



CySEC Policy Statement on the enhancement of the non-face-to-face customer onboarding process with electronic methods

In today's fast-paced digital landscape, the need for efficient and secure customer onboarding processes has never been more critical. Recognizing this, the Cyprus Securities and Exchange Commission (CySEC) has introduced a groundbreaking Policy Statement (PS-01-2024), designed to revolutionize the way financial institutions onboard non-face-to-face (NFTF) customers.

A. A New Era for Remote Customer Onboarding

The new policy marks a significant step forward in integrating electronic methods and technologies within the customer due diligence (CDD) process. CySEC's policy is built on the principle of technological neutrality, giving financial institutions the flexibility to choose the most appropriate Remote Customer Onboarding Solutions (RCOS) that suit their operational needs.

This policy is not just a regulatory update; it is a roadmap for the future of digital finance in Cyprus. It aligns with the European Banking Authority (EBA) Guidelines and leverages lessons learned during the COVID-19 pandemic, ensuring that the financial industry remains robust, secure, and resilient in the face of evolving challenges.

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B. Key Highlights of the Policy

1. **Technological Neutrality:** CySEC encourages the use of diverse RCOS, whether through video calls, dynamic selfies, or other innovative technologies. The policy does not favor any specific technology, allowing businesses to adapt and innovate as they see fit.
2. **Mandatory Risk Assessments:** Before implementing any RCOS, financial institutions are required to conduct comprehensive risk assessments. This ensures that the chosen technologies are not only compliant with existing regulations but also robust enough to handle potential security threats.
3. **Supervisory Guidance:** CySEC has provided detailed guidelines to help institutions navigate the complex regulatory environment. These guidelines ensure that all remote onboarding processes meet the highest standards of security, reliability, and customer protection.
4. **Ongoing Compliance and Monitoring:** The policy emphasizes the need for continuous monitoring and assessment of RCOS, ensuring that they remain effective and compliant with all relevant laws and regulations.

C. How We Can Help

At Andria Papageorgiou Law Firm, we have over a decade of experience in the fintech industry, specializing in regulatory compliance and innovative financial solutions. Our team of experts is ready to assist your business in implementing these new onboarding requirements seamlessly.

Whether you need help with risk assessments, compliance checks, or choosing the right RCOS for your business, we are here to guide you every step of the way. We understand the complexities of the fintech landscape and are committed to helping you stay ahead in this dynamic industry.

D. Last word

CySEC's new policy is a significant development for the financial industry, offering both opportunities and challenges. By embracing these changes and leveraging the right expertise, your business can not only comply with the new regulations but also thrive in the digital age.

In case you have any questions, please do not hesitate to [contact us](#) for further professional assistance.

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