

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 Eighth 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.

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

«debit or credit or prepaid card» means debit or credit or prepaid card issued by a credit 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 or its equivalent in foreign currency, per person in each credit institution. All cash withdrawals (namely withdrawals via debit and or prepaid cards, withdrawals from the credit institution's tellers and withdrawals via credit cards against a sight/current account's balance) 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Provided that any part of the maximum cash withdrawal allowed daily which is not withdrawn by the beneficiary during the day in which the limit applies, starting on the 27th of March 2013 the date of entry into force of the Enforcement of Temporary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.

(b) The cashing of cheques is prohibited.

(c) The following are permitted:

(i) transfer of deposits/funds to accounts held in other credit institutions up to €3.000 per month per natural person in each credit institution within the Republic.

(ii) transfer of deposits/funds to accounts held in other credit institutions up to €50.000 per month per legal person in each credit institution within the Republic.

(iii) cashless payment up to €300.000, per transaction to an account held in another credit institution within the Republic,:

Provided that the cashless payment is made for the completion of a transaction:

Provided further that the transfer of deposits/funds from one credit institution to another, for a person's own account is not permitted:

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

(iv) transfer of deposits/funds to an account held in another credit

Official Gazette,
Third Part (I)
27.3.2013.

institution within the Republic for an amount from €50.001 up to €300.000 for transaction that falls within the normal business activity of the customer, upon presentation of justifying documents, without been 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 transfer of deposits/funds.

- (v) cashless payment and or transfer of deposits/funds for an amount over €300.000 for transactions that fall within the normal business activity of the customer provided the Committee's approval is obtained. The credit institution submits to the Committee a request for each payment as well as the necessary justifying documents. The Committee in taking its decision takes into account the justifying documents and the liquidity buffer situation of the credit institution

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

- (i) Payments for transactions that fall within the normal business activity of the customer upon presentation of justifying documents as follows-

- (aa) payments of up to €20.000 per day per account are 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.

- (bb) payment from €20.001 to €300.000 is subject to the approval of the Committee. A list of the requests for payments 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 the file content 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 above €300.000 is subject to the Commission's approval. The credit institution shall submit to the Committee a request for each payment as well as the

necessary justifying documents The Committee in taking its decision takes into account the justifying documents and the liquidity buffer situation of the credit institution.

Provided that the Committee may request information for payments 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 payments 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.

(iv) payments outside the Republic, via debit and or credit and or prepaid cards, shall not be allowed to exceed €5.000 per month per person in each credit institution.

(v) transfers of deposits/funds outside the Republic up to 2.000 per month, per person for each credit 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 within the same credit institution provided the loan 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-

(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) The transfer of up to €5.000 monthly, from the 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.

(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, in relation to a notice account of a natural person the transfer of €300 daily per person to a sight/current account within the same credit institution is permitted.

(g) Sums transferred from a fixed term deposit to a sight/current account shall be subject to the restrictive measures applicable to sight/current accounts.

(h) Exports of euro notes and/or foreign currency notes are prohibited in excess of €2.000, 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.

(i) 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.

(i) Credit institutions shall not facilitate the circumvention of the restrictive measures.

- (j) The restrictive measures apply to all accounts, payments and transfers regardless of the currency denomination.
- (k) 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,
 - (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.

- (l) The opening of a new account for any customer who is not an existing customer of a credit institution on the date of issue of the present Decree, is prohibited unless-
 - (i) the account will only be credited with funds transferred from abroad,
 - (ii) the prior approval of the Committee is obtained:

Provided that the approval of the Committee is only granted in case of a person not having any account with any credit institution.

Exemptions.

- 4. Exempted from the restrictive measures are:
 - a. All new funds transferred to the Republic from abroad
 - 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
 - f. Payments and receipts of the Central Bank
 - 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. Payments that have been authorised by the Committee.

Repeal of the Decree.
Official Gazette,
Third Part (I)
12.4.2013.

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

Validity of this Decree.

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

Harris Georgiades
Minister of Finance

14th April 2013