

HANDBOOK

of the Questionnaire in regard to Anti-Money Laundering (AML) and Terrorist Financing (TF)

A. General Questions:

Question 1: In which language can the questionnaire completion process be conducted?

The overall process, including the questionnaire, is available in Greek and English and the language of choice can be changed at any time by selecting the appropriate icon.



Question 2: Which are the mandatory fields that the obliged entities must fill out on the homepage of the process (<https://www.cyprusbar.org/LogInPageFill2020.aspx>)?

Supervisee Type:

1. Lawyer (Natural Person): mandatory fields are the “**Lawyer Registration Number given by CBA**” and the “**Lawyer’s ID Number**”.
2. LLCs: mandatory fields are the “**Lawyer Registration Number given by CBA**” and the “**LLC Number given by CBA**”.
3. ASPs: mandatory fields are the “**Lawyer Registration Number given by CBA**”, “**ASP Number given by CBA**” and the “**LLC Number given by CBA**”. In case the ASP is owned by a self-employed lawyer and not an LLC, the “**LLC Number given by CBA**” field should not be completed.

Notes:

- “Lawyer Registration Number given by CBA” is the **CBA Registration Number of the lawyer** running the procedure for himself/herself, the ASP or the LLC.
- “LLC number given by CBA” is the **CBA registration number of the LLC** (up to 3 digits) that the LLC received when it was registered in the LLC Registry kept by the CBA **and not its registration number given by the Registrar of Companies**.
- “ASP Number given by CBA” is the **CBA registration number of the ASP** that the ASP received when it was registered in the ASP Registry kept by the CBA **and not its registration number given by the Registrar of Companies**.

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When proceeding to the next step of the procedure the supervised entity should declare whether it offers administrative services. Depending on the declaration, the supervised entity shall either need to complete the questionnaire or not.

It is noted that administrative services are considered all services, as defined in **Article 4 of the Law Regulating Companies Providing Administrative Services and Related Matters of 2012 (L.196(I)/2012)**, whereas obligated entities are defined in **Article 2A of the Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007 (L.188(I)/2007)**.

Specifically, any independent legal professional, when participating, whether acting on behalf of a client in a financial or real estate transaction, or by assisting in the planning or carrying out of a transaction for its client concerning the

- a. buying and selling of real property or business entities;
- b. managing of client money, securities or other assets;
- c. opening or management of bank, savings or securities accounts;
- d. organisation of contributions necessary for the creation, operation and management of companies;
- e. creation, operation or management of trusts, companies, foundations or similar structures;

Natural or legal person not already covered under the above offering the following services to trusts or companies:

- a. the formation of companies or other legal persons;
- b. acting as, or arranging for another person to act as, a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;
- c. providing a registered office, business address, correspondence or administrative address and other related services for a company, a partnership or any other legal person or arrangement;
- d. acting as, or arranging for another person to act as, a trustee or a trustee of express trusts or a similar legal arrangement;
- e. holding the shareholding capital of corporate entities and registering such shareholder in the respective registers of registered shareholders on behalf of or on account of third parties, other than a company listed on a regulated market that is subject to disclosure requirements in accordance with European Union law or subject to equivalent international standards, or ensures that other person exercises respective duties; and
- f. any of the services or activities specified in section 4 of the Regulation of Administrative Service Providers and Related Issues Law.

Therefore, the registration of a company alone, the sole submission of a citizenship application, as well as the purchase and sale of real estate fall within the AML/CFT legal obligations.

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Question 3: I do not offer Administrative Services and/or I am an employee (lawyer) of an LLC. Do I have to fill in the questionnaire?

Yes. All supervised persons (natural or legal) must complete the Questionnaire regardless offered services. Regarding the following persons:

1. **Natural Person:**
 - The Lawyer is employed by an LLC/Partnership/ASP and **does not** provide administrative services separately and personally.
 - Self-employed Lawyer who exclusively provides litigation services.
2. **Legal Person:**
 - Legal Person which exclusively provides litigation services.

After submitting their details on the home page of the Questionnaire, they are transferred to the second step, proceed with the relevant statement that applies to them and click “Next”. Fill in the required information and then click “Submit Questionnaire”.

Question 4: Who should complete the Questionnaire?

The Questionnaire should be completed by the person (legal or natural) providing Administrative Services (as defined in Article 4 of L.196(I)/2012 as applicable):

1. **Natural Person:**
 - Self-employed lawyer who provides administrative services either personally or via an Administrative Service Provider (i.e. ASP) company under his control;
 - Lawyer employed by an LLC/Partnership or Legal Office who also independently provides administrative services, for which he/she separately (personally) invoices and charges the client.
2. **Legal Person:**
 - LLC which provides administrative services to its clientele, invoices and charges them.
 - ASP which provides administrative services to its clientele invoices and charges them.
 - Partnership or a Legal Office (with more than one lawyer), which provides administrative services to its clientele, invoices and charges them.
 - If the administrative services are provided via an ASP, but the clientele is owed by an LLC, Partnership or Legal Office, which also invoices and

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charges the client, the questionnaire should be filled by the LLC, Partnership or the Legal Office and not the ASP.

- In case where the administrative services are provided both by the LLC or Partnership or Legal Office and the ASP(s), but the ASP(s) have different clientele, invoice(s) and charge(s) separately from the aforementioned entities, separate questionnaires must be filled by each entity that invoices the client(s).

Question 5: Which is the reporting period?

The reporting period is the calendar year commencing on the 1st of January to the 31st of December. (i.e. 01/01/20XX-31/12/20XX)

Question 6: Who is considered as “Client”?

Only legal entities are considered as a Client. In case where a natural person owns multiple companies, then the **companies are considered as separate Clients**.

For the purposes of the questionnaire, the **natural person to whom the citizenship and/or property purchase and sale service** is provided is also considered a Client.

Question 7: Who is considered as “Active Client”?

For the purposes of the questionnaire Active Clients are considered those who until the 31st of December of the year under review (reporting period), were offered administrative services and were invoiced by the obliged entity.

B. Explanation of Points:

1. MANAGEMENT

Point 1.3.1: Total Number of offices/branches

- The total number of offices/branches referred to point **1.3.1** should be consistent with the numbers given to points **1.3.2 – 1.3.6**.

Point 1.3.1.4: Updated EU high-risk third countries (available [here](#)),

Point 1.3.1.5: Updated Financial Action Task Force (FATF) list with High risk and non-cooperative jurisdictions (available [here](#) and [here](#))

Point 1.3.1.6: Updated EU Tax List with non-cooperative countries (available [here](#))

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4. CLIENTS' INFORMATION/NUMBER OF CLIENTS

Point 4.1: Total number of all active Clients as of 31st of December of the reporting period

- The Supervised Entity should declare the total number of all active Clients (legal entities) as calculated on the last day of the reporting period (31/12/XX) and to which administrative services were still offered up to that date.
- **Once-off company registrations** made during the reporting period should not be calculated at this point but should be declared **in point 4.2**.
- **Natural Persons to whom Citizenship service (submission of an application, participation in the CIP, purchase/sale of real estate, etc.)** was offered or is pending within the reporting period, should not be calculated at this point and shall be declared **in point 4.3**.
- **Natural and Legal Persons to whom real estate purchase/sale service has been offered or is pending** (excluding those included in the citizenship program) within the reporting period, should not be calculated at this point and shall be declared **in point 4.4**.

Total Number: The number declared must correspond to and be the sum of the following points: 4.1-4.4 and 6.1-6.3.

Point 4.5: Number of new clients during the reporting period

- The number of all new clients during the reporting period (01/01/20XX-31/12/20XX), even when the business relationship was terminated before the end of the reported year. The natural persons to whom a purchase and sale and/or citizenship service has been offered, should also be included.

Point 4.6: Total number of Transferred out/Resigned/Strike off/Dissolved Clients during the reporting period

- The number of Clients referred to the point 4.6 is not included in the number of active Clients of the point 4.1
- This point is referred specifically to the Clients who were Transferred out/Resigned/Strike off/Dissolved from the 1st of January until the 31st of December of the reporting year. For example, if a Client has been offered administrative services for a specific period of time during the reporting period, that Client will be declared at this point.

Point 4.7: Total number of potential Clients who had been rejected before the establishment of the business relationship during the reporting period.

- The number of Clients referred to the point 4.7 should be consistent with the numbers given in the points 4.7.1 - 4.7.4.
- The number of Clients referred to the point 4.7 is not included in the number of active Clients of the point 4.1.

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Point 4.8: Provided Services

- In the case where the Supervised Entity provides all administrative services, then the number of Clients which will be declared at the point **4.8.1**, will **not** be inserted again in the following points **4.8.2- 4.8.5**. (For example, if we offer Director, Shareholder, Secretary and Registered Office services to a client, that client will only be counted at point 4.8.1 and will **not** be recalculated at points 4.8.2- 4.8.5. In case we offer only Director and Shareholder services to a client then we calculate and declare the specific client in both points, i.e. 4.8.2 and 4.8.3.).
- At this point, the services offered to the customers declared in point 4.6 should be taken into account.

6. CLIENT CATEGORISATION

Point 6.1: Number of Low-Risk Clients

- Low Risk Clients can be considered the categories included in ANNEX II of the Law 188(I)/2007.
http://www.cylaw.org/nomoi/enop/ind/2007_1_188/appendix-ap8b5756d4-b257-a1c6-8124-e4a85e72af82.html

Point 6.3: Total Number of High-Risk Clients

- High-Risk Clients can be considered the categories included in ANNEX III of the Law 188(I)/2007.
http://www.cylaw.org/nomoi/enop/ind/2007_1_188/appendix-ap9da1ba3c-901c-3c7d-19d2-e45793426722.html
- The number of Clients referred to point **6.3** should be consistent with the numbers given in the section “Sub-categories” below.

Sub-categories

Point 6.3.1: Politically Exposed Persons (PEP): Submit the number of companies in which there is a PEP. For example, if we have 10 companies that have the same UBO and that UBO is a PEP, the number 10 will be entered. If we have a company where two of the UBOs are PEPs, the number 1 will be entered. All natural persons to whom the property purchase and sale and/or citizenship service was provided during the reporting period and are PEPs, will be included at this point individually.

9. FINANCIAL INFORMATION

Point 9.2: Total turnover during the reporting period

- It refers to the gross income, before deducting costs, expenses, and tax liabilities of the supervised entity as presented in its Financial Statements (audited or not, whichever is available) regarding the reporting period.

Note: *When submitting the Questionnaire, if the stated numbers do not match as provided, then the submission procedure will not be possible by the system.*