



CYPRUS

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IMPLEMENTATION AND LAW

As a Member State of the United Nations ('UN') and the European Union ('EU'), the Republic of Cyprus has an obligation to enforce and implement (a) restrictive measures adopted by the Council of the EU via relevant decisions and regulations, within the framework of the Common Foreign and Security Policy ('CFSP') as well as (b) international sanctions by a relevant decision/resolution adopted by the United Nations Security Council ('UNSC'), under chapter VII of the UN Charter. Whereas the terms 'sanctions' and 'restrictive measures' can be used interchangeably, the UNSC uses the term 'sanctions' and the EU the term 'restrictive measures'.

Within the framework of the CFSP, Article 215 of the Treaty on the Functioning of the EU allows the European Council to adopt restrictive measures against natural or legal persons and groups or non-State entities. Decisions and regulations of the Council of the EU in the framework of the CFSP (autonomous

restrictive measures and incorporation of UNSC sanctions) constitute in their entirety part of EU Law, which supersedes the national legislation of Member States. Measures such as arms embargoes or restrictions on travel bans are implemented directly by all Member States, whereas measures such as interrupting or reducing economic relations with a third country, including measures pertaining to the freezing of funds and economic resources, are implemented by means of an EU regulation.

Decisions and resolutions of the UNSC as regards the imposition of sanctions are binding on all UN Member States as set out in Article 25 of the UN Charter. These are incorporated into EU Law, and thus into the national legislation of EU Member States through decisions and regulations adopted by the Council of the EU in the framework of the CFSP.

Cyprus implements the decisions and resolutions of the UNSC on sanctions, and the decisions and regulations of the Council of the EU on restrictive measures through the Law of 2016 (58(I)/2016), which underlines the obligation of the Republic of Cyprus to enforce and implement UN sanctions and EU restrictive measures.

Other than the UN and the EU lists, Cyprus has no national list on sanctions.

POWERS AND PROVISIONS

Most powers delegated to government agencies relate to the designation of sanctions targets, the freezing of assets, export controls, and licensing activities that would otherwise be prohibited under applicable sanctions.

The Central Bank of Cyprus is the competent authority for applications and notifications of the granting of licences with respect to transfers and transmissions (electronic or otherwise) of funds which fall within the scope of the decisions and regulations of the EU Council on restrictive measures, and the decisions and resolutions of the UNSC on sanctions. All such licence requests are evaluated and processed by the Central Bank of Cyprus.

The Ministry of Finance's advisory body on financial sanctions is the competent authority for the notification of the granting of a licence or the intention to grant a licence, and of the approval of a request or the intention to approve a request, with respect to the release of funds and financial resources.



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The Trade Services (Imports/Exports Licensing Section) is the competent authority for export control for dual-use goods, arms and military equipment.

KEY AGENCIES

The competent authorities of the Republic of Cyprus for the application and monitoring of the implementation of UNSC sanctions and EU restrictive measures are the following:

Ministry of Foreign Affairs

The role of the Ministry of Foreign Affairs with regard to UNSC sanctions and EU restrictive measures is coordinative. The Ministry of Foreign Affairs, *inter alia*, informs the relevant departments and authorities of the Republic of Cyprus on the adoption and/or amendment and/or expiration of UNSC sanctions and EU restrictive measures, and conveys to the relevant UNSC sanctions committees and EU institutions requests and/or queries from departments and authorities of the Republic.

Ministry of Foreign Affairs

Presidential Palace Avenue
1447 Nicosia

Tel.: +357 22 651000

Fax: +357 22 661881

Email: info@mfa.gov.cy

Web: www.mfa.gov.cy

Law Office of the Republic of Cyprus

The Law Office of the Republic of Cyprus is a member of the advisory body on financial sanctions (according to a decision of the Council of Ministers (72.222 A of 17 June 2011 and 25 May 2012)).

Law Office of the Republic of Cyprus

Unit for Combating Money Laundering (MOKAS)
PO Box 23768
1686 Nicosia

Tel.: +357 22 446 018

Fax: +357 22 317 063

Email: mokas@mokas.law.gov.cy

Web: www.law.gov.cy/mokas

Central Bank of Cyprus

The Bank of Cyprus is responsible for the implementation of financial and credit restrictions and relevant exemptions, for the monitoring and supervision of the activities of credit institutions, for the transfer and transmission of funds, and for applications and notifications of the granting of licences with respect to transfers and transmission of funds. It is also a member of the advisory body on financial sanctions according to a decision of the Council of Ministers (72.222 A of 17 June 2011 and 25 May 2012) and a member of the unit for the implementation of sanctions in the financial sector according to a decision of the Council of Ministers (25 February 2016).

Central Bank of Cyprus

Department of Licensing and Regulatory Compliance
PO Box 25529
1395 Nicosia

Tel.: +357 22 714 300

Fax: +357 22 374 940

Email: BSRD.compliance@centralbank.gov.cy

Web: www.centralbank.gov.cy

Ministry of Finance

The Ministry of Finance chairs the advisory body on financial sanctions which examines requests for the release of funds and financial resources according to a decision of the Council of Ministers (72.222 A of 17 June 2011 and 25 May 2012), as well as the unit for the implementation of sanctions in the financial sector according to a decision of the Council of Ministers (25 February 2016). It is the competent authority for the notification of the granting of a licence, or the intention to grant a licence, and of the approval of a request, or the intention to approve a request, with respect to the release of funds and financial resources.

Ministry of Finance

Corner of Michael Karaoli & Gregori Afxentiou
1439 Nicosia

Tel.: +357 22 601 172

Fax: +357 22 602 748

Email: registry@mof.gov.cy

Web: www.mof.gov.cy

Customs and Excise Department

The Customs and Excise Department is responsible for carrying out checks at entry and exit points of the Republic of Cyprus, at customs precincts and generally within the customs territory, of persons, baggage, goods and means of transport, for carrying out checks on vessels and aircrafts, as well as for the seizure, detention, removal or disposal of cargo whose supply, sale, transportation, transfer, import or export is prohibited.

Ministry of Finance, Customs and Excise Department

Corner of Michael Karaoli & Gregori Afxentiou
1439 Nicosia

Tel.: +357 22 601 705, +357 22 601 670, +357 22 601 680

Fax: +357 22 302 018

Email: headquarters@customs.mof.gov.cy

Web: www.mof.gov.cy/ce

Ministry of the Interior

The Civil Registry and Migration Department, within the Ministry of Interior, is competent for updating the database with respect to persons who are subject to sanctions and restrictive measures and are, therefore, restricted from entering and transiting within the territory of the Republic of Cyprus.

Civil Registry and Migration Department

Ministry of the Interior
1457 Nicosia

Tel.: +357 22 804 405

Fax: +357 22 403 961

Email: migration@crmd.moi.gov.cy

Web: www.moi.gov.cy/moi/crmd/crmd.nsf

The Department of Lands and Surveys, within the Ministry of Interior, is competent for the implementation of sanctions and restrictive measures relating to immovable property that is owned by, or connected in any way with, natural and/or legal entities whose financial resources have been frozen pursuant to the relevant decisions and resolutions of the UN Security Council, and decisions and regulations of the EU Council.

Department of Lands and Surveys

Ministry of the Interior
29 Michalakopoulou
1455 Nicosia

Tel.: +357 22 804 900, +357 22 804 817

Fax: +357 22 804 928

Email: ccharalambous@dls.moi.gov.cy

Web: www.moi.gov.cy/dls.nsf

Ministry of Transport, Communications and Works

The Department of Merchant Shipping, within the Ministry of Transport, Communications and Works, is the competent authority for the implementation of sanctions and restrictive measures concerning the maritime transport sector, for the application of restrictions to the transport of cargo by vessels registered under the Cyprus flag, for updating and notifying information to the relevant committees of the UNSC and/or the competent authorities of the EU in relation to the change of name and/or the ownership status of vessels registered in the Register of Cyprus Ships, which are owned or controlled by natural or legal persons who are subject to sanctions and restrictive measures, and, lastly, for the administration of vessels under the Cyprus flag.

Department of Merchant Shipping

Ministry of Transport, Communications and Works
Killinis Street
Mesa Gitonia
4007 Nicosia

Tel.: +357 25 848 100
Fax: +357 25 848 200
Email: maritimeadmin@dms.mcw.gov.cy
Web: www.shipping.gov.cy

The Department of Civil Aviation, within the Ministry of Transport, Communications and Works, is the competent authority for the implementation of sanctions and restrictive measures regarding the air traffic services sector, for the issuance of landing/take-off permissions to aircrafts, Cypriot or foreign, that use the airports of the Republic of Cyprus, and for the issuance of licences/permissions to Cypriot or foreign air carriers for the exercise of commercial rights from/to the airports of the Republic of Cyprus.

Department of Civil Aviation

Ministry of Transport, Communications and Works
Pindarou Street 27
Alpha Business Center
1429 Nicosia

Tel: +357 22 404 122, +357 22 404 136
Fax: +357 22 766 547
Email: mioannou@dca.mcw.gov.cy, sstephanou@dca.mcw.gov.cy
Web: www.mcw.gov.cy/mcw/DCA/DCA.nsf

Ministry of Energy, Commerce and Industry

The Department of Registrar of Companies and Official Receiver, within the Ministry of Energy, Commerce and Industry, is the competent authority for the registration, follow-up, control and striking-off of companies, and for the receipt and administration of assets of insolvent natural and legal persons. It is also a member of the advisory body on financial sanctions according to a decision of the Council of

Ministers (72.222 A of 17 June 2011 and 25 May 2012) and of the unit for the implementation of sanctions in the financial sector according to a decision of the Council of Ministers (25 February 2016).

Department of Registrar of Companies and Official Receiver

Ministry of Energy, Commerce and Industry
Corner of Makarios III Avenue & Karpenisiou Street
XENIOS Building
1427 Nicosia

Tel.: +357 22 404 301, 22 404 302

Fax: +357 22 304 887

Email: deptcomp@drcor.mcit.gov.cy, eterion@drcor.mcit.gov.cy

Web: www.mcit.gov.cy/drcor

The Trade Services (Imports/Exports Licensing Section), within the Ministry of Energy, Commerce and Industry, is the competent authority for export control of dual-use goods, arms and military equipment, and a member of the advisory body on financial sanctions.

Trade Services (Imports/Exports Licensing Section)

Ministry of Energy, Commerce and Industry
6 Andrea Araouzou Street
1421 Nicosia

Tel: +357 22 867 100, 22 867 332, 22 867 197

Fax: +357 22 375 120, 22 375 443

Email: xxenopoulos@mcit.gov.cy, pevgeniou@mcit.gov.cy

Web: www.mcit.gov.cy/ts

The Energy Service, within the Ministry of Energy, Commerce and Industry, is the competent authority for compliance with the international and European commitments of the Republic of Cyprus arising from the decisions and resolutions of the UNSC, and decisions and regulations of the EU Council in the energy sector.

Energy Service

Ministry of Energy, Commerce and Industry
6 Andrea Araouzou Street
1421 Nicosia

Tel.: +357 22 867 100

Fax: +357 22 375 120, 22 304 759

Email: perm.sec@mcit.gov.cy

Web: www.mcit.gov.cy/mcit/mcit.nsf/dmlenergyservice.gr

Ministry of Justice and Public Order

The Ministry of Justice and Public Order is a member of the advisory body on financial sanctions according to a decision of the Council of Ministers (72.222 A of 17 June 2011 and 25 May 2012).

Ministry of Justice and Public Order

125 Athalassas Avenue
1461 Nicosia

Tel.: +357 22 805 920/1

Fax: +357 22 805 969

Email: registry@mjpo.gov.cy

Web: www.mjpo.gov.cy

Cyprus Police

The European Union and International Police Cooperation Directorate is the competent directorate of the Cyprus Police for the coordination of the joint police departments on matters concerning sanctions and restrictive measures.

Cyprus Police

Tel.: +357 22 607 825

Fax: +357 22 607 894

Email: euipcd@police.gov.cy

Web: www.police.gov.cy

The Immigration Office is competent for the implementation of prohibitions and restrictions to entry and transit within the territory of the Republic of Cyprus, or transit through it by persons who are subject to sanctions and restrictive measures, and for updating the database with respect to persons who are subject to sanctions and restrictive measures according to the relevant decisions and resolutions of the UNSC and decisions and regulations of the EU Council.

Immigration Office

Tel.: +357 22 808 867

Fax: +357 22 495 244

Email: aidhq.registry@police.gov.cy

Website: www.police.gov.cy

Police Border Marine is responsible for surveillance, within its competence, of passing boats and vessels if there is information that they contain items whose supply, sale, transportation, transfer, import or export is prohibited under sanctions of the UNSC and restrictive measures of the EU, and for carrying out checks on boats and vessels during their arrival or anchoring in ports or anchorages of the Republic of Cyprus, if there is information that they contain items whose supply, sale, transportation, transfer, import or export is prohibited under the sanctions of the UNSC and the restrictive measures of the EU.

Police Border Marine

Tel.: +357 25 805 350/1

Fax: +357 25 805 614

Email: limmarine@police.gov.cy

Web: www.police.gov.cy

Cyprus Ports Authority

The Cyprus Ports Authority is responsible for issuing licences for arrivals and/or departures to vessels from the ports of the Republic of Cyprus, and for loading and unloading vessels, piloting/towing, handling of cargo, transshipment, distribution of passengers, and cession of licences to third parties within the ports of the Republic of Cyprus.

Head Offices of Cyprus Ports Authority

23 Kritis

1061 Nicosia

Mailing address: PO Box 22007

1516 Nicosia

Tel.: +357 22 817 200

Fax: +357 22 765 420

Email : cpa@cpa.gov.cy

Web: www.cpa.gov.cy

Cyprus Securities and Exchange Commission

The Cyprus Securities and Exchange Commission is responsible for supervising and regulating the operation of the Cyprus Stock Exchange and of other organised markets in the Republic and the transactions carried out in these markets, and for the implementation of the exemptions and deviations from the restrictions and prohibitions that fall within its competence. It is a member of the advisory body on financial sanctions according to a decision of the Council of Ministers (72.222 A of 17 June 2011 and 25 May 2012) and a member of the unit for the implementation of sanctions in the financial sector according to a decision of the Council of Ministers (25 February 2016).

‘The Immigration Office is competent for the implementation of prohibitions and restrictions to entry and transit within the territory of the Republic of Cyprus.

Cyprus Securities and Exchange Commission
27 Diagorou Street
1097 Nicosia

Mailing address: PO Box 24996
1306 Nicosia

Tel.: +357 22506600
Fax: +357 22506700
Email: info@cysec.gov.cy
Web: www.cysec.gov.cy/en-GB/home/

ENFORCEMENT AND PENALTIES

Law N. 58 (I) / 2016 provides for the application of the resolutions and decisions of the UNSC on sanctions, and the decisions and regulations of the EU on restrictive measures in Cyprus ('the Law on Sanctions and Restrictive Measures').

According to Section 3 of the Law on Sanctions and Restrictive Measures, each ministry or its department, each independent office, as well as the supervisory authorities which are defined in accordance with the provisions of Section 59 of the Prevention and Suppression of Money Laundering Activities Laws of 2007 to 2016, has competence for securing the implementation of the provisions of the resolutions and decisions of the UNSC on sanctions and/or the decisions and regulations of the Council of the EU on restrictive measures, in those sectors for which the said ministry or its department or independent office or the supervisory authorities have competence according to the Constitution of the Republic of Cyprus, the laws, the regulatory administrative acts, and the decisions of the executive authority.

Where a competent authority according to Section 3 of the Law on Sanctions and Restrictive Measures, ascertains that a person commits any act in violation of any of the provisions of the resolutions or decisions of the UNSC on sanctions and/or the decisions or regulations of the Council of the EU on restrictive measures, it shall report the violation to the Police for investigation.

Section 4 of the Law on Sanctions and Restrictive Measures imposes specific penalties on any individual and/or legal entity committing any act in contravention of any of the provisions of UN sanctions and/or EU restrictive measures as follows:

'4.- (1) Any person, who contravenes any of the provisions of the United Nations Security Council Resolutions or Decisions (Sanctions) and of the European Union Council Decisions and

Links and Notes

¹ See for instance the decision of the District Court of Nicosia at the case of Marc O' Polo Investments Ltd, action number 3003/2018, available at cylaw.org/cgi-bin/open.pl?file=apofaseised/pol/2019/1120190006.htm&qstring=3003%20w%2F1%2017 (in Greek).

Regulations (Restrictive Measures), is guilty of an offence, and without prejudice to any other legislative provision providing a greater penalty, upon conviction is subject to:

- a) in the case of an individual, imprisonment not exceeding two years, or a fine not exceeding €100,000 (one hundred thousand Euro) or both these penalties; and
- b) in the case of a legal entity, a fine not exceeding €300,000 (three hundred thousand Euro).

It shall be noted that prosecution of any person in violation of Section 4 is carried out only with the approval of the Attorney General of the Republic.

Infringements of EU regulations in Cyprus also constitute a criminal offence and can be dealt with by invoking articles 136 (Disobedience to statutory duty) and 137 (Disobedience of lawful orders) of the Criminal Code (Chapter 154).

Despite the examination of matters which relate to sanctions,¹ we are not aware of any cases of prosecution for infringement of the Law on Sanctions and Restrictive Measures.

OUTREACH

Regulatory authorities publish guidelines and information through online sources. The Ministry of Foreign Affairs has a very useful online guide in relation to sanctions and restrictive measures. The Central Bank of Cyprus is also very active in this area and publishes reports and compliance guidelines.

Universities, research institutions and the Cyprus Bar Association regularly organise seminars and lectures on topics relating to sanctions and restrictive measures.

POLITICAL FACTORS

The objective of the foreign policy of Cyprus is to have an active involvement in processes that aim to promote international cooperation, peace, stability and sustainable development. Cyprus has always been a dedicated supporter of human rights and the sovereignty of nations, and a strong advocate of international peace and security. Cyprus, thus, stresses that coordination and cooperation on a European and an international level is essential to maximise the effectiveness of sanctions and restrictive measures

This chapter is reprinted from the book **Sanctions in Europe**, published by WorldECR, the journal of export controls and sanctions, January 2020.
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