

UNOFFICIAL TRANSLATION

The Enforcement of Restrictive Measures on Transactions in case of Emergency Law of 2013

Decree as per articles 4 and 5

WHEREAS there is lack of substantial liquidity and significant risk of deposits outflow with possible outcome the risk of the viability of the credit institutions with chain effects that could lead to instability of the financial system and have destabilizing consequences on the economy and society of the country as a whole,

AND WHEREAS under these circumstances an emergency situation is created,

For safeguarding public order and public security and for overriding reasons of public interest,

12(I) of 2013 The Minister of Finance in exercising the powers granted to him by sections 4 and 5 of the Enforcement of Restrictive Measures on Transactions in case of Emergency Law of 2013, following a recommendation from the Governor of the Central Bank, issues the following Decree:

Short title. 1. The present Decree shall be cited as the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency Seventeenth Decree, of 2013.

Interpretation 2. (1) In the present Decree, unless a different meaning results from the context-

«Committee» means the Committee established by virtue of section 9 of the Law.

81(I) of 2012. «electronic money institution» has the meaning ascribed to that term in section 2 of the Electronic Money Law of 2012.

128(I) of 2009
52(I) of 2010. «Payment Institution» has the meaning ascribed to that term in section 2 of the Payment Services Law of 2009 and 2010 and includes the Cyprus Post in providing money transfer services.

«Law» means The Enforcement of Restrictive Measures on Transactions in case of Emergency Law of 2013.

«debit and or credit and or prepaid card» means debit and or credit and or prepaid card issued by a credit institution or payment institution or electronic money institution.

«cashless payment means payment by cheque and or by direct debit and or by standing order».

(2) Terms not otherwise defined in this Decree shall have the meaning ascribed to them by the Law.

Imposition of
restrictive measures.

3. By virtue of sections 4 and 5 of the Law, following a recommendation by the Governor and with the consent of the Governor, the following restrictive measures are imposed:

(a) The maximum amount of cash withdrawal shall not exceed €300 daily, per natural person or €500 daily per legal person, in each credit institution or the equivalent of these amounts in foreign currency. All cash withdrawals (namely withdrawals via debit and or credit and or prepaid cards, as well as withdrawals from the credit institution's tellers) are computed per person consolidating all accounts held by the said person in each credit institution:

Provided that any part of the maximum cash withdrawal allowed daily which is not withdrawn by the beneficiary during the day in which the limit applies, starting on the 27th of March 2013 the date of entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013, may be withdrawn at any time afterwards.

Official Gazette,
Third Part (I)
27.3.2013.

(b) The cashing of cheques is prohibited.

(c) The following are permitted:

(i) cashless payment or transfer of deposits/funds to accounts held in other credit institutions within the Republic up to €15.000 per month per natural person in each credit institution regardless of the purpose ·

(ii) cashless payment or transfer of deposits/funds to accounts held in other credit institutions within the Republic up to €75.000 per month per legal person in each credit institution regardless of the purpose ·

(iii) cashless payment or transfer of deposits/funds to accounts held in other credit institutions within the Republic for the purchase of goods and or services up to €300.000, per transaction,;

Provided further that the cashless payment from one credit institution to another, for a person's own account is not permitted:

Provided that the credit institution may request justifying documents if it is deemed necessary.

- (iv) cashless payment or transfer of deposits/funds to an account held in another credit institution within the Republic for the purchase of goods and or services for an amount over €300.000 per transaction, upon presentation of justifying documents

Provided that each credit institution shall ensure that the justifying documents presented in each case, justify the execution of the cashless payment and or transfer of deposits/funds.

- (d) Cashless payment and or transfer of deposits/funds to accounts held abroad are prohibited, with the exception of-

- (i) transaction that falls within the normal business activity of the customer upon presentation of justifying documents as follows-

- (aa) payment and or transfer of deposits/funds of up to €500.000 per transaction, is not subject to the Committee's approval:

- Provided that each credit institution shall ensure that the justifying documents presented in each case, justify the execution of the payment and or of the transfer of deposits/funds.

- (bb) payment and or transfer of deposits/funds from €500.001 to €1.000.000 per transaction, is subject to the approval of the Committee. A list of the requests for payments and or transfer falling within this category shall be submitted to the Committee in a standardised electronic file in a format specified by the Committee. A request may be included in the list only if the credit institution is satisfied that it is consistent with the provisions of this Decree. The Committee in its decision, which shall be taken within 24 hours, shall take into

account the liquidity buffer situation of the credit institution.

(cc) payment and or transfer of deposits/funds above €1.000.000 per transaction, is subject to the Committee's approval. The relevant credit institution shall submit to the Committee a request for each such payment and or transfer of deposits/funds as well as the necessary justifying documents. The relevant payment institution may submit to the Committee a request for each such payment and or transfer of deposits/funds and the necessary justifying documents and the name of the credit institution involved. The Committee in taking its decision takes into account the justifying documents and the liquidity buffer situation of the credit institution. The Committee's decision is communicated to the credit institution in every case and to any relevant payment institution.

Provided that the Committee may request information for payment and or transfer falling within the categories of sections (bb) and (cc).

(ii) payments for salaries of employees upon presentation of supporting documents.

(iii) living expenses up to €5.000 per quarter as well as tuition fees, of a person who is studying abroad and is a first degree relative of a Cyprus resident, on the basis of supporting documents:

Provided that payment and or transfer for living expenses shall be allowed only upon submission to the relevant credit institution of documents establishing that the person receiving the payment and or transfer of deposits/funds is studying abroad and is a first degree relative of a Cyprus resident:

Provided further that tuition fees shall be paid only to the beneficiary educational institution, upon submission of the relevant justifying documents:

Provided still further that the credit institution maintains a catalogue in which it records and monitors all payments:

Provided still still further that the Committee may require the submission, to its attention, of the catalogue mentioned in the above proviso and or information on any payment and or transfer which falls under case (iii).

(iv) transfers of deposits/funds outside the Republic up to €5.000 per month, per person for each credit institution and or payment institution regardless of the purpose.

(e) It is prohibited to terminate fixed term deposits prior to their maturity unless the funds are used

(i) to repay a loan and/or overdraft and/or credit card within the same credit institution provided-

(aa) the said credit facility was granted prior to the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013, and

(bb) there are no sufficient credit balances in a current/sight account in the same credit institution for the repayment of the credit facility, and

(cc) in the case of an overdraft and/or credit card the maximum repayment amount originating from a fixed term deposit cannot be higher than the outstanding balance during the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency Twelfth Decree, of 2013:

Provided that the remaining amount of the fixed term deposit remains for the remaining maturity period under the same conditions:

Provided further that in the case where part of the overdraft limit or the whole limit of the overdraft is repaid , then the part of the overdraft limit or the limit of the overdraft which is repaid shall be cancelled :

Provided still further that, in the case of repayment of an overdraft and/or credit card, the relevant termination of fixed term deposit is permitted only once during or after the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency Twelfth Decree, of 2013:

(ii) to create one or more fixed term deposits, within the same credit institution, the total amount of which is equal to the initial deposit and for a term at least equal to the

initial term of the terminated deposit:

Provided that new beneficiaries can be added or deleted on the new deposit;

- (iii) to transfer up to €5.000 monthly, from a fixed term deposit in a sight/current account within the same credit institution, in duly substantiated cases where the credit institution is satisfied that the transfer is done for humanitarian reasons:

Provided that the credit institution maintains a catalogue, in which it lists in detail all the cases:

Provided further that the remaining amount of the fixed term deposit remains for the remaining maturity period under the same conditions.

- (iv) to transfer, to a sight/current account within the same credit institution, in the case of fixed term deposit belonging to a natural person, of the exact amount to be solely used for the payment of medical expenses to the medical care provider, provided that-

(aa) the justified documents are presented to the credit institution, and

(bb) no sufficient funds are available in a sight/current account, with the same financial institution, to cover the payment of the medical expenses:

Provided that the remaining amount of the fixed term deposit remains for the remaining maturity period under the same conditions.

- (v) for a transfer to a sight/current account within the same credit institution, to repay obligations to the Republic provided that –

(aa) the justifying documents are presented to the credit institution, and

(bb) the payment is made to the Republic either through a direct electronic transfer or through the issue of a bankers draft in favour of the Republic

(cc) no sufficient funds are available in a sight/current

account, with the same credit institution, to cover the payment of the obligations:

Provided that the remaining amount of the fixed term deposit remains for the remaining maturity period under the same conditions.

- (vi) for the payment of real estate acquisition in the Republic provided that-
 - (aa) the funds are paid directly into a loan account of the seller of the real estate within the same credit institution and
 - (bb) the loan of the seller of the real estate was granted prior to the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013 and
 - (cc) the justifying documents are presented to the credit institution and
 - (dd) no sufficient credit balances are available in a sight/current account, with the same credit institution, to cover the payment.

Provided that the remaining amount of the fixed term deposit remains for the remaining maturity period under the same conditions.

- (f) On the maturity of fixed term deposits, the higher amount between €5.000 or 20% of the total amount of the deposit in question, shall, according to the choice of the depositor, either be transferred to a sight/current account or be deposited in a new fixed term deposit in the same credit institution. For the remaining amount the maturity shall be extended for one month:

Provided that any new fixed term deposit that is created, during or after the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency Fifteenth Decree, of 2013, with funds from a sight/current account and or from cash, is not subject to the restrictions of the present subparagraph.

- (g) It is only permitted to transfer €300 daily per natural person, from a notice account of a natural person, to a sight/current account of a natural person, within the same credit institution.

Provided that any part of the daily allowed transfer limit of money, which is not transferred from a notice account of a natural person to a

sight/current account of a natural person during or after the date of entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013, may be transferred at any time afterwards.

- (h) Sums transferred from a fixed term deposit to a sight/current account shall be subject to the restrictive measures applicable to sight/current accounts.
- (i) Exports of euro notes and/or foreign currency notes are prohibited in excess of €3.000, or the equivalent in foreign currency, per natural person per journey abroad. The Director of Customs and Excise Department shall ensure the implementation of this measure.

Provided that the amount of €3.000 cannot be withdrawn from a credit institution in addition to the daily amount of €300, the withdrawal of which is permitted under the above paragraph 3(a).

- (j) Every financial transaction, payment and or transfer which has not been completed prior to the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013 shall be subject to the restrictive measures provided in this Decree:

Provided that any financial transaction, payment and or transfer, which has not been processed by the credit institution prior to the entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013 shall be cancelled and will have to be submitted anew.

- (k) Credit institutions shall not facilitate the circumvention of the restrictive measures.
- (l) The restrictive measures apply to all accounts, payments and transfers regardless of the currency denomination.
- (m) It is prohibited to transfer euro notes and/or foreign currency notes, in areas of the Republic, where the Republic does not exercise effective control, in excess of the amount of –
 - (i) €300 daily or its equivalent in foreign currency, per natural person who has its permanent residence in the Republic:

Provided that, in the case a natural person resides in areas of the Republic where the Republic does not exercise effective control, the transfer of euro notes in excess of €300 is permitted, if the euro notes originate from a salary payment, in the areas where the

Republic exercises effective control, upon presentation of justifying documents,

- (ii) €500 daily or its equivalent in foreign currency, per natural person who has its permanent residence abroad.

The Director of Customs and Excise Department shall ensure the implementation of this measure.

(n) The opening of a new account for any person who is not an existing customer of a credit institution on the date of entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency Sixth Decree of 2013, is prohibited unless-

- (i) the account will only be credited with funds transferred from abroad to the Republic, or

- (ii) the prior approval of the Committee is obtained.

(o) It is prohibited to add new beneficiaries in a current/sight account unless the prior approval of the Committee is obtained.

Exemptions.

4. Exempted from the restrictive measures are:

- a. All money transferred to the Republic from abroad, during or after the date of entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013:

Provided that, if money transferred from abroad to a credit institution in the Republic, during or after the date of entry into force of the Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency First Decree, of 2013, are re-transferred to a second credit institution in the Republic, the second credit institution considers that the money fall under the exemption of the present subparagraph only if the first credit institution in the Republic, clarifies in the details of the transfer that the money fall under the exemption of the present subparagraph.

- b. Withdrawal of cash using credit and or debit and or prepaid card issued by foreign institutions on accounts abroad.

- c. The cashing of cheques issued on accounts held with foreign institutions abroad.

- d. Cash withdrawals from accounts of credit institutions with the Central Bank.

- e. Payments and receipts of the Republic
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- g. The foreign diplomatic missions and the UN missions in the Republic based on the exemptions specified in the Vienna Convention for Diplomatic Relations and the Agreements between the Republic and the United Nations and other international Agreements which have precedence over national legislations.
- h. The payments via a debit and or credit and or prepaid card.
- i. Transactions or payments that have been authorised by the Committee.

Repeal of the Decree.
Official Gazette,
Third Part (I)
21.6.2013.

5. The Enforcement of Temporary Restrictive Measures on Transactions in case of Emergency Sixteenth Decree, of 2013 is repealed.

Validity of this Decree.

6. This Decree shall apply for a twenty-one day period starting from the day of its publication in the Official Gazette of the Republic.

5 July, 2013

Harris Georgiades
Minister of Finance