

**TO:** CSE Members / Custodians / General Operators / Listed Companies /  
Nominated Advisors on the Emerging Companies Market

**FROM:** Acting General Manager of the Cyprus Stock Exchange

**RE:** **Suspension of trading of listed securities and execution of transactions outside the Stock Exchange pursuant to Article 23 of the Securities and Cyprus Stock Exchange Laws or OTC transactions**

**DATE:** 13 April 2021

**CIRCULAR NO.:** **06-21/ 04-21 / 04-21/ 04-21**

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Dear Sirs,

With regard to the possibility to carry out transactions outside the Stock Exchange pursuant to Article 23 of the Securities and Cyprus Stock Exchange Law or Over the Counter (OTC) transactions during the suspension of trading of listed securities, we wish to inform you of the following:

**1. Suspension of trading decided by the Stock Exchange**

In case the suspension of trading is decided by the Stock Exchange pursuant to Article 183 of the Securities and Cyprus Stock Exchange Laws, the decision for suspension does not automatically entail a prohibition to execute transactions outside the Stock Exchange under Article 23 or OTC transactions, with the exception of specific cases, such as suspension during the winding up of a company (pursuant to Article 216 of the Companies Law), where any transfer of shares is void, or cases where the listed issuer has requested, for specific reasons, the “closing” of the register under the Companies Law or during the exercise of a squeeze out right, as stated in the relevant Stock Exchange announcements.

**2. Suspension of trading decided by the Cyprus Securities and Exchange Commission**

In case the suspension of trading is decided by the Cyprus Securities and Exchange Commission, as per the Commission’s decision, certain categories of transactions outside the Stock Exchange and OTC transactions are permitted, while others are not, as listed below:

**Article 23 of the Securities and Cyprus Stock Exchange Laws**

(a)	The issue and purchase of securities by the issuer.	Permitted
(b)	Transactions among members of the same family.	Permitted provided they do not constitute an act of sale and purchase
(c)	Gift transactions or other transactions which do not involve monetary consideration.	Permitted
(d)	Transfer of securities due to death.	Permitted
(e)	Transactions executed following Court order.	Permitted
(f)	Transactions of securities listed on the Stock Exchange of a company registered in the Republic, which fulfills the prerequisites of section 28A of the Income Tax Law, wherever this is executed, in the Republic or abroad.	Not applicable
(g)	Transactions which have as their object movable securities of the same category, of a Stock Exchange value of at least one hundred thousand pounds.	Not permitted
(h)	Transactions executed following direct invitation to all owners of the same category of movable securities of one issuer, which concern at least ten per cent of the total of these securities	Not permitted

**OTC transactions – Article 22a(5) of Regulatory Administrative Act  
(RAA) 397/2006**

(a)	Transaction: Concerns buy / sell or other transfer of securities which does not fall within another reason.	Not permitted
(b)	Transfer of securities which belong to the same beneficiary because of a change of Custodian.	Permitted
(c)	Late completion of a stock exchange transaction (Fail Rectification).	Permitted
(d)	Lending: Concerns the transfer of securities from the Lender to the Borrower.	Not permitted, but may be permitted, where practically feasible, if the parties provide convincing evidence that this is not, in fact, an act of sale and purchase
(e)	Return of Lending: Concerns the transfer of securities from the Borrower to the Lender	Permitted
(f)	Collateral - transfer of pledge - Concerns the transfer of securities from the pledgor to the pledgee for a collateral transaction	Permitted
(g)	Collateral Return – transfer due to return of pledge - Concerns the return of securities from the pledgee to the pledgor for a collateral transaction.	Permitted
(h)	Transfer of securities for the creation of (ETFs)	Permitted
(i)	Transfer of securities from the redemption of (ETFs)	Permitted

Due to the technical characteristics of the DSS system (inability to distinguish between the above cases) it is the Operators' responsibility to abstain from OTC transactions which are prohibited, as described above.

Moreover, the CSE may carry out sample checks to determine whether OTC transactions have been executed contrary to the decisions of the Securities and Exchange Commission and inform the Commission accordingly.

We remain at your disposal for any further clarifications.

Yours,

Nicos Trypatsas  
Acting General Manager

Cc. Securities and Exchange Commission  
CFSFA  
SYDEK