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**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**

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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 2020, at [aml@cysec.gov.cy](mailto: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