

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, so 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 First 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.

(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Provided that any part of the maximum cash withdrawal allowed daily which is not withdrawn by the beneficiary during the day in which the limit applies, may be withdrawn at any time afterwards.

(b) The cashing of cheques is prohibited.

(c) Cashless payments or transfers of deposits/funds to accounts held abroad or in other credit institutions 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) payment of up to €5.000 per day per account is not subject to any restrictive measure,

(bb) payment from €5.001 to €200.000 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 by the relevant credit institution on a daily basis and shall mention the amount of each payment, the total amount of all payments as well as the number of payments falling within this category. The Committee for its decision, which shall be taken within 24 hours, shall take into account the liquidity buffer situation of the credit institution.

(cc) payment above €200.000 provided the prior approval of the Committee is obtained after taking into account the liquidity buffer situation of the credit institution.

(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 and or transfers 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.
- (d) It is prohibited to terminate fixed term deposits prior to their maturity unless the funds are used to repay a loan within the same credit institution.
- (e) On the first maturity of fixed term deposits, the higher amount between €5.000 or 10% 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.
- (f) Sums transferred from a fixed term deposit to a sight/current account shall be subject to the restrictive measures applicable to sight/current accounts.
- (g) Exports of euro notes and/or foreign currency notes are prohibited in excess of €1.000, 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.
- (g) Every financial transaction, payment and or transfer which has not been completed prior to the entry into force of this Decree 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 this Decree shall be cancelled and will have to be submitted anew.
- (i) Credit institutions shall not execute cashless transfers that facilitate the circumvention of the restrictive measures.
- (j) The restrictive measures apply to all accounts, payments and transfers regardless of the currency denomination.

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. The Republic.

- f. The Central Bank.
- g. Diplomatic missions.
- h. Payments that have been authorised by the Committee.

Validity of the this
Decree.

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

Michalis Sarris
Minister of Finance

27th March 2013