

MINISTRY OF FINANCE

PRESS RELEASE

Anti-Money Laundering

The Cyprus Government is committed to the fight against money laundering and terrorist financing through continuous enhancement of its framework. To this end, amongst other, it has repeatedly been assessed on its framework and its implementation by Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) receiving overall positive evaluations. At the same time the authorities have been addressing the relevant weaknesses raised after each evaluation.

Cyprus has also agreed to proceed with an in depth assessment of the effective implementation of Customer Due Diligence (CDD) requirements in the Cyprus banks, through relevant evaluations by MONEYVAL and Deloitte Italy. It should be noted that the nature and depth of these assessments are unique and have never been carried out in any other jurisdiction.

The outcome of the assessments by the two institutions indicates a solid level of compliance across the sector. On the assessment of Customer Due Diligence (CDD), Deloitte Italy notes that the results of the audit *“appears to indicate a generally solid level of compliance across the six banks with the following areas requiring further attention”* referring to 4 out of 27 areas on CDD.

MONEYVAL respectively notes the following: *“In general, the banks interviewed demonstrated high standards of knowledge and experience of AML/CFT issues, an intelligent awareness of the reputational risks they face and a broad commitment to implementing the customer due diligence (CDD) requirements set out in the law and in subsidiary regulations issued by the Central Bank of Cyprus (CBC). Implementation of CDD measures, as described by the banks, appeared strong under most headings.”*

The relevant Reports also indicate weakness areas needing further improvement. Cyprus authorities in collaboration with Troika partners are committed to fully address these weaknesses.

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