



CYPRUS SECURITIES AND EXCHANGE COMMISSION

DIRECTIVE DI73-2009-01 of 2012
OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION
ON THE CREDIT RATING AGENCIES

ORDER OF PARAGRAPHS

PART I	INTRODUCTORY PROVISIONS
Paragraph 1	Short Title
Paragraph 2	Definitions
Paragraph 3	Purpose and Scope
PART II	CHARGES AND ANNUAL FEES
Paragraph 4	Charges for the submission of applications and notifications
Paragraph 5	Payable annual fees
PART III	LANGUAGE OF SUBMISSION OF APPLICATIONS
Paragraph 6	Language of submission of applications
ΜΕΡΟΣ V	FINAL PROVISIONS
Paragraph 7	Repeal of Directive DI73-2009-01 of 2011
Paragraph 8	Entry into force
APPENDICES	
First	Charges
Second	Annual Fees

The Cyprus Securities and Exchange Commission, in accordance with the power vested in it by virtue of section 56 of the Law Regulating the Structure, Responsibilities, Powers, Organisation of the Cyprus Securities and Exchange Commission and Other Related Issues of 2009, issues the following Directive:

PART I
INTRODUCTORY PROVISIONS

Short title	1. This Directive will be cited as the Directive on the Credit Rating Agencies of 2012.
Definitions	2. For the purposes of this Directive, unless the context shall prescribe otherwise: ‘applicant for registration’ means the CRA which submits application for registration pursuant to the provisions of article 15 of the Regulation; ‘applicant for certification’ means the third country CRA which submits application for certification pursuant to the provisions of article 5 of the Regulation;

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73(I)/2009 **'Commission'** means the Cyprus Securities and Exchange Commission according to the provisions of section 4(1) of the Cyprus Securities and Exchange Commission Law of 2009;

2001/527/EC **'CESR'** means the Committee of European Securities Regulator that was established under the terms of the European Commission's Decision of 6 June 2001 (2001/527/EC) which was repealed and replaced by the Commission Decision of 23 January 2009 (2009/77/EC);

2009/77/EC

Official Journal
of the European
Union: L 302
17.11.2009 **'Regulation'** means the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies;

'Cyprus credit rating agency' or **'CCRA'** means the CRA which is incorporated in the Republic and registered in accordance with the provisions of the Regulation;

144(I)/2007
106(I)2009 **'member state'** has the meaning attributed to this term by section 2 of the Investment Services and Activities and Regulated Markets Law of 2007, as in force;

'turnover' means the income resulting from the performance of credit rating activities and the provision of ancillary services by a CCRA or third country CRA which has been certified in the Republic pursuant to the provisions of article 5 of the Regulation;

'Law' means the Cyprus Securities and Exchange Commission Law of 2009, as in force;

'Credit Rating Agency' or **'CRA'** has the meaning attributed to this term by article 3 of the Regulation;

'third country' has the meaning attributed to this term by section 2 of the Investment Services and Activities and Regulated Markets Law of 2007, as in force;

Terms used in the present Directive which are not interpreted differently shall have the meaning given to them by the Law or the Regulation.

Where in the present Directive reference is made to the Law, this includes the Regulatory Administrative Decisions issued thereof.

- Purpose and scope **3.** (1) This Directive regulates issues concerning the registration, certification and supervision of the persons referred to in subparagraph 2.
- (2) This Directive applies to:
(a) applicants for registration
(b) CCRA's,
(c) applicants for certification,
(d) third country CRAs which have been certified in the Republic pursuant to the provisions of article 5 of the Regulation.

PART II CHARGES AND ANNUAL FEES

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| Charges for the submission of applications and notifications
First appendix | 4. | (1) | The persons mentioned in paragraph 3(2) pay to the Commission charges as determined in the First Appendix. |
| First appendix | | (2) | The charges determined in paragraphs 1, 5 and 6 of the First Appendix are paid to the Commission within ten (10) days from the date on which the Commission receives copies of the application of registration or certification by CESR, as provided in article 15 of the Regulation. |
| First Appendix | | (3) | The charges determined in paragraphs 2, 3, 4 and 7 of the First Appendix are paid to the Commission with the submission of the relevant applications or notifications. |
| First Appendix | | (4) | In the occasion of non-payment of the charges provided in the First Appendix, the applications or notifications shall be considered as not submitted to the Commission. |
| Annual fees
Second
Appendix | 5. | (1) | The persons mentioned in paragraph 3(2)(b) and (d) pay annual fees to the Commission, as determined in the Second Appendix. |
| | | (2) | The first paid annual fee shall be calculated in proportion to the period of the year in which the persons of subparagraph (1) have been registered or certified. Specifically, when calculating the annual fee, the month in which the persons of subparagraph (1) have been registered or certified shall be taken into account, not their day of registration or certification. |
| | | (3) | The annual fees of subparagraph (1) are paid within four (4) months since the end of each financial year, together with the submission to the Commission of Form 73-01-01. |

**PART III
LANGUAGE OF SUBMISSION OF APPLICATIONS**

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| Language of submission of applications | 6. | (1) | The persons of paragraph 3(2)(a) and (c) submit an application for registration, according to the provisions of article 15 of the Regulation, or an application for certification, according to the provisions of article 5 of the Regulation, in Greek or in English and also in a language customary in the sphere of international finance. |
| | | (2) | In the occasion where the Commission is the only member of a college, which is established according to the provisions of article 29 of the Regulation, the applicant for registration or the applicant for certification submits the application for registration or certification accordingly, in Greek or English. |

**PART IV
FINAL PROVISIONS**

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| Repeal of Directive DI73-2009-01 of 2010

Official Gazette of the Republic, Annex III(I): 17.10.2011 | 7. | | The Commission's Directive regarding the credit rating agencies, with reference Regulatory Administrative Decision (Κ.Δ.Π.) 420/2011, is hereby repealed and substituted by the present Directive. |
| Entry into force | 8. | | The present Directive shall enter into force on the day of its publication in the official Gazette of the Republic. |

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FIRST APPENDIX
Charges
(paragraph 4)

	<u>Relevant article in the Regulation</u>	<u>Payable fee</u>
1.	Article 5 – Application for certification of a third country CRA	Ten thousand (10.000) euro
2.	Article 5 – Application, from a third country CRA which has been certified in the Republic, for exemption from the obligation to comply with the requirements of Annex I, Section A and Article 7(4) of the Regulation.	Two thousand (2.000) euro
3.	Application 5 – Application, from a third country CRA which has been certified in the Republic, for exemption from the requirement of physical presence in the European Community.	Two thousand (2.000) euro
4.	Article 6(3) – Application, from a CCRA, to be exempted from the obligation to comply with the requirements of Annex I, Section A, points 2,5 and 6 and Article 7(4) of the Regulation.	Two thousand (2.000) euro
5.	Article 15 – Application for registration from a single CRA (not member of a group of CRAs)	Twenty thousand (20.000) euro + five hundred (500) euro for each ancillary service + five hundred (5000) euro for endorsement
6.	Article 15(2) – Application for registration from a member of a group of CRAs	Forty thousand (40.000) euro + five hundred (500) euro for each ancillary service + five hundred (5000) euro for endorsement
7.	For each true copy issued by the Commission	Twenty (20) euro

SECOND APPENDIX
Annual fees
(paragraph 5)

1. A CCRA or third country CRA, which has been certified in the Republic pursuant to the provisions of the Regulation, pays annual fees, which is the product of its turnover, according to the annual financial statements of the previous year, multiplied by the percentage of 0.5%, abiding to the provisions of paragraphs (2) and (3).
2. In the occasion where the Commission-

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- α) is the only member of a college, which is established pursuant to the provisions of Article 29 of the Regulation, the minimum annual fee to be paid is the amount of ten thousand (10.000) euro.
 - β) participates in a college, which consists of more than one competent authorities, the minimum annual fee to be paid is the amount of twenty thousand (20.000) euro.
3. The maximum annual fee to be paid is the amount of seventy thousand (70.000) euro.

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