



# Continued wins against financial crime

## Cyprus:

Despite a lingering reputation that it inherited from past shortcomings, Cyprus has been successfully engaged in a protracted battle against Money Laundering. Even in the midst of an economic crisis, it has proactively

terminated accounts, lost profits and turnover and engaged in an aggressive clean-up campaign under the most stringent rules. In other words, a complete overhaul and transformation of its culture.

### Recent Progress

#### Moneyval Report



The Cyprus Fifth Round Mutual Evaluation Report by Moneyval was published in February 2020. The report identified that Cyprus has taken positive steps towards anti-money laundering and countering the financing of terrorism. Out of the 40 technical points of assessment, Cyprus scored as compliant or largely compliant in 37 and only 3 as partially compliant. The report has not revealed any weaknesses for the banking sector which scored excellent marks. A follow up report was issued in 2022, stating that further progress was made in improving the country's level of FATF standards.

#### Recognition from OECD



Cyprus is included in the OECD White List, of "Largely Compliant" jurisdictions, as per 2020 peer review.

#### Ahead of the curve: early adopter of CRS, FATCA and other rules



Since December 2013, Cyprus has implemented the strictest AML regulatory framework in Europe and since then, remains ahead of all EU regulatory developments in the area.

Cyprus has been cited as an **Early Adopter of CRS** (Common Reporting Standards) of OECD and is fully compliant with **FATCA** as well as DAC6.

#### US and Cyprus\*



US FDI to Cyprus in 2019 amounted to \$4.9 bn  
**"U.S. foreign direct investment in Cyprus further increased in 2019 to surpass its prior peak of \$2.7 billion in 2014"**



## Bank of Cyprus:

The Bank of Cyprus has engaged since beginning of year 2014 in a very demanding and rigorous anti-financial crime remediation programme which has successfully been implemented in the following year. Today's compliance function of Bank of Cyprus adheres to the highest standards and it is fully aligned with US, EU and local regulatory frameworks.

### Recent Progress

#### Eliminating Professional Intermediaries



**1601**  
Intermediaries in 2014

currently  
**0**  
Intermediaries

#### Customer Terminations and Rejections



**17586** customers terminated / suspended (\*\*)  
**8099** potential new customers rejected

exclusively on Compliance (KYC/AML) grounds in years 2015-2021.

(\*\*) customers have multiple accounts.

#### Loss of turnover on own initiative



Estimated **€6.9 billion** as a result of terminations / suspensions in years 2015-2021.

#### Foregone net profits on own initiative



Estimated **€21.7 million** from customers terminated / suspended in years 2015-2021.

#### Proactive reporting before requests from authorities



In all cases mentioned in the local/international Press and by Political Commentators, the Bank has been **proactive in its reporting**: It flagged, noted and reported in a timely and comprehensive manner all suspicious activity **before any requests** were made by authorities.



#### New regulators and oversight



The listing in the LSE and the Bank's voluntary adoption of the 2018 UK code reflects its persistent alignment with best international standards of Corporate Governance. BoC is now regulated by:

**8**  
separate,  
international  
competent authorities

in

**4**  
jurisdictions  
(Cyprus, Ireland, the  
UK and the EU)

#### Adoption of Best International Standards



Fully adheres to all relevant local, European, USA, UK and other regulatory frameworks.

#### Alerts



**35.8K** alerts generated on average every month in 2021 by the Bank's specialized AML system, demonstrating a proactive stance.

#### Reports



**1241** Internal Suspicious Activity Reports  
**1181** FIU reports  
proactively filed since 2015

#### Awards



2016 **Transparency International Award** for Best Practices, Initiatives and Actions to Reduce Corruption and/or increase Transparency in Cyprus.  
2017, 2018, 2019 and 2020 **Best Corporate Governance Corporation (Cyprus) Award** by World Finance (UK).  
2017, 2018 and 2019 the **Bank of the Year (Cyprus) Award**, of Corporate Insider's Business Excellence Awards (UK).  
2020 **Special Recognition Award - Best Banking Governance Europe** by Ethical Boardroom magazine (UK).  
2022 **Silver Winner of the Best Compliance Team Award** by International Compliance Association.

#### USA and Bank of Cyprus



**Major shareholders hailing from North America** (USA and Canada) account for 11.87% of shareholding, at 28/10/2022.

Sources:  
Bank statistical information as at 31/12/2021.

(\*) Hamilton, Daniel S., and Quinlan, Joseph P., *The Transatlantic Economy 2021: Annual Survey of Jobs, Trade and Investment between the United States and Europe* Washington, DC: Foreign Policy Institute, Johns Hopkins University SAIS, 2021.