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Preamble  WHEREAS an integrated and efficient financial market requires market integrity and the smooth functioning of securities markets and public confidence in markets are prerequisites for economic growth and wealth and market abuse harms the integrity of financial markets and public confidence in securities and derivatives,

AND WHEREAS the new financial and technical developments enhance the incentives, means and opportunities for market abuse through new products, new technologies, increasing cross-border activities and the Internet,

AND WHEREAS the notion of Market abuse consists of insider dealing and market manipulation, a law covering both these notions will ensure throughout a uniform framework for allocation of responsibilities, the application of the European directives and the cooperation with other competent supervisory authorities,

AND WHEREAS insider dealing and market manipulation prevent full and proper market transparency, which is a prerequisite for trading for all economic actors in the market,

AND WHEREAS use of inside information can consist in the acquisition or disposal of financial instruments by a person who knows, or ought to have known, that the information possessed is inside information,

AND WHEREAS the mere fact that market-makers, bodies authorised to act as counterparties, or persons authorised to execute orders on behalf of third parties with inside information confine themselves, in the first two cases, to pursuing their legitimate business of buying or selling financial instruments or, in the last case, to carrying out an order dutifully, should not in itself be deemed to constitute use of such inside information,

AND WHEREAS the person who takes any actions, enters into transactions or issues orders to trade capable of constituting market manipulation may be able to establish that his reasons for entering into such transactions or issuing orders to trade were legitimate and that the transactions and orders to trade were in conformity with accepted market practices on the regulated market concerned, without, however, precluding that there was another, illegitimate, reason behind those transactions or orders to trade, sanctions may still be imposed by the Cyprus Securities and Exchange Commission for the execution of such transactions or the issuing of orders to trade,

AND WHEREAS having access to inside information relating to another company and using it in the context of a public take-over bid for the purpose of gaining
control of that company or proposing a merger with that company should not in itself be deemed to constitute insider dealing,

AND WHEREAS the acquisition or disposal of financial instruments necessarily involves a prior decision to acquire or dispose taken by the person who undertakes these operations, the carrying out of this acquisition or disposal should not be deemed in itself to constitute the use of inside information,

AND WHEREAS the prompt and fair disclosure of information to the public enhances market integrity, whereas selective disclosure by issuers can lead to a loss of investor confidence in the integrity of financial markets,

AND WHEREAS the notification of transactions conducted by persons discharging managerial responsibilities within an issuer on their own account, or by persons closely associated with them, is not only a valuable information for market participants, but also constitutes an additional means for the Cyprus Securities and Exchange Commission to supervise markets, and the obligation by senior executives to notify transactions is without prejudice to their duty to refrain from insider dealing on the basis of any inside information,

AND WHEREAS reasonable investors base their investment decisions on information already available to them, that is to say, on ex ante available information, the question whether, in making an investment decision, a reasonable investor would be likely to take into account a particular piece of information should be appraised on the basis of the ex ante available information. Such an assessment has to take into consideration the anticipated impact of the information in light of the totality of the related issuer's activity, the reliability of the source of information and any other market variables likely to affect the related financial instrument or derivative financial instrument related thereto in the given circumstances,

Ex post information may be used to check the presumption that the ex ante information was price sensitive, but should not be used to take action against someone who drew reasonable conclusions from ex ante information available to him.

AND WHEREAS investment recommendations capable of constituting a possible basis for investment decisions should be produced and disseminated in accordance with high standards of care in order to avoid misleading market participants,

AND WHEREAS research and estimates developed from publicly available data should not be regarded as inside information and, therefore, any transaction carried out on the basis of such research or estimates should not be deemed in itself to constitute insider dealing,

AND WHEREAS the widening scope of financial markets, the rapid change and the range of new products and developments require a wide application of this Law to financial instruments and techniques involved, in order to guarantee the integrity of
the market,

AND WHEREAS market integrity requires high standards of fairness, probity and transparency when information recommending or suggesting an investment strategy is presented,

AND WHEREAS opinions regarding the creditworthiness of a particular issuer or financial instrument as of any given time issued by credit rating agencies do not constitute a recommendation within the meaning of the present Law, however, credit rating agencies should adopt internal policies and procedures designed to ensure that credit ratings published by them are fairly presented and that they appropriately disclose any significant interest or conflicts of interest concerning the financial instruments or the issuers to which their credit ratings relate,

AND WHEREAS it is not allowed to persons responsible producing investment recommendations to breach effective information barriers put in place in order to prevent and avoid conflicts of interest,

AND WHEREAS market practices change rapidly in order to meet investors' needs, competent authorities need to be alert to new and emerging market practices,

AND for purposes of harmonization with the actions of European Community titled-


(d) “COMMISSION Directive 2004/72/EC of 29 April 2004 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards accepted market practices, the definition of inside information in relation to derivatives on commodities, the drawing up of lists of insiders, the notification of managers' transactions and the notification of suspicious transactions”,

AND for the purposes of application of the action of the European Community titled-

The House of Representatives has adopted this Act:

PART I
INTRODUCTORY PROVISIONS

Summary Title

1. The present law shall be cited as the Insider Dealing and Market Manipulation (Market Abuse) law of 2005.

Interpretation.

2. In the present Law, unless the context shall prescribe otherwise –

"Accepted market practices" shall mean practices that are reasonably expected in one or more financial markets and are accepted by the Cyprus Securities and Exchange Commission in accordance with the provisions of section 25 of the present Law;

“competent supervisory authority abroad” shall mean the competent supervisory authority, in duty bound with the exercise of responsibilities similar to those of the Commission, in a state other than the Republic;

“Cyprus Securities and Exchange Commission” or “Commission” shall mean the public law legal entity established and operating pursuant to the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law;

“issuer” means the person or union of persons which issues financial instruments that are admitted to trading on a regulated market, or for which a request for admission to trading on a regulated market has been made;

“inside information” shall have the meaning provided for under section 5,

“investment firm”, or “IF”, has the meaning provided for under section 2 of the Investment Firms (IF) Law;

“abroad” shall mean a state other than the Republic;

"distribution channels" shall mean a channel through which information is, or is likely to become, publicly available;

“place of incorporation ” shall mean the state under which a corporation has been incorporated;

“possessor of inside information” shall have the meaning provided for under section 8;

“member state” shall mean a member state of the European Community and includes a contracting party of the European Economic Area;


“regulated market” shall have the meaning provided for under section 2 of the Investment Firms (IF) Law;

"Likely to become publicly available information" shall mean information to which a large number of persons have access;

“Front running” occurs in the case where a person, knowing the orders for disposal or acquisition of third parties that are about to be executed, draws up corresponding transactions before this takes place, or in parallel to their execution. It is also possible draw up opposite transactions from those of the third parties;

“person” includes any legal or natural person;

“person who professionally arranges transactions” shall mean an I.F. or a bank;

“close association”, has the meaning given to it the Annex of the present Law;

“bank” has the meaning given to it under section 2 of the Banking Business Laws and includes a bank which operates pursuant to a corresponding law of a member-state;

Annex

66(I) of 1997
74(I) of 1999
94(I) of 2000
119(I) of 2003
4(I) of 2004
151(I) of 2004
231(I) of 2004
235(I) of 2004

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“relevant person” means a natural or legal person producing or disseminating recommendations in the exercise of his profession or the conduct of his business;

“Stock Exchange”, means the Cyprus Stock Exchange established in accordance with the provisions of the Cyprus Securities and Stock Exchange laws;

Scope of Application. 3. (1) The provisions of the present Law shall apply in relation to:

(a) actions carried out in the Republic or abroad concerning financial instruments that are admitted to trading on a regulated market situated or operating in the Republic or for which a request for admission to trading on such market has been made;

(b) actions carried out in the Republic concerning financial instruments that are admitted to trading on a regulated market abroad or for which a request for admission to trading on such market has been made.
(2) The provisions of the present Law shall apply in respect of every financial instrument admitted to trading in the Republic and or on a regulated market abroad, or for which a request for admission to trading on such market has been made, irrespective of whether or not the transaction itself actually takes place on this market.

(3) The present Law shall not apply in relation to:

(a) Transactions carried out in pursuit of monetary, exchange-rate or public debt-management policy by the government of the Republic, the European System of Central Banks (ECSB) established pursuant to Title VII of the Treaty establishing the European Community, the Central Bank of Cyprus or by any other body officially designated by the government of the Republic or the Central Bank of Cyprus, or pursuant to their instruction.

(b) transactions in own shares in "buy-back" programmes, and the measures taken for the stabilisation of a financial instrument, provided that such transactions are carried out in accordance with implementing measures adopted in accordance with the provisions of Regulation (EC) no. 2273/2003.

Financial instruments. 4. Financial Instruments include:

(a) The instruments designated in Part II of Annex One of the Investment Firms (IF) Law;
(b) derivatives on commodities; and
(c) any other instrument admitted to trading on a regulated market in a Member State or for which a request for admission to trading on such a market has been made.

PART II

PROVISIONS RELATING TO THE ACTIONS OF PERSONS POSSESSING INSIDE INFORMATION
5. (1) "Inside information" shall mean information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have in the opinion of the Commission, a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;

   It is provided that information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments or related derivative financial instruments, include any information a reasonable investor would be likely to take into account in taking his investment decisions.

   (2) In relation to derivatives on commodities, "inside information" shall mean information of a precise nature which has not been made public, relating, directly or indirectly, to one or more of such derivatives and which users of markets on which such derivatives are traded would expect to receive in accordance with accepted market practices on those markets.

   For the purposes of applying the present provision, it is deemed that users of markets on which derivatives on commodities are traded, expect to receive information relating, directly or indirectly, to one or more such derivatives which is:

   (a) routinely made available to the users of those markets, or

   (b) required to be disclosed in accordance with legal or regulatory provisions, market rules, contracts or customs on the relevant underlying commodity market or commodity derivatives market.

   (3) For persons charged with the execution of orders concerning financial instruments, "inside information" shall also mean information conveyed by a client and related to the client's pending orders, which is of a precise nature, which relates directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

6. Information shall be deemed as having been "made public" when there occurs one, or more of the following situations:
(a) In any way comes into the knowledge of the investors, inside or outside the Republic, or it may be easily and legally obtained;

(b) it is included in archives or other documents by statute available to the public for inspection;

(c) it has been derived from information that has been made public even if it may be obtained on the basis of information made public only by persons exercising special diligence or expertise or it may be obtained on the basis of information made public only as a result of special observation or estimation;

7. Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to do so and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments or related derivative financial instruments.

8. (1) For the purposes of the present Law, possessors of inside information are deemed to be those who possess inside information:

(a) By virtue of their membership of the administrative, management or supervisory bodies of the issuer; or

(b) by virtue of their participation in the capital of the issuer; or

(c) by virtue of their having access to the information through the exercise of their employment, profession or duties; or

(d) by virtue of their criminal activities; or

(e) by virtue of the fact that the information accrues directly or indirectly from a source or person which comes under the provisions of the present section; or

(f) by virtue of the fact that they have close association with the persons stated in the present section, unless the Commission is satisfied that under all the circumstances it was not feasible to them or they had no opportunity of accessing or gaining knowledge of the relevant information:

It is provided that a possessor of inside information includes any person, other than the persons referred to in the section above, who possesses inside information while that person knows, or ought to have known, that it is inside information.
(2) Where the person referred to in the section above is a legal person, then there are also included the natural persons who participate in the decision to carry out the transaction for the account of the legal person concerned.

(3) This Section shall not apply to transactions conducted in the discharge of an obligation that has become due to acquire or dispose of financial instruments where that obligation results from an agreement concluded before the person concerned possessed inside information.

9. Prohibition of certain acts by the possessor of inside information and violations.

(1) It is prohibited to persons who are possessors of inside information, pursuant to the provisions of section 8, directly or indirectly:

(a) to use that information by acquiring or disposing of, or by trying to acquire or dispose of, for their own account or for the account of third parties, or through persons closely associated to them, either directly or indirectly, financial instruments to which that information relates;

(b) to disclose inside information to any other person, unless such disclosure is made in the normal course of the exercise of their employment, profession or duties;

(c) to recommend or induce another person, on the basis of inside information, to acquire or dispose of financial instruments to which that information relates, irrespective of whether or not the other person knew that information.

(2) The prohibitions of subsection (1), also apply to any financial instrument not admitted to trading on a regulated market in a member state, but whose value depends on a financial instrument admitted in such market.

(3) The use of the practice known as "front running", including "front running" in commodity derivatives is prohibited.

(4) For there to occur a violation of the present section, the gaining of profit or benefit is not necessary to be proven.

(5) The unlawful nature of the act shall be excluded and the person responsible pursuant to the provisions of this section shall not be punished, if he proves that during the use of the information
existed any of the following conditions:

(a) On the basis of section 6 he held the reasonable belief that such information was made public, to the extent that the possibility that due to the use of this information anyone being in a privileged position in relation to others who did not possess this information was precluded;

(b) he would have executed a transaction in any way, even if he had not possessed this information in his capacity as liquidator, receiver, bankruptcy manager, trustee, agent, and authorised representative or otherwise;

(c) he did not expect that due to the use of this information any person would effect a transaction in financial instruments that the information concerned.

Violations of section 9.

(1) Any person who violates the provisions of section 9 is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding five hundred thousand pounds (500,000 CYP.) and, in case of a repeated violation, an administrative fine not exceeding one million pounds (1,000,000 CYP.), depending on the gravity of the violation.

(2) If it is proven that the person responsible for the violation has obtained gain as a result of this violation, which gain exceeds the sums of the administrative fines specified in subsection (1), depending on the case, the Commission shall have the power to impose administrative fines of up to double the amount the gain that the person responsible has been proven to have gained as a result of the violation.

(3) (a) Irrespective of the provisions of subsections (1) and (2), a violation of section 9 constitutes a criminal offence punishable by imprisonment of up to ten years, or by a fine of up to one hundred thousands Cyprus pounds (100,000 CYP.), or by both of these penalties.

(b) A person sentenced for the offence established pursuant to this section, is automatically deprived of his right to trade, directly or indirectly, in financial instruments for a period of five years from his sentence, unless it is in relation to the completion of legal transactions which pre-date his sentence.

(c) Violation of the provisions of paragraph (b) constitutes a criminal offence punishable by imprisonment of up to one year or by a fine of up to five thousand pounds (5,000 CYP.) or by both of these penalties.

(d) A person sentenced for an offence constituted under
paragraph (c) is deprived of his right to trade, directly or indirectly, in listed securities, under the same conditions as in paragraph (b), for a further term of five years from the new sentence.

(4) (a) Criminal liability for the offence established under subsection (3) committed by a legal person is borne, in addition to the legal person itself, also by any member of its administrative, executive, or auditing bodies proven to have consented or collaborated in any way, to the commission of the offence.

(b) Persons who, under the provisions of subsection (3), bear criminal liability for offences committed by a legal person, are jointly and severally liable with the legal person for any damage caused to third parties as a result of their act or omission which constitutes the offence.

PART III
PROVISIONS IN RELATION TO THE OBLIGATIONS OF THE ISSUERS OF FINANCIAL INSTRUMENTS

Issuers obligations. 11. (1) Issuers of financial instruments, inter alia:

(a) Are obliged to publicize as soon as possible the inside information which directly concerns them and ensure that they are posted on their Internet sites, provided that the issuers maintain Internet sites, for at least five years:

It is provided that in order to be deemed that the issuers have complied with the above subsection, they promptly inform the public regarding the coming into existence of a set of circumstances, or a set of circumstances that are likely to come into existence, or the occurrence of an event, albeit not yet formalised:

It is further provided that the present subsection is not applied in respect of those issuers who have not requested or obtained permission for the introduction of their financial instruments for trading in a regulated market in the Republic or abroad.

(b) are obliged to publicize their inside information in the manner stated in section 14;

(c) are obliged not to combine in a misleading way the provision of inside information to the public with the commercial promotion of their activities (marketing);
(d) are obliged to publicize the confidential information which either they, or a person acting on their account or on their behalf, disclose to a third party in the normal exercise of their profession or duties:

It is provided that the publication is made simultaneously in the case of an intentional disclosure and as soon as possible in the case of a non-intentional disclosure:

It is further provided that the provisions of the present paragraph are not applied:

(i) If the person receiving the information owes a duty of confidentiality to the issuer, regardless of whether such duty is based on a law, on regulations, on articles of association or on a contract;

(ii) to issuers who have not requested or received approval for the admission of their financial instruments to trading on a regulated market in the Republic or abroad;

(e) are obliged to publicize any significant changes concerning already publicly disclosed inside information after these changes occur, through the same channel as the one used for the public disclosure of the original information;

(f) are obliged to take reasonable care to ensure that the disclosure of inside information to the public is synchronised as closely as possible between all categories of investors in regulated markets of the Republic and abroad in which those issuers have requested or received approval for the admission to trading of their financial instruments.

(2) (a) It is prohibited to the issuer, within the framework of compliance with the preceding subsection, to provide information which is false, misleading or fraudulent regarding a material element of it or to conceal anything material.

(b) It is prohibited to the directors of the issuer or to its executive officers, in the provision of information in relation to the financial position of the issuer and its prospects, to make a statement, promise or prediction which is false, misleading or fraudulent, or conceal anything material.
(3) The Commission may by Directive, prescribe, specialize or clarify the obligations of the issuers and specify the information which they must publicize.

12. (1) In case the issuer judges that the public disclosure of inside information may prejudice his legitimate interests, he is obliged to inform the Commission which has the power, in justified cases, to allow the delay of publication of the said information, provided that-

(a) Is satisfied that the public disclosure of these information is contrary to the public interest or results to serious damage to the issuer;

(b) the non-disclosure is not capable of misleading the public as regards to the facts and the circumstances which are essential for the appreciation of the relevant instruments; and

(c) the issuer may safeguard their confidentiality.

(2) For the safeguarding of their confidentiality the issuer must:

(a) Establish effective arrangements denying access to such information to persons other than those who require it for the exercise of their functions within the issuer;

(b) take necessary measures to ensure that any person with access to such information is aware of his duties accruing from the present Law and is aware of the sanctions in case of their violation;

(c) have in place measures which allow immediate public disclosure in case the issuer was not able to ensure the confidentiality of the relevant inside information, without prejudice to paragraph (d) of Section 11 and subsection 1 of section 16.

(3) For the purposes of the present Section, legitimate interests may relate, between others, to the following circumstances:

(a) Negotiations in course, or related elements, where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the issuer is in grave and imminent danger, although not within the scope of insolvency as provided in Part V of the Companies Law, public disclosure of information may be delayed for a limited period where such a public disclosure would seriously jeopardise the interest of
existing and potential shareholders, by undermining the conclusion of special negotiations designed to ensure the long-term financial recovery of the issuer;

(b) decisions taken or contracts made by the management body of an issuer which need the approval of another body of the issuer in order to become effective, where the organisation of such an issuer requires the separation between these bodies, provided that a public disclosure of the information before such approval, together with the simultaneous announcement that this approval is still pending would jeopardise the correct assessment of the information by the public.

13. The Commission may by Directive designate a code of conduct, which relates to the members of the administrative, executive, supervisory or auditing bodies and other employees of an issuer and the persons closely associated to them, in relation to transactions in financial instruments of the issuer. The said persons are obliged to comply with the said code of conduct.

14. For the purposes of application of the present Law, where it is stated the obligation of public disclosure by issuers, this shall be made with the three following ways:

(a) By announcement to the Cyprus Stock Exchange which lists it immediately on its Internet site and
(b) by announcement to the Cyprus Securities and Exchange Commission and
(c) by announcement to the Internet site of the issuer, provided the issuer maintains an Internet site:

It is provided that, where information is destined to be published in any media of mass communication, the issuer is obliged to notify them in advance to the Cyprus Stock Exchange and to the Commission, so that the official announcement or posting in the Cyprus Stock Exchange Internet site is made as soon as possible and precedes their publication.

15. (1) Any person who violates the provisions of sections 11, 12, 13 and 14 is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding two hundred thousand pounds (200.000 CYP) and, in case of a repeated violation, an administrative fine not exceeding four hundred thousands pounds (400.000 CYP), depending on the gravity of the violation.
(2) If it is proven that the offender the person responsible for the violation has obtained gain from this violation, which gain exceeds the sums of the administrative fines specified in subsection (1), depending on the case, the Commission shall have the power to impose administrative fines of up to double the amount of the gain that the person responsible has been proven to have obtained as a result of the violation.

(3) (a) Irrespective of the provisions of subsection (1), the violation of subsection (2) of section 11 constitutes a criminal offence punishable by imprisonment of up to five years or by a fine of up to fifty thousand Cyprus pounds (50,000 CYP.), or by both of these penalties.

(4) (a) Criminal liability for the offence established under subsection (3) committed by a legal person is borne, in addition to the legal person itself, also by any member of its administrative, executive, supervisory or auditing bodies proven to have consented or collaborated in any way, to the commission of the offence.

(b) persons who, under the provisions of subsection (a), bear criminal liability for offences committed by a legal person, are jointly and severally liable with the legal person for any damage caused to third parties as a result of their act or omission which constitutes the offence.

16. Lists of persons possessing inside information.

(1) The issuers or persons acting on their account or on their behalf, are obliged to make a list of the persons working for them, either by a contract of employment or otherwise, and who have access to inside information, and to update frequently this list and to forward it to the Cyprus Securities and Exchange Commission whenever required.

(2) The issuers shall ensure that the lists of persons in possession of inside information include all persons covered by subsection 1 who have access to inside information relating, directly or indirectly, to the issuer, whether on a regular or occasional basis.

(3) The lists created pursuant to subsections (1) and (2) shall state at least the following information:

(a) The identity of any person having access to inside information;

(b) the reason why any such person is on the list;

(c) the date at which the list of insiders was created and updated.
(4) The lists of insiders shall be promptly updated:

(a) Whenever there is a change in the reason why any person has been included on the list;
(b) whenever any new person has to be added on the list;
(c) by mentioning whether and when any person already on the list has no longer access to inside information.

(5) The issuers shall ensure that lists of insiders shall be maintained for at least five years after being drawn up.

(6) The issuers shall ensure that any person included on a list of persons that has access to inside information, acknowledges the duties and obligations accruing from the present Law and the sanctions which he may attract in case of violation of the said duties and obligations.

Violations of section 16. 17. Any person who violates the provisions of section 16 is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding one hundred thousand pounds (100,000 CYP) and, in case of a repeated violation, an administrative fine not exceeding two hundred thousands pounds (200,000 CYP), depending on the gravity of the violation.

Transactions of persons discharging managerial responsibilities. 18. (1) The persons discharging managerial responsibilities within an issuer of financial instruments, and the persons closely related to them, are obliged to publicize every transaction made on their account and relates to financial instruments issued by the above issuer, and traded on a regulated market, or derivatives or other financial instruments connected with those:

It is provided that the publication shall be made before the commencement of the stock exchange meeting on the working day following the day during which the transaction was effected.

(2) The rules of notification to which those persons have to comply with shall be those of the member state where the issuer is registered. When the issuer is not registered in a member state, this notification shall be made to the competent authority of the member state in which it is required to file its annual information.

(3) The notification pursuant to subsection (1) shall contain, as a minimum, the following information:

(a) The name of the person effecting the transaction;
(b) The reason for the obligation to publish;

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(c) The name of the issuer;
(d) A description of the financial instrument;
(e) The nature of the transaction (e.g. acquisition or disposal);
(f) The date and place the transaction came into effect;
(g) The price and volume of the transaction.

(4) For the purposes of the present Law "Person discharging managerial responsibilities within an issuer" shall be deemed:

(a) A member of the administrative, management or supervisory bodies of the issuer;
(b) A senior executive, who is not a member of the bodies referred to in paragraph (a), having regular access to inside information relating, directly or indirectly, to the issuer, and the power to take managerial decisions affecting the future developments and business prospects of the issuer.

(5) For the purposes of the present Law “person closely related to a person discharging managerial responsibilities within an issuer” is the person designated in the Annex.

(6) The persons discharging managerial responsibilities within an issuer are obliged to make a list of the persons with whom they are closely associated to, as designated in the Annex, and forward this list to the Commission whenever required.

(7) Any person who violates the provisions of the present section is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding two hundred thousand pounds (200,000 CYP) and, in case of a repeated violation, an administrative fine not exceeding four hundred thousands pounds (400,000 CYP), depending on the gravity of the violation.

PART IV
PROVISIONS RELATING TO MARKET MANIPULATION

19. It is prohibited to any natural or legal person to engage in market manipulation.
Market manipulation. 20. (1) As acts of market manipulation are considered:

(a) Transactions or orders to trade which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of financial instruments, or which secure, by a person, or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level:

It is provided that this paragraph is not applied in respect of persons who establish that they entered into the transactions or issued the orders to trade for legitimate reasons and that these transactions or orders to trade conform to accepted market practices on the regulated market concerned as stated in section 25;

(b) transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance;

(c) dissemination of information through the media, including the Internet or any other electronic means, or the dissemination of information in any other manner which gives, or is intended to give, false or misleading signals as to financial instruments, including the dissemination of rumours and false or misleading news, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading:

It is provided that in respect of journalists when they act in their professional capacity such dissemination of information is to be assessed taking into account the rules governing their profession, unless the journalists derive, in the opinion of the Commission, directly or indirectly, an advantage or profits from the dissemination of the information in question;

(2) The Commission has, in addition to the above, the power to decide in its absolute discretion whether any act constitutes market manipulation.

Matters taken into account by the Commission in examining whether there has occurred manipulation of the market.

21. The Commission may by way of a Directive, specify, particularize or clarify the signals and matters that takes into consideration when examining whether there has occurred market manipulation.
Methods of market manipulation.

22. The Commission may by way of Directive, specify, particularize or clarify the methods, which it considers they constitute market manipulation.

Violations of Part IV.

23. (1) Any person who violates the provisions of Part IV is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding five hundred thousand pounds (500,000 CYP.) and, in case of a repeated violation, an administrative fine not exceeding one million pounds (1,000,000 CYP.), depending on the gravity of the violation.

(2) If it is proven that the person responsible for the violation, has obtained gain from this violation, which gain exceeds the sums of the administrative fines specified in subsection (1), depending on the case, the Commission shall have the power to impose administrative fines of up to double the amount of the gain that the person responsible has been proven to have obtained as a result of the violation.

(3) (a) Irrespective of the provisions of subsections (1) and (2), a violation of Part IV constitutes a criminal offence punishable by imprisonment of up to ten years or by a fine of up to one hundred thousands Cyprus pounds (100,000 CYP.), or by both of these penalties.

(b) A person sentenced for the offence established by this section, is automatically deprived of his right to trade, directly or indirectly, in financial instruments for a period of five years from his sentence, unless it is in relation to the completion of legal transactions which pre-date his sentence.

(c) Violation of the provisions of paragraph (b) constitutes a criminal offence punishable by imprisonment of up to one year or by a fine of up to five thousands pounds (5,000 CYP.) or by both of these penalties.

(d) A person sentenced for an offence constituted under paragraph (c) is deprived of his right to trade, directly or indirectly, in listed securities, under the same conditions as in paragraph (b), for a further term of five years from the new sentence.

(4) (a) Criminal liability for the offence established under subsection (3) committed by a legal person is borne, in addition to the legal person itself, also by any member of its administrative, executive, or auditing bodies proven to have consented or collaborated in any way, to the commission of
the offence.

(b) Persons who, under the provisions of paragraph (a), bear criminal liability for offences committed by a legal person, are jointly and severally liable with the legal person for any damage caused to third parties as a result of their act or omission which constitutes the offence.

24. (1) Market operators shall adopt structural provisions aimed at preventing and detecting market manipulation practices.

(2) The measures specified in subsection (1) include requirements concerning transparency of transactions concluded, total disclosure of price-regularisation agreements, a fair system of order pairing, introduction of an effective atypical-order detection scheme, sufficiently robust financial instrument reference price-fixing schemes and clarity of rules on the suspension of transactions.

(3) The Commission may by way of a Directive, particularize and/or clarify the matters referred to in the present section.

PART V
ACCEPTABLE MARKET PRACTICES

25. (1) For the purposes of the present Law the Commission, without prejudice to collaboration with other competent supervisory authorities abroad, issues a Directive which specifies, particularizes and or clarifies the factors which it takes into account when examining whether it can accept a specific market practice.
(2) The Commission does not consider practices, and in particular new or emerging market practices to be unacceptable, for the only reason that they have not been previously accepted by it.

(3) The Commission regularly reviews the market practices which it has accepted, in particular taking into account significant changes to the relevant market environment, such as changes to trading rules or to market infrastructure.

PART VI

OBLIGATIONS OF PERSONS WHO PRODUCE OR DISSEMINATE RESEARCH OR RECOMMENDATIONS

26. "recommendation" means research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuers of financial instruments, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public:

It is provided that investment advice, through the provision of a personal recommendation to a client in respect of one or more transactions relating to financial instruments, in particular informal short-term investment recommendations originating from the sales or trading departments of an Investment Firm or a bank expressed to their clients, which are not likely to become publicly available, is not considered as recommendations.

27. "Research or other information recommending or suggesting investment strategy" means:

(a) Information produced by an independent analyst, an Investment Firm, a bank, any other person whose main business is to produce recommendations or a natural person working for them under a contract of employment or otherwise, that, directly or indirectly, expresses a particular investment recommendation in respect of a financial instrument or an issuer of financial instruments;

(b) information produced by persons other than the persons referred to in paragraph (a) which directly recommends a specific investment decision in respect of a financial instrument or an issuer of financial instruments;
Obligations of persons who produce or disseminate research.  

28. Persons who produce or disseminate research concerning financial instruments or issuers of financial instruments and persons who produce or disseminate other information recommending or suggesting an investment strategy, intended for distribution channels or for the public, take reasonable care to ensure that such information is fairly presented and disclose their interests or indicate conflicts of interest concerning the financial instruments to which that information relates.

Identity of producers of recommendations.  

29. (1) Every recommendation shall disclose clearly and prominently the identity of the person responsible for its production, in particular, the name and job title of the individual who prepared the recommendation and the name of the legal person responsible for its production.

(2)(a) Where the person responsible is an Investment Firm or a bank, the disclosure of the name of its competent supervisory authority is required.

(b) Where the person responsible is neither an Investment Firm nor a bank, but is subject to self-regulatory standards of to any rules of professional conduct, then these persons shall ensure that reference is made to these standards or rules.

(3) Subsection (1) shall not apply to journalists subject to equivalent appropriate regulation, in the Republic, provided that such regulation achieves similar effects as those of subsection (1).

Rules for the presentation of the recommendations by the relevant persons  

30. (1) The relevant persons take reasonable care to ensure that:

(a) Facts are clearly distinguished from interpretations, estimates, opinions and other types of non-factual information;

(b) all sources are reliable or, where there is any doubt as to whether a source is reliable, this is clearly indicated;

(c) all projections, forecasts and price targets are clearly labeled as such and that the material assumptions made in producing or using them are indicated.

(d) the reasonableness of every recommendation may be justified, if this is asked by the Commission.

(2) Subsection (1) shall not apply to journalists subject to equivalent appropriate regulation in the Republic, provided that such regulation achieves similar effects as those of subsection (1).
Additional rules for the presentation of the recommendations by the relevant persons.

31. (1) Subject to the provisions of section 30, where the relevant person is an independent analyst, an I.F., a bank, any related legal person, any other relevant person whose main business is to produce recommendations, or a natural person working for them under a contract of employment or otherwise, that person takes reasonable care to ensure that:

(a) All substantially material sources are indicated, as appropriate, including the relevant issuer, together with the fact whether the recommendation has been disclosed to that issuer and amended following this disclosure before its dissemination;

(b) any basis of valuation or methodology used to evaluate a financial instrument or an issuer of a financial instrument, or to set a price target for a financial instrument, is adequately summarised;

(c) the meaning of any recommendation made, such as “buy”, “sell” or “hold”, which may include the time horizon of the investment to which the recommendation relates, is adequately explained and any appropriate risk warning, including a sensitivity analysis of the relevant assumptions, indicated;

(d) reference is made to the planned frequency, if any, of updates of the recommendation and to any major changes in the coverage policy of the relevant financial instrument or issuer previously announced;

(e) the date at which the recommendation was first released for distribution is indicated clearly and prominently, as well as the relevant date and time for any financial instrument price mentioned;

(f) where a recommendation differs from a recommendation concerning the same financial instrument or issuer, issued during the 12-month period immediately preceding its release, this change and the date of the earlier recommendation are indicated clearly and prominently.

(2) Where the requirements laid down in paragraphs (a), (b) or (c) of subsection 1 would be disproportionate in relation to the length of the recommendation distributed, it shall suffice to make clear and prominent reference in the recommendation itself to the place where the required information can be directly and easily accessed by the public, such as a direct Internet link to that information on
an appropriate internet site of the relevant person, provided that there has been no change in the methodology or basis of valuation used.

32. (1) Relevant persons shall disclose all relationships and circumstances that may reasonably be expected to impair the objectivity of the recommendation, in particular where the relevant persons have a significant financial interest in one or more of the financial instruments which are the subject of the recommendation, or a significant conflict of interest with respect to an issuer to which the recommendation relates:

It is provided that where the relevant person is a legal person, that requirement shall apply also to any legal or natural person working for it, under a contract of employment or otherwise, who was involved in preparing the recommendation.

(2) Where the person responsible is a legal person, the information to be disclosed in accordance with subsection (1) shall at least include the following:

(a) Any interests or conflicts of interest of the relevant person or of related legal persons that are accessible or reasonably expected to be accessible to the persons involved in the preparation of the recommendation;

(b) any interests or conflicts of interest of the relevant person or of related legal persons known to persons who, although not involved in the preparation of the recommendation, had or could reasonably be expected to have access to the recommendation prior to its dissemination to clients or the public.

(3) The relevant persons ensure that the recommendation includes the notifications of subsections (1) and (2):

It is provided that where such disclosures would be disproportionate in relation to the length of the recommendation distributed, it shall suffice to make clear and prominent reference in the recommendation itself to the place where such disclosures can be directly and easily accessed by the public, such as a direct Internet link to the disclosure on an appropriate internet site of the relevant person.

(4) Subsections (1) to (3) shall not apply to journalists subject to equivalent appropriate regulation in the Republic, provided that such regulation achieves similar effects as those of paragraphs (1)
(1) Subject to the provisions of section 32, where the relevant person is an independent analyst, an I.F., a bank, any related legal person, or any other relevant person whose main business is to produce recommendations, discloses clearly and prominently on all of their recommendations the following:

(a) Major shareholdings that exist between the relevant person or any related legal person on the one hand and the issuer on the other hand:

These major shareholdings include at least the following instances:

i. When shareholdings exceeding 5% of the total issued share capital of the issuer are held by the relevant person or any related legal person, or
ii. When shareholdings exceeding 5% of the total issued share capital of the relevant person or any related legal person are held by the issuer.

It is provided that, in the cases of subparagraphs (i) and (ii), the Commission may, by way of a Directive, provide for lower thresholds than the 5% threshold provided for in these two instances;

(b) other significant financial interests held by the relevant person or any related legal person in relation to the issuer;

(c) where applicable, a statement that the relevant person or any related legal person is a market maker or liquidity provider in relation to the financial instruments of the issuer;

(d) where applicable, a statement that the relevant person or any related legal person has been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;

(e) where applicable, a statement that the relevant person or any related legal person is party to any other agreement with the issuer relating to the provision of investment banking services, provided that this would not entail the disclosure of any confidential commercial information and that the agreement has been in effect over the previous 12 months or has given rise during the same period to the payment of a
compensation or to the promise to get a compensation paid;

(f) where applicable, a statement that the relevant person or any related legal person is party to an agreement with the issuer relating to the production of the recommendation.

(2) An I.F. or bank discloses, in general terms, of the effective organisational and administrative arrangements set up for the prevention and avoidance of conflicts of interest with respect to recommendations, including information barriers.

(3) The natural or legal persons working for an I.F. or a bank, under a contract of employment or otherwise, and who were involved in preparing the recommendation, are bound by the requirement under paragraph (b) of subsection (1) of section 32, which in particular includes disclosure of whether the remuneration of such persons is tied to investment banking transactions performed by the I.F. or the bank or any related legal person:

It is provided that where those natural persons receive or purchase the shares of the issuers prior to a public offering of such shares, the price at which the shares were acquired and the date of acquisition shall also be disclosed.

(4) An I.F. or a bank shall disclose, on a quarterly basis, the proportion of all recommendations that are "buy", "hold", "sell" or equivalent terms, as well as the proportion of issuers corresponding to each of these categories to which the I.F. or the bank has supplied material investment banking services over the previous 12 months.

(5) The recommendation itself shall include the disclosures required by subsections (1) to (4):

It is provided that where the requirements under subsections (1) to (4) would be disproportionate in relation to the length of the recommendation distributed, it shall suffice to make clear and prominent reference in the recommendation itself to the place where such disclosure can be directly and easily accessed by the public, such as a direct Internet link to the disclosure on an appropriate internet site of the I.F. or bank.

Verbal recommendations 34. The Commission may, by way of Directive, adjust and specialize or particularise the requirements of subsections (1) and (2) of section 29, of subsection (1) of section 30, or subsection (2) of section 31, of subsection (1) of section 32 and subsection (1) of...
section 33 in the cases of verbal recommendations:

It is provided that the said adjustments must not be disproportional to those of the written recommendations.

35. Whenever a relevant person under his own responsibility disseminates a recommendation produced by a third party, the recommendation indicates clearly and prominently the identity of that relevant person.

36. (1) (a) The relevant person, pursuant to the provisions of section 2, takes reasonable care so that whenever a recommendation produced by a third party is substantially altered within disseminated information, that information clearly indicates the substantial alteration in detail.

(b) The relevant person takes reasonable care so that whenever the substantial alteration consists of a change of the direction of the recommendation (such as changing a "buy" recommendation into a "hold" or "sell" recommendation or vice versa), the requirements laid down in Part VI on producers are met by the disseminator, to the extent of the substantial alteration.

(2) The relevant legal persons who themselves, or through natural persons, disseminate a substantially altered recommendation, must have a formal written policy so that the persons receiving the information may be directed to where they can have access to the identity of the producer of the recommendation, the recommendation itself and the disclosure of the producer's interests or conflicts of interest, provided that these elements are publicly available.

(3) Subsections (1) and (2) do not apply to news reporting on recommendations produced by a third party where the substance of the recommendation is not altered.

(4) In case of dissemination of a summary of a recommendation produced by a third party, the relevant person disseminating such summary shall ensure that the summary is clear and not misleading, mentioning the source document and where the disclosures related to the source document can be directly and easily accessed by the public provided that they are publicly available.
Requirements for the dissemination of recommendations.

37. Subject to the provisions of sections 35 and 36, whenever the relevant person who disseminates a recommendation produced by a third party is an I.F. or bank or a natural person working for such persons under a contract of employment or otherwise, he must:

(a) State clearly and prominently the name of the competent authority of the I.F or bank;

(b) [ensure that] if the producer of the recommendation has not already disseminated it through a distribution channel, the requirements laid down in Section 33 on producers are met by the disseminator;

(c) [ensure that] if the I.F or bank has substantially altered the recommendation, the requirements laid down in Sections 29 to 33 on producers are met.

Violations of Part VI.

38. (1) Any person who violates the provisions of Part VI is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding three hundred thousand pounds (300,000 CYP) and, in case of a repeated violation, an administrative fine not exceeding six hundred thousand pounds (600,000 CYP), depending on the gravity of the violation.

Obligations of public bodies.

39. Public bodies that publish statistical data which may have an important effect on the financial markets, must publish them in an objective and transparent manner.

PART VII

PROVISIONS IN RELATION TO PERSONS WHO PROFESSIONALLY ARRANGE TRANSACTIONS

Obligations of persons who professionally arrange transactions.

40. Any person professionally arranging transactions in financial instruments who reasonably suspects that a transaction or orders to trade might constitute insider dealing or market manipulation shall notify the Commission without delay.
41. (1) Persons professionally arranging transactions shall decide on a case-by-case basis whether there are reasonable grounds for suspecting that a transaction or order to trade involves insider dealing or market manipulation, taking into account the elements constituting insider dealing or market manipulation, referred to in this Law, as regards the definition and public disclosure of inside information and the definition of market manipulation, referred to in this Law.

(2) In case the information notified to the Commission as regards suspicious transactions, pursuant to the provisions of this Part, concerns other competent authorities, the Commission shall transmit such information immediately to the competent authorities of the regulated markets concerned.

(3) The persons referred to in subsection (1), after having become aware of a fact or information that gives reasonable ground for suspicion concerning the relevant transaction or order to trade, shall make a notification without delay.

42. (1) Persons subject to the notification obligation pursuant to sections 40 and 41 transmit to the Commission the following information:

(a) A description of the transactions, or the orders for trading, including the type of order, such as limit order, market order or other characteristics of the order and the type of trading market, such as block trade;

(b) the reasons for suspicion that the transactions, or the orders for trading, might constitute market abuse;

(c) the means for identification of the persons on behalf of whom the transactions have been carried out, or the orders have been given, and of other persons involved in the relevant transactions or orders;

(d) the capacity in which the person subject to the notification obligation operates, such as for own account or on behalf of third parties;

(e) any other information which may have significance in reviewing the suspicious transactions or the orders to trade.

(2) Where that information is not available at the time of notification, the notification shall include at least the reasons why the notifying persons suspect that the transactions or the orders for trading might constitute insider dealing or market manipulation.

It is provided that all other information is provided to the Commission as soon as it becomes available.
Notifications. 43. Any notification to the Commission can be done by mail, electronic mail, facsimile or telephone, provided that in the latter case a written confirmation is provided upon request to the Commission.

Liability and professional secrecy. 44. (1) The persons notifying the Commission pursuant to sections 41, 42 and 43, shall not inform any other person, in particular the persons on behalf of whom the transactions have been carried out or parties related to those persons, of this notification, except by virtue of provisions laid down by this Law:

It is provided that the fulfillment of this obligation shall not entail liability of any kind for the notifying person. In case the Commission considers that the person who made the notification was not acting in good faith, it may impose to him the administrative sanctions provided in section 45 of this Law.

It is further provided that the notification in good faith shall not constitute a breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, and shall not entail liability of any kind for the notifying person related to such notification.

(2) The Commission does not disclose to any person the identity of the person having notified these transactions, or the orders to trade if disclosure would, or would be likely to harm the person having notified the transactions.

Violations of Part VII. 45. (1) Any person who violates the provisions of Part VII is subject to an administrative fine by the Cyprus Securities and Exchange Commission not exceeding three hundred thousand pounds (300,000 CYP.) and, in case of a repeated violation, an administrative fine not exceeding six hundred thousand pounds (600,000 CYP.), depending on the gravity of the violation.

PART VIII
CIVIL LIABILITY AND ADMINISTRATIVE SANCTIONS

Levy of Administrative Fine 46. (1) The administrative fines imposed pursuant to this Law shall be calculated as revenue of the Treasury of the Republic.
(2) In case of failure to pay the administrative fine, legal measures are taken for its payment, as provided in the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law.

Civil Liability. 47. Anyone who violates this Law, shall compensate anyone who suffers damage or loss of profit or both, which has arisen due to his act or omission in violation of the obligations emanating from this Law:

   It is provided that any criminal liability or liability of administrative nature does not relieve the offender from any civil liability.

PART VIII
SUPERVISORY RESPONSIBILITY OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION

Competent supervisory authority and powers. 48. (1). The Cyprus Securities and Exchange Commission is the competent authority responsible for ensuring the supervision and application of the provisions of the said Law and the Directives issued thereof, as well as the imposition of administrative sanctions, and it exercises its powers:

(a) Directly; or

(b) in collaboration with other authorities, or bodies, or associations, or with the market operators, or with any other persons; or

(c) under its responsibility by delegation of power to such authorities, or bodies or associations, or to the market operators, or to any other persons; or

(d) under its responsibility by delegation of power to the Chairman and or the Vice Chairman of the Commission, except where it is explicitly prohibited under the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws or under any other Law

(e) by application to the competent judicial authorities.
(2) The Commission may consult with market participants concerning possible changes in the said Law or in regard to any other matters.

(3) The Commission may look into administrative violations either *ex officio*, or following a complaint submitted to it.

(4) The provisions of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws, concerning the supervisory competency of the Commission, its power to collect information, conduct investigations and inspections, to impose administrative sanctions with the proviso of the specific provisions where provided in the said Law in respect of the imposition of administrative sanctions, to co-operate with competent supervisory authorities abroad, and generally all the competencies, powers, responsibilities and duties, pursuant to the above Laws, apply also for the purposes of application and supervision of the present Law.

Pursuant to the provisions of the present section, the Commission has, inter alia, the power:

a) Regardless and in addition to the provisions of the said Law, in case a violation of the said Law is established by a legal person, to impose administrative fine up to the maximum amount provided by the said Law in respect of the said violation, and to the directors, managers, officials or the investment managers of the said legal person unless they prove that the violation was not due to their own fault, wilful omission or negligence;

(b) to require existing telephone and existing data traffic records;

(c) to require the cessation of any practice that is contrary to the provisions adopted in the implementation of this Law;

(d) to suspend trading of the financial instruments concerned;

(e) to request the freezing and/or sequestration of assets;

(f) to request temporary prohibition of professional activity.

(5) The provisions of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law concerning the waiving of the professional secrecy provisions against the Commission by the persons supervised and regulated by the Commission and any other persons, as well as the duty of confidentiality and observance of professional secrecy, are applicable in respect of the discharge of the supervisory
Cooperation of the Commission with the competent supervisory authorities abroad.

49. (1) Subject to the provisions of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law the Commission may:

(a) Notify at the earliest possible to the Commission of European Securities Regulators any Directives it issues, pursuant to the power provided for under section 25, regarding the acceptable market practices, as well their amendments.

It is provided that the information notified includes description of the factors taken into consideration in deciding whether the practice is acceptable, especially where there are disparities of conclusions as to the acceptability of the same practice in the markets of the other member states.

(b) requests the opinion of other competent supervisory authorities abroad in regard to what constitutes acceptable market practices, especially where there are comparable markets, concerning issues such as the structure, the volume or the type of the transactions.

(c) notifies the European Commission the measures taken, pursuant to the present Law, in order to ensure that the persons who produce or disseminate research concerning financial instruments or issuers of financial instruments, and persons who produce or disseminate other information recommending or suggesting investment strategy, intended for distribution channels or for the public, do so with reasonable care to ensure that such information is fairly presented and disclose their interests or indicate conflicts of interest concerning the financial instruments to which that information relates.

PART X

FINAL PROVISIONS
50. (1) Regardless of the provisions of the said Law which provide the issuance of Directives, the Cyprus Securities and Exchange Commission has the power to issue Directives for the regulation of any other matter in the said Law, which is apt to or is susceptible to determination.

(2) The implementation of Directives issued by the Cyprus Securities and Exchange Commission pursuant to the said Law by the addressees is obligatory, and failing to implement any of them constitutes violation of the section pursuant to which, or according to, the Directive is issued.

51. The Law Regulating Issues Relating to the Possession, Use and Disclosure of Privileged Confidential Information and other Related Issues and the Regulations issued pursuant to the said Law, are hereby repealed and substituted with the present Law.

52. Decisions issued legally pursuant to the Law subject to repeal maintain their effect. Administrative fines imposed pursuant to the Law subject to repeal shall continue to be valid as if they had been imposed pursuant to the provisions of this Law.

ANNEX

(Sections 2, 18)

A person who is closely associated with another under this Law is deemed to be:

1. The spouse and blood relatives up to the second degree,
2. a person, who, in the opinion of the Commission is dependent upon him, or has common interests with him to an essential degree,
3. persons acting in concert, that is, persons who, with concerted practice or following an agreement co-operate amongst them,
4. other relatives, or other persons, which cohabitate with him for at least one year prior to the day the transaction took place

The present English text is for information purposes only and is not legally binding. The legally binding document is in the Greek language.
5. companies controlled by the natural person or with his/her spouse or with his blood relatives to the second degree, in which they hold at least twenty per cent (20%) of the voting rights in a general meeting;

6. any legal person, trust or partnership, the managerial duties of which are exercised by a person who exercises managerial duties within an issuer or by the persons mentioned above, or which is controlled directly or indirectly by that person, or which has been incorporated to the benefit of that person, or whose economic interests are essentially equal to those of that person.

The Commission may, by a Directive, specialize or particularise the above in this Annex.