022**

CIRCULAR NO. : **C511**

SUBJECT : **EU Council's Restrictive Measures against Russia due to its military aggression against Ukraine – Existing Trusts and/or Existing Similar Legal Arrangements**

Further to Circular [C501](#) and the [additional restrictive measures](#) of the Council of the European Union ('EU Council'), dated 8 April 2022, imposed against Russia due to its military aggression against Ukraine, the Cyprus Securities and Exchange Commission ('CySEC') wishes to inform the Administrative Service Providers ('ASPs') of the following:

The said restrictive measures impose, inter alia, restrictions on trusts. The relevant article 5m of Council Regulation (EU) 2022/576 (paragraphs 1 and 4) states that:

"1. It shall be prohibited to register, provide a registered office, business or administrative address as well as management services to, a trust or any similar legal arrangement having as a trustor or a beneficiary:

- (a) Russian nationals or natural persons residing in Russia;
- (b) legal persons, entities or bodies established in Russia;
- (c) legal persons, entities or bodies whose proprietary rights are directly or indirectly owned for more than 50 % by a natural or legal person, entity or body referred to in points (a) or (b);
- (d) legal persons, entities or bodies controlled by a natural or legal person, entity or body referred to in points (a), (b) or (c);
- (e) a natural or legal person, entity or body acting on behalf or at the direction of a natural or legal person, entity or body referred to in points (a), (b), (c) or (d).

4. Paragraphs 1 and 2 shall not apply when the trustor or beneficiary is a national of a Member State or a natural person having a temporary or permanent residence permit in a Member State."

It is noted that, a [list](#) of "trusts and similar legal arrangements" governed under the law of the EU Member States is included in the Official Journal of the European Union.

In view of the above, the ASPs are immediately called upon to examine their records and to inform CySEC in relation to the number:

- i. of existing trusts or similar legal arrangements described in paragraph 1 taking into account the exceptions given in paragraph 4,**
- ii. of existing trusts or similar legal arrangements described in paragraph 1, in which the trustor or beneficiary is a Russian national or natural person residing in Russia and in addition, is a United Kingdom national or a natural person having temporary or permanent residence permit in the United Kingdom.**

The ASPs are required to inform the CySEC, as soon as possible and no later than Friday, 13 May 2022, at aml@cysec.gov.cy, about the results of their record examination.

CySEC reminds the ASPs to continuously monitor the "Sanctions/Restrictive Measures" section on CySEC's website and the EU Council website for guidance on the implementation of the EU Council's Restrictive Measures, including the relevant [FAQs](#) which are constantly updated, as a good practice.

Sincerely,

George Karatzias
Vice-Chairman, Cyprus Securities and Exchange Commission