



To: ALL MEMBERS OF THE INSTITUTE
ALL FIRMS OF THE INSTITUTE
ALL COMPLIANCE OFFICERS OF THE
INSTITUTE

Date: 09 August 2023

Subject: IMPORTANT ANNOUNCEMENT
CONCERNING COMPLIANCE
CIRCULAR 23/2023 -
New Sanctions Questionnaire

Further to Compliance Circular [CC 23/2023](#), we present these additional instructions aimed at guiding the completion of the sanctions Questionnaire. It is important to note that the scope of this Questionnaire is to collect information not only in relation to the Russian Sanctions Regime but rather ALL EU and UN sanctions regimes.

The following explanatory notes have been designed to enhance clarity and ensure accurate responses to the various inquiries concerning sanctions compliance.

Q.1: Does your Client Acceptance Policy accept clients who are listed in sanctions or whose operations are affected by sanctions prohibitions?

Explanatory Note: Each firm should design a general sanctions policy stating explicitly its acceptance policy in relation to clients or clients' activities included in sanction regimes. The national law requires absolute compliance with EU/UN sanctions regimes, however each firm can opt to include other jurisdictions sanctions regimes in their policies. As a result, this question covers sanctions in general, not only EU/UN.

Q.2: Have you developed policies, procedures, systems, and controls as part of your sanctions compliance program?

Explanatory Note: Depending on the Client Acceptance Policy of the firm, as explained above, the firm should design relevant policies, procedures, systems and controls covering the relevant sanctions regimes.

Q.3: Have you conducted and documented a sanctions firm-wide risk assessment?

Explanatory Note: This question covers sanctions in a general context.

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Q.4: Do you have clients and/or their Beneficial Owners who are resident, located, incorporated, or domiciled or have activities in any of the countries listed below?

Explanatory Note: This question is self-explanatory and provides a drop-down menu containing specific countries which allows for multi-selection. Note that the Regulations/Decisions may not always define the specific terms, **resident, located, incorporated and domiciled**.

As a general guidance, you may consider a “**Resident**” as a person who lives somewhere permanently or on a long-term basis “**Located**” as a person situated in a particular place, “**Incorporated**” as a business registered with a state to become a separate legal entity and “**Domiciled**” as a person who treats a specified country as a permanent home. For further guidance on explanations and definitions please refer to the [Horizontal FAQ](#).

Q.5: Do you provide services to clients that are subject to asset freezes or provide services to clients that operate in any of the following areas of work.

Explanatory Note: This question is self-explanatory and provides a drop-down menu containing the areas of work. Asset freezes refer to the Designated persons sanctions lists, while the remaining categories refer to set forth under any EU/UN sanctions regime.

Q.8: Have you carried out any work for a sanctioned person?

Explanatory Note: This question relates to the EU/UN sanctions regime and refers to work done after the designation date of the sanctioned person. Where the response is positive, then relevant reference to the need to obtain a license must be answered.

Q9: Are you currently holding any frozen assets or funds that belong to a designated person?

Explanatory Note: This question refers to the frozen assets or funds that a firm might hold on behalf of its client, who is a designated person. Funds are defined in article 1(g) of the [COUNCIL REGULATION \(EU\) No 269/2014](#) and may even include funds held through trust deeds, escrow accounts, bank management and custodian services etc.

Q10: Have you ever made a report to ICPAC?

Explanatory Note: Currently, obliged entities are required to report:

- a) any true match, as explicitly stated in paragraph 5.2.5 of the [ICPAC's Sanctions Directive](#), via a template accessed through Compliance Circular [CC 17/2022](#),
- b) reporting obligations outlined in Compliance Circular [CC 20/2023](#) regarding the sectoral sanctions report.
- c) reporting of breach/circumvention of sanctions