

Eurogroup Statement on Cyprus

The Eurogroup welcomes the decision of the Board of Directors of the European Stability Mechanism to approve the first tranche of EUR 3 bn of financial assistance to Cyprus, in the context of the programme whose key features were agreed between Cyprus and the euro area Member States on 25 March and of the Memorandum of Understanding signed between Cyprus and the European Commission at the end of April. The first disbursement under the first tranche for an amount of EUR 2 bn took place today. This is an important step towards the stabilisation of the Cypriot economy reflecting our unwavering commitment to preserving the financial stability of the euro area and its Member States.

Cyprus has implemented all prior actions as agreed in the MoU preceding the decision by the ESM on the first disbursement. The Eurogroup commends the Cypriot authorities for delivering on their commitments to date and reiterates its appreciation and understanding for the efforts made by the Cypriot citizens.

The Eurogroup also welcomes the completion of the independent assessments of compliance with the anti-money laundering framework in Cyprus. The Troika institutions have reported the key findings to the Eurogroup, and recommendations to rectify deficiencies will be integrated in the AML action plan to be agreed between the Troika institutions and the Cypriot authorities at the time of the first review. The action plan will need to target areas covering implementation of customer due diligence by banks, including through adequate supervision, and the functioning of the company registry, among others. It remains essential to proceed with the implementation of the adjustment programme in a steadfast manner in order to restore financial stability in Cyprus and to lay the foundations for a sustainable path of growth.