

TO : Members and Participants of the Cyprus Stock Exchange
FROM : Acting General Manager of the Cyprus Stock Exchange
SUBJECT : **Regulatory Decision on the Operation of the Central Securities Depository / Registry - CSE Council Decision on the Central Maintenance Service**
DATE : 13 November 2023
CIRCULAR No.: 20-2023, 1-2023

Dear Sirs,

This Circular specifies the information required to be submitted and registered with the Cyprus Stock Exchange (CSE) and specifically with the Central Securities Depository / Registry (CSD) for the needs relating to the use and operation of the Central Maintenance Service under Section III of the new Regulation on the Operation of the Central Securities Depository and Central Securities Registry.

A. Mandatory information for the creation of Share Accounts

In relation to the opening of Share Accounts in the DSS system there will be, as is currently the case, mandatory fields which are listed in Annex A of this Circular. Among the new mandatory fields, we note the mandatory entry of an e-mail address for investors (natural and legal persons except for the omnibus accounts), the mandatory entry of the LEI code for legal persons and participation in cash distribution as the only option (i.e. YES).

B. Deletion of the Securities Accounts (Article 9.1, paragraph 2, Part 9, Section III)

1. Securities Accounts are automatically deleted in the DSS:

(a) Five (5) years after the date of the last entry in the relevant Securities Account and provided that the balance of the Securities Account is zero and there is no active link to a Co-Owners Share Account or **Provisional** Intermediary Settlement Account.

(b) Three (3) months from the date of deactivation of the link to relevant Participant Securities Account and provided that the balance of the Securities Account is zero and there is no active link to a Co-Owners Share Account or **Provisional** Intermediary Settlement Account.

In cases where a Share is deleted in accordance with instance of par. 1a, any application for its reactivation which is submitted by the Participant after the aforesaid five-year

period will be accepted subject to payment by the Participant of the relevant fee. If the application is submitted up until the business day immediately preceding the expiry of the five-year period, its acceptance will be free of charge.

2. Share Accounts that are deactivated in accordance with the above cases may be reactivated upon a Participant's request. The Account will also be deactivated subject to fulfilment of the above conditions as set out in subparagraph 1(a) and at the request of the Participant or the beneficiary **which is submitted to** to the CSD.
3. If the deleted Securities Account referred to in paragraph 1 relates to a Share Account which is subject to a consolidation process in accordance with Part 8 of Section III of the Regulation and there is an active link to a Co-Owners Share Account or Provisional Intermediary Settlement Account, its deletion will be effected at the request of the Participant.
4. A Securities Account will be deleted at the request of the Participant **provided that:**
 - (a) its balance is zero and there are no outstanding obligations or rights of the Participant to the CSD pursuant to paragraph 3 of Article 9.1 of Section III of the Regulation.
 - (b) there is no active link to a Co-Owners Account or Provisional Intermediary Settlement Account.
5. The consolidation of the Share Accounts will be conducted in accordance with the provisions of Part 8 of Section III of the Regulation, at the request of the Participant submitted to CSE in accordance with its procedures.
6. If it is established that an Investor has created and maintains more than one Share Accounts and the securities are registered in the Special Account, the consolidation of the Share Accounts is conducted by the CSE by transferring all the securities of the Share Account to be absorbed from the Special Account to the Special Account of the Share Account to be maintained. Once the above transfer is completed, the absorbed Share Account will be deactivated.

C. Automated checks on the correctness of the client information entered by Participants

The CSD will conduct on a regular basis, three (3) times a year, automated technical checks on the correctness of the entries in the active Client Share Accounts in the CSD system. The checks aim to identify incomplete or incorrect entries as follows:

1. Client Share Accounts **where mandatory registration data have not been recorded**, which are required to be entered by the Participant.
2. Client Share Accounts with a date of birth later than the date of creation of the Share Account or obviously incorrect, for which a correction is required by the Participant.
3. Client Share Accounts **with invalid country indicator** (code: "99" - other) and other inactive codes, which should be replaced with the correct country codes.

4. Client Share Accounts, more than one per Client (multiple Share Accounts), which appear active, for which the Participant is required to send a request to the CSD for the consolidation of Share Accounts after confirmation with the Participant's respective Clients. Such instances of Share Accounts include the following:
 - Client Share Accounts.
 - Co-Owners Share Accounts with the same linked Client Share Accounts (regardless of the link order) and with the same co-ownership percentages.
5. Client Share Accounts with Tax Residence Country GR, without TIN entry or with incorrect entry.
6. Client Share Accounts of legal entities with balances, without LEI code entry or with incorrect entry.

The CSD will notify the results of the above checks to the Participants concerned so that they can make the relevant corrections / arrangements within a period of four (4) months from the date of notification. The Participants will inform the CSD of the completion of the corrections to the Share Accounts upon expiry of the above deadline.

D. Client Share Account Data Uniqueness Checks

At the stage of assigning a new individual Client Share Account, the following uniqueness checks will be carried out:

1. **When Opening of a Client Share Account where the client is a natural person,** successive checks will be carried out on the following items:
 - 1st Check: "Certificate Number", "Certificate Type" and "Abbreviation".
 - 2nd Check: "Permanent Identification Number" via "Social Security Number (AMKA)" or via "Personal Number".
 - 3rd Check: "Date of Birth", "TIN" and "Abbreviation" (only for natural persons with tax residence in Greece). It is not allowed to enter a TIN in a Client Share Account with country of tax residence in Greece, if the TIN to be entered is already entered in an existing Client Share Account in the DSS. In the case of minors, the above TIN check is not applicable and the indication "Not applicable" is entered in place of the TIN. Once the above checks are successfully completed, a unique Client Share Account (natural person) is assigned.
2. **When creating a Co-Owners Share Account,** a check is applied to the data of the linked Share Accounts of natural persons with the same percentage, regardless of the order of precedence. Once the above uniqueness check is successfully completed, a unique Co-Owners Share Account number will be assigned.
3. **When Opening of a Client Share Account where the client is a legal person,** successive checks will be carried out on the following items:
 - 1st Check: "Certificate Number", "Certificate Type" and "Abbreviation".
 - 2nd Check: "TIN" and "Abbreviation" (only for legal persons with tax

residence in Greece).

- 3rd Check: The “Permanent Identification Number” via “LEI” or “BIC”.

Once the above uniqueness checks are successfully completed, a unique Client Share Account number (of a legal entity) is assigned.

We remain at your disposal for any clarifications and thank you in advance for your cooperation.

Yours sincerely

Nicos Trypatsas
Acting General Manager

Cc: Cyprus Securities and Exchange Commission
CFSFA
Issuers Committee established pursuant to EU Regulation 909/2014
Participants Committee (Members / Custodians) established pursuant to EU Regulation 909/2014

ANNEX (A)

Mandatory Identification Data for Natural Persons	
•	Last name
•	Name
•	Father's name
•	Date of birth
•	Country of tax residence
•	Tax Identification Number (applicable only for persons with tax residence in Greece)
•	Type of Share Account
•	Share Account category
•	Occupation
•	Nationality
•	Type of identification certificate
•	Identification certificate number
•	Certificate issuing authority
•	Type of permanent identification certificate

• Unique permanent identification certificate code
• Address
• Postcode
• City
• Country
• Telephone No.
• E-mail
• General Statistical Category
Mandatory Identification Data for Legal Persons
• Company name
• Country of tax residence
• Tax Identification Number (applicable only for persons with tax residence in Greece)
• Share Account category
• Country of registered seat
• Legal representative
• Occupation

• Occupation
• Nationality
• Type of identification certificate
• Identification certificate number
• Type of permanent identification certificate (e.g. LEI, BIC Code)
• Unique permanent identification certificate code
• Address
• Postcode
• City
• Country
• Telephone No.
• E-mail
• General Statistical Category