

<b>COMPLIANCE CIRCULAR</b>	17/2024 [CC 17_2024]	
То:	ALL FIRMS OF THE INTITUTE ALL COMPLIANCE OFFICERS OF THE INSTITUTE	
Date:	9 May 2024	
Subject:	Update of Question 7 of FAQs in relation to reporting requirements of Article 5r or Regulation EU 833/2014	

ICPAC would like with this circular to inform all firms and compliance officers of an update in relation to **Question** 7 of the **FAQs regarding the reporting obligation of Article 5r of Regulation 833/2014** issued by the Ministry of Finance.

Updated guidance provided by the European Commission notes the following:

- <u>Reporting is based on the understanding that reportable transfers are those that leave the EU jurisdiction</u>. Thus, funds that the EU reporting entity holds in a third country bank account (where the bank is not a branch of an EU bank) would not be subject to the reporting requirement if transferred, <u>because such funds are already outside EU jurisdiction</u>.
- Conversely, funds transferred by the reporting entity (including its EU and non-EU branches) from an EU bank account to a non-EU bank account of the recipient are reportable, even if the recipient is an EU person or company.

## ΣΥΝΔΕΣΜΟΣ ΕΓΚΕΚΡΙΜΕΝΩΝ ΛΟΓΙΣΤΩΝ ΚΥΠΡΟΥ

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A summary table is provided below for easy review:

Transferring Entity	Bank Account Transferor	Receiving Entity	Bank Account	Reportable
Lintry	11 unsier of	Lincity	Recipient	
EU Person	EU Bank	EU Person	Non-EU Bank	Yes
	Account		Account	
EU Person	EU Bank	Non-EU	EU Bank	No
	Account	Person	Account	
EU Person	EU Bank	Non-EU	Non-EU Bank	Yes
	Account	Person	Account	
EU Person	Non-EU Bank	Non-EU	Non-EU Bank	No
	Account	Person	Account	

The FAQ's will be updated in due time and uploaded to the Ministry's <u>website</u>.