



CYPRUS SECURITIES AND EXCHANGE COMMISSION

TO : **Cyprus Investment Firms**
FROM : **Cyprus Securities and Exchange Commission**
DATE : **23 December 2009**
CIRCULAR No : **CI144-2009-10**
FILE No : **E.K. 6.1.14**
SUBJECT : **Compliance with the provisions of the Prevention and Suppression of Money Laundering Activities Law of 2007, as amended ('the Law') and the Directive DI144-2007-08 of the Cyprus Securities and Exchange Commission for the Prevention of Money Laundering and Terrorist Financing ('the Directive')**

The Cyprus Securities and Exchange Commission ('the Commission') wishes, with the present circular, to request the Cyprus Investment Firms (the 'CIFs'), for information purposes regarding their compliance with the Law and the Directive:

1. To complete in electronic form and submit, to the Commission, at the address investmentfirms@cysec.gov.cy, the attached Appendix.
2. To submit, to the Commission, a copy of the risk management and procedures manual regarding money laundering and terrorist financing, according to paragraph 9(1)(c) of the Directive.
3. To inform, the Commission, whether they have already implemented or they will implement automated electronic management information systems, according to paragraph 26(3) of the Directive, that identify, analyse and effectively monitor customer accounts and their transactions based on the assessed risk. In case of a positive answer, general information regarding the abovementioned systems should be submitted.

The CIFs are requested to submit the abovementioned the soonest and not later than **January 25th, 2010**.

Furthermore, the CIFs are reminded that they should submit to the Commission, not later than three months from the end of each calendar year, the compliance officer's Annual Report, according to paragraph 10 of the Directive, together with the minutes

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of the board of directors meeting, during which the Annual Report has been discussed and approved.

Yours sincerely

Georgios Charalambous
Chairman of the Cyprus Securities and Exchange Commission

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APPENDIX

(complete the following tables, by marking '√' in the appropriate box)

CIF's NAME : «.....»

LICENSE No. : «.....»

1. Risk management and procedures manual

Indicate the compliance level of the risk management and procedures manual with the provisions of the Law and the Directive:

| | | Fully | Partly | None |
|-----|--|--------------|---------------|-------------|
| 1.1 | Customers' acceptance policy | | | |
| 1.2 | Compliance officer's duties | | | |
| 1.3 | Measures and procedures on a risk based approach | | | |
| 1.4 | Customers identification and due diligence procedures | | | |
| 1.5 | Recognition and reporting of suspicious transactions/activities to MOKAS | | | |
| 1.6 | Record Keeping | | | |

2. Clientele before 25th February 2009 (date of entry into force of the Directive)

For the clientele existing at the date of entry into force of the Directive, indicate the compliance level with the provisions of the Law and the Directive:

| | | Fully | Partly | None |
|-----|---|--------------|---------------|-------------|
| 1.1 | Measures and procedures on a risk based approach | | | |
| 1.2 | Customers identification and due diligence procedures | | | |

3. Clientele after 25th February 2009 (date of entry into force of the Directive)

For the new clientele acquired after the date of entry into force of the Directive, indicate the compliance level with the provisions of the Law and the Directive:

| | | Fully | Partly | None |
|-----|--|--------------|---------------|-------------|
| 1.1 | Customers' acceptance policy | | | |
| 1.2 | Measures and procedures on a risk based approach | | | |
| 1.3 | Customer identification and due diligence procedures | | | |