
To : **Regulated Entities**

- i. Cyprus Investment Firms ('CIFs')**
- ii. Administrative Service Providers ('ASPs')**
- iii. Undertakings for Collective Investment in Transferable Securities ('UCITS')**
- iv. UCITS Management Companies ('UCITS MC')**
- v. Alternative Investment Fund Managers ('AIFMs')**
- vi. Alternative Investment Funds ('AIFs')**
- vii. Alternative Investment Funds with a Limited Number of Persons ('AIFLNP')**

From : **Cyprus Securities and Exchange Commission**

Date : **27 April 2017**

Circular No : **C 205**

Subject : **Consultation Paper on draft Guidelines to prevent terrorist financing and money laundering in electronic fund transfers – Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – 'ESAs')**

The Cyprus Securities and Exchange Commission (the 'CySEC') wishes, with this Circular, to inform the Regulated Entities of the following:

1. The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – 'ESAs') launched on the 5th of April 2017, a public consultation on draft Guidelines that set out what payment service providers should do to detect and prevent the abuse of funds transfers for terrorist financing and money laundering purposes. The Guidelines have been drafted in accordance with Article 25 of Regulation (EU) 2015/847 which requires the ESAs to issue guidelines to Competent Authorities and Payment Service Providers on the measures the latter should take to comply with Regulation (EU) 2015/847 and in particular Articles 7, 8, 11 and 12 of that Regulation.
2. In particular, the ESAs' draft guidelines set out what intermediary payment service providers and the payment service providers of the payee should do to detect whether information on the payer or the payee is missing or is incomplete. They also set out what payment service providers should do to manage a transfer of funds that lacks the required information.
3. These Guidelines are part of the ESAs' wider work on fostering a common approach to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) and promote a

common understanding of payment service providers' obligations in this area. This is essential to ensure the consistent application of AML/CFT law, which not only strengthens the European Union's AML/CFT regime but is also a prerequisite for the smooth and efficient functioning of payment systems.

4. The CySEC encourages the Regulated Entities to respond to the [Consultation Paper on draft Guidelines to prevent terrorist financing and money laundering in electronic fund transfers](#).
5. To respond to the abovementioned public consultation, please use the consultation form on [EBA's website](#) by **5 June 2017**, the latest.

Sincerely,

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission