



CENTRAL BANK OF CYPRUS
EUROSYSTEM

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**Amendment No 3 to the Directive issued by
the Central Bank of Cyprus on 2 April 2008 for the
prevention of money laundering and terrorist financing**

12 June 2009

To the Money Laundering Compliance Officers
of all banks

VIA ELECTRONIC MAIL

Dear Sir/Madam,

Subject: Deposits of cash imported from abroad

On 29 May 2009, the Official Gazette of the Republic published "Law 53(I) of 2009 on the controls of cash entering or leaving the Community and the exercise of cash controls within the Community" which was enacted by the House of Representatives for the purpose of introducing appropriate provisions for the implementation of Regulation (EC) No. 1889/2005 of the European Parliament and of the Council regarding the controls of cash entering or leaving the Community.

According to Article 4 of the said Law, any natural person entering or leaving the Republic from/to a third country or another member state of the European Union who carries cash the value of which is equal to or exceeds 10.000 Euro, is obliged to declare in writing the relevant amount to a competent officer of the Customs and Excise Department at the port of entry/exit.

The enactment of the new Law supersedes and renders inactive the provisions of the Capital Movement Law (115(I) of 2003) which requires any natural person entering the Republic from another member state of the European Union to declare to competent officers of the Customs and Excise Department at the port of

entry any amount of cash in Euro or foreign currency the value of which is equal to or exceeds 12,500 Euro.

As a result of the above, the Directive of the Central Bank of Cyprus for the prevention of money laundering and terrorist financing is amended as follows:

1. Part 5.2.1 of the Directive (paragraphs 152, 153 and 154) is cancelled and replaced with the following:

«5.2.1. Prohibition of accepting cash deposits in foreign currency notes that have been imported from abroad

152. Banks are prohibited to accept cash deposits in foreign currency notes of value of 10.000 Euro or more that have been imported from abroad when:

- (i) the said cash deposits are not accompanied by the relevant declaration form of the Department of Customs and Excise ("Declaration of cash") in accordance with the Regulation (EC) 1889/2005 of the European Parliament and of the Council regarding the controls of cash entering or leaving the Community and the Law on the controls of cash entering or leaving the Community and Exercise of cash controls within the Community, or
- (ii) the declaration form of imported cash contains incomplete, incorrect or false information.

153. In this regard, it is noted that according to the Regulation (EC) 1889/2005 of the European Parliament and of the Council regarding the controls of cash entering or leaving the Community and the Law on the controls of cash entering or leaving the Community and exercise of cash controls within the Community, any natural person entering the Republic, from a third country or another member state of the European Union, carrying cash of value of 10.000 Euro or more, is obliged to declare the said amount to a competent officer of the Customs and Excise Department.

154. In the event of cash deposits in foreign currency that have been imported from abroad and are equal to or exceed the aforementioned limit, banks are required to obtain and file together with the transaction, a copy of the customs declaration form. Banks are obliged to inform directly the Department of Customs and Excise of those cases of customers who request to deposit cash in foreign currency notes which

have been imported from abroad that are not accompanied by the relevant declaration form, or the declaration form contains incomplete, incorrect or false information”.

2. Sub-paragraph (i) of paragraph 163 of Part 5.2.5 is cancelled and replaced with the following:

- (i) A **“Monthly statement of one-off deposits in foreign currency notes in excess of the equivalent of 100.000 Euro which have been imported in Cyprus from abroad”** in which information shall be provided on the customers who effected one-off deposits of foreign currency notes which have been imported in Cyprus from abroad during the reporting month and which are accompanied by a duly completed “Declaration of Cash” form as per the provisions of the Regulation (EC) 1889/2005 and Law 53(I) of 2009 providing for the implementation of the said Regulation. A specimen of the said return is enclosed as “Appendix 7” to this Directive”.

3. Paragraph 204 of Part 10.2 is cancelled and replaced with the following:

“ 204. In the abovementioned statement, information shall be provided on the customers who effected one-off deposits of foreign currency notes which have been imported in Cyprus from abroad which were accepted on the strength of a written approval by the MLCO and were accompanied by a duly completed “Declaration of Cash” form as per the provisions of the Regulation (EC) 1889/2005 of the European Parliament and of the Council and of the Law 53(I) of 2009 providing for the implementation of the said Regulation (see Section 5.2 of this Directive). A specimen of the said return is attached as “Appendix 7” to this Directive and should be submitted to the Bank Supervision and Regulation Department within 15 days after the end of the reporting month. “

Yours faithfully,



C.S. Poullis
Senior Director
Banking Supervision and
Regulation Division