

<b>No. 4212, 10.07.2009</b>	<b>L. 73(I)/2009</b>
<b>No. 4317, 24.2.2012</b>	<b>L. 5(I)/2012</b>
<b>No.4444, 23.5.2014</b>	<b>L. 65(I)/2014</b>
<b>No. 4526, 21.7.2015</b>	<b>L.135(I)/2015</b>
<b>No. 4579, 27.10.2016</b>	<b>L. 109(I)/2016</b>
<b>No. 4674, 30.11.2018</b>	<b>L. 137(I)/2018</b>
<b>No. 4699, 19.04.2019</b>	<b>L. 56(I)/2019</b>
<b>No. 4785, 13.11.2020</b>	<b>L. 152(I)/2020</b>
<b>No. 4884, 6.4.2022</b>	<b>L.45(I)/2022</b>

**UNOFFICIAL CONSOLIDATION OF LAW L.73(I)/2009 OF 10<sup>th</sup> JULY 2009, L.5(I)/2012 OF 24<sup>th</sup> FEBRUARY 2012, L. 65(I)/2014 OF 23<sup>rd</sup> MAY 2014, L.135(I)/2015 OF 21<sup>st</sup> JULY 2015, L.109(I)/2016 OF 27<sup>th</sup> OCTOBER 2016, L. 137(I)/2018 OF 30<sup>th</sup> NOVEMBER 2018, L. 56(I)/2019 OF 19<sup>th</sup> APRIL 2019, L. 152(I)/2020 OF 13<sup>th</sup> NOVEMBER 2020 AND L.45(I)/2022 OF 6<sup>th</sup> APRIL 2022**

**LAW REGULATING THE STRUCTURE, RESPONSIBILITIES, POWERS,  
ORGANISATION OF THE SECURITIES AND EXCHANGE COMMISSION AND  
OTHER RELATED ISSUES**

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## PART I – INTRODUCTORY PROVISIONS

- Short title. 1. This Law shall be cited as the Cyprus Securities and Exchange Commission  
73(I) of 2009 Laws of 2009 to 2020.  
5(I) of 2012  
65(I) of 2014  
135(I) of 2015  
109(I) of 2016  
137(I) of 2018  
56(I) of 2019  
152(I) of 2020  
45(I) of 2022
- Interpretation. 2. (1) In this Law, unless the context shall otherwise prescribe –
- «competent supervisory authority abroad» means a competent supervisory authority entrusted with the exercise of responsibilities corresponding to those of the Commission in a state other than the Republic;
- 65(I) of 2014 “notification” means the notification issued by the Minister under section 56A-
- «Republic» means the Republic of Cyprus;
- «Special Committee» means the Committee composed in accordance with section 23;
- «Issuer» means a person that has issued or issues or intends to issue financial instruments, either listed for trading on a regulated market or for which an application has been submitted for listing for trading on a regulated market;
- «abroad» means a country other than the Republic;
- «investment firm» or «IF» has the meaning attributed thereto by Section 2 of  
144(I) of 2007. the Investment Services and Activities and Regulated Markets Law;

«Cyprus Securities and Exchange Commission» means the Commission provided for in section 4(1), hereinafter cited as the «Commission».

«company» means a limited company with shares incorporated in accordance with the provisions of the Companies Law or a company incorporated abroad in accordance with the law in force in the country of its incorporation;

Cap. 113.  
9 of 1968  
76 of 1977  
17 of 1979  
105 of 1985  
198 of 1986  
19 of 1990  
46(I) of 1992  
96(I) of 1992  
41(I) of 1994  
15(I) of 1995  
21(I) of 1997  
82(I) of 1999  
149(I) of 1999  
2(I) of 2000  
135(I) of 2000  
151(I) of 2000  
76(I) of 2001  
70(I) of 2003  
167(I) of 2003  
92(I) of 2004  
24(I) of 2005  
129(I) of 2005  
130(I) of 2005  
98(I) of 2006  
124(I) of 2006  
70(I) of 2007  
71(I) of 2007  
131(I) of 2007  
186(I) of 2007  
87(I) of 2008  
41(I) of 2009  
49(I) of 2009.

- 65(I) of 2014 «relevant legislation» means any of the following:
- (a) the laws and regulatory acts, that concern or are issued by the Stock Exchange or by any other regulated market or by the Commission, and are generally concerned with the securities market, including the following laws and regulatory administrative acts issued or applied under these:
- 116(I) of 2005 (i) the Insider Dealing and Market Manipulation (Market Abuse) Law,  
191(I) of 2007  
142(I) of 2012  
61 (I) of 2013.
- 78(I) of 2012. (ii) the Open-Ended Undertaking for Collective Investment in Transferable Securities (UCITS) and Related Issues Law,
- 188(I) of 2007 (iii) the Prevention and Suppression of Money Laundering Activities  
58(I) of 2010 Law,  
80(I) of 2012  
192(I) of 2012  
101 of 2013.
- 16(III) of 1993. (iv) the Law Ratifying the Convention on Persons having Privileged Access to Information,
- 27(I) of 1996 (v) the Cyprus Stock Exchange (Central Depository and Central  
62(I) of 2001 Registry) Law,  
121(I) of 2001  
136(I) of 2002  
43(I) of 2003  
8(I) of 2005  
92(I) of 2006  
100(I) of 2008  
55(I) of 2009  
91(I) of 2009  
100(I) of 2010  
133(I) of 2011.

144(I) of 2007  
106(I) of 2009  
141(I) of 2012  
154(I) of 2012.

(vi) the Investment Services and Activities and Regulated Markets Law,

114(I) of 2005  
47(I) of 2012.

(vii) the Public Offer and Prospectus Law,

14(I) of 1993  
32(I) of 1993  
91(I) of 1994  
45(I) of 1995  
74(I) of 1995  
50(I) of 1996  
16(I) of 1997  
62(I) of 1997  
71(I) of 1997  
83(I) of 1997  
29(I) of 1998  
137(I) of 1999  
19(I) of 2000  
20(I) of 2000  
39(I) of 2000  
42(I) of 2000  
49(I) of 2000  
50(I) of 2000  
136(I) of 2000  
137(I) of 2000  
141(I) of 2000  
142(I) of 2000  
175(I) of 2000  
9(I) of 2001  
37(I) of 2001  
43(I) of 2001  
66(I) of 2001  
79(I) of 2001  
80(I) of 2001  
81(I) of 2001  
82(I) of 2001  
105(I) of 2001

(viii) the Securities and Cyprus Stock Exchange Law,



119(I) of 2001  
120(I) of 2001  
1(I) of 2002  
87(I) of 2002  
147(I) of 2002  
162(I) of 2002  
184(I) of 2003  
164(I) of 2004  
205(I) of 2004  
43(I) of 2005  
99(I) of 2005  
115(I) of 2005  
93(I) of 2006  
28(I) of 2007  
56(I) of 2009  
90(I) of 2009  
171(I) of 2012

41(I) of 2007  
47(I) of 2009.

(ix) the Takeover Bids Law,

196(I) of 2012  
109(I) of 2013.

(x) the Law Regulating Companies providing Administrative Services and Related Matters,

56(I) of 2013

(xi) the Alternative Investment Fund Managers Law,

(xii) any other law, under which powers and responsibilities are assigned to the Commission.

(b) The following acts of the European Union:

(i) the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as corrected,

(ii) the Regulation (EC) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps,

- (iii) the Regulation (EC) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade depositories,
- (iv) the Regulation (EC) No. 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds,
- (v) the Regulation (EC) No. 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds,
- (vi) the Regulation (EC) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012,
- (vii) any other act of the European Union referred to in a notification by the Minister.

«transferable securities» or «securities» means the shares and other securities with characteristics of shares, bonds, public bonds and other securities with characteristics of bonds, which are subject to trading on a regulated market as well as any other security which is subject to trading on a regulated market and provides either the right to acquire other transferable security through registration or exchange or the right for liquidation in cash, but does not include the means of payment;

«directive» means the regulatory directive of the Commission published in the Official Gazette of the Republic;

«organisation» means any organisation in the Republic or abroad, which exercises responsibilities similar or pertinent to those of the Commission or any international organisation in which supervisory authorities usually participate with responsibilities similar to those of the Commission;

«regulated market» or «organised market» has the meaning attributed thereto by section 2 of the Investment Services and Activities and Regulated Markets Law;

«undertaking for collective investments in transferable securities» or «UCITS» has the meaning attributed thereto by the Open-Ended Undertakings for Collective Investments in Transferable Securities (UCITS) and Related Matters Law;

«person» includes any legal or natural person and every legal person of public or private law or union of persons with or without legal personality;

«Board» means the Board of the Commission provided for in section 9(1);

«transactions» means the transactions or agreements for transactions in financial instruments of any person, taking place in the Republic, on or off the Stock Exchange or a regulated market of the Republic;

152(I) of 2020 «teleconference» has the meaning attributed thereto by Section 2 of the General Principles of Administrative Law

158(I) of 1999

99(I) of 2014

28(I) of 2020

«Minister» means the Minister of Finance;

«Stock Exchange» means the Cyprus Stock Exchange established in pursuance of section 3 of the Securities and Cyprus Stock Exchange Law;

«financial instruments» means -

- (a) the instruments set out in section 2 of the Investment Services and Activities and Regulated Markets Law, and

- (b) any other instrument listed for trading on a regulated market abroad or for which an application for listing for trading on such market is submitted.

65(l) of 2014 (2) Where reference is made in the present Law and the regulatory acts issued pursuant to it, to a legislative act of the European Union, such as a Directive, Regulation or Decision, it means the said act as applicable and subsequently corrected, amended or replaced.

## PART II – CYPRUS SECURITIES AND EXCHANGE COMMISSION

Supervision of the capital market. 3.-(1) The general supervision of the capital market and of the transactions taking place in the Republic, as well as of the transactions taking place abroad and expressly provided for in the relevant legislation shall be entrusted to the Commission.

Cyprus Securities and Exchange Commission.  
64(l) of 2001  
157(l) of 2002  
71(l) of 2004  
187(l) of 2004  
44(l) of 2007.

4.-(1) Irrespective of the provisions of section 58 of this Law, the legal entity of public law under the name «Cyprus Securities and Exchange Commission», established in pursuance of section 5 of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law, shall be maintained and shall continue to operate and be responsible for the establishment, operation, responsibilities, powers and duties set out by or under this Law.

(2) The seat of the Commission shall be in the Nicosia District.

(3) The Commission shall be administered by the Board pursuant to the provisions of Part III.

Task of the Commission. 5.-(1) The Commission shall be, *inter alia*, entrusted with the responsibility of supervising the capital market and the stock exchange market, securing the smooth operation and methodical development of the capital market and the stock exchange market, protecting investors and monitoring the transactions

taking place in the Republic as well as the transactions taking place abroad, which are expressly provided for in the relevant legislation.

(2) The Commission shall exercise the responsibilities vested in it by the provisions of or under this Law, the relevant legislation and any other law and shall have the responsibility to take measures to prevent and suppress acts which contravene their provisions.

(3) The Commission's task shall be, *inter alia*, to study, suggest measures to the competent authorities and to take measures within the authority vested in it in order to secure the integrity of the transactions carried out, and generally to secure the public interest, the protection of investors, the effectiveness of the capital market and its just operation, when it shall deem expedient under the circumstances.

Mode of exercising the Commission's responsibilities. 6. The Commission may exercise its responsibilities in any of the following modes -

- (a) directly,
- (b) in cooperation with other authorities or bodies or associations or with market operators or any other persons,
- (c) under its responsibility, through the assignment of responsibilities to these authorities or to bodies or associations or to market operators or to any other persons,
- (d) under its responsibilities, through the assignment of responsibilities to the Chairman and the Vice-Chairman of the Board, unless in the cases where it is expressly prohibited by this Law or the relevant legislation,
- (e) by application to the competent court.

Annual Report. 7.-(1) The Commission shall every year draw up and submit to the Minister and the House of Representatives a report of activities within three months from the end of its financial year and the Minister shall then duly inform the Council of Ministers accordingly.

(2) In case that for any reason it is not possible for the report of activities to be drawn within the deadline specified in subsection (1), the Commission shall inform within the said deadline the Minister and the House of Representatives accordingly and shall draw up and submit to them the report within a deadline of six months from the end of its financial year.

### PART III – BODIES OF THE COMMISSION BOARD - CHAIRMAN – SPECIAL COMMITTEES

Bodies of the Commission. 8. The responsibilities of the Commission shall be exercised in accordance with the provisions of this Law by -

- (a) the Board,
- (b) the Chairman and/or Vice-Chairman of the Board, or
- (c) the Special Committees.

Board. 9.-(1) Irrespective of the provisions of section 58 of this Law, the Board of the Commission, established in pursuance of section 10(1) of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law shall be maintained and shall continue to be entrusted with the administration of the Commission and have the responsibility to carry out its task in accordance with the provisions of this Law.

(2) The Board shall be entrusted with exercising the responsibilities of the Commission in accordance with this Law and the relevant legislation.

Responsibilities of the Board. 10.-(1) The Board shall oversee the proceedings of the Commission and shall have full power as regards personnel management and the administration of its property in accordance with the provisions of this Law.

(2) More specifically, the Board shall–

- 109(l) of 2016
- (a) represent through its Chairman or Vice-Chairman the Commission before the courts and the authorities;
  - (b) appoint and discharge persons in the employment of the Commission, which may be employed full-time on a permanent or on a temporary basis, and ensure that the Commission has at its disposal sufficient staff, both in numbers and in structure, to perform its functions and exercise its powers;
  - (c) exercise disciplinary power over the employees of the Commission and impose disciplinary penalties in pursuance of the provisions of the Regulations issued under this Law;
  - (d) see to the keeping of accounts and the drawing up and submission of reports and financial statements in accordance with the provisions of Part VIII;
  - (e) take all necessary measures for the unimpeded and smooth carrying out of the works of the Commission;
  - (f) collect information, conduct investigations, carry out inspections and impose sanctions in accordance with the provisions of this Law and the relevant legislation;
  - (g) issue directives in accordance with this Law and the relevant legislation;

- (h) issue and submit Regulations for approval in accordance with the provisions of Part XI, and
- (i) be competent for every action which, according to this Law and the relevant legislation, promotes the objectives and the responsibilities of the Commission under this Law and the relevant legislation.

Composition of the Board.  
137(I) of 2018

11.-(1) The Board shall be composed of seven members, namely, the Chairman, the Vice-Chairman and five other members appointed in pursuance of the provisions of this Part.

45(I) of 2022

(2) (a) Chairman and Vice-Chairman of the Board are appointed persons of high moral standard, known repute and honesty and known experience and training in the money market and capital market, who are able to contribute to the attainment of the objectives of this Law, to the development of a smooth and methodical securities market and the protection of the investors and the public.

(b) Members of the Board, with the exception of the Chairman and the Vice-Chairman to whom the provisions of paragraph (a) apply, are appointed persons of high moral standard, known repute and honesty who have university education and experience in law or economics or money market or capital market or accounting or business and who are able to contribute to the attainment of the objectives of this Law, to the development of a smooth and methodical securities market and the protection of the investors and the public.

135(I) of 2015

(3) No person may be appointed to the Board if either that person or the persons connected to him has/have any material interest, according to the Council of Ministers, in an organisation which comes under the supervision of the Commission or if such person participates in the administrative body of such organisation and the acquisition of such interest or the participation in



such administrative body of such organisation during the term of his office shall result in the revocation of his appointment:

Provided that the Council of Ministers may appoint a member to the Board whose connected person is employed in an organisation supervised by the Commission, if it considers that the office held by such connected person does not create a conflict of interest to the candidate member of the Board.

(4) No person may be appointed to the Board who has been convicted of an offence involving dishonesty or moral impropriety or has declared bankruptcy in pursuance of the provisions of the Bankruptcy Law.

Cap. 5.

49 of 1985

197 of 1986

156(I) of 1999

2(I) of 2008

74(I) of 2008

135(I) of 2015

Prohibition of  
certain activities to  
Board members.

12.-(1) A Board member shall be prohibited from participating directly or indirectly for his own personal benefit or for the benefit of third persons in any action or transaction or have professional interest which concerns an item under the supervision of the Commission, and any violation of this provision, notwithstanding any criminal liability of the person responsible, shall result in the revocation of its appointment by the Council of Ministers:

Provided that the exercise of warrants or pre-emption rights stemming from the securities held by a member prior to his appointment shall be excluded from this prohibition:

Provided further that the Board may not revoke the appointment of a Board member on the ground that a person connected to this member shall be employed by a company supervised by the Committee, if the Council of Ministers deems that the office offered to the said connected person does not create a conflict of interest to the Board member:

Provided further that in such case, the continuance of the appointment of this member concerning this matter shall be reviewed on a yearly basis.

(2) A Board member shall be prohibited from participating in the discussion and decision-making of the Board or a Special Committee regarding issues concerning persons connected with him:

Provided that a violation of this prohibition shall not result in the invalidity of the decision of the Board or the Special Committee, but a violation of this provision, notwithstanding any criminal liability of the person responsible, shall result in the revocation of his appointment by the Council of Ministers.

(3) The Chairman, the Vice-Chairman and the other members of the Board shall be prohibited during their term of office from participating in the establishment or to an administrative body of an organisation supervised by the Commission and any violation of this provision, notwithstanding any criminal liability of the person responsible, shall result in the revocation of his appointment by the Council of Ministers.

(4) For the purposes of both section 11 and this section, «connected persons» in relation to a Board member means -

45(I) of 2022

- (a) the spouses and blood relations or relations by marriage up to first degree;
- (b) a company in which a Board member holds or controls directly or indirectly at least twenty per cent (20%) of the voting right in general meeting;

- (c) a person who in the opinion of the Council of Ministers or the Commission has a relationship of dependence or has material common interests with the Board member:

Provided that the criteria which apply in the exercise of the discretionary powers of the Commission, in pursuance of the provisions of this paragraph, shall be specified by a Directive.

135(I) of 2015 (5) (Deleted)

Appointment of Board members.  
137(I) of 2018 13.-(1) The Chairman, the Vice-Chairman and the rest of the members of the Board shall be appointed by the Council of Ministers following a recommendation by the Minister.

(2)(a) The Chairman and the Vice-Chairman of the Board shall provide their services in full and exclusive employment and they may not hold any other position or office in the Republic or hold other salaried employment:

97(I) of 1997  
3(I) of 1998  
77(I) of 1999  
141(I) of 2001  
69(I) of 2005. Provided that in case of appointment of an employee who holds a permanent office in the public service or an organisation as Chairman or Vice-Chairman, the employee shall retire *ispo jure* from the office held by him, and the provisions of the Pensions Law concerning retirement benefits in the case of early voluntary retirement in force at the time shall apply, which are, however, calculated on the basis of the pensionable emoluments of the employee at the time of his retirement as follows:

- (i) if the employee has not completed ten years of service, it is considered that he served in the public service or the organisation for such additional period as the one served prior to his appointment as Chairman or Vice-Chairman, as the case may be, or for as long as he would have served had he retired

as a result of reaching pensionable age, whichever of the two is shorter;

- (ii) if the employee has completed ten years of service in the public service, it is considered that he has served in the public service or the organisation for a period of ten additional years or for such period as he would have served had he retired as a result of reaching pensionable age, whichever of the two is shorter:

Provided that the above additional service shall be considered as service with contributions.

(b) The terms «public service» and «organisation» in paragraph (a) shall have the meaning attributed to them by the Pensions Law.

(3) The term of full and exclusive employment that applies to the Chairman and the Vice-Chairman of the Board shall not apply to the five other members of the Board.

152(I) of 2020

Board members' term of office.

14.-(1) The Board members' term of office shall be five years.

(2) The re-appointment of the Board members after the expiration of their term of office shall be permitted for an additional five-year term only.

135(I) of 2015

(3) (Deleted).

Vacancy of a Board's office.

15.-(1) The office of a Board member shall be vacated in the following cases:

- (a) in case of his death;
- (b) in case of his resignation; and

(c) in case of revocation of his appointment.

45(I) of 2022 (2) In case the office of a Board member is vacated prior to the expiration of his term of office, another person shall be appointed in the departing member's office in accordance with the provisions of section 13.

114(I) of 2007.  
135(I) of 2015  
137(I) of 2018 (3) The provisions of the Control of the Undertaking of Employment in the Private Sector by Former State Officials and Some Former Employees in the Public Sector and the Broader Public Sector Law shall apply to the Chairman and Vice-Chairman of the Board.

Resignation  
from the Board. 16. The resignation of a member of the Board shall be effected with a resignation letter addressed to the Council of Ministers.

Revocation of  
appointment of  
a Board  
member.  
135(I) of 2015 17. The appointment of a Board member shall be revoked by the Council of Ministers in the following cases -

- (a) in case of violation provided for in section 12(1), (2) or (3);
- (b) in case of conviction for the offence of violation of the duty of confidentiality and the observance of professional secrecy in accordance with the provisions of section 31;
- (c) in case of conviction for an ignominious offence or for an offence involving moral impropriety, which constitutes an impediment for appointment to the public service or in case of imposition of a sentence of imprisonment for the commission of an offence;
- (d) following a proposal by the Minister, ex officio or following a suggestion by the Board, submitted with the agreement of at least three members.

135(I) of 2015 (2)(Deleted).

Meetings of the Board. 18.-(1) The Chairman of the Board or, in case of his absence or other temporary impediment of him, the Vice-Chairman or, in case of absence or other temporary impediment of both, one of the other members of the Board shall convene the meetings of the Board.

135(I) of 2015 (2) The invitation to a meeting shall be in writing and addressed to all the members of the Board, at least one day prior to the date fixed for the meeting.

135(I) of 2015 (3) Irrespective of the provisions of subsection (2), in extraordinary and justified cases, a meeting of the Board shall be convened following an oral or written invitation served on the members the soonest possible and in any case prior to the time fixed for the meeting.

(4)(a) In the case of a written invitation to a meeting in accordance with the provisions of subsections (2) or (3), the invitation shall be served on the members in writing by letter, telefax or electronic mail.

135(I) of 2015 (b) In the case of an oral invitation to a meeting in accordance with the provisions of subsection (3), the members of the Board shall sign at a later stage a confirmation regarding their invitation to a meeting.

137(I) of 2018 (5) The Chairman of the Board shall convene a Board meeting at any time he deems fit, but he shall be obliged to do so if so requested in writing by at least four members of the Board who shall at the same time set the business to be discussed.

(6) A meeting of the Board shall be convened at least twice a month.

(7) Board meetings shall be chaired by the Chairman, or in case of his absence or other temporary impediment of him, by the Vice-Chairman, or in

case of absence or temporary impediment of both, by one of the other members of the Board who shall be chosen for that purpose by those members present at the meeting.

137(I) of 2018 (8)(a) The chairman of the meeting and four other members present at the meeting shall form a quorum, and the decisions shall be taken by majority and in case of an equality of votes, the vote of the person chairing the meeting shall prevail.

135(I) of 2015 (b) By a decision of the Chairman of the Board or the person chairing  
152(I) of 2020 in case of the absence of the Chairman, the members of the Board may, in case of their absence abroad or in case where their physical presence is arduous or in case there is any other obstacle hindering the attendance of one or more or all of the members of the Board, participate in a meeting through teleconference or other communication systems, provided that each one of the persons participating in the meeting can hear or see and hear all the other participants at all material time:

Provided that any meeting carried out in this manner shall be deemed to form a legal meeting of the Commission and each Board member participating in a meeting in this manner shall be deemed to be present in person thereat and shall be entitled to vote and counted in the quorum:

Provided further that this meeting shall be deemed to be held at the offices of the Commission:

152(I) of 2020 Provided even further that, in case where the members of the Board participate in a meeting of the Board as described in the present paragraph and the role of the secretary is undertaken by a person other than a Board member, the mode of participation of that person acting as a secretary is defined by the Chairman or in case of his/her absence by the person chairing the Board.

135(I) of 2015  
152(I) of 2020

(9) The duties of secretary of the Board shall be performed by a person who shall be nominated for this purpose by the Chairman of the Board or in case of his/her absence by the person chairing the Board, and who shall be responsible to keep the minutes.

(10) The minutes of the meeting shall be kept confidential, unless otherwise decided by the Board, a competent court or a competent disciplinary body.

(11) The vacancy of the office of a member of the Board or any abnormality regarding his appointment shall not render the actions or procedures of the Board null and void.

Official seal of  
the Board.

19. The Chairman or, in case of absence of the Chairman, the Vice-Chairman shall be responsible for the keeping of the official seal of the Board.

Remuneration  
and terms of  
service of the  
Chairman, Vice-  
Chairman and  
consideration of  
the Board  
members.

20.-(1) The remuneration and other terms of service of the Chairman and Vice-Chairman shall be determined in the document appointing them by the Council of Ministers.

135(I) of 2015

(2) A consideration shall be paid to the other members of the Board per meeting, the amount of which shall be determined by the Council of Ministers.

135(I) of 2015

(3) The cost of payment of remuneration to the Chairman and the Vice-Chairman of the Board and the consideration to the remaining members shall be borne by the Commission's annual budget.



Scope of responsibilities of Board members and other persons.

21.-(1) Every member of both the Board and the staff of the Commission, the investigating officers and any person acting as a consultant or by order of the Board shall bear no personal responsibility for his actions or omissions during the exercise of his responsibilities.

(2) The expression of an opinion during the exercise of the duties of the persons provided for in subsection (1) shall constitute a special defence in an action for defamation filed against them under the provisions of the Civil Offences Law:

Cap. 148  
87 of 1973  
54 of 1978  
156 of 1985  
41 of 1989  
73(I) of 1992  
101(I) of 1996  
49(I) of 1997  
29(I) of 2000  
154(I) of 2002  
129(I) of 2006  
171(I) of 2006  
82(I) of 2008  
135(I) of 2015.  
109(I) of 2016

Provided that criminal proceedings against the Chairman and / or the Vice - Chairman and / or a member of the Board and / or a staff of the Commission for a criminal offense committed in violation of the provisions of this Law, can only be commenced by the Attorney General of the Republic or with his consent.

Assignment of powers of the Board to the Chairman, the Vice-Chairman and the Special Committees.

22. Subject to the provisions of section 26, the Board may assign to the Chairman, the Vice-Chairman and to Special Committees set up for this purpose, the exercise of any of its responsibilities arising from this Law and the relevant legislation for the period fixed each case by the Board and on terms provided for in each case.

Special  
Committees.

23.-(1) A Special Committee shall be set up by decision of the Board and shall consist of three members of the Board who may be -

- (a) the Chairman, the Vice-Chairman and one member, or
- (b) the Chairman or the Vice-Chairman and two other members.

(2) (a) Each Special Committee shall be convened by the Chairman or in case he does not participate therein, by the Vice-Chairman of the Board.

(b) The invitations to a Special Committee meeting shall be made in accordance with section 18(2), (3) and (4), *mutatis mutandis*.

(3) Each Special Committee shall convene at regular intervals.

(4) The meetings of each Special Committee shall be chaired by the Chairman of the Board who participates therein or, in case of his non-participation therein or his absence or other temporary impediment of his, by the Vice-Chairman of the Board participating therein.

(5) The chairman of the Special Committee meeting and one other member shall form a quorum and the decisions shall be taken by at least two votes in favour and in case of an equality of votes, the issue shall be referred to the Board for settlement.

(6) The person convening a Special Committee in accordance with subsection (2)(a), shall convene the Special Committee to a meeting whenever he deems fit, but he shall be obliged to do so if so requested in writing by at least one member thereof, who shall at the same time set the business to be discussed.

(7) The duties of secretary of the Special Committee shall be performed by one member thereof who shall be responsible to keep the minutes or any other person designated by the chairman of the Special Committee.

(8) The vacancy of the office of a member of the Special Committee or any abnormality regarding his appointment shall not render the actions or procedures of the Special Committee null and void.

Audit  
Committee.  
137(I) of 2018

23A. An Audit Committee is hereby set up, which is made up of three (3) members of the Board, which are appointed by the Board of the Commission, excluding the Chairman and Vice-Chairman, whose tasks and operations are determined by a decision of the Board of the Commission.

Enforcement of  
decisions.

24.-(1) The Chairman and the Vice-Chairman of the Board shall have joint authority to enforce the decisions of the Board, the Special Committees and their own decisions.

(2) In case of absence or other temporary impediment of the Chairman of the Board, his duties under this Law shall be exercised by the Vice-Chairman of the Board.

#### PART IV – RESPONSIBILITIES OF THE COMMISSION

Responsibilities  
of the  
Commission.

25.-(1) Without prejudice to any other responsibilities granted thereto by this Law and the relevant legislation, the Commission shall have the following responsibilities:-

- (a) to supervise the observance, application and compliance with the provisions of this Law and the relevant legislation and to exercise the responsibilities granted thereto by them;
- (b) to supervise and control the operation of the Stock Exchange and the organised markets of the Republic and the transactions

carried out on them, to supervise and control the issuers of financial instruments listed on the Stock Exchange or on an organised market of the Republic and to supervise and control the dealing in financial instruments listed on the Stock Exchange or on other organised market of the Republic;

137(I) of 2018

(c) (i) to collect information from, and to carry out inspections and investigations on persons who are subject to the competence of the Commission in relation to the application, compliance or violation by these persons of the provisions of this Law and the relevant legislation, to collect information from and to carry out inspections on any other person that the Commission considers that he is in a position to give relevant information and details thereto;

137(I) of 2018

(ii) to collect information, data, documents and forms from persons that fall within the responsibilities of the Commission regarding the execution of statistical analysis and risk management and any other information the Commission may need; and

137(I) of 2018

(iii) through a relevant circular the Commission, may determine the procedure for the collection of information, data, documents and forms referred to in subparagraph (ii), as well as any other relevant topic.

(d) to set out with a Directive, the cases for carrying out inspections, the procedure and the bodies which shall carry out these inspections and to impose the obligation to the inspected persons to submit periodically or as the case may be, to the Commission or to the inspection bodies, information which is necessary for the exercise of the inspection;

16(III) of 1993.

(e) to act as the competent authority for the purposes of section 4 of the Convention on Persons having Privileged Access to Information ratified with the Law ratifying the Conventions on Persons having Privileged Access to Information;

137(I) of 2018

(f) to impose any administrative sanctions, disciplinary penalties and other administrative measures provided for by this Law and the relevant legislation;

(g) to supervise and control the smooth operation of the capital market;

(h) to issue and submit for approval regulations in accordance with the provisions of Part XI;

(i) to issue directives on issues concerning the exercise of the responsibilities of the Commission in pursuance of the provisions of this Law or the relevant legislation;

(j) to give its expert opinion to the Minister, the House of Representatives or other state authorities on capital market issues as long as this is provided by this Law, any other law or if such opinion is sought in respect of such issues;

(k) to cooperate with other public authorities in the Republic, with competent supervisory authorities abroad and with other organisations in accordance with the provisions of this Law and the relevant legislation, to exchange information with them and to carry out inspections on behalf of other competent authorities abroad;

(l) to issue directives in pursuance of this Law and the relevant legislation;

- (m) to suspend the trading of financial instruments and to set out with a Directive, for the purposes of application of this paragraph and of any other corresponding power included in the relevant legislation, the procedure to be followed for the suspension of the trading of financial instruments;
- (n) to apply to a competent court of the Republic for the issuance of an order to block or charge or freeze or to prevent the alienation of or transaction in assets;
- (o) to require the cessation of any practice which is contrary to the provisions of this Law and the relevant legislation;
- (p) to exercise the responsibilities vested in it by any Law;
- (q) to organise either on its own or in cooperation with other bodies, educational or training seminars or conferences and to proceed with the issue and distribution of educational material for persons supervised by it and for the public in general;
- (r) to act as the competent authority and carry out the powers and responsibilities granted to it by the present Law and the relevant legislation for the purposes of the following acts of the European Union:
  - (i) the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies” as corrected,
  - (ii) the Regulation (EC) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps,

65(l) of 2014

- (iii) the Regulation (EC) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade depositories,
- (iv) the Regulation (EC) No. 345/2013 of the European Parliament and of the Council of 14 April 2013 on European venture capital funds,
- (v) the Regulation (EC) No. 346/2013 of the European Parliament and of the Council of 14 April 2013 on European social entrepreneurship funds,
- (vi) the Regulation (EC) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012,
- (vii) any other act of the European Union included in a notification.

137(l) of 2018

(s) to issue directives to regulate any matter that needs or is receptive to definition or clarification for the application of this Law and the relevant legislation.

Errata  
31.07.2009, No.  
4215

(2) The Commission may, with a directive, set out the procedure and the conditions of application of paragraphs (o) and (p) of subsection (1).

(3) The Commission, in the exercise of its responsibilities, shall take into account the convergence in relation to the supervising tools and supervising practices during the application of legislations, Regulations and directives adopted by virtue of the Directives of the European Union and, to this end, it shall participate in the activities of the Committee of the European Securities Regulators and duly evaluate its non-binding guidelines and recommendations.

(4) The Commission, in the exercise of its responsibilities, shall duly examine the possible influence of its decisions over the stability of the financial system in all Member States of the European Union, especially in case of emergency, based on the information available at a relevant time.

5(l) of 2012

(5)(a) Whenever the relevant legislation states in any way the obligation of briefing, submission, notification or announcement of documents or information to the Commission, the Commission has the power and authority to accept these documents and / or information in electronic form.

(b) The Commission determines by way of a directive the documents or / and the information it accepts in electronic form, or in electronic and printed form, as well as the procedure and the way of submission of these documents:

Provided that, whenever the Commission submits a request for the submission of documents in electronic and printed form, the responsibility for the compatibility and identicalness of the documents submitted lies with the person who, according to the relevant legislation, is obliged to submit the documents to the Commission.

5(l) of 2012

(6)(a) Every document or form, for which it is required, according to the relevant legislation, to be submitted to the Commission, may be signed by electronic signature.

(b) The Commission may determine by way of a directive any further details for the procedure mentioned in the present section.

Guarantees of  
investor  
protection.  
65(l) of 2014

25A.-(1) A person who is under the supervision of the Commission has an obligation to act in a way that provides all the necessary guarantees for the protection of investors.



(2) The Commission has the power to conduct investigations and or inspections for compliance purposes of the involved parties with the obligations of the subsection (1).

Responsibilities of the Commission that may not be assigned.

26.-(1) The Board shall be prohibited from assigning to the Chairman, the Vice-Chairman or to a Special Committee any of the following responsibilities of the Commission, which arise from this Law or the relevant legislation:

- (a) to issue and submit Regulations for approval;
- (b) to issue directives regulating matters, which may be regulated by a directive in accordance with the provisions of this Law or the relevant legislation;
- (c) to grant or revoke licences provided by this Law and the relevant legislation for the establishment or operation or approval of prospectuses or takeover bid documents;
- (d) to grant or refuse to grant its consent or approval, where required under the provisions of any law, regulation or directive:

Provided that, in cases where the granting or refusal to grant the consent or approval of the Commission is required under the provisions of any law, regulations or directives in relation to the suspension of trading of transferable securities or for the suspension of the licence to practise the profession or the works of a member of the Stock Exchange, the Chairman and the Vice Chairman of the Board may be authorised to decide thereupon following consultation with the other members of the Board, while in the absence of the Chairman or Vice-Chairman of the Board, either of them along with one other member of the Board shall decide thereupon and the decision taken shall be

recorded in the minutes of the meeting of the Board, which shall follow after the said decision;

- (e) to give opinions, suggestions or proposals to the Minister or other public authorities, where this obligation is provided by the provisions of any Law or by the relevant legislation;
- (f) to impose administrative sanctions and disciplinary penalties provided by the relevant legislation, this Law and the Regulations issued in pursuance thereof as well as by any other relevant law.

Summons to a person in the service of the Commission.

27. A person who requests the issue of a writ of summons to a person in the service of the Commission, shall deposit to the Court an amount corresponding to the loss of time of the witness, which shall be determined by the Registrar of the Court and in any case it shall not be less than fifty euro:

Provided that in case the Registrar of the Court requests so, the Commission shall be obliged to inform him of the official emoluments of the witness summoned:

Provided further that the aforementioned amount of fifty euro shall be returned in case the witness does not appear in Court.

#### PART V – CO-OPERATION OF THE COMMISSION WITH THE AUTHORITIES OF THE REPUBLIC AND FOREIGN COUNTRIES – DUTY OF CONFIDENTIALITY AND OBSERVANCE OF PROFESSIONAL SECURITY

Cooperation of the Commission with public authorities.

28.-(1) Subject to the Personal Data Law, the Commission may apply to the Registrar of Companies and the Official Receiver, the Central Bank of

138(I) of 2001  
37(I) of 2003. Cyprus, the Stock Exchange, a regulated market and any authority, public or not, or legal persons of public law, which are bound to give to the Commission all the necessary assistance and information, documents and other details necessary for the exercise of its responsibilities.

(2) The disclosure to the Commission of confidential information, under the provisions of this Law and of the relevant legislation, does not constitute a violation of the obligation for confidentiality and the observance of the professional secrecy provided by any law.

Cooperation of the  
Commission with  
competent  
supervisory  
authorities and  
organizations  
abroad.  
56(I) of 2019

29.-(1) In the exercise of its responsibilities, the Commission may cooperate with competent supervisory authorities and other organizations abroad, exchange with them necessary information for the exercise of the Commission's responsibilities, as well as the responsibilities of the above mentioned authorities and organizations, and proceed, on behalf of these organizations and for their account, with the collection of information and the carrying out of inspections.

(2) The Commission may enter into protocols of cooperation with competent supervisory authorities abroad or with other organizations, which shall provide for the exchange of information, the collection of information and the carrying out of inspections on their behalf and for their account, only if the disclosed information in the state in which the said authorities and organizations shall have their seat is covered by guarantees concerning the observance of professional secrecy which are at least equivalent to those provided by this Law.

(3) The information exchanged under the provisions of this Law shall be confidential and its disclosure shall be prohibited, unless the competent supervisory authority or the organization that disclosed it expressly consents thereto and the disclosure is made only for the purposes for which the said authority or organization has given its consent.

(4) The disclosure by the Commission of confidential information to competent supervisory authorities abroad or to organizations under this section shall not constitute a violation of the duty of confidentiality and the observance of professional secrecy provided in section 30.

(5) The Commission may collect information, carry out inspections and generally provide any assistance and exercise the powers vested in it by the provisions of this Law and the relevant legislation, following a request by a competent supervisory authority abroad or other organization.

(6) The Commission may investigate a possible violation of any law abroad on behalf of a competent supervisory authority abroad or other organization even if the violation under investigation does not constitute a violation of this Law or the relevant legislation.

(7) The Commission may refuse to respond to a request for the provision of information made by a competent supervisory authority or organization abroad or refuse to carry out an investigation requested by another competent supervisory authority or organization abroad when -

- (a) the disclosure of information or the investigation may offend the sovereignty, the security or the public order of the Republic,
- (b) legal measures have been taken before a competent court of the Republic for the same actual facts,
- (c) a final court decision has been issued for these persons for the same actual facts in the Republic.

In the cases provided for in paragraphs (b) and (c), the Commission shall inform the competent authority or organization making this request of the said court proceedings or decision, giving as much detailed information as possible.

Duty of confidentiality and observance of professional secrecy.

30.-(1) The Commission and the members of the Board or any person who had formerly acted as member of the Board or any person who exercises or has exercised any activity for the Commission in connection with the exercise of its responsibilities or any other person who receives knowledge, as a result of his position or in the exercise of his duties, of any information concerning the exercise of the responsibilities of the Commission, in accordance with the provisions of this Law or the relevant legislation, shall be bound by the duty of confidentiality and observance of professional secrecy and shall be obliged to use this information exclusively for the exercise of his duties and not to disclose it except to the extent that such disclosure is necessary under the law or within the context of an administrative recourse to justice concerning the exercise of his duties or the responsibilities of the Commission or constitutes evidence for the commission of a criminal or disciplinary offence or as provided in subsection (4).

(2) Secrecy shall mean that the confidential information that the Commission or a person receives in the exercise of his duties may be disclosed only to other competent authorities of the Republic or abroad or to organizations and the Central Bank of Cyprus, if it refers to issues that come under the responsibilities under the law.

(3) The authorities, organizations, associations or bodies or any other persons in the Republic or abroad to whom confidential information is disclosed in accordance with the provisions of this section shall be bound by professional secrecy.

(4) The disclosure of confidential information by the persons referred to in subsection (1) shall be allowed -

(a) as long as the Commission decides that for reasons of public interest or the protection of investors or transparency, it is

incumbent to make public in whole or summarily any decisions taken or findings prepared by the Commission pursuant to the provisions of this Law, the regulations and directives issued pursuant to this Law and the relevant legislation,

109(I)/2016

- (b) in the context of a civil or criminal or other legal proceeding or in the context of arbitration or out of court settlement, where the Commission is requested to provide evidence or give testimony or during the provision of statements in criminal or disciplinary proceedings:

Provided that the said obligation of the Commission shall be extended to any person acting on behalf of the Commission in accordance with the provisions of this Law and the relevant legislation;

- (c) in the context that the Commission lodges complaints to any other competent authorities, associations, organizations or bodies in the Republic or abroad.

Offences concerning violations of professional secrecy.

31. A person who knowingly violates the duty of confidentiality and the observance of professional secrecy provided in section 30, shall commit a criminal offence and shall be punishable with imprisonment not exceeding two years or a fine not exceeding eight thousand five-hundred euro or both penalties and, in the case of an employee of the Commission, this violation shall constitute a disciplinary offence and shall be punishable even with the dismissal of such person from the service of the Commission.

Provided that in the case of an employee in the public service, the option of disciplinary power shall be exercised in accordance with the Public Service Law.

1 of 1990  
71 of 1991  
211 of 1991  
27(I) of 1994  
83(I) of 1995  
60(I) of 1996

109(I) of 1996  
69(I) of 2000  
156(I) of 2000  
4(I) of 2001  
94(I) of 2003  
128(I) of 2003  
183(I) of 2003  
31(I) of 2004  
218(I) of 2004  
68(I) of 2005  
79(I) of 2005  
105(I) of 2005  
96(I) of 2006  
107(I) of 2008.

PART VI – POWER OF THE COMMISSION TO COLLECT  
INFORMATION, TO ENTER, INVESTIGATE AND IMPOSE  
ADMINISTRATIVE SANCTIONS

Power to collect information. 32.-(1) The Commission may request and collect information necessary or useful for the exercise of its responsibilities and demand with a request in writing within a specified deadline, the provision of information from issuers, IFs, UCITS and any other natural or legal person which is subject to the Commission's inspection competence in accordance with the provisions of this Law and the relevant legislation, as well as from any other person which the Commission considers, at its absolute discretion, that it is in a position to provide such information.

(2) In its request in writing, the Commission shall specify the purpose of the investigation, the provision on which the Commission's power is based, the deadline specified for the provision of the information and the sanctions that may be imposed in case of non-compliance with the obligation in subsection (1) for the provision of information.

56(I) of 2019 (3) Any person to whom the request of the Commission for the collection of information shall be addressed shall be bound to provide the requested information timely, fully and accurately.

(4) As regards the banking duty of confidentiality provided for in section 66(I) of 1997 29 of the Banking Operations Law, a member or an employee of the 74(I) of 1999 Commission or any other person instructed following an express decision of 94(I) of 2000 the Board of the Commission to collect information in pursuance of this Law, 119(I) of 2003 shall be considered to be a public servant under the meaning of subsection 4(I) of 2004 (2)(d) for obtaining any information: 151(I) of 2004 231(I) of 2004 235(I) of 2004 20(I) of 2005 80(I) of 2008.



Provided that the aforementioned responsibility of the Commission shall apply to the cases in which inspections and investigations are carried out in accordance with the provisions of sections 33, 34 and 50.

56(l) of 2019

(5) The Commission, in the case of refusal of any person to comply with its request for the collection of information within the specified deadline or in case such person refuses to give any information or shows or produces incomplete or false or falsified information, shall have the power to impose to such person -

- (a) an administrative fine in accordance with the provisions of section 37, and/or
- (b) an administrative fine not exceeding the amount of eight hundred and fifty euro (€850) for every day during which the refusal of compliance or any other violation continues.

(6) The information provided to the Commission in the exercise of its power shall be confidential and may be used only for the purposes of the exercise of its responsibilities:

Provided that, if during the collection of information any evidence arises which may constitute a possible violation of the provisions of this Law or the relevant legislation further to the one investigated by the Commission in its request in writing, then this evidence may be used for taking further action in accordance with sections 35, 36, 37 and 38, without the Commission being obliged to proceed with a new collection information or to conduct a new investigation.

56(l) of 2019

(7) For the purposes of this section, «the obligation to provide information» shall include the obligation to produce, cite and submit -

- (a) any kind of written data and information including the minutes of the meetings of any legal person and data stored in computers,
- (b) any information which a person possesses in his capacity as trustee, including the actual identity of the actual beneficiaries of the financial instruments in relation to which he is directly or indirectly a trustee.

(8) Any person receiving a request by the Commission for the provision of information under this section shall be obliged not to disclose it in any way and to treat it in full confidentiality.

Power of the Commission to carry out inspections.

33.-(1) For purposes of inspecting the compliance of the persons who are subject to its competence with any of the provisions of this Law and the relevant legislation, the Commission may carry out inspections and, for these purposes, it may request and inspect information, enter offices and places of work of the persons under investigation and inspect the records, books, accounts, other documents and data stored in computers and take copies or extracts thereof:

Provided that the Commission may take extracts of records, books, accounts, other documents and data if it has reasonable suspicions that these extracts may become useful for purposes of proving in any criminal proceedings any violation or failure to comply with the provisions of this Law or with regulations or directives issued under this law or with the relevant legislation.

56(l) of 2019

56(l) of 2019

(2) In case of refusal to allow access to information, records, books, accounts, other documents or data stored in computers, the Commission may proceed with the immediate confiscation of the relevant information,

records, books, accounts and other documents and data as well as of the electronic data storing and transfer medium:

Provided that the Commission shall return any confiscated item under the provisions of this subsection to its holder, as soon as the purpose for which it proceeded with the confiscation is fulfilled and in any case within forty-five days from the day of confiscation.

(3) The information provided to the Commission in the exercise of its powers shall be confidential and may be used only for the purposes of exercising its responsibilities:

Provided that, if during the carrying out of an inspection any evidence arises which may constitute a possible violation of the provisions of this Law or the relevant legislation, then this evidence may be used for taking further action in accordance with sections 35, 36, 37 and 38, without the Commission being obliged to proceed with a new collection information or to conduct a new investigation.

(4) Any person to whom the inspection notice of the Commission is addressed shall be bound to provide the requested information timely, fully and accurately.

56(l) of 2019

(5) In case any person refuses to comply with its notice for the carrying out of an inspection or in case such person presents or produces incomplete or false or falsified records, books, accounts or other documents or data or information, the Commission shall have power to impose to such person -

(a) an administrative fine in accordance with the provisions of section 37, and/or

- (b) an administrative fine not exceeding the amount of eight hundred and fifty euro (€850) for every day during which such refusal or violation continues.

(6) The Commission may request the assistance of the Police in order to be able to exercise its powers in accordance with the provisions of this section.

Power of the Commission to enter and investigate.

34.-(1)(a) The Commission may carry out investigations which are necessary for the exercise of its responsibilities or for investigating a possible violation of the obligations imposed in pursuance of this Law or the relevant legislation and, to this end, it may request and collect information, enter offices and places of work and inspect records, books, accounts, other documents and data stored in computers and to take copies or extracts thereof:

Provided that the Commission may take extracts of records, books, accounts, other documents and data if it has reasonable suspicions that these extracts may become useful for purposes of proving in any criminal proceedings any violation or failure to comply with the provisions of this Law or with regulations or directives issued under this law or with the relevant legislation:

56(l) of 2019

56(l) of 2019

(b) In case any person refuses to provide access to information, records, books, accounts as well as other documents and data stored in computers, the Commission may proceed with the immediate confiscation of the relevant information, records, books, accounts and other documents and data and the electronic data storing and transfer medium:

Provided that the Commission shall be obliged to return any confiscated item under the provisions of this subsection to its holder, as

soon as the purpose for which it proceeded with the confiscation is fulfilled and in any case within forty-five (45) days from the day of confiscation.

(2) The Commission may carry out investigations in premises of any natural or legal person that is subject to the competence of the Commission in pursuance of the provisions of this Law or the relevant legislation and to any other person which the Commission, at its absolute discretion, considers that he is in a position to provide the required information and data.

(3) The investigation shall be carried out following a notice of the Commission either sent beforehand or served on the person to whom the notice is addressed at the date and time of the investigation.

(4) The notice of the Commission shall be in writing and shall specify the date and time the investigation shall commence, its purpose, the provision upon which the power of the Commission is based and the possible sanctions in case the person to whom the notice is addressed refuses to comply with the notice.

(5) Notwithstanding the provisions of this section, the entry into a residence or the carrying out of an investigation in a residence for the purposes of this Law shall not be allowed, unless this is done under a court order.

(6) The Commission may call any persons who may have evidence or know anything relating to the investigation which is being carried out to testify and designate a member of the Board or an officer of the Commission or any other person to hear the attestation and take, on its behalf, a written or recorded deposition by these persons, who must appear before the designate person and provide the information they have.

(7) Any person to whom a request by the Commission is addressed shall be obliged to comply timely, fully and accurately.

56(l) of 2019

(8) In case any person refuses to comply with a notice for the carrying out of an investigation or with a writ of summons to testify under this section or in case such person does not produce or produces or presents incomplete or false or falsified records, books, accounts or other documents or data or information, the Commission shall have power to impose to such person, without prejudice to its power for confiscation under the provisions of subsection (1) -

- (a) an administrative fine in accordance with section 37, and
- (b) an administrative fine not exceeding the amount of eight hundred and fifty euro (€850) for every day during which the failure to comply continues.

(9) The information coming into the possession of the Commission while exercising its powers shall be confidential and may be used only for the purposes of exercising its responsibilities:

Provided that, if during the carrying out of the investigation any evidence arises which may constitute a possible violation of the provisions of this Law or the relevant legislation, further to the one investigated by the Commission with its written request, then this evidence may be used for taking further action in accordance with sections 35, 36, 37 and 38, without the Commission being obliged to proceed with a new collection information or to conduct a new investigation

(10) During the carrying out of an investigation on behalf of a competent supervisory authority abroad under section 29, the Commission may be accompanied by a person who shall be authorized in writing by the competent supervisory authority abroad as the representative of the said authority.

(11) Any person receiving a request by the Commission under this section shall be bound not to disclose in any way the said request and to treat such request in full confidentiality.

(12) The Commission shall be entitled to request the assistance of the Police in order to be able to exercise its powers in pursuance of this section.

Actions by the Commission in case of violations.

35.-(1) If during the exercise of its power to collect information, carry out an inspection, enter and investigate or from data that have been set before it in any way, the Commission establishes a possible violation of the provisions of this Law or the relevant legislation, it shall act as follows:

(a) in case the possible violation may prima facie constitute a criminal offence under the provisions of this Law or the relevant legislation, the Commission shall draw up its findings or a report of the facts and submit them along with all the information it possesses to the Attorney-General of the Republic;

137(I) of 2018

(b) it shall handle the case by itself and decide whether it is justified to impose an administrative fine or any other measure in accordance with the provisions of section 37 or in accordance with the relevant legislation and proceed with imposing an administrative fine or other measure, irrespective of any criminal liability.

Appointment of investigating officer.  
135(I) of 2015

36.-(1) For the purposes of sections 32, 34, 35 and 50, the Commission may appoint a member of the Board and/or an officer of the Commission and/or any other person to act as investigating officer.

(2) The investigation shall be carried out as quickly as possible.

(3) During the carrying out of the investigation, the investigating officer -

- (a) may be advised and accompanied by a professional advisor, by a person authorized in writing by the competent supervisory authority abroad as representative of the said authority and/or by any other person, and
- (b) may exercise the powers to collect information, enter and investigate in which the Commission is vested pursuant to the provisions of this Law.

(4) The investigating officer may summon and hear the attestation and take a deposition, written or recorded at his discretion, from persons who may have information on or knowledge of the case who shall be obliged to appear before the investigating officer and provide the information they have.

(5) Upon completing his investigation, the investigating officer shall draw up his findings, which shall include his opinions and/or recommendations thereupon, and submit them to the Commission together with all the documents relevant to the case:

Administrative  
fine and  
compromise.  
137(I) of 2018

37.-(1) The Commission, in case it establishes that a person acts in violation of any provision of this Law or in pursuance of the Regulations or directives issued under this Law or the relevant legislation, may impose to such person an administrative fine –

- (a) not exceeding the amount of three hundred and fifty thousand euro, and
- (b) in case of repeated violation, an administrative fine not exceeding seven hundred thousand euro depending on the seriousness of the violation, without prejudice to any other provisions of this Law



or the relevant legislation on the imposition of administrative sanctions.

137(I) of 2018 (1A) Irrespective of the provisions of subsection (1), the Commission imposes the administrative penalties and the administrative measures provided in the European Union acts for the application of which the Commission is appointed as competent authority, either by virtue of the said acts or by virtue of a notification from the Minister.

(2) In case it is proven that the person responsible for the violation obtained illicit gain, which exceeds the amount of the administrative fines specified in subsection (1), the Commission may, as the case may, impose an administrative fine of up to double the amount of the gain which the person responsible has proven to have had obtained illicitly.

65(I) of 2014 (3) Without prejudice to the provisions of subsection (1), the Commission may impose an administrative fine:

- (a) to a legal person, and/or
- (b) to an advisor, manager or officer or any other person in case it is established that the violation is a consequence of his fault, willful omission or negligence.

65(I) of 2014 (3A) Irrespective of the provisions of subsections (1), (2) and (3), the Commission shall not impose an administrative fine under this section on any person, if that person has already been fined by the Commission or other authority, in respect to the same violation and the same facts that establish it.

(4) The Commission may proceed with a compromise of any violation or possible violation, act or omission for which there is reasonable suspicion

that a person has committed in violation of the provisions of this Law or the Regulations or directives issued under this Law or the relevant legislation.

137(I) of 2018 (5)(a) In case the Commission finds that a person does not comply with the circular issued pursuant to the provisions of subparagraph (iii) of paragraph (c) of subsection (1) of section 25, it may impose an administrative fine not exceeding two hundred thousand euros (€200.000), as well as an administrative fine not exceeding the amount of five hundred euros (€500) for each day of continued non-compliance or other violation.

(b) In case of recurrence of the violation, an administrative fine not exceeding four hundred thousand euros (€400.000) is imposed, as well as an administrative fine not exceeding the amount of one thousand euros (€1.000), for each day of continued refusal of compliance or other violation.

Right to be heard.  
137(I) of 2018 38.-(1) Before issuing its decision for a possible imposition of an administrative fine or other administrative measure, the Commission shall be obliged to grant a right to every affected person to be heard and inform him of the rights granted to him under subsection (2).

(2) A person to whom a document shall be communicated under subsection (1) shall be entitled, within a deadline fixed by the Commission and which may be between three and twenty-one days from the said communication, to make written representations to the Commission.

137(I) of 2018 (3) The Commission shall be obliged to take these representations into account before proceeding to the issuance of a decision for the existence or not of a violation, the imposition of an administrative fine or other administrative measure and the determination of the amount.

(4) The Commission may call a person or accept his request to make oral representations in case these are required for the provision of clarifications on the written representations already submitted.

(5) The Commission may give an extension of the deadline set under subsection (2) in case of an impediment or other reasonable cause.

(6) In the case of non-submission of any representations within the fixed deadline, the Commission may proceed to taking measures without further notice.

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(7) The decisions of the Commission to impose an administrative fine or other administrative measure shall be subject to an appeal.

Collection of administrative fines.

39.-(1) An administrative fine imposed by the Commission in accordance with the provisions of this Law or the relevant legislation shall be calculated as revenue to the Treasury of the Republic.

(2) In case of failure to pay the administrative fine or an amount of money set in the context of a compromise, the Commission may -

- (a) take court measures for its collection, in which case the amount due shall be collected as a civil debt;
- (b) take any other measures, which it may determine with a directive thereof.

Acceptance of reports.

40. The Commission may accept or reject, during assessment, reports submitted thereto by any persons or auditors of persons that are subject to the competence of the Commission under this Law and the relevant legislation, or request the submission of such or other reports.

For purposes of application of this section, the Commission, if deems fit, may settle any relevant issue with a directive thereof.

## PART VII – OFFENCES

False statements and withholding of facts.

41. A person who in the course of providing information for any of the purposes of this Law or the relevant legislation makes a false, misleading or deceitful statement as to any fact thereof or conceals a fact or fails to submit facts or in any way impedes the immediate collection of information or the immediate carrying out of inspection or entry or investigation of the Commission, shall commit a criminal offence and shall be subject to a penalty of imprisonment not exceeding five years or to a fine up to one hundred and seventy thousand euro or to both penalties:

Provided that a person acting in the way referred to in this section shall be assumed to be acting knowingly.

Criminal and civil liability for offences committed by legal entities.

42.-(1) The legal entity and any of the members of its board of directors, the general manager, the secretary or other officer or other body of administration of this legal entity, which has been proven to have consented or acted jointly in the commission of the offence shall be criminally liable in relation to the criminal offence provided by section 41.

(2) A person who in accordance with the provisions of subsection (1), is criminally liable for an offence committed by a legal entity, shall be jointly liable or severally with the legal person for all losses suffered by third parties as a result of the act or omission lying behind the offence.

## PART VIII

### REVENUE OF THE COMMISSION – FINANCIAL YEAR – ACCOUNTS – REPORT – FINANCIAL STATEMENTS - BUDGET

Revenue of the Commission.

43.-(1) The revenue of the Commission is as follows:

- (a) the fees and annual contributions and subscriptions paid to the Commission pursuant to the provisions of this Law or the relevant legislation;

- (b) interest and other revenue from the assets of the Commission;
- (c) an annual fixed amount of one million, seven hundred and eight thousand and five hundred euro payable by the Government:

Provided that this amount may be reviewed by the Council of Ministers according to the financial status of the Commission at the time; and

- (d) any amount which is expressly provided by this Law or the relevant legislation.

(2) The Commission may recuperate its expenses for the carrying out of its responsibilities provided for in paragraph (3) of subsection (1) of section 25, by the participants therein or the recipients or by any other person, organization or public authority in the Republic or abroad.

Financial year. 44. The Commission's financial year begins on the 1<sup>st</sup> of January and ends on the 31<sup>st</sup> of December of the same year.

Keeping of accounts. 45. The Commission shall be obliged to keep full and accurate accounts which shall be audited by the Auditor General of the Republic and submitted to the Minister.

Report and financial statements. 46.-(1) Within three months after the end of its financial year, the Commission shall be obliged to draw up and submit to the Minister a report and financial statements of the previous financial year, which should include a balance sheet, an account of income and expenses and statement of origin and disposal of cash as well as the relevant notes.

(2) The report and the financial statements shall be signed by the Chairman of the Board and, before their submission to the Minister, they shall be audited by the Auditor General of the Republic.

(3) In case it is not possible for the report and the financial statements to be audited in due time, the deadline for their audit shall be extended by up to three months and copies of the report and the financial statements submitted for audit shall be forwarded to the Minister for his information.

Annual Budget. 47.-(1) Three months prior to the beginning of the new financial year, the Commission must draw up and submit the budget for the following financial year in accordance with the provisions of the Public Entities (Voting of Budget) Law.

194 of 1987  
318 of 1987  
52 of 1988  
69 of 1989  
186 of 1991  
19(I) of 2001.

(2) Any surpluses of the Commission shall be transferred to a reserve, which shall be the property of the Commission and shall be disposed of following approval by the Council for any investment purpose not related to the capital market.

(3) The Commission may invest any surplus in government bonds and treasury notes and use its reserves to cover operational expenses within the framework of its budget.

## PART IX – INTERNAL ORGANIZATION OF THE COMMISSION

Internal organization of the Commission. 48.-(1) The Board may employ employees on a permanent or temporary basis in accordance with the provisions of the Regulations issued in pursuance of this Law.

(2) The internal organization of the Commission, its administrative structure, the personnel employment schemes and other operational and organizational issues shall be regulated by Regulations:

Provided that these Regulations may not set terms of employment less favourable than those in force at the time of entry into force of this Law for the personnel in the employment of the Commission at that time.

(3) Persons who at the entry into force of this Law are members in the employment of the Commission -

- (a) shall continue to serve the Commission without prejudice to the terms of employment, the seniority, the appointment, the promotion and their pension benefits, and
- (b) for purposes of calculating their service, it shall be considered that they have been employed in the service of the Commission as from the date of their employment to the Commission under an employment agreement.

An office implying direct or indirect participation in the exercise of public power and the safeguarding of the general interests of the state.

49. Irrespective of the provisions of section 48, an office implying direct or indirect participation in the exercise of public power and the safeguarding of the general interest of the state shall be determined as such by a decree of the Council of Ministers published in the Official Gazette of the Republic.

Assignment of inspection/investigation to third parties.

50.-(1) The Board may assign to any person the carrying out of inspections or investigations on persons who are subject, under the provisions of this Law and the relevant legislation, to the supervisory competence of the Commission.

56(I) of 2019

(2) The persons delegated under subsection (1), may exercise during the carrying out of inspections or investigations, the powers and responsibilities vested in the Commission in accordance with the provisions of sections 32, 33 and 34 of the present Law.

(3) The persons who are subject to inspection or investigation shall be obliged to place at the disposal of the Commission and the delegated persons all the data and information required for the exercise of the inspection or investigation.

(4) The persons to whom the inspections or investigations are assigned shall draw up a report after completing their work in the case of an inspection or a finding in the case of an investigation and submit it to the Board for a decision to be taken.

(5) In cases where administrative or potential criminal violations arise as a result of the inspection or investigation, the expenses for the appointment of the delegated persons, under subsection (1) of this section, may be borne by the person that is being inspected or investigated, at the discretion of the Commission.

Assignment of tasks to experts.

51. The Board may assign, as the case may be, the carrying out of a specific task to persons of known special experience and training, capable of assisting the Commission in the exercise of its responsibilities.

## PART X – DISCIPLINARY OFFENCES

Disciplinary offences.

52. A person in the service of the Commission who is convicted of the offence of violation of his duty of confidentiality and observance of the rule of professional secrecy provided in section 31 or who is convicted of an ignominious offence or an offence of moral turpitude or acts in violation of his terms of service or the lawful decisions or instructions of the Board or his



supervisor, commits a disciplinary offence punishable in accordance with the provisions of Regulations issued pursuant to this Law.

Competent disciplinary body.

53.-(1) The Board shall be the competent disciplinary body for the exercise of disciplinary control over persons in the employment of the Commission.

(2) The Board shall address disciplinary violations ex officio or following a complaint submitted thereto for investigation in accordance with the disciplinary procedure determined for this purpose.

(3) The Board may suspend the accused person while the complaint against him is being investigated until the issuance of a decision on the disciplinary offence.

Disciplinary procedure.

54. The Commission by Regulations issued pursuant to the provisions of this Law may determine issues concerning the disciplinary procedure followed before the Board during the hearing of disciplinary offences and all other issues relating to the disciplinary liability of the Commission's employees which require regulation.

## PART XI – FINAL PROVISIONS

Issuance of Regulations.

55.-(1) The Commission may issue Regulations, which shall be submitted through the Minister to the Council of Ministers for approval and published in the Official Gazette of the Republic for the regulation of any issue for which this Law provides the issuance of Regulations.

(2) Regulations issued in pursuance of this Law shall be submitted to the House of Representatives and if within sixty days from their submission, the House of Representatives by its decision does not amend or nullify these Regulations in whole or in part, they shall be published immediately after the expiry of the above deadline in the Official Gazette of the Republic.

(3) In case of amendment to the Regulations issued in pursuance of this Law in whole or in part by the House of Representatives, these shall be published in the Official Gazette of the Republic as amended.

(4) Regulations issued in pursuance of this Law shall enter into force at the date of their publication in the Official Gazette of the Republic, unless otherwise provided therein.

Issuance of  
directives.  
137(I) of 2018

56.-(1) Without prejudice to the provisions of this Law which provide for the issuance of directives, the Commission may by a directive regulate any issue which requires or may be subject to determination or clarification for the application of the provisions of the present Law and the relevant legislation.

137(I) of 2018

(2) (Deleted)

137(I) of 2018

(3) The Circular issued pursuant to subparagraph (iii) of paragraph (c) of subsection (1) of section 25, shall enter into force at the date of its publication in the Commission's webpage, unless otherwise provided therein.

137(I) of 2018

(4) Failure to comply with directives and circulars issued by the Commission pursuant to the provisions of the present Law or the relevant legislation entails the penalties provided by the Law.

Minister's issue  
of notification.  
65(I) of 2014

56A.- The Minister can issue a notification, published in the Official Gazette of the Republic, with which it identifies and authorises the Commission to act as the competent authority for the implementation of any act of the European Union.

Affirmation of  
allegiance and  
confidentiality.  
135(I) of 2015

57.- A persons who assumes the duties of Chairman, Vice-Chairman, member of the Commission, employee, advisor or investigating officer, shall be obliged before assuming his duties, to sign and deliver to the Commission an affirmation of allegiance and confidentiality which shall be observed during the exercise of his duties.

Abolition.  
64(I) of 2001  
157(I) of 2002  
187(I) of 2004  
44(I) of 2007.

58.-(1) The Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws of 2001 to 2007 shall be hereby abolished.

(2) In case a Law other than this Law or a regulative administrative act or personal administrative act refers to the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law, which is abolished under subsection (1), the said reference shall be considered to be a reference to this Law, *mutatis mutandis*.

Transitional  
provisions.

59.-(1) The directives and Regulations issued in pursuance of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws of 2001 to 2007, unless they are contrary to the provisions of this Law, shall continue to apply as if they had been issued under this Law, until they are amended or abolished.

(2) The individual administrative acts issued by the Commission shall continue to apply under the terms and conditions under which they have been issued, unless amended or revoked by the Commission.

(3) The appointment of every member of the Commission who is serving on the Board of the Commission at the date of entry into force of this Law, made in pursuance of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws of 2001 to 2007 shall continue to

apply until the position of such member becomes vacant, in accordance with the provisions of sections 15, 16 and 17 or subsection (4) of this section.

(4) The Council of Ministers may terminate the office of any of the members of the Board, appointed in pursuance of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Laws of 2001 to 2007 and are serving on the Board of the Commission at the date of entry into force of this Law.

(5) The Commission shall continue the procedure of concluding cases, examining complaints and carrying out ex officio investigations which at the date of entry into force of this Law are pending before it, in accordance with the provisions of this Law, without the validity of its relevant decisions being in any way affected.