
To : **Regulated Entities**

- i. CIFs**
- ii. ASPs**
- iii. UCITS Management Companies**
- iv. Internally managed UCITS**
- v. AIFMs**
- vi. Internally managed AIFs**
- vii. Internally managed AIFLNPs**
- viii. Companies with sole purpose the management of AIFLNPs**

From : **Cyprus Securities and Exchange Commission**

Date : **July 23, 2019**

Circular No : **C331**

Subject : **Financial Action Task Force (FATF) Guidance on Risk-based Approach for Trust and Company Service Providers**

Further to [Circular 303](#), the Financial Action Task Force (FATF) has adopted its updated [Risk-based Approach \(RBA\) Guidance for Trust and Company Service Providers \(TCSPs\)](#) (the 'Guidance') at its June 2019 Plenary. The FATF has developed the Guidance, which replaces the 2009 RBA Guidance for TCSPs, to align it with the new FATF requirements and to reflect the experience gained by public authorities and the private sector over the years in applying the RBA.

The Guidance aims to support the implementation of a risk-based approach by accounting for national money laundering and terrorist financing (ML/TF) risk assessments and AML/CFT legal and regulatory frameworks. It includes a general presentation of the RBA and provides specific guidance for the TCSPs sector and for their supervisors.

The Guidance is aimed at TCSP practitioners, countries and their competent authorities, including supervisors of TCSPs, as well as practitioners that have TCSPs as customers. This includes Regulated Entities supervised by the Cyprus Securities and Exchange Commission (CySEC). The Guidance aims to:

- Support TCSPs in the design of effective measures to manage their ML/TF risks when establishing or maintaining business relationships;
- Explain the obligations for TCSPs regarding identification and verification of beneficial ownership information; and,

- Provides examples of standard, simplified and enhanced customer due diligence (CDD) measures based on ML/TF risk.

The CySEC encourages the Regulated Entities to take duly account and read the Guidance, which will assist them in the assessment of ML/TF risk and implementation of applicable AML/CFT measures.

Sincerely,

Demetra Kalogerou
Chairwoman of the Cyprus Securities and Exchange Commission