

ANTI-MONEY LAUNDERING/ COMBATING THE FINANCE OF TERRORISM AND SANCTIONS QUESTIONNAIRE

Guidance for the completion and
submission of the Anti-Money Laundering/
Combating the Finance of Terrorism and
Sanctions Questionnaire to ICPAC

2023

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THE INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS OF CYPRUS

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Glossary – Definitions - Reference

“**Arms Dealing**” is the activity of the international trade in conventional arms comprise export, import, transit, trans-shipment and brokering.

Conventional arms comprise the following categories:

- Battle tanks;
- Armoured combat vehicles;
- Large-calibre artillery systems;
- Combat aircraft;
- Attack helicopters;
- Warships;
- Missiles and missile launchers; and
- Small arms and light weapons.

“**Beneficial Owner**” means any natural person(s) who ultimately owns or controls the customer and/or the natural person(s) on whose behalf a transaction or activity is being conducted and includes at least:

(a) in the case of corporate entities:

(i) the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

Provided that-

(a) A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a natural person shall be an indication of direct ownership; and

(b) A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

Provided further that the control by other means can be verified, inter alia, based on the criteria provided for in section 142 (1) (b) and section 148 of the Companies Law;

(ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under sub paragraph (i) is identified, or if there is any doubt that the person(s) identified is the beneficial owner(s), the natural person(s) who hold the position of senior managing official(s):

Provided that the obliged entities shall keep record of the actions taken in order to identify the beneficial ownership under sub paragraphs (i) and (ii);

(b) In the case of trusts:

- (i) the settlor;
- (ii) the trustee(s);
- (iii) the protector, if any;
- (iv) the beneficiary, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
- (v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means; and
- (c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, the natural person(s) holding equivalent or similar positions to those referred to in paragraph (b);

“Branch” is characterized as a local operating unit or establishment of a company that operates in a jurisdiction separate from its primary place of business. It functions under the control and authority of the parent company, typically incorporated in a different country or jurisdiction. It's important to note that the specific definition and legal obligations associated with a branch can differ depending on the jurisdiction and the applicable legal framework.

“Client” for AML purposes, means any person (legal or natural) who seeks to form a business relationship or to conduct a single one-off transaction with an obliged entity in or from the Republic of Cyprus. - article 2 of the [L.188\(I\)2007](#).

Please note that, for the purpose of completing this questionnaire, the term "client" refers to all individuals or entities who have not been formally disengaged, regardless of whether a service was provided, or an invoice was issued during the reporting period. It is important to consider this definition when answering questions related to client information throughout the questionnaire.

“Client Acceptance Policy (“CAP”) is the policy in which the criteria for accepting and categorizing clients are outlined.

“Client accounts” bank accounts that are in the name of the firm and are used for holding client money.

“Compliance Officer” means a senior executive with skills, knowledge and expertise in compliance and general financial activities, responsible for handling of the AML/CFT Compliance Program of the firm - Prevention and Suppression of Money Laundering Activities - Directive of the Members of ICPAC paragraph 1.1.1.

“Complex structure” means any corporate structure where, for example three layers of legal persons and/or arrangements interject in the chain of ownership before the UBO. Complex structure may also include the use of multiple jurisdiction and various delivery channels.

“Complex or unusually large transactions” includes any transaction that deviates or is inconsistent with the understanding of client’s normal operational management or utilizes different than normal means of payment or appears to be with no apparent economic or lawful purpose.

“Control of client bank accounts” represents cases where a member of the firm acts as Director or Signatory of a client in a way that allows control over bank accounts in the name of that client.

‘Crowdfunding service’ means the matching of business funding interests of investors and project owners through the use of a crowdfunding platform and which consists of any of the following activities:

- (i) the facilitation of granting of loans;
- (ii) the placing without a firm commitment basis, as referred to in point (7) of Section A of Annex I to Directive 2014/65/EU, of transferable securities and admitted instruments for crowdfunding purposes issued by project owners or a special purpose vehicle, and the reception and transmission of client orders, as referred to in point (1) of that Section, in relation to those transferable securities and admitted instruments for crowdfunding purposes;

“Crypto Asset” means a digital representation of value that is not issued or guaranteed by a central bank or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money, but is accepted by persons as a means of exchange or investment and which can be transferred, stored, and traded electronically, and it is not-

(a) fiat currency, or

(b) electronic money, or

(c) financial instruments, as these are specified in Part III of the First Appendix to the Investment Services and the Activities and Regulated Markets Law;

“EU High-risk third countries” as identified by the European Union

“EU tax list countries” as identified by the European Union

“High-Net Worth Individuals” means individuals with a Net Worth of at least €3 millions or other thresholds as disclosed and explained in firm’s policy.

“High-risk and non-cooperative jurisdictions” as identified by the FATF

“Initial Coin Offering (ICO)” is the cryptocurrency space's rough equivalent to an IPO in the mainstream investment world. ICOs act as fundraisers of sorts where a company looking to create a new coin, app, or service launches an ICO and interested

investors buy in to the offering, either with fiat currency or with pre-existing digital tokens. In exchange for their support, investors receive a new cryptocurrency token specific to the ICO (source: Investopedia).

“Mining” is an integral part of a cryptocurrency network that performs two important functions. First, it is used to generate and release new cryptocurrency tokens for circulation via the cryptocurrency network, and secondly, it is used to verify, authenticate and then add the ongoing network transactions to a public ledger (source: Investopedia).

“Non face-to-face clients” means the clients (or their legal representatives of those clients) who have not been physically present for identification purposes and the firm did not have a face-to-face contact. For such client, enhanced due diligence procedures are performed accordingly as per paragraph 5.7.4 of the ICPAC AML Directive.

“Politically Exposed Persons (PEPs)” means the natural persons who are or have been entrusted with prominent public functions in the Republic of Cyprus or in another country, and their immediate family members or persons known to be close associates of such persons - as defined in article 2 of [L.188\(I\)2007](#).

“Principal” means a member who is a partner, shareholder of a limited company or director, irrespective of the Member’s role as principal of the office – see ICPAC Members Handbook, section 4.100 paragraph 2.

“Prohibited/intolerable risk” for the purposes of this Questionnaire, means the risk that the Firm, based on its risk appetite, is unwilling to take and as such would result in termination of/decline of business relationships.

“Reliance on Third Party” means the reliance placed on a third party for the implementation of Customer Identification and Due Diligence Procedures. A “third party” could be a credit institution, a financial institution, an auditor, an external accountant, a tax advisor, a trust and company service provider or an independent legal professional from a country which is a member of the European Economic Area or a third country that applies procedures and measures for the prevention of money laundering and terrorist financing equivalent to the EU Directive. Conditions for the reliance are that the third party is subject to professional registration in accordance with the competent law of its country of incorporation and/or operation, as well as supervision for the purposes of compliance with prescribed measures for the prevention of money laundering and terrorist financing.

“Third countries” means any other country that it is not included in the other categories of the referred section.

“Top 10 clients” are the largest clients in terms of the **total annual fees invoiced** to each client and for whom the firm provides any of the services stated in article 4 of the [ASP Law \(N. 196\(I\)/2012\)](#).

“Subsidiary” A subsidiary, as defined in Article 148 of the Cyprus Companies Law (Chapter 113), refers to a company that meets the criteria set forth in the mentioned article.

Introduction

ICPAC is the competent Supervisory Authority for the purposes of the Prevention and Suppression of Money Laundering Activities Law, for the professional activities of auditors, external accountants, tax advisors and providers of administrative services.

Based on the above, and in line with the Institute's risk assessment process, each licensed firm is required under paragraph 6(4) of [Regulation 4.602](#) of ICPAC's Members Handbook, to submit information in relation to the nature of services provided, type of clients and policies and procedures followed to prevent money laundering and terrorist financing as requested in the Questionnaire.

Based on paragraph 3.2.1(j) of ICPAC's AML/CFT Directive, this Questionnaire should be completed by the Compliance Officers of all firms that hold the below types of practising certificates from ICPAC for their provided services, i.e. General, Audit and Administration Services. The term 'firm' includes the following:

- Licensed Limited Liability Companies,
- Licensed Partnerships,
- Licensed sole practitioners (self-employed)

The requirement to complete and submit the Questionnaire relates to all licensed firms, irrespective of whether they were practising in their professional capacity or they were dormant in the effective year and irrespective of whether they belong in a group of companies, which is also required to submit the Questionnaire.

Purpose

This document aims at facilitating the Compliance Officers to complete and submit the Questionnaire, by providing basic guidelines for this purpose.

Questionnaire

All practising firms are obligated to submit the Questionnaire to ICPAC on an annual basis.

The Questionnaire is part of the Institute's risk-based assessment tool for off-site surveillance/ monitoring which is used to assess the risk of each licensed member. The results of the questionnaire are used to risk categorise the licensed firms, which is one of the criteria used to evaluate the frequency of the monitoring visits.

The Questionnaire can be accessed through the [ICPAC REGTEK PORTAL](#). Further details on how to access and navigate through the ICPAC REGTEK PORTAL can be

obtained through the following [link](#). The questionnaire must be completed and submitted within the deadline. Failure to submit the Questionnaire on time will prevent ICPAC from meeting its compliance requirements and will therefore, inevitably give rise to enforcement actions against the firm.

The Questionnaire is available **only** in the English language **and only** in electronic format and covers the reporting period ending **31st December 2023**.

Content of the Questionnaire

Mandatory Completion of All Sections in the Questionnaire

All sections of the Questionnaire, including radio buttons, drop down menus and text boxes need to be completed.

All number fields are mandatory. If there are fields a firm has no information to include, then the number '0' (zero) should be included.


Glossary/Definitions/ Reference section

Any clarification on the terminology can be found in the **Glossary/Definitions/Reference** section.

Sections applying only to ASP services

Sections 25-27 apply only to firms offering ASP services as stipulated in article 4 of the ASP Law (L. 196(I)/2012).

Why do I have problems submitting my questionnaire

The Questionnaire can be completed and saved as a draft before the final submission. When the Questionnaire is fully completed, the submission can only be successfully proceeded **if all mandatory fields are completed and all validation rules are satisfied**. To this end, if there are any incomplete or incorrectly completed mandatory fields and sections of the questionnaire or any validation rules not satisfied, a **“Summary Validations report”** will be displayed in last section of the questionnaire. Furthermore, an alert icon  will also be displayed in some cases next to the section title as an indication of an error or missing field.

Upon submitting your questionnaire, you will receive an automated confirmation email at your registered email address. Additionally, you can log in to the ICPAC RegTek Portal and confirm that the status of the Questionnaire (previously noted as 'pending') has been replaced by the note 'submitted'.

Navigate through the Questionnaire

Section 1: Information

The section is already completed with the personalised information of each firm.

Section 2: Firm's ICPAC Practicing Certificate Numbers

The section is already completed with the personalised information of each firm.

Section 3: Status of Firm

The field is mandatory.

Firms should select their status, i.e., active, dormant or holding.

Selecting any of the options, **dormant or holding**, will not require the completion of the remaining questionnaire but there is an obligation to complete a [non-practice declaration](#) depending on the license held by each firm and you are required to submit all applicable Declarations accordingly via email to licensing@icpac.org.cy by **30th of June 2024**.

Section 4: Management

All fields are mandatory.

Notes:

Question 4.21: Firms should disclose the number of individuals appointed as directors by the firm.

Question 4.5: Firms should disclose the number of individuals employed by the firm and offer trustee services to clients.

Question 4.8: If you answered "yes" to this question, please provide the relevant link pertaining to adverse media or negative news in section 4.8.1.

Question 4.10: this refers to Section 1.3.3 (ix) and 2.1.6 of [ICPACs AML Directive](#).

Question 4.11: Number of subsidiaries/branches. This relates to subsidiaries and branches under the control of your firm. Both are defined in Glossary/Definitions above. The number of international network firms, outside the Republic of Cyprus, should **not** be included in the field. In cases where data fall within more than one selection (for example a jurisdiction is included in both FATF and EU tax list), classification should be made in just one.

Section 5: Compliance Department

All fields are mandatory.

Notes:

Question 5.3: The Law stipulates that the Compliance Officer must be a senior management official, with sufficient skills, experience and knowledge on AML/CFT and compliance matters and as such you are required to confirm compliance and state the position the Compliance Officer holds.

Question 5.5: The question relates to other responsibilities the Compliance Officer may have, for example, auditor, tax partner, chief financial officer etc.

Question 5.7: For guidance on how to inform MOKAS of the appointment of the Compliance officer, follow the [link](#) to circular CC_31/2022.

Question 5.8: For guidance on how to register the firm on the goAML platform and how to submit a suspicion report, please follow the [link](#) to circular CC_31/2022.

Question 5.9: Article 58D of the Law stipulates that firms should designate a member of the board of directors, provided there is a Board of Directors (“BoD”), which shall be responsible for the implementation of the provisions of the Law and relevant directives/circulars and regulation. Where a BoD does not exist, please state the name of the sole practitioners or the partner in case of a partnership.

Question 5.10: If you are a Compliance Officer for multiple Obligated entities, please indicate "yes". Obligated entities are defined in Article 2A of the [AML Law](#).

Section 6: Financial Information

All fields are mandatory. Amounts included must be reported in Euro (€). The full amount should be disclosed. No punctuation should be included for decimal or thousand separation.

Notes:

Question 6.1: This question applies only to legal entities (firms) which have **never** submitted financial statements since incorporation or to individuals who did not submit an annual tax return form.

Question 6.2 & 6.3: Firms should include the year of the last audited financial statements. If the audits of the underlying years have not been completed, the unaudited figures should be disclosed (based on a trial balance, management accounts etc).

Questions 6.2.1 – 6.2.10 and 6.3.1 – 6.3.10: Amounts included must be reported in Euro (€). The full amount should be disclosed. **No punctuation** should be included for decimal or thousand separation.

Question 6.2.6, 6.2.7, 6.3.6 and 6.3.7: Income arising from the ‘management or administration of trusts’, the ‘corporate secretarial and administration services’ refers to the services stipulated in article 4 of the [L. 196\(I\)/2012](#) (ASP Law).

Question 6.2.6.1 and 6.2.7.1: Income derived from the provision of services specified in Article 4 of Law 196(I)/2012 (the ASP Law), including the “management or administration of trusts” and “corporate secretarial and administration services” and applies to situations where these services are provided and invoiced by **fully owned subsidiaries** of the firm holding the ASP License.

Section 7: Other Professionals

Notes:

Question 7.2: Field is mandatory for individuals generating revenue of over €70.000 and legal entities.

Section 8: Client Statistics and Information

All fields are mandatory.

Validation Note:

- a. The totals of the questions below **MUST be equal between them:**
 - i. **Question 8.1.** - number of clients according to their **legal form**,
 - ii. **Question 8.2.** - number of clients according to their risk categorisation
 - iii. **Question 8.3.** - number of clients **based on country of origin of the Beneficial Owner (BO)**,
 - iv. **Question 8.4.** – number of clients, **based on country of establishment**
- b. **Question 8.2:** Completion of all fields is not mandatory; only those relevant to each firm need to be filled out. If a field is not applicable, please enter "0".
- c. **Question 8.3:** The data should take into consideration the **country of origin of the BO (place of birth)**. For clients who obtained citizenship through an investment program, the client’s country of origin should be taken into account. In cases where data fall within more than one classification (for example a jurisdiction is included in both FATF and EU tax list), selection should be made in just one.
- d. **Question 8.4:** The data should take into consideration the **country of establishment of the legal entity**. In cases where data fall within more than one classification (for example a jurisdiction is included in both FATF and EU tax list), selection should be made in just one.
- e. **Question 8.7:** The question aims to collect information on all services offered to each client of the firm and not the number of the total clients. As a result, if multiple services are offered to a single client, the firm should include each service in sub-questions **8.7.1-8.7.8**.
- f. **Question 8.7.5:** Number of clients that the firm provides the service of management or administration of trusts including, without limitation, the undertaking or provision of trustee, wherever they are set up.

Question 8.7.5.1: If a firm licensed by ICPAC is providing trustee services to a Trust governed by Cyprus Law, it is mandatory to register this with ICPAC's Trust Register under Article 25A of the [ASP Law](#). This registration is facilitated through the "*Notification to ICPAC for registration of a trust in the trust registry or for change of information of an already recorded trust*" form, which can be accessed [here](#). The same form should be used for any changes to an existing trust recorded in ICPAC's Trust Register or for cases of terminating the Trust. To notify ICPAC about registering a new Trust or making changes to an existing trust, please begin by sending an email to info@icpac.org.cy. One of our staff members will then assist you and provide guidance on any further steps you need to take.

- g. **Question 8.7.5.2:** In addition to registering the Trust with ICPAC under Article 25A of the ASP Law, you are also required to record the trust in [CytBOR](#) (Beneficial Ownership Register of Express Trusts and Similar Legal Arrangements) under Article 61C(4)(a) of the [AML Law](#) established by the Cyprus Securities and Exchange Commission (CySEC).
- h. **Question 8.7.7:** Number of clients that the firm provides safe keeping of financial instruments on behalf of clients, including acting as depositary, as defined in Annex III, Part II, paragraph 1 of the [Investments Services and Activities and Regulated Markets Law](#), and other related services, unless this is provided as an ancillary service by an investment fund in the framework of the Investment Services and Activities and Regulated Markets Law. Holding of assets in the firm's capacity as trustee, should not be counted.
- i. **Question 8.7.7.1:** Amounts included must be reported in Euro (€). The full amount should be disclosed. No punctuation should be included for decimal or thousand separation. Ensure that only numerical values are reported in this field, excluding any letters.
- j. **Question 8.7.9:** Administrative services are specified in Article 4 of Law 196(I)/2012 (the ASP Law). You should only report clients for whom you provide this service exclusively through a fully owned subsidiary.
- k. **Question 8.7.10:** Staff members providing administrative services must be disclosed to ICPAC using the "*Notification to ICPAC of natural persons employed by an ASP*" form, which can be accessed [here](#) and should be submitted to licensing@icpac.org.cy for processing.
- l. **Question 8.7.11:** Subsidiaries of the firm holding an ASP License must be disclosed to ICPAC using the "*Notification to ICPAC for the subsidiary companies of an ASP*" form, which can be accessed [here](#) and should be submitted to licensing@icpac.org.cy for processing.
- m. **Question 8.8:** The question aims to collect information on the total number of clients the firm offers any type of administrative services. As a result, the firm should count each individual client once despite the number of separate services offered to each client. The amount included in this field should **not** be the accumulation of sub-questions 8.7.1-8.7.8.

Section 9: General Powers of Attorney

- a. **Question 9.1.1:** It refers to the **number of clients** that the firm, has issued Power of Attorneys (PoAs) within the year 2023, including in its capacity as director.
- b. **Question 9.1.2:** It refers to the **total number of PoAs** issued for all clients, e.g., more than one PoAs may have been issued for the same client within the year 2023.

Section 10: Client Accounts

All fields are mandatory.

Section 11: New products/services/technologies

All fields are mandatory.

- a. **Question 11.1.3:** The question aims to collect information on the **total number of clients** offering virtual currency services. The amount included in this field does **not** need to be the accumulation of sub-questions **11.1.3.1-11.1.3.5**.
- b. **Question 11.1.3.1-11.1.3.5:** The sub-questions aim to collect information on the type of virtual currency services offered **by the clients** of the firm as part of their own activities. As a result, if a client offers more than one of these services, he/she will be included in the respective categories.
- c. **Question 11.2.2.1-11.2.2.9:** The question aims to collect information on all services offered to each client of the firm involved in virtual currency activities and not the number of the total clients. As a result, if multiple services are offered to a single client, the firm should include the client in each service option provided.

Section 12: Other high-risk indicators

All fields are mandatory.

- a. **Question 12.3.1:** Refers to the cases where the Beneficial Owner of a client (natural person) is mentioned by name in the EU Designated Persons Sanctions Lists.
- b. **Question 12.3.2:** Refers to the cases where the client is a legal entity and is mentioned by name in the EU Designated Persons Sanctions. It also includes the cases of entities owned, directly or indirectly, by a designated person by more than 50% or where a legal entity is controlled by a designated person. Information in relation to the assessment of ownership and control can be

found in the [EU Best Practices](#) for the effective implementation of restrictive measures.

- c. **Question 12.3.3:** Under section 5.2.5 of [ICPACs Sanctions Directive](#) firms should inform ICPAC of the existence of a true match on their client base in connection to financial sanctions and the actions taken by the firm in order to comply with the sanctions' requirements and their reporting obligations, without delay. **Template for reporting true matches** can be found by accessing CC_3/2022 [here](#) and should be submitted via email to compliance@icpac.org.cy.
- d. **Question 12.4.1:** Refers to the cases where the Beneficial Owner of a client (natural person) is mentioned by name in the US Designated Persons Sanctions Lists.
- e. **Question 12.4.2:** Refers to the cases where the client is a legal entity and is mentioned by name in the US Designated Persons Sanctions Lists or the client is a legal entity that could potentially be subject to sanctions due to specific ownership and/or control criteria established by the U.S. Department of the Treasury.
- f. **Question 12.5.1:** Refers to the cases where the Beneficial Owner of a client (natural person) is mentioned by name in the UK Designated Persons Sanctions Lists.
- g. **Question 12.5.2:** Refers to the cases where the client is a legal entity and is mentioned by name in the UK Designated Persons Sanctions Lists or the client is a legal entity that could potentially be subject to sanctions due to specific ownership and/or control criteria established by the HM Treasury.
- h. **Question 12.8:** Refers to structures which use multiple jurisdiction and various delivery channels and where multiple layers of legal persons and/or arrangements interject in the chain of ownership before the BO.
- i. **Question 12.10.2:** Refers only to activities of entities in the group structure of your client entity.
- j. **Question 12.9:** Refers to any transaction that deviates or is inconsistent with the understanding of client's economic profile, lacks economic or business rationale and/or utilizes different than normal means of payment.
- k. **Question 12.12.1:** Refers to the number of clients whose **beneficial owners (BOs) originate** from jurisdictions with a higher risk of terrorist financing. Jurisdictions bearing a Higher-risk for terrorist financing were identified using data from the [Global Terrorism Index](#).
- l. **Question 12.12.2:** Refers to the number of clients **conducting activities** in jurisdictions with a higher risk of terrorist financing..

- m. *Question 12.13.1:* Refers to the number of clients whose **beneficial owners (BOs) originate** from jurisdictions with a higher risk of proliferation financing. Jurisdictions bearing a Higher-risk for proliferation financing were identified using data from Proliferation Financing index which can be accessed via the following [link](#).
- n. *Question 12.13.2:* Refers to the number of clients conducting activities in jurisdictions with a higher risk of proliferation financing.

Section 13: Third Party Reliance

All fields are mandatory.

Third party reliance is described in section 5.10 of [ICPAC AML Directive](#).

- a. *Question 13.5.1:* The firm should indicate the number of clients that receive any of the services stipulated in article 4 of the [ASP Law](#) and whose CDD has been obtained through third party reliance.
- b. *Question 13.6:* In cases where data fall within more than one selection (for example a jurisdiction is included in both FATF and EU tax list), classification should be made in just one.

Section 14: Internal Controls, Policies and Procedures

All fields are mandatory.

- a. *Question 14.1:* The question aims to collect information of the areas covered in the firms **AML/CFT Manual**.
- b. *Question 14.2:* The question aims to collect information of the areas covered in the firms **Sanctions Manual**.
- c. *Question 14.6.2:* Refers to the reporting requirements outlined in **Compliance Circular 20/2023**. You can access the Compliance Circular by following this [link](#).
- d. *Question 14.7:* The question provides an opportunity to the firm to demonstrate the actions taken in relation to its Compliance Program. This information should also be included in the Annual Compliance Officers Report submitted to the Board of Directors according to paragraph 3.2.1(k) of ICPACs AML/CFT Directive.
- e. *Question 14.8:* The question requires the firm to document and report any departures from the Laws and Regulations and any weaknesses identified in the reporting year. This information should also be included in the Annual Compliance Officers Report submitted to the Board of Directors according to paragraph 3.2.1(k) of ICPACs AML/CFT Directive.

Section 15: Client Acceptance Policy

All fields are mandatory.

Section 16: Risk management systems – Internal Audit

All fields are mandatory.

- a. **Question 16.1:** The question refers to any inspections performed by the MLCO for the evaluation of the implementation and effectiveness of the systems and controls of the firm.
- b. **Question 16.2:** The internal audit for AML purposes can be performed by an external advisor or internal staff who are independent from the design and implementation of firms AML/CFT policies and procedures. It refers to internal audits performed with the purpose of evaluating the completeness, adequacy, appropriateness, effectiveness and proportionality of the firm's internal policies, procedures, systems and controls. ICPACs AML Monitoring visit should **not** be considered as an internal audit for the purposes of this Questionnaire.

Section 17: Risk management systems - Screening procedures

All fields are mandatory with a multi-selection option available.

Section 18: Risk management systems – Client Risk Assessment

All fields are mandatory. Section aims to obtain understanding on the risk assessment factors taken into consideration by the firms.

- a. **Question 18.3.2:** The estimated date of completion should be a date that falls after the submission of the current Questionnaire.
- b. **Questions 18.5-18.7:** provide for a multi-selection option.
- c. **Question 18.6:** To access the circular relating to the NRA for Money Laundering and Terrorist Financing follow the link to circular [IC 24/2018](#). To access the summarized NRA report follow the [link](#).
- d. **Question 18.7:** To access the circular relating to the NRA with respect to Virtual Assets risk follow the link to circular [CC 16/2021](#). To access the summarized NRA report follow the [link](#).

Section 19: KYC-CDD

All fields are mandatory. This Section aims to obtain information on the measures applied in the performance of Client Due Diligence.

Question 19.2 – 19.5: Multi-selection option available.

Section 20: Ongoing monitoring & review

All fields are mandatory.

- a. *Question 20.1:* Multi-selection option available.
- b. *Question 20.2:* All fields are mandatory. In cases where, based on the firm's risk assessment policy, **a specific risk category is not applicable**, then the number "0" should be inserted and where a range of years apply, then you can include the range by using "-" in between numbers e.g. 2-4.

Section 21: Record keeping

All fields are mandatory.

Section 22: Training

All fields are mandatory.

Question 22: Requirements on Compliance Officer Training are specified in paragraph 4(9) of section 2.700 of Members Handbook

Section 23: Suspicion reporting

All fields are mandatory.

- a. *Question 23.2:* Multi-selection option available.
- b. *Question 23.3:* Multi-selection option available.

Section 24: Reporting to Competent Authorities

All fields are mandatory.

Question 24.1: Multi-selection option available.

Sections 25-27 apply only to firms offering ASP services as stipulated in article 4 of the ASP Law (L. 196(I)/2012)

Section 25: Top 10 Client Information

All fields are mandatory.

The section relates **only** to the clients to whom the firm offers any of the services provided in article 4 of the [ASP Law](#) (L. 196(I)/2012).

Notes:

- a) Client classification is based on the **total annual fees** generated from **ASP services**, invoiced to each client.
- b) If a firm services/has less than 10 (ten) clients, this section **must still be completed**, but the radio button should be selected in order to be able to submit the Questionnaire.
- c) The drop-down menus provide a multi-selection option.
- d) For the definition of the Beneficial Owner, please refer to the glossary above.
- e) The country selection is a drop-down list with multi-selection option.
- f) If the client is a Public Interest Entity (PIE), and in the case that a UBO holding more than 25% of the shares cannot be identified, then the person(s) who hold the position of senior managing official(s), as per article 2 of the [L. 188\(I\)/2007](#), should be included.

To input the required data, please click on the "**Add**" button circled in the screenshot provided below.


25.1 Does the firm have fewer than 10 clients?

No Yes

25.2 Please add the clients to the below grid

Total Records: 0 **+ ADD** Search...

Client name or ...	Number of UBOs	UBO country of ...	Country of Incor...	Country of Main...	Main Activities
Select...	Select...	Select...			



Once you have finished entering data in the first row, click on the floppy disk icon circled in the screenshot below to **save** and proceed to the next row.

Section 26: Beneficial Owner information

All fields are mandatory.

The section relates **only** to the clients to whom the firm offers any of the services provided in article 4 of the ASP Law (L. 196(I)/2012).

Notes:

- a) Classification should be made regarding all persons that fall within the definition of BO provided in article 2 of the AML/CFT Law (N. 188(I)/2007).
- b) In cases where data fall within more than one selection (for example a jurisdiction is included in both FATF and EU tax list), classification should be made in just one.

Section 27: Cash transactions

All fields are mandatory.

The section relates **only** to the clients to whom the firm offers any of the services provided in article 4 of the ASP Law (L. 196(I)/2012).

Notes

- a) The amounts requested relate to cash deposits/withdrawals and **not** bank transfers or check deposits.
- b) Amounts included must be reported in Euro (€) and the full amount must be disclosed.

If more than one accounts in different currencies exist, then amounts should be converted in Euro (€).

Contact Details

All fields are mandatory.

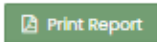
Summary Validations

The "Summary Validations report" section contains a comprehensive list of validations that require attention. This list includes information on incomplete or incorrectly completed fields or on any validations that have not been satisfied or have been inaccurately addressed. By clicking on each validation error, you will be directed to the specific question that needs further attention. It is important to note that the **Questionnaire cannot be submitted until all validations are resolved and all fields are properly completed.**

This section serves as a convenient tool to ensure that all necessary information is provided, and any errors or omissions are rectified before finalizing the submission process.

[Print report](#)

To generate a printed version of the report, either before or after submission, navigate to the "Summary Validations Report" section and select the icon "Print Report"



located at the top left of your screen.

If you prefer a PDF format, click on "Print Report" and then select the corresponding

icon for extraction  .

Video Tutorials

To better assist you, we have prepared short video tutorials covering the following topics:

- a. Accessing the Questionnaire: View the tutorial [here](#).
- b. Activating the Questionnaire: View the tutorial [here](#).
- c. Printing the Questionnaire: View the tutorial [here](#).
- d. Completing Section 25 of the Questionnaire: View the tutorial [here](#).
- e. Submitting the Questionnaire and checking submission status: View the tutorial [here](#).

Contact Information for AMLQ23 Questionnaire Assistance

If you have any questions regarding the completion of the AMLQ23 Questionnaire, please feel free to contact us **via an email** titled 'AMLQ23 Query' at compliance@icpac.org.cy .