Dear Head of AML,

The Central Bank of Ireland, **("the Central Bank")** would like to clarify the requirements regarding reporting obligations under EU Regulation 833/2014, particularly in relation to transaction bans that apply specifically to Crypto Asset Service Providers (CASPs).

Transaction Ban

The following articles are of relevance to CASPs:

- Article 5ad
- Article 5ba
- Article 5bb

Please note this list is not exhaustive in terms of compliance obligations, and the EU Sanctions Regime is regularly amended. It is incumbent on each Firm to ensure they keep up to date of their compliance obligations. Please note that the Central Bank cannot provide legal advice and/or confirmations in respect of the interpretation of EU financial sanctions. It is the ultimate responsibility of each economic operator to ensure that they are in compliance with the various sanctions regimes which may be applicable to the environment that they are operating in eg: EU Sanctions Regimes, OFAC or UK Regime etc.

EU Commission Confirmation

The Central Bank has sought clarification from the EU Commission on the expectations relation to the Transaction Ban.

Following this engagement, we can confirm the following CASP specific Guidance regarding incoming transactions:

In cases where it is impossible for an EU operator to refuse an incoming transaction from an entity falling under the transaction ban of Regulation (EU) No. 833/2014 due to technical issues for example, the EU CASP should hold the relevant assets and not return them to the sending party. Returning the asset to an entity falling under the transaction ban, directly or indirectly, would be a violation of Regulation (EU) No 833/2014.

Further to this: we asked the Commission for clarification of the circumstances where funds held due to the Transaction Ban might be returned.

Funds can be returned to the sender in certain cases where the necessary due diligence has been completed and the Firm has verified that no sanctioned entity / platform will be involved in returning the assets to the sender. For example, funds be returned to the sending party if the sender has provided details of a verified "clean" address unaffiliated with the prohibited platform.

As the transaction ban only applies to the entities listed in Council Regulation (EU) 833/2014, following the appropriate level of due diligence, a transaction can take place if there are no listed persons or entities involved in a transaction, directly or indirectly. Each transaction would have to be assessed separately to see if it comes from or is sent to listed persons or entities, also whether the transaction may indirectly still be sent to listed persons or entities.

The CASP should report and supply any information to the NCA within two weeks of acquiring this information.

Please note that this is an informal Commission interpretation and
only the Court of Justice is competent to provide binding interpretation of EU law.

Reporting Requirements in Ireland

When to Report

If you identify any breaches or potential circumvention of these transaction bans, you are required to report them to the Central Bank.

Please note that these reports should also be made separately to An Garda Siochana GNECB_DV@garda.ie

How to Report

Please submit your reports using the **Financial Sanctions Return (FSR)** via the **External Central Bank Portal**. A Guidance document is available to assist you with submitting the FSR.

Completing the FSR

We recognise that some CASPs are experiencing difficulties when completing certain fields on the FSR in relation to the transaction bans.

For the time being, please continue to update the FSR on a best-efforts basis and submit it via the External Central Bank Portal.

Please note that the current Guidance Document does not address CASP-specific circumstances.

To support you in the interim, please follow the detailed instructions set out below when submitting future FSRs.

We are developing an updated form that will better accommodate CASP requirements. This updated version will be made available on the Central Bank External Portal in due course.

If you encounter any difficulties, please contact us.

FSR template:

- Column 3 : the name of the Designated Exchange / Entity
- Column 7 : the relevant EU Regulation eg: Council Regulation (EU) No 833/2014
- Column 8 : the relevant Annex which lists the Entity subject to the transaction ban
- Column 9 : the relevant Article eg: Article 5aa
- Column 16 : the date the block was put on the customer account
- Columns 18 & 19 : note value of the amount blocked / held in EUR
- Columns 29 / 30 any additional information can be included in these columns

If you have any questions in relation to this, please contact the sanctions team at sanctions@centralbank.ie

Please note that in exceptional circumstances if there are significant volumes of transactions to report (eg: following a material compliance incident), please contact your Central Bank Supervisor to discuss how best to report these transactions.

For further information on Financial Sanctions, please see below for relevant links:

https://www.centralbank.ie/regulation/how-we-regulate/international-financial-sanctions

https://www.centralbank.ie/regulation/how-we-regulate/international-financial-sanctions/sanctions-reporting

https://www.eba.europa.eu/publications-and-media/press-releases/eba-issues-final-guidance-internal-policies-procedures-and-controls-ensure-implementation-union-and

Kind regards

CASP Supervision Team