

TO: Listed Companies, Members, Participants and Nominated Advisors of the Cyprus Stock Exchange

FROM: Acting General Manager of the Cyprus Stock Exchange

SUBJECT: **Update regarding the Privatisation of the Cyprus Stock Exchange**

DATE : 7 May 2026

REF. : **07-2026, 04-2026, 03-2026, 05-2026**

Sirs,

The Cyprus Stock Exchange would like to inform market and CSD participants of the privatisation of the Organisation:

As is well known, the Council of Ministers has taken a decision to privatise the Stock Exchange.

The House of Representatives has recently (February 2026) passed the Privatisation of the Cyprus Stock Exchange, the Central Securities Depository and Central Registry, and the Transfer of the Staff of the Cyprus Stock Exchange to the Ministry of Finance Law of 2026 [[Law No. 13\(I\)/2026 on the Privatisation of the Cyprus Stock Exchange, the Central Securities Depository and Central Registry and the Transfer of the Staff of the Cyprus Stock Exchange to the Ministry of Finance](#)], which regulates, inter alia, the procedure for the sale to a strategic investor of the shares of a special purpose company established as a medium for the privatisation of the CSE, the competent bodies and stages of the CSE's privatisation, and the transfer and assignment of the CSE's operations, responsibilities, activities, functions, and assets and liabilities to the strategic investor's special purpose company.

Consequently, following the enactment of the necessary legal framework, it is now possible to proceed with the next steps towards privatisation. We highlight certain key points as provided for by the aforementioned Law:

- Privatisation will be carried out through the sale to a strategic investor of shares in a special-purpose company or companies to which, on the reference date, the operations, responsibilities, activities and operations of the Stock Exchange, as well as the assets and liabilities of the Stock Exchange, will be transferred and assigned.
- **Strategic investor** means a regulated market or operator of a regulated market that is a full exchange member of the World Federation of Exchanges (WFE) and/or the Federation of European Securities Exchanges and/or another legal entity, e.g. a consortium, provided that the shares, voting rights or control over the decision-

making process are wholly or majority-owned by an operator of a regulated market or a regulated market (Article 2).

- The sale of the shares of the special-purpose company to a strategic investor will take place through an open and transparent tender process, to be conducted by the Ministry of Finance on behalf of the Republic of Cyprus.
- The evaluation for the selection of the strategic investor is carried out by the Ministry of Finance, based on the principles of transparency and equal treatment, and safeguards matters of public interest and national security. Interested parties must fall within the definition of the term ‘strategic investor’ and meet the minimum eligibility criteria to be set out in the tender. They will then be invited to submit a bid comprising the price offered for the acquisition of the shares in the special-purpose company (financial bid), which will account for 70% of the final score, as well as a business plan for the development of the stock market, which will account for 30% of the final score (Article 4).
- The **reference date** is the date on which the operations, powers, activities and functions of the Stock Exchange, as well as the assets and liabilities of the Stock Exchange, are transferred to the special-purpose company, which will be held by the successful strategic investor. The reference date shall be determined by the Council of Ministers after, inter alia, the special-purpose company has secured all authorisations and approvals required for the lawful conduct and execution of the Stock Exchange’s operations, responsibilities, activities and functions which are transferred thereto, including any authorisation and approval required for the purposes of its operation as a Regulated Market, Regulated Market Operator and/or Central Securities Depository and Central Registry.

With regard to **the existing market operators of the Stock Exchange and the participants of the Central Securities Depository and Central Registry**, relevant provisions have been introduced to ensure their continued operation following privatisation, such as:

Provision that any authorisation or approval issued by the Stock Exchange to a natural or legal person remains valid and binding, and that the special-purpose company replaces and succeeds the Stock Exchange in relation thereto without any further condition [Article 3(3)(b)].

Provision for transfer to the strategic investor’s special-purpose company as at the reference date (Article 9) of:

- All transferable securities, certificates and title deeds of a company listed on the Stock Exchange and/or registered with the Central Securities Depository and Central Registry.

- ☐ All members of the Stock Exchange, members and participants of the Central Securities Depository and Central Registry, issuing companies, companies listed on the Stock Exchange and/or which have securities registered with the Central Securities Depository and Central Registry, custodians and nominated advisors (NOMADS).
- ☐ The Clearing Fund.

The privatisation project currently being promoted is considered to be of great importance for the further development of the Stock Market in Cyprus; consequently, we have considered it appropriate to inform you, as market participants, of the above developments/key points. Accordingly, further relevant updates will follow in the future, where appropriate, to ensure you receive the most comprehensive and up-to-date information.

We remain at your disposal for any further clarification you may require.

Yours sincerely,

Nikos Trypatsas
Acting General Manager

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