

TO : Regulated Entities

- i. Cyprus Investment Firms ('CIFs')
- ii. UCITS Management Companies ('UCITs MC')
- iii. Alternative Investment Fund Managers in the Republic ('AIFMs')
- iv. Self-Managed Alternative Investment Funds ('SM AIFs')¹
- v. Administrative Service Providers ('ASPs')

FROM : Cyprus Securities and Exchange Commission

DATE : February 24, 2016

CIRCULAR No : C119

FILE No : EK.02.03.001

SUBJECT : Compliance Officer's Annual Report on the prevention of money laundering and terrorist financing – Electronic Submission

The Cyprus Securities and Exchange Commission ('the CySEC') wishes to inform the Regulated Entities about the electronic submission of the Compliance Officer's Annual Report on the prevention of money laundering and terrorist financing. Specifically:

1. Compliance Officer's Annual Report on the prevention of money laundering and terrorist financing

1.1 Pursuant to the provisions of paragraph 9(1)(q) and 10 of the Directive DI144-2007-08 of 2012 of the CySEC for the Prevention of Money Laundering and Terrorist Financing ('the Directive'):

- The compliance officer, for the prevention of money laundering and terrorist financing ('the Compliance Officer') of the Regulated Entity, is obliged to prepare an annual report ('the AML Annual Report') for assessing the Regulated Entity's level of

¹ It refers to the 'Alternative Investment Funds in the Republic' and to the 'Alternative Investment Funds with limited number of investors', as these are define in article 2 of the Alternative Investment Funds Law of 2014 [Law 131(1)/2014] that are self-managed.

compliance with its obligations laid down in the Prevention And Suppression Of Money Laundering And Terrorist Financing Law 188(I)/2007 and the Directive.

- The AML Annual Report is prepared and submitted for approval to the board of directors, within two months from the end of each calendar year (the latest by the end of February).
- The AML Annual Report, after its approval by the board of directors, is submitted to the CySEC together with the minutes of the meeting, during which the Annual Report has been discussed and approved. These minutes and the Annual Report are submitted to the CySEC within **twenty days** from the date of the relevant meeting, and **not later than three months** from the end of the calendar year.

1.2 The AML Annual Report should be prepared separately and not be part of any other report that the Regulated Entity is obliged to prepare (e.g. compliance function report of CIFs for legal issues).

2. Method of Submission

2.1 Given the above, the CySEC requires that all the Regulated Entities submit their AML Annual Reports and the respective minutes of the board of directors **only electronically, in PDF format, via the Commission's Transaction Reporting System ('TRS'), and not in any other format**. The Reports/Minutes of the board of directors must be submitted to the CySEC as described in Section 3 below.

2.2 Regulated Entities that have already submitted any of the abovementioned reports **are required to re-submit them via the TRS**. Reports submitted in any other format **would not be accepted**.

3. Details for creating, signing and submitting the PDF files to the CySEC

3.1 Creating the PDF files

The Regulated Entities should name their PDF files in accordance to the following naming convention:

- **{TRS username}_AMLCR_XXXX.pdf**
(for the AML Annual Report)
- **{TRS username}_AMLBM_XXXX.pdf**
(for the minutes of the board of directors in relation to the AML Annual Report)

The information below explains the naming convention:

- TRS username for the PDF file is the username of the TRS credentials (refer to Section 3.3) of this Circular on how to request this) in capital letters.
- **XXXX** – It denotes the year of submission (in a four-digit format) of the reports. For example the PDF files that will be submitted in 2016 should have the '2016' numbering.
- The above naming convention must not contain any spaces.

3.2 Signing the PDF files

After the naming convention, the Regulated Entities can use their qualified certificate and their Secure Signature Creation Device (SSCD) to sign their PDF files. The method of acquiring a qualified certificate and a SSCD has been described in [Appendix A](#) of CySEC Circular CI144-2013-25. The CySEC has prepared a specialised program (CySEC Digital Signer) to facilitate the Regulated Entities to validate and sign their PDF files. It is available at the CySEC's website [here](#).

Upon signing the files the program will rename the files as follows:

- **{TRS username}_AMLCR_XXXX_Signed.pdf**
- **{TRS username}_AMLBM_XXXX_Signed.pdf**

3.3 Submitting the PDF files

After digitally signing the PDF files, those files (exactly as they are described on Section 3.2) should be submitted to the CySEC via the Transaction Reporting System ('TRS') only and not in any other format. The technical information, to log in to the TRS is the following:

- Address:
Server IP address: 212.31.100.75
Server Port: 22
Server Type: SFTP using SSH2
- Program to be used:
Any file transfer program (SFTP – SSH2) can be used, such as FileZilla, which is a free program and is available at <http://filezilla.sourceforge.net/>
- TRS directories:
At user home directory, there are two directories:
 - ✓ Incoming – the Digitally Signed PDF files must be uploaded in this specific folder.
 - ✓ Outgoing – the feedback file of the PDF can be downloaded from this specific folder.

Special emphasis is given to the fact that the root directory should not be used to upload any files.

- Login/Password:
The login and password will be given to the Regulated Entity after requesting so, via email, to information.technology@cysec.gov.cy. The email subject must include the following:
"TRS Credentials – {name of the Regulated Entity} _{TRS username*}"
*if it is available
- After login into the TRS system and submitting the PDF files, the Regulated Entities will receive, via TRS, the feedback files of the PDF files [located in the outgoing folder], which will have an 'OK' indication and will be the only evidence that the PDF files were submitted successfully.

- In cases where the submission of the PDF files is not successful, meaning that error(s) are identified by the TRS, the Regulated Entities will receive the feedback files of the PDF files, via TRS, [located in the outgoing folder] which will describe the error(s).

In these instances, the Regulated Entities are required to immediately correct the error(s) and re-submit the PDF files using the procedure described above. During this period and until the successful submission of the PDF files, the CySEC will consider the Annual Report and the minutes of the board of directors as not submitted.

3.4 Support

For technical matters on digitally signing and submitting the PDF files, the Regulated Entities are advised to frequently visit the CySEC's Website. For further clarifications, the Regulated Entities are asked to use the electronic address information.technology@cysec.gov.cy.

All email communication with the CySEC should include, in the subject, the Regulated Entity's full name and the TRS username.

Yours sincerely

Demetra Kalogerou
Chairman, Cyprus Securities and Exchange Commission