
Frequently Answered Questions- FAQs

Form T196/001

Section B – Clientele

1. Total number of clients

1.1. Question: How can we define the word clients?

Answer: Please refer to the definition of ‘customer’ given in Article 2, of Law 188(I)/2007. For the purposes of Form T196/001, “Customer” is the same as Client.

1.2. Question: Do we have to calculate only Cypriot companies as clients or also clients from other jurisdictions?

Answer: If you are referring to your clients, yes, you should calculate all the clients you administrate.

1.3. Question: Do we need to report only the new clients acquired during the reporting period e.g. 1/1/2016-31/12/2016 or the total number of clients as at e.g. 31 December 2016?

Answer: You should report the total number of clients as at the reference date, as recorded in Section A, e.g. as at 31/12/2016.

1.4. Question: With regard to the “number of clients”, please clarify whether a client that has a number of Cyprus companies should be considered as one client or the number of companies should be considered as separate clients.

Answer: In case you provide administrative services to all the Cypriot companies, then you should count them as separate clients. Article 2 of Law 188(I)/2007 includes a detailed definition of the term «client».

3. Country of Incorporation

3.2 Third countries

Question: By indicating to exclude from the third countries, those countries that have an equivalent AML framework, do you mean to exclude the countries that have adopted or are familiar to the Financial Action Task Force (FATF) Recommendations?

Answer: There is a list with the third countries with equivalent AML framework in Circular CI144-2012-07.

4. Types of High Risk Clients (Annex 4 of Directive 144-2007-08)

4.2 PEP Clients

Question: Please provide an explicit definition of a “PEP client”.

Answer: Please refer to Article 2 of Law 188(I)/2007 and point 5, Fourth Appendix of Directive DI144-2007-08.

4.3 Non face to face clients

4.3.1. Question: We understand that “non face to face” clients are automatically categorised as high risk. Clients that are introduced to us by reputable firms (mainly international law firms, big audit firms etc.) and for which they have “face to face” meetings with these clients, prior introducing them to us (they will also certify the KYC documentation sent to us), are to be considered as non-face to face clients and therefore categorised as high risk?

Answer: If you rely on third parties for the application of customer identification and due diligence measures following the procedures of section 67 of the Law 188(I)/2007 and paragraph 25 of Directive DI144-2007-08 and these third parties do not consider them as non-face to face then you should not classify them as non-face to face clients.

If you perform your own customer identification and due diligence measures and you do not meet “face to face” with the clients then you should classify these clients as non-face to face clients.

4.3.2. Question: Please advise whether a client shall be considered as not “face to face client”, in case the ASP knows the client “face to face” by knowing the client’s team/employees/top managers etc.

Answer: A client does not fall under the category of non-face to face if you meet the legal representatives (e.g. authorised persons) of the client.

4.5 Trust Clients

Question: Which of the following two, is meant hereto:

- **Trust kept for a company by the ASP; or**
- **Trust that may exist not in the level of the ASP but throughout the chain leading from a company to its beneficial owner.**

Answer: Both cases apply.

4.6 Omnibus Accounts

4.6.1. Question: Please give us more details, in regards with what you mean by requiring to enter the number of "clients' accounts" in the name of a third person ("omnibus").

Answer: Please refer to point 4, Fourth Appendix, of the Directive 144-2007-08.

4.6.2. Question: What is the meaning of Omnibus Account? Please provide us with an example for better understanding.

Answer: Omnibus account is an account that funds of various clients are held in one account. For more details please refer to point 4, Fourth Appendix of DI144-2007-08.

Section E – Information for top 10 clients

Question: Please clarify the definition of "Top 10 clients".

Answer: "Top 10 clients" refers to the 10 biggest clients that the ASP provides any of the administrative services described in Articles 4(1)(a), 4(1)(b)(i) and 4(1)(b)(vii) of Law 196(I)/2012, in terms of the fees invoiced for each client during the reporting period, provided that each client has at least one bank account.

Section F – Additional Information

4. Clients in EU and UN sanction lists

4.1. Question: Please provide the EU and UN sanction lists.

Answer: The EU and UN sanction lists are issued and continuously updated by the EU Common Foreign & Security Policy and the UN Security Council Sanctions Committees respectively (please refer to paragraph 17 of Directive DI144-2007-08). Furthermore, detailed information on Sanctions/Restrictive Measures can be found at the Ministry of Foreign Affairs of the Republic of Cyprus official website link provided below:
http://www.mfa.gov.cy/mfa/mfa2016.nsf/mfa35_en/mfa35_en?OpenDocument.

4.2. Question: “Clients” are “Companies”, not physical persons. However, the sanction lists concern physical persons, not companies. Therefore, please confirm what in particular is meant in this case.

Answer: You should evaluate your clients on a case by case basis, according to the risk based approach that the ASP implements. For example, if you have a client that has five beneficial owners and two of them are listed on the EU or UN sanction lists, then you have one client that should be considered as a client listed on the EU or UN sanctions list. The same applies for clients that may have beneficial owners that are PEPs etc.

9. Cash Transactions

Question: Please clarify whether in both Sections 9.1. Deposits and 9.2. Withdrawals, the ‘total value’ of the Deposits and Withdrawals, you mean to enter value of Deposits and Withdrawals between the ASP and its clients, or you mean the Deposits and Withdrawals between the ASP’s clients with others in general? (i.e. transactions with other ASPs, other partners etc.).

Answer: Enter only the value of Deposits and Withdrawals between the ASP and its clients. You should report the total value of only the **actual Cash** Deposits and Withdrawals of your clients (for Deposits, the information may be retrieved by the Form 144-08-11 that you submit to CySEC every month).