

TO : Members / Participants / Listed & Non-Listed Issuers / Nominated Advisors and Managers of Exchange-Traded Funds and Non Exchange-Traded Funds

FROM : Acting General Manager of the Cyprus Stock Exchange

SUBJECT : Regulatory Decision on the operation of the Central Securities Depository/Registry – Initial Recording Service/Registry Services (Issuer’s Share Account)

DATE : 13 November 2023

CIRC. NO. : 25-2023, 6-2023, 9-2023, 10-2023

Dear Sirs,

This Circular sets out the information which is required to be submitted to the Cyprus Stock Exchange (CSE) and, more specifically, to the Central Securities Depository / Registry (CSD) for the needs for the use and operation of the Corporate Activities for the Initial Recording and Registry Services under the **new Regulation on the Operation of the Central Securities Depository/Registry** to be implemented on **13 November 2023**.

I. Initial Recording Service - Section IV

During dematerialization and initial recording of **Listed Issuers (Cypriot and Foreign Companies)** and **NON Listed Issuers (Cypriot Companies)**, all that is included in **Section IV of the new Regulation of Operation as well as the following** should be submitted.

It is noted that upon undertaking any Registry, the CDR publishes relevant information through the entry of relevant information on the Stock Exchange’s website or in any other means of publication of a relevant written announcement, which should include the following:

- i. The Issuer’s name and address.
- ii. The ISIN code.
- iii. The security’s number and description.
- iv. The date it is undertaken.

Further to its services pertaining to the keeping of a Registry, the updating or inspection of the Registry, subject to the terms agreed thereon, the CSD may offer the Issuer or the registered holder of securities additional or incidental or related services relating to the distribution of dividends, coupons, exercise of rights, collection of money for the account of the Issuer or communication with the security holders.

Procedure / Documents required for purposes of registering securities which have been listed or will be listed on CSE markets in the CSD:

1. Company’s Certificate of Directors

Submission of the Company's Certificate of Directors issued by the Competent Authority, i.e. the Registrar of Companies in Cyprus. The said Certificate of Directors should be in original form and recently issued (within one month). We point out that, in case another legal person acts as Secretary or Director of the legal person, the above documents (recent and originals) should also in this case be submitted.

2. Application for the Assignment of the Keeping of a Securities Registry- Annex A

Annex A «Application for the Assignment of the Keeping of a Non-Listed / Listed Securities Registry» (attached hereto) which have been amended pursuant to the provisions of the New Regulation.

3. Decision of the Company's Board of Directors to assign the Keeping of the Company's Registry to the CSD

The said decision will state that the Company's Board of Directors has decided the keeping of the Shareholders' Registry by the CSD. We point out that it should be submitted in its original form, signed by all Company Directors present at the meeting, the signatures should be certified by a Competent Authority (e.g. Certifying Office in the case of Cyprus), state their full name and capacity, and, where it contains more than one pages, all pages should be initialed by all Directors signing it.

4. Delivery of Share allocation electronic file (cash and collateral)

- The Issuer must arrange for the delivery of an electronic file of its Registry for evaluation and its import/upload into the CSE's electronic system. We remind you that the CSE's CSD can undertake the creation of the electronic file for a fee (based on a relevant pricing policy), provided the Issuer delivers to the CSE the necessary data in excel format for the creation of the file.
- At the same time, we remind you that according to a CSE Circular dated 18 October 2019, new issuers whose securities will be admitted to trading on the CSE will have to deliver the securities of their beneficiaries under the management of a CSE Participant.
- Provided that the accuracy of the details of the files' data that will ultimately be delivered to the CSE is the responsibility of the Issuer and therefore the Issuer will be required to confirm their accuracy.

5. Submission of Registry Delivery Protocol (Form 26)

The «Registry Delivery Protocol» which is attached hereto and has been amended pursuant to the new Regulation of Operation.

6. Submission of identical information letter

Sample of the said letter is posted on the CSE website or may be requested from the Organisation's Service.

7. Delivery of disk or USB regarding the final electronic file of the Company's shareholders

8. Application for the Issue of ISIN/ CFI/ FISN/ LEI code

As is the case today, the Issuer should inform the CSE in writing of the above codes which are mandatory. You are reminded that, if the Issuer has not issued the aforesaid codes, the CSE provides services for the acquisition of such codes upon payment of the relevant fee based on its pricing policy.

9. Annex B – Lawyer’s Certificate

For securities which will be registered to the CSD for the first time (and do not constitute registration of additional securities which are the same as securities already registered to the CSD), the Issuer should, in addition to the above, provide the Stock Exchange with **Annex B «Sample of Lawyer’s Certificate»** (attached hereto).

When examining the application, the CSE may request from the Issuer to additionally submit any other information or certificate such as a certificate by him or by a third party (e.g. lawyer).

Under the new Regulatory Decision, all Participants will have the right to make and settle OTC (Over the Counter) transactions **even in NON Listed Securities whose transfer is free under their Articles of Association**. In addition, it should be noted that, under the terms and conditions provided for in the New Operating Regulation of the CSD, it will be possible to create an Investor Share Account in an omnibus account and with regard to dematerialized securities of non-listed securities Registry.

II. Central Maintenance Service – Section III (Part 6) of the New Regulation on the Operation of the CSD

Upon **approval of the application to register Issuer securities to the CSD**, the CSE proceeds with opening an **Issuer Share Account** and every Issuer should inform the CSE of any change in its Share Account details.

The Issuer Share Account should include the following:

i. Issuer Details:

- The Issuer’s nominal and issued share capital (if applicable)
- The sector to which the Issuer has been registered as set out in the CSE’s trading system.

ii. Details of Listed Security:

- Security category (e.g. nominal, anonymous, common, preference, etc.).
- Nominal value of security and total number of securities included in the same category.
- Their CSE trading code.

iii. Details concerning rights on securities (e.g. pre-emption rights or warrants):

- Determination of the security to which the right pertains.
- Date of listing of right on the CSE.

- Date of end of trading of right.
- Date of end of exercise of right.
- Their trading code on the CSE.
- Ratio of conversion of rights to securities

This Circular **should be examined together with CSE's Circular no. 24-2023, 5-2023, 8-2023, 9-2023 which includes the services which, although they are included in the new regulatory framework, will not come to force at this stage.**

We remain at your disposal for any clarifications on the above.

Thanking you.

Yours,

Nicos Trypatsas
Acting General Manager

Enc.

cc. : Cyprus Securities and Exchange Commission
Issuers' Committee established pursuant to EU Regulation 909/2014
Participants' Committee (Members/Custodians) pursuant to EU Regulation 909/2014
CFSFA
SYDEK
Ministry of Finance (Public Debt Management Department)