

TO : Members – Custodians / Listed Companies / Nominated Advisors
FROM : Acting General Manager of the Cyprus Stock Exchange
SUBJECT: Amendments to CSE Regulatory Decisions
DATE : 21 January, 2021
CIRCULAR NO. :01-21, 01-21, 01-21 and 01-21

Dear Associates,

Further to the Circulars of the Cyprus Stock Exchange (CSE) dated 23 November 2020 (Subject: Information on new Network Equipment for CSE Members, arrangements, fees, etc.) and 18 December 2020 (Subject: Proposed amendments to CSE Regulatory Decisions), we would like to inform you that on 22 January 2021 the relevant Amendment to the Regulatory Decision on the Stock Exchange Markets (RAA 379/2014) was sent to the Government Gazette of the Republic for publication.

In brief, the amendment concerns the following:

- i. The deadline for preparing the half-yearly report of Listed Companies within three months from the end of the period (harmonisation with the applicable European Laws).
- ii. The establishment of a procedure for amending the terms of issue of listed securities.
- iii. The establishment of a procedure for the early redemption of Bonds.
- iv. The establishment of a procedure for the merger of two listed companies.
- v. The requirements for the registration of Nominated Advisors.
- vi. The listing of Bonds by a company incorporated under the law and operating as a public company.
- vii. The CSE charges:
 1. No charge per ODL order for non-executed orders.
 2. Changes in the fees concerning Government Bonds.
 3. Fee for company mergers.
 4. Charge for the purchase and installation of new network equipment aimed to upgrade the existing equipment of the Members, Custodians and other CSE participants, through which they access the Trading and/or Clearing Electronic Systems (OASIS and DSS), and Annual charge for their maintenance and support.

The final text of the amendment is attached herewith for your information.

It is noted that the amendments will take effect upon their publication in the Government Gazette of the Republic (22/1/2021), with the exception of the changes to the charges, which will take effect fifteen days after their publication.

For any information you may contact us at 22712300.

Thank you for your cooperation.

Yours truly

Nicos Trypatsas
Acting General Manager

Enclosures

Cc: Securities and Exchange Commission
CFSFA (Cyprus Financial Services Firms Association)
SYDEK (Cyprus Association of Listed Companies)
Issuers Committee established pursuant to Regulation (EU) 909/2014
Market Participants Committee (Members and Custodians) established
pursuant to Regulation (EU) 909/2014

THE SECURITIES AND CYPRUS STOCK EXCHANGE LAWS OF 1993 TO 2020

RAA 379/2014 Amendment of the Regulatory Decision of the Council of the Cyprus Stock Exchange on the Stock Exchange Markets, published in the Government Gazette of the Republic on 8.8.2014 (R.A.A. 533/2014 379/2014).

RAA 69/2015

RAA 144/2015

RAA 157/2015 Pursuant to the power conferred on it by articles 10(2)(e), 33, 48, 57, 58, 59 and 113 of the Securities and Cyprus Stock Exchange Laws of 1993 to 2020 and Regulation 88 of the Securities and Cyprus Stock Exchange Regulations, the Council of the Cyprus Stock Exchange has decided to amend the Regulatory Decision on the Stock Exchange Markets as follows:

RAA312/2015

RAA340/2015

RAA 422/2015

RAA 447/2015

RAA 2/2016

RAA 68/2016

RAA 158/2016

RAA176/2016

RAA 188/2016

RAA 193/2016

RAA 194/2016

RAA 247/2016

RAA 274/2016

RAA 296/2016

RAA 391/2016

RAA 4/2017

RAA 20/2017

RAA 232/2017

RAA 304/2017

RAA 320/2017

RAA 355/2017

RAA 450/2017

RAA 44/2018

RAA 105/2018

RAA 132/2018

RAA 237/2018

RAA330/2018

RAA 21/2019

RAA62/2019

RAA 91/2019

RAA 99/2019

RAA 202/2019

RAA 260/2019

RAA 8/2020

RAA 202/2020

RAA257/2020

RAA 296/2020

RAA 297/2020

RAA 325/2020

RAA 474/2020

1. By replacing in paragraph 3.7.1 thereof, the letter “(b)” (5th line) with the letter “a”.
2. By replacing paragraph 4.3.1.3 thereof with the following new paragraph 4.3.1.3:

“An issuer shall not have the right to change the terms of issue of the additional or new securities which it lists, unless it obtains a special permit by the Council to this effect by following the procedure of paragraph 5.2.11 and the change does not affect its obligations towards any investor who has agreed to acquire or already holds securities which are affected.”
3. By replacing the second and third paragraph of paragraph 5.2.4.2 thereof, with the following paragraph:

“This report is drawn within three (3) months from the expiry of the six-month period to which it refers.”
4. By adding after paragraph 5.2.10 thereof, the following new paragraphs 5.2.11, 5.2.12 and 5.2.13:

“5.2.11 AMENDMENT OF THE TERMS OF ISSUE

An issuer shall not have the right to amend the terms of issue of its existing securities which are listed on the Stock Exchange, unless it obtains a special permit by the Council to this effect.

In order to obtain the special permit, the issuer must submit to the Stock Exchange its request, together with all the relevant details, and also produce the following:

- (i) An original certificate stating that the upcoming amendment is made in accordance with the law, setting out/attaching all the relevant details;
- (ii) A draft announcement of the issuer on the amendment of the terms, with all the relevant details;
- (iii) Original letters from the Trustee/Guarantor (in the case of bonds) and the Nominated Advisor (for the Emerging Companies Market), stating that they agree with the amendment of the terms of the securities and that such amendment is in line with the Trust Agreement and/or the Articles of Association of the company, setting out/attaching all the relevant details;
- (iv) Certified Minutes of the relevant Decision of the General Meeting of the company's Shareholders, and the Decision of the bondholders that they agree with all proposed amendments in case the amendment concerns the terms of issue of bonds;
- (v) Payment of the relevant fee.

5.2.12 EARLY REDEMPTION OF BONDS

5.2.12.1 An issuer who intends to proceed to the full or partial redemption of bonds listed on the Stock Exchange, in accordance with their terms of issue, must notify the Council in advance and produce the documents set forth in paragraph 5.2.12.2.

5.2.12.2 In case an issuer wishes to proceed to the full or partial redemption of the bonds listed on the Stock Exchange and the terms of issue of the bonds do not grant such right, it must obtain a special permit by the Council to this effect.

In order to obtain the special permit, the issuer must submit to the Stock Exchange its request, together with all the relevant details, and also produce the following:

- (i) Certified Minutes of the relevant Decision of the General Meeting of the company's Shareholders and the Decision of the bondholders that they agree with all proposed amendments in case the amendment concerns the terms of issue of Bonds;

Provided that in case the number of Bondholders exceeds 30, a relevant statement by the Trustee shall be accepted.

- (ii) Original letters from the Trustee/Guarantor and the Nominated Advisor (for the Emerging Companies Market), stating that they agree with the early full or partial redemption of the bonds;
- (iii) A draft announcement of the issuer on the full or partial redemption of the bonds;
- (iv) Payment of the required fees.

5.2.12.3 Upon completion of the procedure of redemption of the bonds, the issuer must produce to the Stock Exchange a Certificate by the Bondholders stating that the Bonds were acquired by the issuer at their price of issue, together with all calculated interest until the date of the redemption, on the basis of 365-day year.

5.2.13 MERGER OF TWO LISTED COMPANIES

Two listed issuers may merge, either with the creation of a third entity and their dissolution, or with the absorption of one by the other. In this case, the following documents must be submitted to the Stock Exchange:

- (i) The relevant Decisions / approvals obtained during meetings of the affected parties (shareholders, bondholders and creditors) of both companies;

- (ii) A letter by both companies explaining the Proposal/Plan before the filing of the merger application to the Court. The Stock Exchange shall advise, on a preliminary basis, whether it accepts to list the new securities which shall result from the merger. This shall constitute a prerequisite / commitment in relation to the Plan vis-à-vis the holders of the bonds of the absorbed company;
- (iii) Approval/authorisation of the Court regarding the merger and confirmation that it has been filed with the Registrar of Companies;
- (iv) Statement that all the preliminary terms set by the CSE have been complied with;
- (v) Letter/application to the Stock Exchange by the company which shall prevail, stating the actions taken and requesting the Stock Exchange to proceed to the next steps which, inter alia, shall relate to the transfer of the securities of the absorbed company;
- (vi) The Deed of Trust of the company which shall prevail, and whose scope must be broadened. Another deed must be produced for the subsequent bonds, unless the first one is general enough to cover bonds of any kind.

In addition, all amounts due by the company which shall be absorbed must be settled and the fees required for this procedure must be paid.

5. By replacing paragraph 7.3.1(c) thereof, with the following new paragraph 7.3.1(c):

“7.3.1(c) On the condition that none of the persons who are members of the board of directors or of the body that governs them or are executives with the experience required in paragraph 7.3.2(a), have been convicted of an offence which involves moral obscurity or concerns breach of the Stock Exchange Legislation or an offence arising from the Prevention and Suppression of Money Laundering and Terrorist Financing Law or the Directives issued thereunder or have been convicted of a disciplinary offence by the authority which is competent for the supervision of the person or of the Nominated Advisor.”

6. By adding, under the charge of paragraph 6.3 of Table II of Annex 17 thereof, the following note: “Note: this charge shall not be imposed for non-executed orders”.

7. By adding in Table II of Annex 17 thereof, the following new paragraphs 24 and 25:

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| “24. | Lump-sum charge for the purchase and installation of the new network equipment aimed to upgrade the existing equipment of the Members, Custodians and other CSE participants, through which they access the Electronic Trading and/or Clearing Systems (OASIS and DSS). | €1,650” |
| “25. | Annual charge for the maintenance and support of the network equipment of the Members, Custodians and other CSE participants, through which they access the Electronic Trading and/or Clearing Systems (OASIS and DSS) | €350” |

8. By replacing in sub-paragraph (b) of paragraph 1.2 of Table III of Annex 17 thereof, the amount of “€50,000” (2 points), with the amount of “€25,000.”

9. By adding at the end of Table V of Annex 17 thereof, the following new Table VI:
«VI. Merger of Companies

| | |
|---|-------|
| Fee for the merger of two listed companies Note: In the case of a merger of two listed companies, no delisting fee shall be imposed on the absorbed company, provided the absorbing company shall remain listed on the Stock Exchange. | €500” |
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10. By adding after paragraph 15 of Table XI of Annex 17 thereof, the following new paragraph 16:

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|------|---|-------|
| "16. | Fee for the merger of two listed companies Note: In the case of a merger of two listed companies, no delisting fee shall be imposed on the absorbed company, provided the absorbing company shall remain listed on the Stock Exchange. | €500" |
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Paragraphs 6, 7, 8, 9 and 10 of this Decision take effect fifteen days from their publication in the Government Gazette of the Republic.