

PUBLIC CONSULTATION

Regarding the Discretionary powers provided by Directive (EU) 2018/843

The Ministry of Finance, in the context of establishing effective regulations and procedures for consulting with market participants, regarding the proposed changes in national legislation, releases this document for the purpose of submitting opinions, on the discretion provided by Directive (EU) 2018/843 .

Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive 2015/849 on the prevention of the use of the financial system for money laundering or terrorist financing, and amending Directives 2009/138 / EC and 2013/36 / EU, was published in the Official Journal of the European Union (EU) on 9/6/2018 and the Member States had an obligation to harmonise the Directive by 10/01/20.

This Directive is a continuation of the important reforms that the EU has undertaken in recent years to reduce the risks associated with money laundering and terrorist financing. The Directive, as well as additional information about it, can be found on the relevant website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-supervision-and-risk-management/anti-money-laundering-and-counter-terrorist-financing_en

Due to the delay in transposing the European Directive into national law, the Republic has received a Warning Letter from the European Commission for late harmonisation. Without justification, unfortunately the plethora of international assessments that the Republic of Cyprus had to respond to in this matter, in the years 2019 and 2020, as well as the outbreak of the COVID-19 pandemic from March 2020 onwards, negatively affected the possibility of the Cypriot authorities in the timely completion of their work.

This amending bill, which will translate the European Directive into national law, was prepared by an Ad Hoc Committee of the Advisory Authority for the Fight against Covert Offences, which included representatives of MOKAS, the Cyprus Securities and Exchange Commission, the Central Bank of Cyprus and the Ministry of Finance. Representatives of the Cyprus Association of Chartered Accountants (SELK), the Cyprus Bar Association, as well as the Department of the Registrar of Companies and the Official Receiver also participated in the preparatory work.

TRANSLATED FROM THE ORIGINAL IN GREEK <http://mof.gov.cy/en/press-office/announcements/724/?ctype=ar>

For the purpose of harmonising national legislation with this Directive as regards the amendment of Directive (EU) 2015/849, an amending bill was prepared entitled the Prevention and Combatting of Money Laundering (Amendment) Law 2020.

The bill transposes the provisions of the Directive which are mandatory for their implementation by the Member States as well as the provisions concerning the discretion of the Member States and individually other issues arising from comments in the MONEYVAL Commission Report on Cyprus. This public consultation takes place only for the discretion of Directive (EU) 2019/879 and other policy issues which are shown in the attached Table (Annex 1).

The Ministry of Finance invites you to submit your comments or opinions, in Word format, until 7/9/2020 at the email address: kpaphites@mof.gov.cy.

Nicosia, 6 August 2020

Unofficial translation