



**HELLENIC REPUBLIC**  
**HELLENIC CAPITAL MARKET**  
**COMMISSION**



***ANNUAL REPORT 2020***

***MARCH 2021***

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## A NOTE FROM THE CHAIR

*The year 2020 was a peculiar one for the economy and, in particular, for the capital market, mainly because of the COVID-19 pandemic and the efforts made to deal with its consequences. The situation was further aggravated by concerns about the outcome of the United Kingdom's exit from the European Union (Brexit), which was effected by means of a final agreement between the UK and the EU at the end of 2020.*

*The COVID-19 pandemic, which grew into a global health crisis, hitting all EU member states and plunging the globe into a sudden and deep recession, inevitably had a major effect on Greece's economy. The extent of the consequences of the pandemic, as well as the speed and magnitude of economic recovery, vary significantly across countries and regions. Despite a firm, coordinated, and bold economic response at both the national and international levels, there are still many aspects of uncertainty, especially in relation to the duration of the crisis and the extent to which it will affect people's lives and the economy. European institutional bodies and member states sought to facilitate Europe's economic recovery with a series of support measures, amounting to 540 billion euros to support the European economy.*

*Macroeconomic conditions in the EU were improved during the second half of 2020, on the back of strong economic recovery in the third quarter of the year, as the measures for containing COVID-19 were gradually lifted across the Union. The resurgence of the pandemic in the last quarter of 2020 led once again to very high economic uncertainty, despite the progress made as regards the development and availability of vaccines by 2021. The European Commission, in its Autumn Economic Forecasts, revised its 2020 GDP growth estimate slightly upwards to -7.4% (from -8.3%). Despite the further recovery projected for 2021 (+4.1%) and 2022 (+3%), EU GDP is not expected to return to pre-COVID-19 levels until 2022. That said, macroeconomic uncertainty was not, in general, reflected on funds' valuations and market volatility, which rebounded near or above pre-crisis levels, thus highlighting the persistent threat of decoupling from fundamentals.*

*Similarly, Greece's macroeconomic aggregates were decisively affected by the pandemic crisis, the economic consequences of which are evident in: production and employment, in conjunction with domestic demand and the foreign sector. This emergency situation led to the suspension of Greece's obligation to achieve a General Government primary surplus of 3.5% subject to enhanced surveillance, thus offering more leeway in the effort to support the economy. The relaxation of macroeconomic targets was effected through the provision of the Stability and Growth Pact regarding unusual events, as well as a special escape clause.*

*Services, and in particular tourism and transportation, two labour-intensive sectors that affect employment, incomes, and economic expectations, were dealt a severe blow in all countries, including Greece. In Greece, uncertainty regarding these crucial developments soared since March 2020, while further restrictions on citizens movement were introduced in November 2020, with the aim of safeguarding public health. During this period, most countries, including Greece, took wide-ranging and extensive measures for supporting their economies, which implemented a dynamic expansionary fiscal and macroprudential policy, following similar actions at the European level.*

Central banks left their monetary stance unchanged. During 2020, the European Central Bank expected that its main interest rates would remain at current, or lower, levels, until there are clear signs of inflation. As a further response to the COVID-19 crisis, the ECB increased its Pandemic Emergency Purchase Programme (PEPP), which applies to both private and public sector securities, to 1.85 trillion, and extended it until, at least, March 2022. Banks and insurance companies solvency is much higher than it was during the Global Financial Crisis. At the same time, bank profitability was under pressure, in an environment of weak economic activity and increased credit risk.

The Brexit deal reached in December alleviated political uncertainty in the short term, and removed the possibility of catastrophic effects in January 2021.

During the second half of 2020, equity and fixed income markets continued to recover from the large corrections of the first semester: Equity valuations in the EU were up by 10% in the second half of 2020, remaining slightly below pre-COVID-19 levels, with major discrepancies among member states and among sectors, while valuations in fixed income markets continued to increase across all sectors and ratings, especially during the third quarter of 2020. Riskier issues, such as high-yield corporate bonds and emerging market debt, are now valued above pre-COVID-19 levels, reflecting renewed investor interest in yield-seeking.

The course of the Greek capital market in 2020 was marked by a) a decrease in the total market capitalisation of ATHEX-listed shares, with the returns of the main and sectoral indices of the Athens Exchange moving downwards; b) reduced trading activity in the Securities Market and the Derivatives Market, but increased trading activity in the Alternative Market of the ATHEX; c) the increase of issuing activity in long-term Greek Government bonds, and the marked drop in their yields; d) the growth of issuing activity in corporate bonds, and the reduction of activity in equities; and, finally, e) net inflows to, and an increase in the total net assets of, mutual funds, despite the initial outflows at the beginning of the pandemic, albeit with mixed results in terms of returns.

In relation to the Greek Government bonds market, yields across most maturities were perceptibly lower at the end of 2020 than they were at the end of 2019, with the (average) yield on the 10-year benchmark bond falling to 0.63% in December 2020 from 1.42% in December 2019 and 4.28% in December 2018. This trend confirmed the gradual restoration of normality in the economy, which had already begun in the second half of 2019, as the country tapped international sovereign debt markets to obtain significantly lower-cost funding to finance its needs comparing to the past.

Moreover, based on statistics from the System for Monitoring Transactions in Book-entry Securities of the Bank of Greece, the nominal value of secondary market trading on Greek Government bonds increased year-on-year (21.1%) to 442 billion euros in 2020, from 365 billion euros in 2019. The average monthly nominal value of trading stood at 36.83 billion euros, as compared to 30.42 billion euros in 2019. The value of transactions in the Electronic Secondary Government Bonds Market (HDAT) rose to 23.26 billion euros from 8.54 billion euros in 2019.

Activity in the primary market for long-term debt securities consisted of eight syndicated and special issues worth 16 billion euros, as compared to 12.8 billion euros in 2019. As regards the issuance of Treasury bills, the total amount raised in 2020 stood at 23.6 billion euros, as compared to 27.86 billion euros in 2019. The average cost of borrowing rose to 0.96%, from 1.7% in 2019.

*Dealing with the large volumes of Non-Performing Loans (NPLs) accumulated in banks' assets over the years of the crisis, continued to pose a great challenge for the course of the Greek economy. It is important, however, that the state made a concerted effort through the creation of a framework for providing guarantees to bank securitisations, leading to a substantial reduction of non-performing exposures, and this effort is expected to be sustained equally effectively in 2021.*

*In relation to the Securities Market, in 2020 the total market capitalisation of shares listed on the Securities Market of the ATHEX registered a year-on-year decrease of 12.7%, and stood at 53,431.51 million euros in December, as compared to 61,217.27 million euros at the end of 2019. The ratio of the total market capitalisation to Greece's GDP stood at 32.22% at the end of 2020, as compared to 32.66% at the end of 2019 and 24.18% at the end of 2018. The market capitalisation of shares listed for trading in the Alternative Market of the ATHEX stood at 154.49 million euros at the end of 2020, as compared to 145.04 million euros at the end of 2019, increased by 6.5% year-on-year.*

*Trading activity in the Securities Market of the Athens Exchange was reduced in 2020. More specifically, the value of equity trading stood at 15,968 million euros, reduced by -2.54% year-on-year, while the value of trading in bonds stood at 190.23 million euros, reduced by -20.29% year-on-year. The value of trading in the Alternative Market of the Athens Exchange was substantially improved and stood at 25.97 million euros, as compared to 5.13 million euros in 2019. Thus we can see that the positive course of the Athens Exchange near the end of 2019 was interrupted at the beginning of 2020, mainly as a result of concerns regarding the impact of the COVID-19 pandemic, which had a strong effect on both international and Greek markets, mainly manifested in an abrupt drop in prices and increased volatility.*

*During the same period, the Hellenic Capital Market Commission took all the necessary steps to ensure its uninterrupted operation, which included immediate actions for the remote access of its executives and staff. Moreover, it was in constant communication and coordination with other EU regulators on issues pertaining to the supervision of EU markets, jointly issuing announcements on individual topics.*

*It should be noted, that the Hellenic Capital Market Commission actively participates in all standing committees of the European Securities and Markets Authority (ESMA), as well as in the Joint Committee of the three European Supervisory Authorities (ESMA, EBA, EIOPA) groups, contributing to the joint formation of a European supervision framework, and trying to accommodate the particular features of the Greek market. In 2020, I had the honour of unanimously being elected by the Boards of the three European Supervisory Authorities (ESMA, EBA, EIOPA) as Chair of the Joint Committee of Securitisations, which is responsible for overseeing the formation of the regulatory framework governing securitisations in Europe, a subject of great importance for the Greek market.*

*Moreover, on December 16, 2020, I had the honour of being elected, also unanimously, by the Board of Supervisors of ESMA, as a member of its Management Board, for a term from January 1, 2021 to June 2023. The main role of the Management Board is to ensure that the Authority faithfully carries out its mission, in accordance with its Regulation, and supervises the processing of issues pertaining to management and coordination. This election is a positive development for the Hellenic Capital Market Commission, as it is a recognition of its contribution to this European institution, in a period when major developments are underway in European and international capital markets.*



*In addition, throughout 2020 the HCMC continued to actively contribute to the formation of our country's positions towards the European framework, with specific proposals regarding individual European legislation, as well as to prepare, as part of its regulatory responsibilities, new draft laws for strengthening the capital market.*

*Moreover, in order to achieve further modernisation of the capital market and the development of a more secure framework, in line with the requirements of the European Capital Markets Union, the Management of the HCMC set new targets, apart from the existing ones, based on the triptych a) enhancing prudential supervision, b) utilising technology, and c) contributing to the revision of national legislation, with the aim of ensuring the more efficient operation of the capital market. The new targets pertain to the digital transformation of the HCMC, a more efficient data utilisation through the use of technology, as well as sustainability and acceleration of supervisory convergence, targets which are all identical to those of other EU supervisors.*

*As regards the contribution of the HCMC to the revision of national legislation, it should be noted that, following a proposal by the HCMC, Law 2020/4706 was adopted in July 2020; this law includes provisions on a) the corporate governance of listed companies, which had been included from the very beginning as one of the Management's priorities, for the purposes of modernising the relevant framework; b) regulations concerning the incorporation of EU law on capital market issues; c) the adoption of a special type of alternative investment fund in the form of a mutual fund – an option that was not available in Greece until today; and d) individual amendments of national legislation, regarding matters that needed improvement or regulation (such as matters pertaining to the listed companies Audit Committee, and other matters related to the organisation of the HCMC). As regards corporate governance in particular, it is worth noting that the legislative initiatives aim at strengthening internal and external company audit mechanisms, increasing the efficiency of the companies' boards of directors, establishing more independence criteria regarding independent directors and ensuring their meaningful intervention in a company's operations, as well as improving and streamlining the organisation of the companies themselves, in order to fully cover transparency requirements and enhance the rights of minority shareholders. In the three months following the adoption of this framework, the HCMC also proceeded to the issuance of Decisions and Guidelines on more specific matters provided for by said law, in order to contribute to the timely and proper preparation of listed companies by 17 July 2021, when the new provisions shall fully come into force.*

*The Management has also been working on innovative interventions in the operation of the capital market, as a growth driver for the Greek economy, through the analysis of new products that, if properly designed, could contribute to the capital market's operation as an alternative source of financing. It is confident that the capital market can be a key growth driver for the Greek economy, by providing funding to essential business needs and meaningful investment plans for the real economy, which may be deployed once the COVID-19 pandemic is in remission and has been contained. In general, the aim of the initiatives that have been taken by the Hellenic Capital Market Commission, and currently are at various stages of elaboration, is to participate in reforming the national framework, wherever necessary, through the formation of the appropriate strategy for the Greek Capital Market, which will contribute to the creation of a regime that will be attractive and, at the same time, safe for all market participants.*

*As regards the enhancement of prudential supervision, the HCMC took major steps for the provision of more complete information and the prevention of uncertainty in the interpretation of capital market legislation, with the aim of preventing market distortions and failures. For example, it performed systematic audits regarding the platforms that seek to attract clients in Greece, detecting a multitude of violations, which are made public and communicated to investors via the HCMC website. More specifically, the HCMC intervened in the case of 9 platforms in 2020, issuing the relevant investor warnings and taking any other necessary measures, administrative and legal, for protecting the public. It also issued a special statement on online fraud, in order to inform investors about the problem and about what they should do each time a person contacts them proposing an investment. We considered that it was imperative to take measures, such as the above, given that the increased use of the Internet and the widespread implementation of telecommuting had led to a rise in investment fraud cases.*

*In relation to active supervision, one of the main tasks of the HCMC, ensuring the orderly functioning of the market, it should be noted that in 2020 the Hellenic Capital Market Commission levied total fines of €1,877,936 on a total of 55 cases of violation of capital market legislation by individuals and legal persons and, more specifically, 10 Investment Firms, FIFs, MFMFs, and Banks, 20 listed companies, 11 individuals, and 14 other legal entities.*

*The mandate of the Hellenic Capital Market Commission was further expanded with the supervision of Virtual Assets Services Providers, albeit only as regards matters pertaining to money laundering, and not to investor protection, as this is the subject of the proposal for a “Regulation of the European Parliament and of the Council on Markets in Crypto-assets”, which was published by the European Commission and is now being processed by the competent European bodies. The supervision of these specific issues is a great challenge for the HCMC, since there is a great number of “exchange service providers” in the country, and also a large number of platforms in operation.*

*It should be noted that one of the main purposes of the Hellenic Capital Market Commission is to enhance its own organisation, since, among other things, it needs to be adequately staffed, since a large body of legislation was adopted European-wide in the past few years, significantly increasing the workload related to, as well as the complexity of, capital market supervision.*

*More specifically, the Hellenic Capital Market Commission submitted a complete proposal for a draft law to the Ministry of Finance, which aims at the adaptation and modernisation of the provisions governing the operation of the HCMC, based on the provisions of European legislation and the standards applicable to capital market supervisors as regards operational and financial independence. The aim of these provisions is to establish a modern framework that will enable the HCMC to respond more swiftly and effectively to the increasingly complex supervisory and auditing responsibilities that have been assigned to it, within a constantly changing European regulatory environment.*

*Apart from that, it started working on its digital reform, a key objective of the HCMC as regards improving the efficiency of its operations. The HCMC has launched the plan for its digital reform and transformation, taking into account the challenges of the new era and the advantages offered by the utilisation of data, in order to increase the efficiency of its operations. Indeed, said priorities are shared by all European supervisors.*

*Moreover, in the forthcoming period the focus will also be on sustainability issues and on ESG criteria, which are rapidly being incorporated into capital market legislation.*

*In general, the ultimate goal of the Management of the Hellenic Capital Market Commission, both in terms of supervisory and regulatory perspectives, will continue to be the establishment of the appropriate conditions that will render the Greek capital market –to the extent possible– more secure, more attractive and more competitive in the European and international scene. This is where our efforts are focused, as we look forward to the improvement of conditions in the global economy.*

*This ambitious plan can only be realised by highly qualified executives, such as those comprising the staff of the Hellenic Capital Market Commission. Today, the requirements for regulators are increased , as a result of the plethora of European and national financial sector legislation adopted in the past few years, as well as the new priorities that have been set at the pan-European level. I would like to praise the staff of the Hellenic Capital Market Commission on their work, which they are carrying out consistently, diligently, and professionally, under conditions of intense pressure that mainly result from increased workload and staff shortages. A warm thank to them.*

*Vassiliki Lazarakou, JD*

*Chair of the Hellenic Capital Market Commission*

*Member of the Management Board of the European Securities and Markets Authority (ESMA)*

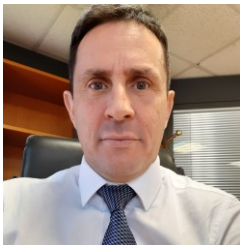
**PART ONE**  
**THE HELLENIC CAPITAL MARKET COMMISSION**

***BOARD OF DIRECTORS***

*As of September 5th, 2019, the Board of the Hellenic Capital Market Commission comprised the following members:*



*VASSILIKI LAZARAKOU, JD, Chair, Lawyer,  
Member of the ESMA Management Board  
Chairperson of the Joint Committee Sub-Committee on Securitisation*



*NIKOS KONTAROUDIS  
First Vice-Chair, Economist*



*ANASTASIA STAMOY  
Second Vice-Chair, Lawyer*



*CHRISTINA PAPAKONSTANTINOY*

*Member, Lawyer, Bank of Greece Representative*



*NIKOLAOS PORFIRIS (Until 4.8.2020)*

*Member, Economist, Athens Exchange Representative*



*PANAGIOTIS GIANNOPOULOS (Since 5.8.2020)*

*Member, Economist, Representative of the Hellenic Accounting  
and Auditing Standards Oversight Board*



*SPYROS SPYROU*

*Member, Professor of Finance-Athens University of Economics and Business*



ANASTASIOS VIRVILIOS

Member, Lawyer

*The Board of Directors of the Hellenic Capital Market Commission consists of seven members: the Chairman, two Vice-Chairpersons and four members. The Chairman of the Board is appointed by the Minister of Finance, and approved by the competent committee of the Greek Parliament. The two Vice Chairmen, as well as the other four members are appointed by decision of the Minister of Finance.*

*The members of the Board are prominent and prestigious persons, with expertise and experience on capital market issues. They exercise their duties under conditions of total personal and operational independence, are only bound by the law and their conscience. The Chairman and the two Vice-Chairmen are employed full time. The Board is appointed for a five-year period.*

*The Board of Directors of the HCMC is entrusted, among others, with the following tasks: general policy-making, the introduction of rules and regulations, the granting and revoking of licenses, the imposition of sanctions, and drafting the annual budget.*

*The Board of Directors is convened by its Chairman and meets at least twice a month, provided that at least four (4) of its members are present.*

## **OBJECTIVES AND TASKS**

*The Hellenic Capital Market Commission was established by Law 1969/1991 and Law 2324/1995, with the purpose of protecting investors and ensuring the smooth operation of the Greek capital market, which is one of the Greek economy's major growth drivers. Both the management and staff of the HCMC are provided, by virtue of European and Greek legislation, with functional and personal independence guarantees in regard to accomplishing their mission.*

*According to the law, the HCMC has its own exclusive resources and is not financed by the State Budget. The Commission's annual budget is drafted by its Board of Directors and approved by the Minister of Finance.*

*The Hellenic Capital Market Commission submits its annual report to the Speaker of the Hellenic Parliament and the Minister of Finance. The Chairman of the Hellenic Capital Market Commission is summoned by the competent Commission of the Parliament, to provide updates on capital market issues.*

*The Hellenic Capital Market Commission is a member of the European Securities and Markets Authority (ESMA). The Chairman of the Hellenic Capital Market Commission is a member of the senior administrative body of ESMA, the Board of Supervisors.*

*Furthermore, the Commission is also a member of International Organization of Securities Commissions (IOSCO). It also concludes agreements and memoranda of understanding with other countries' regulatory authorities for the exchange of confidential information, and co-operation on issues that fall under its competence.*

*The Hellenic Capital Market Commission is responsible for monitoring compliance with the provisions of capital market law. It is decisively involved in the formation of the capital market regulatory framework, on a national, European and international level, actively contributing to the operations of the Council of the European Union, as well as ESMA and IOSCO. Among others, it supervises Greek and foreign firms offering investment services, undertakings of collective and alternative investments, their Managers, new investment undertakings, occupational insurance funds, listed companies in regard to transparency obligations including their financial statements, as well as listed company shareholders in regard to their obligations to disclose major holdings, approves takeover bids and the prospectuses for share capital increase. It also monitors and supervises transactions in regard to market abuse and inside information issues. Finally, it supervises the compliance of supervised persons with money laundering legislation.*

*The entities supervised by the Hellenic Capital Market Commission also include trading venues, clearing houses, the Central Securities Depository, as well as investor indemnity and transaction security schemes, such as the Common Guarantee Fund. It is also following domestic and international developments, conducting research whenever deemed necessary, and provides professional certification to capital market participants. The HCMC also receives and investigates investor complaints.*

*The Hellenic Capital Market Commission has the authority to impose administrative sanctions and measures (reprimands, fines, trading and license suspension), on supervised natural and legal persons that violate capital market legislation, as well as to submit indictments in cases where there are serious indications of criminal offenses in relation to the capital market.*

## **EXECUTIVE COMMITTEE**

*The Executive Committee consists of the Chairperson and the two Vice-Chairs and is entrusted with the execution of the decisions made by the Board of Directors. The Executive Committee is convened by the Chairperson and meets at least once a week, provided that at least two of its members are present. It is responsible for the Commission's daily management and the supervision of its operations. It is also responsible for the judicial representation of the Hellenic Capital Market Commission in front of Greek and foreign courts.*

## ORGANISATIONAL STRUCTURE

*The organisation structure (Figure 1) and the responsibilities of the departments of the HCMC are specified by Presidential Decree 65/2009 (Government Gazette 88/9.6.2009).*

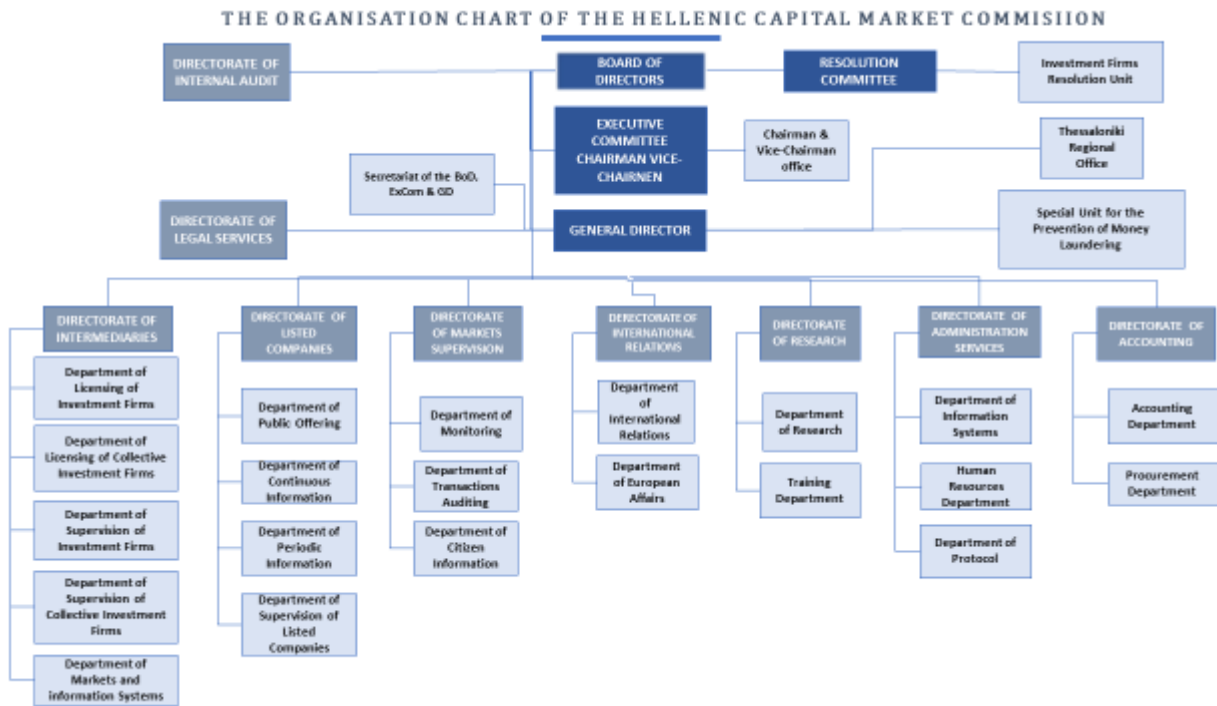
*Pursuant to article 78<sup>A</sup> of Law 1969/1991, as amended by paragraphs 2 and 3 of article 78 of Law 4706/2020, a nine-member Advisory Committee has been established, its task being to present the Board of the Hellenic Capital Market Commission with opinions on new regulations. The Advisory Committee submits proposals for improving the operation of the markets and mandatorily issues an opinion whenever the HCMC officially presents the Ministry of Finance with proposals for the adoption of legislation and regulation on issues pertaining to the operation of supervised entities and, in general, the capital market.*

*The members of the Advisory Committee are appointed by the Minister of Finance and presently represent the Athens Exchange, the Union of Listed Companies (ENEISET), the Association of Members of the Athens Exchanges (SMEXA), the Hellenic Bank Association (EET), the Hellenic Fund and Asset Management Association (ETHE), the Association of Companies on Investment Services in Securities (SEDYKA), the Hellenic Investors Association (SED), and the Hellenic Venture Capital Association. Chair of the Committee, without the right to vote, is the Chair of the HCMC. The term of the Advisory Committee's members is three years.*

*Finally, the Resolution Measures Committee was established at the HCMC in 2015; this committee is responsible for the implementation of resolution measures and for exercising the powers provided for by Law 4335/2015 in regard to investment firms.*



**FIGURE 1. The Organisation Chart of the Hellenic Capital Market Commission (PD 65/2009)**



## PART TWO MARKET DEVELOPMENTS

### MACROECONOMIC DEVELOPMENTS

#### **The Greek economy**

*The COVID-19 pandemic, which grew into a global public health crisis, has hit all member states, plunging the globe into a sudden and deep recession, affecting Greece's economy, as well. The extent of the consequences of the pandemic, as well as the speed and magnitude of economic recovery, vary significantly across countries and regions. Despite the strong, coordinated, and innovative economic response at both the national and international levels, there are still many elements of uncertainty, especially in regard to the duration of the crisis and the extent to which it will affect daily life and the economy. Services, and in particular tourism and transportation, two labour-intensive sectors that affect employment, incomes, and expectations, were dealt a severe blow. In Greece, uncertainty regarding these crucial developments soared since March 2020, while new restrictions on movement were introduced in November 2020, with the aim of safeguarding public health, albeit intensifying the economic and social crisis. During this period, most countries took wide-ranging and extensive measures for supporting their economies, including Greece, which implemented an unprecedented expansionary fiscal and macroprudential policy, following similar actions at the European level.*

*The country's macroeconomic aggregates were crucially affected by the pandemic crisis, the economic consequences of which are manifested through three channels: production, employment, in conjunction with domestic demand and foreign sector. On the other hand, Greece's obligation to achieve a General Government primary surplus of 3.5% subject to enhanced surveillance was suspended in 2020, thus offering more leeway in the effort to support the economy. The relaxation of macroeconomic targets was effected through the provision of the Stability and Growth Pact regarding unusual events, as well as a special escape clause.*

*The economic sentiment indicator in Greece, which is compiled by the European Commission, and which had substantially increased since the 2nd half of 2019 in comparison to the corresponding indicators for the EU, fell in line with the EU and eurozone indicators since July 2020, falling from their previously high levels, albeit following the same steady course with EU averages.*

*In the beginning of the year, prior to the general downturn that occurred because of the pandemic, and mainly as a result of investment and the improvement in employment aggregates, Greece's growth had been estimated at 2.8% for 2020. Based, however, on the latest ELSTAT estimates, the Gross Domestic Product fell to 168.5 billion euros in terms of volume, from 183.6 billion euros in the previous year, reduced by 8.2% year-on-year (provisional, non-seasonally adjusted data, base year:2015). This reduction is due to the individual changes recorded per each GDP component, and, more specifically, the reduction of net consumer spending by 3.4% (a 2.7% increase in General Government spending and a 5.2% decrease in private consumption), the growth of gross fixed capital formation by 4.9%, and the reduction of exports and imports of goods and services by 21.7%*

and 6.8% respectively. GDP was substantially reduced in the second and third quarters, as the quarterly percentage decrease stood at 15.6% and 9.4% respectively.

In the labour market, despite the adverse circumstances created by the pandemic and the huge pressure on employment in tourism, 93 thousand new jobs (net difference in the number of the employed) were created in the private sector throughout 2020, as compared to 127 thousand in the previous year. The unemployment rate (seasonally adjusted), based on November 2020 data, stood at 16.2%, as compared to 16.6% in the same month of the previous year, showing signs of stabilisation. Minimum monthly earnings remained at 650 euros, in accordance with the relevant decisions by the Ministry of Labour, i.e. the same level that had been set after the first quarter of 2019.

The average Harmonised Index of Consumer Prices (HICP) in Greece for the twelve-month period from January 2020 to December 2020 fell by 1.3% year-on-year, as compared to a 0.5% year-on-year increase for the twelve-month period from January 2019 to December 2019, mainly affected by service prices. Negative inflation rates were also recorded in other EU countries, such as Italy, Portugal, and Cyprus.

As regards fiscal data (concerning the execution of the State Budget, on an adjusted cash basis, for the period January-December 2020), there was a State Budget deficit of 22,806 million euros, against a target of 24,319 million euros in the State Budget Proposal for 2021, and as compared to a 168 million euro deficit for the corresponding period of 2019. The revenues of the Public Investment Budget (PIB) stood at 5,542 million euros in 2020, as compared to 2,857 million euros in 2019. The primary balance amounted to a deficit of 18,195 million euros, against a primary deficit target of 19,624 million euros and a primary surplus of 5,017 million euros for the same period of 2019.

The expansionary fiscal policy pursued by Greece in 2020 under the emergency conditions of the pandemic and its consequences, led to the deterioration of the country's fiscal position, which was, nonetheless, accompanied by low lending costs thanks to the country's access to international markets. More specifically, the reduction in the yields of ten-year Greek Government reference bonds continued in 2020, as they fell from 1.42% (monthly averages) at the end of 2019 to 0.63% at the end of 2020. It should be noted that, together with the expansionary fiscal policies pursued in EU member states, the ECB maintained its low base rate policy as in the previous year, also adding interventions aimed at further improving liquidity in the banking system, such as large-scale purchases of government and corporate securities, more favourable long-term refinancing rates, as well as other measures designed to increase the range of acceptable collateral and reduce the cost of raising funds. In this context, the ECB ruled in favour of the eligibility of Greek bonds in the Pandemic Emergency Purchase Programme, thus helping reduce the cost of borrowing from the markets through government securities.

According to estimates included in the State Budget Proposal for 2021, General Government debt increased by 2.7% in 2020. Based on the most recent GDP estimates by ELSTAT, the ratio of public debt to GDP rose to 205% from 180.5% in 2019.

The evolution of savings rates and financing conditions, based on Bank of Greece data, is presented in the following table, which compares 2020 with the two previous years. Greek bank lending to the domestic private sector, which had been decreasing in the past few years, as well as total deposits, have increased substantially since July 2020.

**TABLE 1. Macroeconomic indicators of Greece, 2018-2020**

<b>Amount - Indicators</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<i>GDP and its components (ESA 2010, Δ%)( y-o-y changes in real terms, %) (volume changes at market prices)</i>	-8.2	+2.05	1.95
<b>Employment and unemployment</b>			
<i>Net inflow of salaried employment in the private sector (number of individuals)</i>	93,003	127,644	141,003
<i>Unemployment rate (Annual averages, %; 2020: November)</i>	16.2	17.3	19.4
<b>Prices and wages</b>			
<i>Harmonised Index of Consumer Prices – average y-o-y change, %)</i>	-1.3	0.5	0.8
<b>Public finances</b>			
<i>General Government Balance (ESA basis, % of GDP)</i>	-9.7	1.5	1
<i>General Government Primary Balance (ESA basis, % of GDP)</i>	-6.7	4.5	4.27
<i>Primary balance State Budget (real million €) [(-) deficit]</i>	-18,195	5,017	91
<i>State budget balance (cash basis, real million €) [(-) deficit]</i>	-22,806	-168	-4,580
<i>Central Government Debt (€ million)</i>	370,800	356,015	358,949
<i>(% of GDP)</i>	(223.6)	(194.1)	(199.7)
<i>General Government Debt (€ million)</i>	340,000	331,072	334,721
<i>(% of GDP)</i>	(205)	(180.5)	(186.2)
<b>Balance of payments (€ million)</b>			
<i>Current account</i>	-11,165.3	-2,725.5	-5,232.2
<i>Capital account</i>	2,733.6	679.8	353.2
<i>Financial account</i>	-7,922.9	-2,247	-3,923.7
<b>Monetary conditions</b>			
<i>Private sector deposits with dom. fin. institutions (annual % change, end of period)</i>	14.4%	6.7%	6.3%
<i>Domestic private sector financing (% y-o-y change, end of period) by domestic financial institutions</i>	3.5	-0.6	-1.1
<i>Nominal GDP at current market prices (€ million)</i>	165,830	183,413	179,727

*Source:* ELSTAT, EUROSTAT, Ministry of Finance, Bank of Greece, Stage Budget estimates.

## **The International Economy**

The overall weak outlook of the global economy, already evident during the previous year and marked by geopolitical tensions and increased uncertainty, was exacerbated in 2020, as mentioned above, by the negative effects of the major crisis caused by the pandemic. The increase in confirmed COVID-19 cases was more serious in countries under development, especially during the period March 2020-October 2020, whereas the number of new cases was larger in developed countries during the rest of the year. In response to this emergency, states and public authorities, both national and supranational, and on the basis of highly supportive monetary and fiscal policy, adopted unprecedented financial support measures, aiming to preserve, to the extent possible, the fabric of the economy, under conditions of persistent uncertainty regarding the viability of businesses, pressure

on the financial system and international transactions, unemployment, and rising inequality. At the same time, scientific progress as regards finding a vaccine has been swift. Given the above, the year 2020 was marked by a significant contraction of the world's economies, with the effects of the crisis being unevenly distributed across economic sectors and industries, global trade being down by 9.5% and unemployment generally on the rise, while a great many developing countries returned to their lowest per capita income indicators. At the same time, the situation in the financial sector was rather fragile, marked by an alarming increase in individual risks. The gradual lifting of the quarantine in each area of the globe had its corresponding impact on the economy. For example, the majority of commodity prices rebounded from their mid-2020 lows, although the recovery of oil prices was weaker, due to effects on both the supply (disruption of the production chain) and demand (lockdown) side.

A characteristic effect of the crisis caused by the pandemic is the increase in debt levels and the associated risks, both for developed and developing countries, especially the latter, where in 2020 public borrowing seems to have registered its largest increase since the debt crisis suffered by this group of countries in the 1980s, while the global public debt to GDP ratio is estimated to reach 98%, as compared to 84% in 2019.

The annual global growth rate for the year 2020, following an initial recovery that lasted until the first semester, was significantly slowed down to an estimated -4.3%, as compared to +2.3% in 2019 (World Bank, Global Economic Prospects, January 2021), while, on the basis of IMF and OECD data, it is estimated at -3.5% and -4.2% respectively. As expected, global tourism suffered a huge contraction, followed by the service sector, while activity in the product market proved to be more resilient. International investment was substantially reduced, especially in the case of developing and emerging economies, with the exclusion of China, while developed countries were positively affected by the persistently low cost of borrowing, which facilitated the creation of fiscal space in an environment of expansionary monetary policy, as in previous years.

Inflation in developed countries fell to 0.8% in 2020 from 1.4% in 2019, while in the case of developing and emerging economies it remained at 5% in 2020, i.e. at the previous year's level.

In the first half of 2020, economic contraction was almost triple to that recorded during the financial crisis of 2008, demonstrating the gravity of the situation. The situation was moderated in the third quarter of the year, thanks to extensive government support, only to worsen again because of the resurgence of the pandemic. Overall, the contraction of GDP in 2020 is estimated at 3.6%, one percentage point larger than in the 2008-2009 crisis (as compared to +2.2% growth in 2019), in an environment of rampant unemployment (from approximately 4% in 2019 to more than 12% in 2020). Following their abrupt drop during the 1st quarter of 2020, individual economic activity indicators rebounded since then.

In the UK, contraction has been estimated at 10% in 2020 (as compared to +1.4% growth in 2019), strongly affected by a slump in both private and public consumption during the first half of the year, in conjunction with the negative contribution of foreign trade, as a result of the country's exit from the EU. However, unemployment did not follow the precipitous drop in output, because of the special government programme

*implemented for this purpose. The unemployment rate is expected to reach 4.6% in 2020, as compared to 3.8% in the previous year, while the inflation rate reached a 0.8% low, as compared to 1.8% in 2019. There was also a significant increase in public debt which is estimated to have risen from 117.3% in 2019 to 145.3% in 2020.*

*In 2020, Japan suffered a contraction that is estimated at -5.3% (as compared to 0.3% growth in 2019), although the initial forecasts were more optimistic because of the huge fiscal support programme implemented in the country. The industrial sector proved to be more resilient, with the effect of the pandemic mostly affecting consumption.*

*Most developing economies registered negative growth, which is estimated at -2.6%, as compared with +3.6% in 2019. Contraction was very pronounced in Latin America (-10.6% and -9% in Argentina and Mexico, respectively), as well as in India (-9.6%). In China, growth was positive at 2%, as compared to 6.1% in the previous year. That said, this is the lowest growth rate since 1976, and was, nonetheless, supported by fiscal measures and by industrial output, which overcompensated for the drop in retail sales. At the same time, the balance of trade surplus was increased, while there was a significant increase in government and private debt levels.*

*In BRICS countries (Brazil, Russia, India, China, and South Africa), GDP was reduced by -1.1%, as compared to 4.7% growth in the previous year, while GDP contraction in higher-income countries has been estimated at -5.4% for 2020.*

*As regards macroeconomic developments in the EU during 2020, the lack of improvement in the pandemic situation, in conjunction with the re-introduction of stricter measures for preventing the spread of the disease, especially over the last quarter of the year, led to a deterioration of economic prospects, which are, nonetheless, expected to show signs of recovery depending on the extent of the vaccination effort that was launched in late 2020. In this climate, the effect of the agreement reached between the EU and the UK, regarding the terms of their future cooperation, has been positive. Another important development for 2020 was the agreement reached in European institutions concerning the next multi-year fiscal framework and the “Next Generation EU” programme, including the Recovery Programme, policies that are expected to provide a boost to future growth and employment prospects in the EU.*

*According to the economic forecasts of the EU for the year 2020, the eurozone economy will contract by 6.8% in 2020 (as compared to 1.3% growth in 2019), while the economy of the EU is expected to contract by 6.3% in 2020 (as compared to 1.6% growth in 2019). At the same time, inflation in the eurozone was substantially reduced (estimated at 0.3% in the eurozone in 2020, and at 0.7% in the EU), mainly because of the decrease in energy prices and reduced demand, in conjunction with conditions in the labour market. More specifically, Table 2 shows the figures for each EU country, demonstrating the differences among them.*

*Employment in the EU was also reduced more than ever in 2020, albeit much less than the gross domestic product, thanks to the unprecedented support provided to member states and the EU by the political cohesion*

funds, as part of the Coronavirus Response Investment Initiative. The reduction of employment in terms of the number of workers and working hours was historically extensive and rapid until the third quarter of 2020, and was corrected since then. At the end of 2020, unemployment rates were stabilised at 8.3% and 7.5% for the eurozone and EU, respectively.

As already mentioned, the EU also saw an increase in public debt levels, which is mostly related to the support policies pursued in response to the pandemic. Debt levels rose across all EU countries, with the largest debt to GDP ratios being those of Greece, followed by Italy and Portugal, while most countries showed public debt ratios of more than 100%.

**TABLE 2. Macroeconomic indicators of the EU, 2018-2020**

Country	Gross domestic product (% change y-o-y)			Unemployment rate (%)			Inflation (Harmonised Index of Consumer Prices - HICP, average change y-o-y)			Debt of the General government (% of GDP)		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Austria	-7.4	1.4	2.6	5.6	4.5	4.8	1.4	1.5	2.1	86.8	70.6	74.1
Belgium	-6.2	1.7	1.8	5.7	5.4	6	0.4	1.2	2.3	116.3	98.1	99.8
France	-8.3	1.5	1.8	8.4	8.4	9.0	0.5	1.3	2.1	115.7	98.1	98.0
Germany	-5	0.6	1.3	4.2	3.1	3.4	0.4	1.4	1.9	73.9	59.2	61.7
Greece	-8.2	2	1.9	16.9	17.3	19.3	-1.3	0.5	0.8	205	180.5	186.2
Estonia	-2.9	5	4.4	6.8	4.4	5.4	-0.6	2.3	3.4	18.8	8.4	8.2
Ireland	3	5.6	8.5	5.3	4.9	5.7	-0.5	0.9	0.7	66.2	57.3	62.9
Spain	-11	2	2.4	15.8	14.1	15.3	-0.3	0.8	1.7	117.3	95.5	97.4
Italy	-8.8	0.3	0.9	9.4	9.9	10.6	-0.1	0.6	1.2	157.6	134.7	134.5
Cyprus	-5.8	3.1	5.2	7.3	7.2	8.4	-1.1	0.5	0.8	119.5	93.8	100.6
Latvia	-3.5	2.1	4	8.4	6.3	7.5	0.1	2.7	2.6	37.1	36.9	43.8
Luxembourg	-3.1	2.3	3.1	6.4	5.4	5.5	0	1.6	2	27.3	22.0	21.0
Malta	-9	5.3	4.8	4.4	3.6	3.7	0.8	1.5	1.7	53.7	43.3	45.8
Netherlands	-4.1	1.7	2.4	4.1	3.4	3.8	1.1	2.7	1.6	55.9	48.7	52.4
Portugal	-7.6	2.2	2.8	7.3	6.5	7	-0.1	0.3	1.2	136.1	117.2	121.5
Slovakia	-5.9	2.3	3.8	6.8	5.8	6.5	2	2.8	2.5	58.4	48.3	49.8
Slovenia	-6.2	3.2	4.4	5.5	4.4	5.1	-0.3	1.7	1.9	77.7	65.6	70.3
Finland	-3.1	1.1	1.3	7.9	6.7	7.4	0.4	1.1	1.2	63.8	59.3	59.6
Bulgaria	-4.9	3.7	3.1	5.3	4.4	5.2	1.2	2.5	2.6	25.3	21.1	22.3
Czech Republic	-5.7	2.3	3.2	2.6	2.0	2.2	3.3	2.6	2	38.2	30.2	32.0
Croatia	-8.9	2.9	2.8	7.6	6.9	8.4	0	0.8	1.6	86.4	71.2	74.8
Lithuania	-0.9	4.3	3.9	8.8	6.3	6.1	1.1	2.2	2.5	45	35.9	33.7
Hungary	-5.3	4.6	5.4	5.0	3.4	3.7	3.4	3.4	2.9	74.5	65.4	69.1
Poland	-2.8	4.5	5.4	3.8	3.3	3.9	3.7	2.1	1.2	56.5	45.7	48.8
Romania	-5	4.1	4.5	5.5	3.9	4.2	2.3	3.9	4.1	44.9	35.5	34.7
Sweden	-2.9	1.3	2	8.6	6.8	6.3	0.7	1.7	2	38.3	35	38.9

Denmark	-3.5	2.8	2.2	5.7	5.0	5.1	0.3	0.7	0.7	44.1	33.3	34.0
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Source: Estimates for 2020 (GDP, Unemployment, Public Debt), European Commission, International Organisations, ELSTAT.

## OVERVIEW OF THE CAPITAL MARKET

### International Capital Markets

- **European Council conclusions on the Capital Markets Union (CMU) and the strategic priorities related to the fight against money laundering and terrorist financing**

On 5 December 2019, the European Council adopted conclusions on the **deepening of the capital markets union (CMU)** and adopted conclusions on strategic priorities regarding **anti-money laundering and terrorism financing**.

1. **The Capital Markets Union (CMU)** is an EU initiative, which aims to deepen and further integrate the capital markets of EU member states. It is a crucial means to diversify businesses' sources of financing and can create appropriate new investment opportunities for a larger number of citizens, including retail investors, taking into account the low interest rate environment and the needs of the aging population. It also helps to better buffer economic shocks through private channels, supports the international role of the euro, and facilitates the channelling of the private funding necessary for the green transition. Together with the banking union, the CMU can help boost cross-border capital flows, thereby strengthen the EU economy.

The EU has almost completed its original action plan since 2015. Almost all proposed legislative reforms have been adopted. These reforms have contributed to enhancing both the financing capacity and the financial stability of the EU. However, regulatory and other barriers still hamper the smooth movement of capital, as well as access to financial products and services in the financial sector. That is why the Council considers that it is necessary to continue and further deepen the CMU project.

The conclusions set out 5 main objectives for deepening the Capital Markets Union, i.e.:

- enhanced access to finance for EU businesses, especially SMEs;
- removal of structural and legal barriers for increased cross border capital flows;
- provide incentives and remove obstacles for well-informed retail savers to invest;
- support the transition to sustainable economies;
- embrace technological progress and digitalisation; and
- strengthen global competitiveness.

Based on these overarching principles, the conclusions invite the Commission to assess and explore a list of possible further detailed measures and actions, which could help to establish these objectives in practice.



## 2. **Fight against money laundering and terrorist financing**

*The conclusions point to significant recent **improvements to the anti money laundering and terrorist financing regulatory framework**. The implementation of the 5th revision of the anti-money laundering and terrorist financing directive, which was adopted in May 2018, the new capital requirements directive for banks (CRD5), which was adopted in May 2019, as well as the review of the functioning of the European Supervisory Authorities, which was approved on 2nd December, will all strengthen the rules on tackling money laundering and terrorist financing.*

*In this context, the Council urges for the swift transposition of all anti-money laundering and terrorist financing legislation into national law and for the strengthening of its effective implementation.*

*The conclusions also build on the Commission's communication and on four reports that were published in July 2019, which provide an overview of current challenges and identify a range of shortcomings as regards banks, anti-money laundering and terrorist financing authorities, prudential supervisors, and intra-EU cooperation, and conclude that there is fragmentation in both anti-money laundering and terrorist financing rules and supervision.*

*Therefore, the Council invites the Commission to explore possible further actions to enhance the existing anti-money laundering and terrorist financing rules, in particular by considering:*

- *ways of ensuring a more robust and effective cooperation between the relevant authorities and bodies involved in anti-money laundering and terrorist financing, including through addressing impediments on exchange of information among them;*
  - *whether certain aspects could be better addressed through a regulation; and*
  - *possibilities, advantages and disadvantages of conferring certain supervisory responsibilities and powers to an EU body.*
- 
- **EU measures for dealing with the crisis caused by the COVID-19 pandemic – The proposals of the European Commission on the recovery facility**

*After the outbreak of the COVID-19 pandemic and the first weeks of the lockdown, European institutional bodies and member states sought to help the European economy recover from the pandemic crisis. Following the meeting of the European Council of 23 April 2020, the measures taken by the EU for dealing with the pandemic were presented, and a first evaluation of their effectiveness was made, in the face of a series of major challenges for the unity of the EU.*

*The initial proposal concerned a €540 billion emergency package for supporting the EU economy:*

- *240 billion euros in credit lines from the ESM. Up to 2% of a member state's GDP will be available to all eurozone member states during the crisis.*
- *100 billion euros in an instrument for temporary support to mitigate unemployment risks in an emergency (SURE)*
- *200 billion euros in loans from the European Investment Bank to EU companies.*

*Then, on Wednesday, 27 May 2020, the European Commission submitted its proposals for a 750 billion euro recovery instrument (fund) named “Next Generation EU”, to mitigate the impact of the COVID-19 pandemic. This proposal is addressed to the member states that have been most severely hit, in part through the disputed issuance of joint debt. The European Commission intends to raise the necessary funds for the recovery facility by borrowing in the financial markets against its own credit rating and temporarily increasing the maximum amount it can require from member states in order to finance the expenditures to 2% of the EU gross national income.*

*Upon presenting the proposal in front of the European Council, European Commission President Ursula von der Leyen characterised the recovery facility as “a new Generational Pact for tomorrow”, stressing the need for more solidarity to avoid any permanent damage in the EU. The entire proposal is guided by the principles of Green transition and digitalization, two fields in which the Commission wishes member states to enhance their capabilities. For the repayment of this funding not before 2028 and not after 2058, the Commission proposes the creation of a number of new “own resources”, which will be decided on during the discussions with the European Council. The options include an emissions trading system, a carbon border adjustment mechanism, and an own resource based on the operations of large companies, i.e. a digital tax. According to the Commission, these new resources could cover the repayment of all the amounts borrowed to finance the recovery plans. The idea of allowing the Commission to create its own resources had, in the past, been met with opposition by many member states*

*The recovery fund will be accompanied by a renewed long-term EU budget (the Multiannual Financial Framework) for the period 2021-2027, amounting to a total of 1.135 billion euros. The revised proposal that was presented was higher than the compromise proposed by the President of the Council, Charles Michel, in February 2020, following the suspension of MFF negotiations, because of the opposition of certain EU countries to increasing the EU budget.*

*The **Next Generation EU** facility comprises an array of investments on three pillars. The first pillar focuses on supporting member states through investments and reforms, the second focuses on providing incentives for private investment in key sectors and technologies, and the third focuses on further enhancing the resilience of member states.*

*Out of the 560 billion euros that will provide financial support to member states for implementing investments and reforms that are necessary for sustainable recovery, 310 billion will be in the form of subsidies and 250 billion will be in the form of loans to member states.*

**Additional measures for enhancing the resilience of member states:**

- *A new health programme, amounting to 9.4 billion euros, named EU4Health, for safeguarding public health and enhancing preparedness to respond effectively to future health crises.*
- *Funding of 2 billion euros to RescEU, the EU Civil Protection Mechanism, which will be strengthened in order to help the EU get prepared to deal with future crises.*
- *94.4 billion euros for **Horizon Europe** programme, for financing research in health issues, as well as issues related to Green and digital transition.*
- *16.5 billion euros for foreign aid, including the provision of humanitarian aid.*

*The recovery fund, which is based on the Franco-German proposal submitted by Chancellor Angela Merkel and President Emmanuel Macron, required the unanimous approval of all EU27 member states. It was up to the member states to reach a compromise during the anticipated summit of the Council, which took place on 18 and 19 June 2020.*

*It should be reminded that the proposals met with opposition by the so-called “frugal” member states: Austria, Denmark, the Netherlands, and Sweden, which believed that the recovery fund should be based on loans, instead of subsidies, and were opposed to any increase in EU spending. On the other hand, the countries of the South, including Greece and Italy, pressed for more solidarity and were vocally in support of a subsidy system, in order to avoid any further increases in public debt.*

- ***The European Council agrees its position on an instrument to support the implementation of reforms for a sustainable recovery of EU member states.***

*As part of the measures aimed to foster the recovery from the COVID-19 crisis, the EU shall support the member states' reform efforts to stimulate growth and put their economies back on track.*

*On 22 July 2020, EU ambassadors endorsed the Council's position on establishing a “technical support instrument.” This instrument will help member states strengthen their administrative capacity to prepare and implement reforms, so as to enhance their resilience and support their recovery.*

*The position agreed will serve as the basis for the Presidency in its negotiations with the European Parliament, which are set to commence as soon as possible. However, it does yet not cover the budgetary aspects of the draft regulation, since an agreement on the overall next Multiannual Financial Framework had been achieved only the previous day. The proposed technical support instrument is a successor to the structural reform support programme. It will ensure that the Commission is able to keep on providing tailor-made expertise on the ground and that member states have the necessary institutional and administrative capacity to develop and implement growth-enhancing reforms.*

*More specifically, the technical support instrument is also meant to complement the Commission’s proposal for a recovery and resilience facility that will provide large-scale financial support for public investments and reforms in order to foster the member states' recovery from the COVID-19 crisis. The instrument will, in particular, support member states in the preparation and implementation of their recovery and resilience plans. The position of the Council also includes the possibility for member states to provide additional resources for any technical assistance they will receive from the EU.*

- ***ESMA revises its risk assessments because of the COVID-19 pandemic***

*The COVID-19 pandemic, in conjunction with valuation risks, ESMA had highlighted warnings in risk assessments, led to massive equity market corrections since mid-February 2020, because of the sudden deterioration of prospects for consumers, businesses, and the environment. The resilience of corporate bonds, sovereign bond markets, and certain investment funds was tested. Market infrastructures continued to operate normally despite the surge in trading activity, circuit breakers, and derivative margins. Moving forward, ESMA saw –despite the irregular recovery of the market– a prolonged period of risk to institutional and retail investors of further – possibly significant – market corrections and very high risks across the whole ESMA remit. The outlook, according to ESMA’s opinion, regarding operational risks was negative, owing to increased*

dependence on remote work arrangements, although business continuity plans are widely reported to be fully activated. The extent to which these risks would further materialise would critically depend on two drivers: the economic impact of the pandemic, and any possible occurrence of other external events in an already fragile global environment.

### **Risk level**

In light of the COVID-19 pandemic and its impact on the EU economy and the financial markets, ESMA assessed as very high the risk across its overall remit and, particularly, in securities markets, infrastructures, and asset management. The same stands for liquidity and market risks, while operational and credit risks were expected to increase, along with contagion and consumer risks.

**Securities markets:** Since the middle of February 2020, global equity markets saw major price corrections (see Figure 1 in the ESMA text), with peak-to-trough falls comparable to the global financial crisis (-38% for EuroStoxx), accompanied with extremely high levels of volatility (Figure 2 in the ESMA text).

**Corporate Bonds:** The resilience of markets seems to be strongly tested. Spreads rose by +81bps for AAA bonds, +170bps for BBB bonds (see Figure 3 in the ESMA text), while liquidity fell way below long-term averages.

**Sovereign bonds:** Bond markets surged. With spread increases of up to 466 bps, before falling after the ECB's intervention in mid-March (see Figure 4 in the ESMA text).

**Trading venues:** Trading volumes increased by an average factor of 3. Circuit breakers were widely triggered (>4,000 CB on 16-21 March, as compared to a long-term weekly average of 100 CBs for March (see Figure 5 in the ESMA text)). In order to support transparency, on 16 March 2020, ESMA lowered the reporting threshold of net short positions on shares to 0.1%. Many Member States imposed short-term or long-term short-selling bans (AT, BE, FR, GR, IT, ES).

**Central clearing:** Market volatility reached extreme levels. Certain margin models were adapted in order to respond to this heightened volatility. As part of the implementation of the risk management framework for central counterparties, initial and variation margins, including intraday-margins, were significantly increased.

**Asset management:** Returns were reduced across all mutual funds, according to market estimates. In particular, bond UCITS and ETFs had to deal with mass outflows (see Figure 6 in the ESMA text). Money market funds (MMFs) also faced major challenges (120 billion euro decrease in NAV for LVNAVs between 9 and 23 March 2020). A large number of asset managers started using liquidity management tools and some ETFs showed signs of incorrect valuation.

### **Risk outlook**

The main risk driver will be the final economic impact of the pandemic, as well as the occurrence of additional external events in an already fragile global environment. According to the macroeconomic forecasts, the global economy was expected to go into recession in 2020, with Europe being heavily affected. Although monetary

and tax policy measures have been taken or are currently implemented, the uncertainty from the economic impact of COVID-19 is expected to be translated into further volatility and instability in financial markets.

On 3 September 2020, ESMA published its 2nd semi-annual **“Report on Trends, Risk and Vulnerabilities (TRV) Report No.2, 2020”** and its accompanying **“TRV Statistical Annex”**. Here are some of the most important parts of the Report:

### **ESMA Risk Monitoring**

The COVID-19 pandemic, in combination with the valuation risks highlighted in ESMA’s previous risk assessments, led to massive equity market corrections in 1Q20. An updated Risk Dashboard was published on 2 April to inform about the new risk landscape. There have been notable public policy interventions in the EU and elsewhere. However, as the market environment remains fragile, ESMA maintained its risk assessment: going forward, and foresaw a prolonged period of risk to institutional and retail investors of further – possibly significant – market corrections and very high risks across the whole of the ESMA remit. The extent to which these risks will further materialise will critically depend on two drivers: the economic impact of the pandemic, and any occurrence of additional external events in an already fragile global environment. The impact on EU corporates and their credit quality, and on credit institutions, are of particular concern, as are growing corporate and public indebtedness, and the sustainability of the recent market rebound.

**Market environment:** As a result of the COVID-19 pandemic, financial markets have been hit by an external shock of unprecedented size. During the initial stage of the crisis in 1Q20, markets experienced one of the fastest declines in recent history, including surges in volatility and liquidity contractions. Massive policy responses – containment, fiscal, monetary and regulatory – in the EU and elsewhere aimed to mitigate the economic impact of the pandemic. While markets have seen a remarkable rebound in 2Q20, the resilience of the recovery critically depends on the economic impact of the pandemic. In particular, the effect on EU corporates and their credit quality, and on credit institutions are of particular concern, as is growing corporate and public indebtedness. Beyond the risks related to second waves of infections, any occurrence of additional external events, such as trade tensions between the US and China, could further destabilise fragile market conditions.

**Securities markets:** In 1Q20, EU equity markets plunged amid liquidity shortages and upticks in extreme volatility triggered by rising infections across Europe against the backdrop of a deteriorating global economic outlook. Corporate bond spreads surged as a result of signs of rapid credit risk repricing, as flight-to-safety strategies took off. Government bond spreads widened, reflecting the damage of the virus and the associated containment measures implemented by sovereign countries. Markets have seen a remarkable rebound, albeit with differentiation across economic sectors since end-March, not least in light of massive public policy interventions in the EU and elsewhere. The potential decoupling of financial market performance and underlying economic activity raises the question of the sustainability of the market rebound looking forward.

**Infrastructures and services:** Market infrastructures faced heightened activity during the sell-off, as volumes and volatility soared. Trading venues coped with increased trading volumes amid a higher share of lit trading, as investors sought certainty of execution during the time of liquidity stress. Central Counterparties (CCPs) proved resilient throughout the period, despite the surge in clearing activity coupled with the sharp rise in initial and variation margins. Similarly, clearing members met heightened liquidity demands despite some margin

breaches that were covered by excess margins. Credit Rating Agencies (CRAs) responded to the sharp economic deterioration by downgrading affected issuers, particularly non-financials. The risks of “fallen angels” remain high as a result, and securitised products (e.g. Collateralised Loan Obligations (CLOs)) may be affected, too, going forward.

**Asset management:** In the wake of the initial impact of the COVID-19 outbreak on markets, the EU investment fund industry faced a significant deterioration in liquidity in some segments of the fixed income markets combined with large-scale investment outflows from investors. Redemptions from bond funds reached record highs in March, resulting in outflows of 4% of their net asset value (NAV) in 1Q20. Some asset managers decided to suspend the redemption of their funds, mainly because of valuation uncertainty but in some cases also because of outflows. Between the second half of March and May around 200 EU and UK funds (out of 60,000 funds) had to suspend redemptions temporarily. Some corporate bond exchange traded funds (ETFs) traded with unusually large discounts compared with the reference basket, reflecting liquidity issues in underlying assets in March and April. Some money market funds (MMFs) were particularly affected end-March owing to their exposure to the USD money market, especially low volatility net asset value MMFs. Since early April, the liquidity profile of funds has improved across fund types, with a surge in inflows and a general improvement in performance.

**Consumers:** The strong negative impact of the COVID-19 pandemic on both the real economy and financial markets has affected retail and institutional investors. Investor confidence fell sharply from March 2020 onwards owing to the pandemic, and the performance of typical retail investor instruments, such as EU UCITS funds, declined to historical lows. Despite improvements in 2Q20, annual performance remained close to zero at the end of the reporting period.

**Market-based finance:** The COVID-19 turmoil has also had a strong impact on primary markets. During the period of acute market stress, primary issuance practically came to a standstill for equity and bonds. In the equity space, only incumbent firms were able to tap markets through follow-on issuance in March. Bond issuance rebounded from early April onwards, first in the investment-grade segment, followed in May by lower-rated issuers. However, small and medium-sized enterprises (SMEs) remain at risk of facing financing gaps.

**Sustainable finance:** Environmental, Social and Governance (ESG)-oriented assets such as benchmark equity indices and funds have outperformed their non-ESG peers again in the first half of 2020 (1H20). Investor appetite for ESG funds remained high with net inflows in 1H20 compared with large net outflows for the rest of the equity fund industry. The green bond market continued to expand even as some agency and supranational issuers shifted their focus to social bonds to tackle the socio-economic consequences of COVID-19. Green bond liquidity is improving despite a deterioration in corporate bid-ask spreads in March and April, in line with broader bond market developments.

**Financial innovation:** COVID-19 lockdowns are expected to accelerate digitalisation of financial services. While positive from an efficiency perspective, this may accentuate risks, such as cyber risk, high market concentrations among data service providers and fragilities in the FinTech sector. Crypto assets were not spared from the COVID-19 turmoil. So-called “global stablecoins” continue to be under close scrutiny by central banks and regulators.

The 1st semi-annual ESMA report for 2021, “**Report on Trends, Risk and Vulnerabilities (TRV) Report No.1, 2021**” and its accompanying “**TRV Statistical Annex**”, further analyses the impact of the COVID-19 pandemic on financial markets during the second half of 2020, and points to the increase in credit risk, which is connected to high corporate and public debt, as well as the risks related to investment in no-regulated crypto assets.

### **Persistence of increased risk in financial markets**

Risk levels in international capital markets remain very high. The significant recovery of equity markets and the valuation of debt indices, which reached pre-pandemic levels, contrast with the weak economic fundamentals. The main risk for EU financial markets is that this ongoing decoupling of the equity market from fundamentals leads to a reversal in investor risk assessment and a sudden market correction.

### **Crypto-assets: ESAs remind consumers about risks**

As crypto-assets, including so-called virtual currencies such as Bitcoin, continue to attract public attention, the European Supervisory Authorities (EBA, EIOPA and ESMA – together the “ESAs”) call attention to the continued relevance of their previous warnings. More specifically, the ESAs remind consumers that some crypto-assets are highly risky and speculative and, as stated in the ESAs’ joint warning of February 2018, “consumers must be alert to the high risks of buying and/or holding these instruments, including the possibility of losing all their money.” Moreover, crypto-assets come in many forms, but the majority of them remain unregulated in the EU. This means that consumers who buy and/or hold these instruments do not benefit from the guarantees and safeguards associated with regulated financial services. In September 2020, the European Commission presented a legislative proposal for a regulation on markets in crypto-assets. Consumers are reminded, however, that the proposal remains subject to the outcome of the co-legislative process, and so consumers can not currently benefit from any of the safeguards foreseen in that proposal because it not yet EU law.

### **Brexit is changing the trading landscape**

The preparedness of market participants ensured that the expiration of the transitional period for the United Kingdom’s exit from the EU had no discernible effect on the stability of securities markets. However, the implementation of the Share Trading Obligation (STO) is changing the European landscape. In 2020, 43% of share with legal entity in the EU continued to be traded in UK trading venues, and a large part were subject to the STO. ESMA analysed the development of trading between from December 2020 to January 2021, and saw that the expected shift in trading domicile took place in January 2021. Most on-exchange trading moved to EU venues, with the share of lit (non-dark pool) trading on EU venues increasing to 96% in January 2021, and the share of auction trading increasing to 93%.

### **Risk analysis regarding financial stability and investors**

The risk analysis section presents five detailed articles that examine sustainable financing and certain market vulnerabilities that emerged during the crisis caused by the COVID-19 pandemic:

- **Vulnerabilities in money market funds:** This article utilises data about the stress market stress period of March 2020 to provide information about the vulnerability of EU money market funds, liquidity risk, and the impact of regulatory requirements.

- **Fund portfolio network – a climate risk perspective:** Within the EU financial sector, investment funds are considered to be the most exposed to climate-sensitive economic sectors such as utilities, transport and fossil fuel extraction. This article is a first attempt to assess the climate-related financial risk faced by EU investment funds.

- **Fund stress simulation in the context of COVID-19:** During March 2020, investment funds faced a significant deterioration of liquidity in some segments of the fixed income markets, combined with large-scale investment outflows from investors. Based on these data, ESMA evaluated the investment funds' preparedness for future shocks, including Stress Simulation exercises (STRESI).

- **The Withdrawal of the United Kingdom from the EU (Brexit):**

31 December 2020 is a crucial date for capital markets, since it marks the withdrawal of the United Kingdom from the EU. Thanks to the agreement reached regarding the exit of the United Kingdom from the EU, concerns regarding possibility of an impact from the terms that would finally apply following the expiration of the transitional period on 31 December 2020, were not realised. However, the implementation of the share trading obligation is expected to gradually change the European trading landscape, especially within exchanges. The long-term effects of trading migration will be assessed in the following months of 2021.

The agreement that was reached reduced short-term political uncertainty and no cliff-edge effects (i.e. disproportionate negative consequences) materialised in early 2021. Such potential negative consequences might concern:

- central counterparties;
- trading venues (as it may be necessary to redesign the transparency approach applicable under MiFID II);
- investment firms (loss of passporting rights for the cross-border provision of investment services and establishment of branches by UK undertakings in member states and, similarly, branches by EU-27 undertakings in the UK);
- mutual funds-UCITS and UCITS management companies (UK UCITS become non-EU AIFs, therefore they will lose the "EU Passport" for the distribution and management of European UCITS funds – there may be issues pertaining to the assignment of portfolio, or risk, management to UK firms in case there are not cooperation agreements between the EU-27 and the UK);
- Trade Repositories (potential disruption in the reporting of trading on derivatives);
- depositories (non-clearing of Irish securities currently cleared by the British depository);



- *Credit Rating Agencies (ratings issued by UK CRAs will not be eligible based on the CRA Regulation); and*
- *Alternative Investment Fund Managers (UK AIFMs will become non-EU AIFMs, with the consequent loss of the “EU Passport” for distribution to EU professional managers).*

- **Developments in Capital Markets**

*Almost a year after the outbreak of the COVID-19 pandemic, the world is still in its grip and international organisations, together with national governments, continue to focus on dealing with its economic and social consequences. The EU, in particular, has created new common instruments of an unprecedented scale, such as the Recovery and Resilience Facility. It continues to support economies, citizens, and businesses in this period of extreme distress for health and the economy, mitigating the impact of the crisis. The activation of the escape clause and the temporary framework on state aid, allowed national governments to implement wide-ranging fiscal support measures in 2020, which are estimated at approximately 8% of GDP, on top of other liquidity provision schemes that amounted to almost 19% of GDP in the eurozone. This exceeds by far the response to the Great Financial Crisis. The three European safety nets – SURE to mitigate unemployment risks, the Pan-European Guarantee Fund of the EIB, and the ESM Pandemic Crisis Support, agreed in April 2020– are complementing national responses. Monetary policy decisions and the guidance of the European Central Bank maintained favorable conditions for all sectors of the economy, along with the activity of supervisory authorities. The measures taken in Europe have shored up confidence in the market, protected millions of jobs and livelihoods, and mitigated the impact of the pandemic crisis on companies, thereby shielding incomes and productive capacity from the worst effects of the pandemic. In such an international environment, tensions in US-China relationships on trade and technology issues persisted in 2020, while concerns regarding the geopolitical problems related to the withdrawal of the United Kingdom from the EU (Brexit) and the continuation of local conflicts were intensified.*

*During the year of the pandemic, international financial markets were characterised by the immense support provided to the financial system by central banks amidst an environment of very lax monetary policy, low borrowing rates and disinflationary trends, increased debt issuance, as well as recovering share prices in the wake of the good news from the scientific front as regards the vaccine. The year 2020, however, saw the setting in of major vulnerabilities in the financial sector, which are reflected in the structure of bank balance sheets, and primarily in high indebtedness levels, because of the increased borrowing requirements of both businesses and households, in a backdrop of persistently rising uncertainty. It should be noted that in 2019 global indebtedness had reached 230% of global GDP. The pandemic led to a distinctive increase in private savings after the second quarter of 2020 as investors/savers sought safer holdings, the drop in consumption, and the implementation of liquidity support measures. Moreover, this trend was more pronounced in higher income groups, altering inequality indicators within countries. Industrial output rebounded in developed countries, along with moderate expectations for business investment growth, because of the overall increase in uncertainty.*

*As far as exchange rates are concerned, in 2020 the value of the euro increased by +2% year-on-year relative to the US dollar, fell by -0.1% relative to the Japanese yen, and increased by +1.4% relative to the British pound. In*

commodity markets there was a correction in prices until the end of 2020, albeit with an evident pressure on petroleum product prices as a result of the public health crisis. International commodity prices in US dollars rose by +3.4% year-on-year in 2020.

These vulnerabilities are even more evident in developing countries with emerging markets, where direct investment was dramatically reduced, while capital flows increased and exports fell, leading to increased borrowing costs and pressures on their exchange rates.

In 2020, international capital markets were significantly affected by the huge turmoil caused by the pandemic, the support policies, and the implementation of the measures for containing the pandemic, as well as by scientific progress in the field of vaccines. The intense pressure exerted on capital markets until the second half of 2020, was followed by an upward correction, with technology sector companies enjoying a lead, amidst a climate of overall pressure on macroeconomic aggregates and moderate earnings-to-price ratio increases for banking sector stocks, as well as worsening non-performing loan levels. In the US, stock market indices rose above pre-pandemic levels, and banking stock valuations increased, while there was also strong recovery in developing country exchanges with reductions in the spreads of investment-grade government securities, mainly due to the implementation of investment strategies aimed at finding investments with a higher return/risk ratio. Capital inflows were normalised in countries such as China, the currency of which was strengthened at the end of the year against the US dollar.

Developments in European stock exchanges were positive since November 2020, mainly as a result of the news about the vaccine. However, individual stock market indices were down in December 2020, as compared with the end of the previous year, with the exception of the DAX index, which rose by +3.55%, the AEX (Amsterdam) index which rose by +3.31% and the OMXS30 (Stockholm) which rose by 5.81%. For example, the FTSE 100 (LSE) index fell by -13.08%, the FTSE MIB (Borsa Italiana) index by -5.42%, the Euronext 100 index by -3.57%, the BEL20 (Brussels) index by -8.46%, the PSI20 Lisbon index by -6.06%, the CAC 40 Paris index by -7.14%, the IBEX35 index by -15.45, while the ATHEX Composite Share Price Index registered a marginal drop of -0.63%. In US markets, individual indices registered gains: the NYSE Composite index rose by 4.40%, the Dow Jones Industrial Average rose by 7.25%, S&P 500 rose by 16.26% and the NASDAQ Composite index rose by 43.64%. Examples from the Asian markets include the -3.4% loss sustained by the Hang Seng Index, and the increases of the Shanghai Composite index by +11.20%, the FTSE China A50 index by +23.10%, and the BIST 100 index of the Borsa Istanbul by +29.06%.

The global equity market increased in size. According to data by the World Federation of Exchanges (WFE), the total market capitalisation of listed shares worldwide stood at 110.34 trillion US dollars, increased by 20% year-on-year. In terms of market capitalisation, the largest stock exchanges worldwide were those of New York with a capitalisation of 26.2 trillion US dollars (and a y-o-y increase of 12.45%); the NASDAQ with a capitalisation of 19 trillion US dollars (and a y-o-y increase of 46.6%); the Shanghai Stock Exchange with a capitalisation of 6.97 trillion US dollars (and a y-o-y increase of 36.62%); the Tokyo Stock Exchange with a capitalisation of 6.7 trillion US dollars (and a y-o-y increase of 8.5%); the Hong Kong Exchange with a capitalisation of 6.13 trillion US dollars (and a y-o-y increase of 25.13%); the EURONEXT group exchange with a capitalisation of 5.44 trillion US dollars (and a y-o-y increase of 15.78%); and the London Stock Exchange group with a capitalisation of 4.05 trillion US dollars (and a y-o-y decrease of -3.28%) – changes in US dollars are in brackets.

Trading activity on equities was also increased. More specifically, the total value of transactions on stocks, as recorded in the electronic orderbook, stood at 105.58 trillion US dollars, increased by 21.66% year-on-year.

The stock exchanges with the largest trading values were those of New York (26.18 trillion US dollars, increased by 113.73% y-o-y); the NASDAQ (24.9 trillion US dollars, increased by 56.66% year-on-year); and Shanghai (12.17 trillion US dollars, increased by 56.32% y-o-y).

As far as individual stock exchanges are concerned, at the end of 2020 there were year-on-year trading value changes in the Deutsche Boerse (+37.39%), the LSE Group (+4.84%), Euronext (+43.98%), the BME Spanish Exchanges (13.38%), the Vienna Stock Exchange (+36.36%), the Nasdaq Nordic Exchanges (-93.52%), the Borsa Istanbul (+158.91%), the Japan Exchange Group (+20.73%), the Hong Kong Exchanges (+67.53%) and the Athens Stock Exchange (+0.97%), based on WFE data presented in Table I of the Appendix.

At the end of 2020, the EUROSTOXX Volatility Index increased by more than 60% year-on-year, while the S&P Volatility Index (VIX) increased by almost the same percentage.

At the closing of 2020, international stock and bond indices registered the following year-on-year changes: STOXX Europe 600 -4.04%, FTSE EUROTOP 100 -8.54%, MSCI Emerging Markets +15.89%, FTSE BRIC 50 +27.47%, EURO STOXX 50 Corporate Bond Price Index -22.39%, Bloomberg Barclay's US Corporate HY TR Index +7.11%, and Bloomberg Barclay's Emerging Markets USD Aggregate TR Index +6.52%.

The total value of funds raised worldwide (through the issuance of new, and the sale of existing, equities) stood at 922.82 billion US dollars, of which 279.03 billion euros were raised through initial public offerings, while the funds raised by already listed companies stood at 641.97 billion US dollars. The stock exchanges where the largest amounts of funds were raised through initial public offerings were the Hong Kong Stock Exchange (51.62 billion US dollars), the NASDAQ (51.31 billion US dollars), and the Shanghai Stock Exchange (50.6 billion US dollars). Correspondingly, the stock exchanges with the largest amounts of funds raised by already listed companies are the New York Stock Exchange (99.71 billion US dollars), Shanghai Stock Exchange (81.68 billion US dollars), the Shenzhen Stock Exchange (63.86 billion US dollars), and the Euronext (63.39 billion US dollars). Moreover, the shares of 1,537 companies were admitted for trading for the first time. The stock exchanges with the largest numbers of new listings through initial public offerings are the Shanghai Stock Exchange (234 new listings), the Nasdaq (184 listings), the Shenzhen Stock Exchange (161 new listings), and the Hong Kong Stock Exchange (144 new listings). The Shanghai Stock Exchange was the stock exchange with the largest number of listings through means other than initial public offerings (1,186 listings).

Based on the latest available data for 2020, the total value of funds raised worldwide increased by 42% to almost 331 billion US dollars, while the total number of listings stood at 1,591. It is worth noting that, after a marked decline in the 2nd quarter of the year, new listings increased by a spectacular 131% in the 3rd quarter as compared to the previous quarter, and then were reduced again, albeit to higher levels than at the end of 2019. The financial sector was first in terms of share capital increases, followed by technology companies and the industrial sector, while pharmaceutical companies came fourth. As regards geographical distribution, the largest numbers of new listings in 2020 were recorded in China (502) and the US (353). The largest increase in the total value of new funds raised in 2020 was recorded at the New York Stock Exchange (NYSE, +149%), followed by NASDAQ (+98%) and the Shenzhen Stock Exchange (+88%).

Investment activity through participation in investment funds presented a mixed picture. According to WFE data, in December 2020 the number of investment funds under management stood at 22,830, reduced by -3.64% year-on-year, while the total value of trading stood at 599.9 billion US dollars, increased by 16.67%. Correspondingly, the number of exchange traded funds (ETFs) stood at 8,196 at the end of the year (a year-on-year increase of 32%), while the total value of trading stood at 26.66 trillion US dollars (increased by 38.65% y-o-y).

The total value of new bond issues worldwide was increased by almost 8.5%, and stood at 7.05 trillion US dollars. The largest issuing activity was recorded in the exchanges of Luxembourg (1.7 trillion US dollars), London (LSE Group) (930.5 billion US dollars), and the Deutsche Boerse (711.73 billion US dollars).

As far as worldwide bond issuance is concerned, the total value of securities issued in the investment grade category reached 3.9 billion US dollars from 3 billion US dollars in 2019, while the value of low-credit rating issues reached 415.6 billion US dollars from 301 billion US dollars in 2019

In bond markets, there was a marginal increase in reference bond yields, albeit not as much as in the US. The yield of the German reference bond stood at -0.62% at the end of 2020, higher than in the previous quarter, albeit always in negative ground since April 2019. The announcements regarding the supportive policy pursued by the EU, especially through the Next Generation EU and Recovery & Resilience Facility (RRF) programmes had a positive effect on European markets. At the end of the year, the spreads on EU corporate bonds returned to pre-pandemic levels across all credit rating categories. In 2020, there was also an increase in the level of bank financing in Europe, with high volumes of lending to non-financial undertakings, which also raised more funds through the markets. The annual growth of existing corporate bonds in the eurozone, excluding the financial sector, was estimated at +11.6% in November 2020, with a corresponding increase of listed shares by 1.1%.

Major developments in 2020 also included the increase in cryptocurrency valuations and the price of bitcoin, along with the rise of gold as a means of investment, amidst a climate of increased expectations regarding future inflation rates. Another remarkable development was the increase of portfolios with ESG features, as, based on ESMA estimates, the increase of these issues was sustained during the year, both by the private and the public sector, mainly in euro and to a lesser extent in US dollars or other currencies of the EEA. The ESG Index also suffered a steep fall in early 2020, when the pandemic spread, and showed signs of recovery later on. It is estimated the, at the end of 2020, sustainability-linked bonds in EU countries accounted for 3% of the total bonds issued by the private sector (banking and non-banking), while their value exceeded 160 billion euros, with the majority of maturities ranging from 5 to 10 years. It should also be noted that in 2020 there was an increase in the issues of social bonds, which were preferred by supranational organisation.

## **The Greek Capital Market**

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The course of the Greek capital market in 2020 was marked by a) a decrease in the total market capitalisation of ATHEX-listed shares, with the returns of the main and sectoral indices of the Athens Exchange moving downwards; b) the reduction of trading activity in the Securities Market and the Derivatives Market, as well as the increase of trading activity in the Alternative Market of the ATHEX; c) the increase of issuing activity in long-term Greek Government bonds, and the marked drop in their yields; d) the growth of issuing activity in

corporate bonds and the reduction of issuing activity in shares; and e) net inflows, and an increase in the total net assets of mutual funds, albeit a mixed picture as regards their returns.

In the market for Greek Government bonds, yields across most maturities were markedly lower at the end of 2020 than they were at the end of 2019, with the (average) yield on the 10-year benchmark bond falling to 0.63% in December 2020 from 1.42% in December 2019.

Based on statistics from the System for Monitoring Transactions in Book-entry Securities of the Bank of Greece, the nominal value of secondary market trading on Greek Government bonds increased year-on-year (21.1%) to 442 billion euros, from 365 billion euros in 2019. The average monthly nominal value of trading stood at 36.83 billion euros, as compared to 30.42 billion euros in 2019. The value of transactions in the Electronic Secondary Government Bonds Market (HDATA) rose to 23.26 billion euros in 2020 from 8.54 billion euros in 2019.

In 2020, activity in the primary market for long-term government debt consisted of eight syndicated and special issues worth 16 billion euros, as compared to 12.8 billion euros in 2019. As regards the issuance of Treasury bills, the total amount raised in 2020 stood at 23.6 billion euros, as compared to 27.86 billion euros in 2019. The average cost of borrowing rose to 0.96% in 2020, from 1.7% in 2019.

According to ATHEX data, the total market capitalisation of shares listed on the Securities Market registered a year-on-year decrease of 12.7%, and stood at 53,431.51 million euros in December (a y-o-y decrease of 12% and 53,853 million euros if shares in suspension of trading are also taken into account) as compared to 61,217.27 million euros at the end of 2019. Its highest value (monthly data) was recorded at the end of January (61,221.53 million euros) and its lowest value at the end of March (38,928.10 million euros). The ratio of total market capitalisation to Greece's GDP stood at 32.22% at the end of 2020, as compared to 32.66% at the end of 2019, 24.18% at the end of 2018 and 30.27% in 2017. Finally, the market capitalisation of shares listed for trading in the Alternative Market of the ATHEX stood at 154.49 million euros at the end of 2020, as compared to 145.04 million euros at the end of 2019, increased by 6.5% year-on-year.

The ATHEX Composite Share Price Index closed at the year's end at 808.99 units, from 916.67 units in 2019, registering a year-on-year loss of -11.75%. Almost all main stock market indices recorded losses, with the exception of the FTSE/ATHEX Mid & Small Cap Factor-Weighted index (4.99%) and the ATHEX Select Plus index (2.76%). The largest annual loss was recorded by the FTSE/ATHEX-CSE Banking Index (-41.37%), followed by the FTSE/ATHEX-CSE Banking Total Return Index (-41.35%). Most sectoral indices also recorded losses. More specifically, the largest losses were recorded by the FTSE/ATHEX Banks Index (-41.37%), followed by the FTSE/ATHEX Energy index (-41.28%).

Overall, average monthly price volatility of the shares traded in the Main Market of the Athens Exchange stood at 14.21% in 2020, as compared to 11.79% in 2019. Its highest value for the year was recorded in March (31.20%), while the lowest value was recorded in August (10.50%).

Trading activity in the Securities Market of the Athens Exchange was reduced. More specifically, the value of equity trading stood at 15,968 million euros, reduced by -2.54% year-on-year, while the value of trading in bonds stood at 190.23 million euros, reduced by -20.29% year-on-year. The average monthly value of equity trading stood at 1.33 billion euros, while the average monthly value of trading in bonds stood at 15.85 million

euros. Finally, the value of trading in the Alternative Market of the ATHEX was significantly increased, and stood at 25.97 million euros, as compared to 5.13 million euros in 2019.

As regards liquidity, the (value-weighted) monthly average bid-ask spread was increased to 3.62% from 3.47% in 2019. Moreover, the average monthly turnover velocity for Main Market stocks stood at 1.7%.

The participation of foreign investors to the market capitalisation of the ATHEX was reduced year-on-year (to 62.42% from 66.35% in 2019). In 2020, foreign investors were net sellers (the value of their sales exceeded the value of their purchases by 624.99 million euros). Domestic investor participation (including the Hellenic Financial Stability Fund – HFSF) to the market capitalisation of the Athens Exchange was increased year-on-year (to 37.55% from 33.62%). Correspondingly, according to trading data by the Athens Exchange, domestic investors were net buyers, i.e. the value of their purchases exceeded the value of their sales by 625.19 million euros.

Issuing activity in the Greek equity market was reduced, compared with 2019. More specifically, there were six share capital increases through issuance of new shares by ATHEX-listed companies in 2020, as compared to eight in 2019. Moreover, there were two share capital increases through initial public offering of stock for trading, whereas no such share capital increase had taken place in 2019. Total funds raised through these share capital increases amounted to 102.34 million euros in 2020, as compared to 976.18 million euros in 2019. Finally, there was an increase in corporate bond issuing activity. More specifically, there were three issues of corporate bonds, as in 2019. All issues concerned common bond loans, which were listed for trading in the Debt segment of the Securities Market of the ATHEX. The total amount of funds raised through corporate bond issues stood at 1.02 billion euros, as compared to 525 million euros in 2019.

As regards the derivatives market, the downward trends of the last three years persisted in 2020, while the number of accounts that performed trades was also reduced. According to ATHEX data, the average daily volume of trading in stock and index futures and options stood at 40,061 contracts, as compared to 41,895 contracts in 2019, reduced by -4.38% year-on-year. The share of stock futures in the average daily volume of trading in all derivative products rose to 95.24% from 93.31% in 2019, while the corresponding share of futures on the FTSE/ATHEX Large Cap index fell to 4.24% from 5.87% in 2019.

The average monthly number of accounts that performed trades fell to 1,763 in 2020 from 2,005 in 2019, with the respective share on the total number of end investor-client accounts falling to 4.94% from 5.64% in 2019. The ratio of ATHEX-member to client transaction value for all the products traded in the derivatives market reversed the downward course of the past few years and stood at approximately 46:54, as compared to approximately 45:55 in 2019. The average monthly ratio of the value of transactions on futures on the FTSE/ATHEX Large Cap index to the total value of trading on the underlying equities stood at approximately 9.5% in 2020, as compared to 16.75% in 2019, while the average monthly ratio of transactions on stock futures to the total value of trading in the underlying market stood at 9.75% as compared to 13.54% in 2019. Finally, the call:put ratio concerning trading in options was more in favor of call options on an annual basis, and stood at approximately 1.04 in 2020, as compared to 0.98 in 2019.

As regards capital market participants, forty six (46) investment firms were operating in the Greek capital market in 2020, i.e. the same number as in 2019. Trading activity by Investment Firm in shares listed in the Athens Exchange stood at 26.36 billion euros in 2020, as compared to 26.12 billion euros in 2019. The share of

the five ATHEX members with the largest value of trading as a percentage of the total value of trading (all five of which are Investment Firms) rose to 65.57% in 2020 from 62.91% in 2019. Moreover, 26 Financial Intermediation Firms (FIFs) were operating.

In 2020, the total number of mutual fund management companies (MFMCs) remained unchanged to 14. The total number of mutual funds under management, which is affected by the creation of new categories of units in existing mutual funds, increased once again, to 343 at the end of the year, from 327 in 2019. Finally, concentration in the Greek mutual fund market was substantially reduced, with the five largest MFMCs having funds under management of 4.56 billion euros (as compared to 6.90 billion euros in 2019), which accounted for 56.41% of the total net assets of mutual funds (as compared to 87.82 % in 2019).

The total net asset value of mutual funds increased by 2.98% year-on-year and stood at 8.1 billion euros at the end 2020, as compared to 7.85 billion euros in 2019. More specifically, the net asset value of individual mutual fund categories presented a mixed picture, as they increased across all balanced mutual fund (4.56%) and all funds of funds (19.78%) categories, and decreased in the bond (-0.09%), equity (-6.10%) and specialist (-4.01%) fund categories.

In 2020, all mutual funds registered net year-on-year inflows, which amounted to 184.97 billion euros, as compared to net inflows of 580.56 billion euros in 2019. The picture was mixed across mutual fund types. Net inflows were registered by Variable net asset value (VNAV) MMFs (28.85 million euros), equity funds (30.60 million euros), funds of funds (157.94 million euros), and balanced funds (63.56 million euros), while net outflows were registered by specialist funds (-13.54 million euros) and bond funds (-82.45 million euros).

The annual returns of individual mutual fund categories were as follows: bond mutual funds 2.18%; equity mutual funds -3.97%; balanced mutual funds -0.70%; equity funds of funds 8.03%; balanced funds of funds 1.67%; bond funds of funds 0.72%; and, finally, specialist mutual funds 1.77%.

## European and national regulatory framework

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### European regulatory framework

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On 24 September 2020 the European Commission published an Action Plan for the **Capital Markets Union (CMU)** and then, on 3 December, the Council of the EU approved a series of similar conclusions, given that the CMU has gained in importance in the context of the COVID-19 crisis and the necessary conversion to a digital and sustainable economy, as well as the post-Brexit era. This is expected to lead to increased funding needs on the part of EU companies and SMEs, making it necessary to deepen the Capital Markets Union: More specifically, among other things, the Council highlighted the following measures as the most urgent:

- facilitating access by corporations, in particular SMEs, to financing on capital markets;
- creating a single access point to financial and non-financial company data for investors;
- supporting the role of insurers, banks and other institutional investors as long-term investors in EU businesses;

- *enhancing financial literacy to promote well-educated investment decisions;*
- *enhancing the cross-border activities of post-trading infrastructures and settlement;*
- *promoting further supervisory convergence and working towards a more harmonised legal framework for regulated capital market activities in the EU.*

*Here are some of the most important institutional developments of 2020.*

*As regards **Sustainable Finance, Environmental, Social, Governance (ESG) factors** continued to be rapidly incorporated into the capital markets' institutional framework. In 2020, this important and topical trend was included in the priorities of the economy as a whole in general, and the financial sector in particular. In general, institutional developments aim at adapting and alerting all participants a) to the issues of the risks inherent in climate change and the other sustainability factors, and b) to the minimum action that is required to ensure that sustainability issues are seriously taken into consideration by capital market entities, as well as in investment and financial decision making.*

*The **environmental objectives** of the new institutional framework of the EU (see below) are the following:*

*A) Climate change mitigation.*

*B) Climate change adaptation.*

*C) The sustainable use and protection of water and marine resources.*

*D) Transition to a circular economy.*

*E) Pollution prevention and control.*

*F) The protection and restoration of biodiversity and ecosystems.*

*The European Green Deal, the Action Plan on Sustainable Finance, and the Renewed Sustainable Finance Strategy are the main pillars of EU financial policy regarding sustainability considerations.*

*In this context, and following the publication, at the end of 2019, of Regulations 2019/2088/EU and 2019/2089/EU, which respectively regulated a) sustainability-related disclosures in the financial services sector (SFDR) and b) the amendment of Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks, on 22 June 2020 the **Taxonomy Regulation** was published in the Official Journal. This is Regulation 2020/852/EU on the establishment of a framework to facilitate sustainable investment, which among other specifies the main environmental objectives that will be used as benchmarks for the participants obligations.*

*Both Regulation 2020/852/EU and the SFDR will be gradually implemented, while the executive measures required for the uniform implementation will also be issued at the same time. Moreover, in late 2020 ESMA launched a consultation on the implementation of article 8 of this Regulation, which concerns the executive measures to be issued by the EU as regards the requirement of public-interest entities to disclose non-financial information. This is information on how and to what extent the activities of an undertaking are associated with economic activities that qualify as environmentally sustainable.*



Moreover, the debate on the extension of the institutional framework for the disclosure of non-financial information by issuers, as well as other issues, such as those pertaining to sustainable corporate governance and the Green Bond Standard, was continued in 2020. The EU also launched a consultation regarding the revision of Directive on the disclosure of non-financial information –Directive 2013/34/EU (as amended by Directive 2014/95/EU, the “NonFinancial Reporting Directive”)– as regards the regulation of non-financial information on ESG issues.

### **The Digital Finance Strategy of the European Commission**

On 24 September 2020, following a broad public consultation and a series outreach events focusing on digital innovation, the European Commission announced the **Digital Finance Strategy** it will pursue during its term. This is a plan by means of which the European Commission seeks to promote the digital transformation of the financial sector, addressing, at the same time, the risks associated with it.

The strategy comprises four key priorities:

1. **Tackling fragmentation in the Digital Single Market** for financial services, thereby enabling European consumers/investors to access cross-border services and help European financial firms scale up their cross-border digital operations.
2. **Adapting the EU regulatory framework to facilitate digital innovation** in the interest of consumers and market efficiency. In this context, two legal texts are proposed: Proposal for a Regulation on Markets in Crypto-assets and Amending Directive (EU) 2019/1937 (MiCA) and Proposal for a Regulation on a pilot regime for market infrastructures based on distributed ledger technology.
3. **Creating a European financial data space** to promote data-driven innovation, building on the European data strategy including enhanced access to data and data sharing within the financial sector.
4. **Addressing the challenges and risks** associated with digital transformation In this context, two legal texts are proposed: Proposal for a Regulation on Digital Operational Resilience for the financial sector and Amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014 and (EU) No 909/2014 (DORA) and Proposal for a Directive amending Directives 2006/43/EC, 2009/65/EC, 2009/138/EU, 2011/61/EU, EU/2013/36, 2014/65/EU, (EU) 2015/2366 and EU/2016/2341.

For more details, see the following links:

[Text of the digital finance strategy](#)

[Text of the proposal for a regulation on markets in crypto-assets](#)

[Text of the proposal for a regulation on a pilot regime for market infrastructures based on distributed ledger technology](#)

[Text of the proposal for a regulation on digital operational resilience for the financial sector](#)

[Text of the proposal for a directive amending directives 2006/43/EC, 2009/65/EC, 2009/138/EU, 2011/61/EU, EU/2013/36, 2014/65/EU, \(EU\) 2015/2366 and EU/2016/2341](#)

Regulation (EU) on a framework for the recovery and resolution of central counterparties was also finalised in 2020.

*In general, the legislative changes proposed in 2020 as part of the **Capital Markets Recovery Package**, included amendments to the directive on markets in financial instruments, the prospectus regulation, and the securitisation framework of the EU. More specifically, as part of amending the rules of **MiFID II**, the European Council and the Parliament agreed to simplify information requirements, for example, as regards information on costs and charges, also agreeing on a targeted exception that will allow banks and financial firms to bundle research and execution costs when it comes to research on small and mid-cap issuers. This will help to increase research on such issuers and improve their access to funding. The position limit regime for commodity derivatives was also revised in order to help European businesses respond to market instability, and to support the emergence and growth of euro-denominated commodity derivatives markets, albeit without affecting agricultural commodities.*

*EU co-legislators also agreed to establish a new “EU recovery prospectus”, which will be shorter in order to make it easier for companies to raise capital. The proposals also included the improvement of the requirements regarding the minimum information to be included in the recovery prospectus, in order to ensure the provision of adequate information to investors.*

*In 2020, seven (7) Commission Delegated Regulations were issued for implementing Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 came into force, laying down a general framework for **securitisation**, creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (**Securitisation**). More specifically, these are:*

- *2020/1224 with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and Securitisation Special Purpose Entity (SSPE), Implementing Regulation (EU) 2020/1225 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE;*
- *2020/1226 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council and laying down regulatory technical standards specifying the information to be provided in accordance with the STS notification requirements,*
- *2020/1227 laying down implementing technical standards with regard to templates for the provision of information in accordance with the STS notification requirements*
- *2020/1228 laying down implementing technical standards with regard to the format of applications for registration as a securitisation repository or for extension of a registration of a trade repository pursuant to Regulation (EU) 2017/2402 of the European Parliament and of the Council ,*
- *2020/1229 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency ,*
- *2020/1230 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the application for registration of a securitisation repository and the details of the simplified application for an extension of registration of a trade repository.*

Also in order to facilitate **securitisation**, a proposal was made in 2020 to expand the existing EU framework for simple, transparent and standardised (STS) securitisation to synthetic securitisation, which is an important credit risk management tool for banks, as it allows them to transfer the credit risk of a series of loans, usually large corporate loans or SME loans, to investors.

The gradual implementation of Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (**SFTR**) continued in 2020. Regulation 2020/1503/EU on European **crowdfunding** service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937, was also issued in 2020. Directive 1504/2020/EU was also issued, amending Directive 2014/65/EU as regards crowdfunding.

As regards the Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds ( **Benchmark** Regulation 2016/2011), in July 2020 the EU proposed its updating, which is expected to be published within the next year. The key parameter for the revision of the original Benchmark Regulation was, among others, the changes concerning the LIBOR rate. In addition, the following level II acts, regarding sustainability indicators/ESG factors were issued, in the context of Regulation (EU) 2016/1011 on Benchmarks: a) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published; b) Commission Delegated Regulation (EU) 2020/1817 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation on how environmental, social and governance factors are reflected in the benchmark methodology; and c) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks

As part of the revision of the legislative framework that governs the three European Supervisory Authorities (**ESAs/ESMA, EBA, EIOPA**) and the **ESRB** as regards supervisory convergence, Regulation 2019/2175 amending Regulation 1095/2010 that established them, was published in 2019. The new framework came into force on 1 January 2020.

In May 2020, the EU presented an ambitious and multifaceted action plan for a comprehensive approach to further strengthen the EU's fight against money laundering and terrorist financing (Action plan for **anti- money laundering**). The plan sets out concrete measures that the Commission will take to better enforce, supervise and coordinate the EU's rules on combating money laundering and terrorist financing. The aim of this new, comprehensive approach is to shut down any remaining loopholes in the EU's rules.

Finally, it should be noted that, in the context of the above European legislation, further level 2 acts were issued in 2020, or are at the processing stage, further specifying the institutional framework. See the section of this Annual Report where the work of individual ESMA committees (e.g. **IPISC, SMSC, DSC**) is analysed.

*During the course of the year, the regulatory framework of the Greek capital market was reinforced through the introduction of legislation on corporate governance, the encouragement of long-term shareholder involvement, and the prevention and suppression of money laundering and terrorist financing.*

*More specifically, the following laws came into force:*

- **Law 4706** (Government Gazette A'136/ 17.7.2020) on corporate governance, capital market modernisation, incorporation into Greek legislation of Directive (EU) 2017/828 of the European Parliament and of the Council, measures for the implementation of Regulation (EU) 2017/1131 and other provisions.

*The law lays out the best corporate governance practices that must be applied by societies anonymes that have listed their securities for trading in a regulated market. The framework established as regards the operation of the Board of Directors aims at ensuring its effective and orderly operation. Moreover, transparency and the provision of reliable information to company shareholders are enhanced, and the internal audit procedure is intensified.*

- **Law 4734** (Gov. Gaz. A' 196/ 8.10.2020) amending Law. 4557/2018 (Gov. Gaz. A'139) on the prevention and suppression of Money Laundering and Terrorist Financing - Incorporation into Greek legislation of Directive (EU) 2018/843 (L 156) and article 3 of Directive (EU) 2019/2177 (L 334) and other provisions.

*This law further enhances the legislative framework for the prevention and suppression of money laundering and terrorist financing, and increases the protection of the financial system from associated risks. The law transposes into Greek legislation Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.*

*The Hellenic Capital Market Commission participates, through its executives, in the law-drafting committees for the incorporation into national law of European Directives and Regulations pertaining to capital market legislation. In 2020, for example, the HCMC participated in the law-drafting committee for the alignment of Greek legislation with the provisions of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU; the law-drafting committee on issues pertaining to the organization and operation of the Hellenic Capital Market Commission; the law-drafting committee for the facilitation of the cross border Distribution of Funds (CBDF), the transposition of Directive 2019/11601 and compliance with Regulation 2019/1156; the law-drafting committee for the adaptation of national legislation to the legislative package on the prudential supervision of investment firms (Directive 2019/2034 (IFD) and Regulation 2019/2033 (IFR)); the law-drafting committee for the transposition of article 1 of Directive (EU) 2019/2177 (Solvency II); as well as the law-drafting committee for the transposition of Directive 2020/1504 and the provisions for compliance with Regulation 2020/1503 (amendment of MiFID II, addition of an exception for crowdfunding service providers.*

## DEVELOPMENTS IN THE GREEK CAPITAL MARKET

### Equity and equity-like markets

#### Market capitalisation, returns and other characteristics of the markets of the Athens Exchange

By the end of 2020, the market capitalisation of shares listed on the Securities Market of the Athens Exchange stood at 53,431.51 million euros, reduced by 12.7% (reduced by 12% y-o-y to 53,853 million euros if shares in suspension of trading are also taken into account) as compared to 2019, when it stood at 61,217.27 million euros. The market capitalisation of shares listed on the Main Market category as per the last trading day of the year amounted to 53,103 million, as compared to 60,923.9 million in 2019, accounting for 99.39% of the total market capitalisation of ATHEX-listed stocks, as compared to 99.52% at the end of the previous year. The market capitalisation of the “under surveillance” category rose to 328.51 million euros at the end of 2020 from 293.29 million euros at the end of 2019, and accounted for 0.61% of total market capitalisation, as compared to 0.48% in 2019. The ratio of total market capitalisation to Greece’s GDP remained, more or less, unchanged at 2019 levels (32.22% as compared to 32.66% at the end of 2019).

The top ten shares in terms of market capitalisation at the end of 2020 were the following (their share in total market capitalisation is shown in brackets): COCA COLA HBC AG (18.16%), HELLENIC TELECOMMUNICATIONS ORGANISATION (OTE) (11.51%), GREEK ORGANISATION OF FOOTBALL PROGNOSTICS (OPAP SA) (6.94%), EUROBANK ERGASIAS SERVICES AND HOLDINGS SA (3.99%), NATIONAL BANK OF GREECE (3.84%), PRODEA REIC SA (3.68%), JUMBO SA (3.59%), PUBLIC POWER CORPORATION SA (3.20%), MYTILINEOS SA (3.16%), HELLENIC PETROLEUM SA (3.06%). The market capitalisation of these ten companies’ shares stood at 32.92 billion euros as per the end of 2020 and accounted for 61.13% of the total market capitalisation of shares listed in the Athens Exchange. Similarly, at the end of 2019, the ten largest companies in terms of market capitalisation had a market cap of 39.91 billion euros and accounted for 64.73% of the total market capitalisation of companies listed in the Athens Exchange.

The market capitalisation of shares listed in the Alternative Market of the Athens Exchange stood at 154.49 million euros at the end of 2020, increased by 6.5% year-on-year.

**TABLE 3. Market Capitalisation of shares traded in the Securities Market and the Alternative Market of the Athens Exchange (€ million), 2020**

Month*	Securities Market			Alternative Market
	Main market	Surveillance	Total	
Jan.	61,221.53	318.96	61,540.49	152.09
Feb.	50,287.08	289.98	50,577.06	152.91
Mar.	38,928.10	222.70	39,150.80	109.50
Apr.	43,812.51	265.44	44,077.95	113.59
May	45,010.31	263.75	45,274.06	118.31
Jun.	43,851.01	232.30	44,083.31	126.08
Jul.	43,015.41	248.74	43,264.15	98.66

	Securities Market			Alternative Market
Month*	Main market	Surveillance	Total	
Aug.	43,866.48	251.12	44,117.60	95.71
Sep.	42,995.31	262.44	43,257.75	120.13
Oct.	39,823.85	263.31	40,087.16	127.50
Nov.	49,313.30	308.65	49,621.95	130.34
Dec.	53,103.00	328.51	53,431.51	154.49

Source: ATHEX.

Note: The point of reference is market capitalisation on the last trading day of each month.

**TABLE 4. ATHEX Securities Market cumulative data, 2011-2020**

End of year	Market Capitalisation (€ million)	ATHEX Composite Share Price Index	No. of Listed Companies	Market Capitalisation (% of GDP)
2020	53,431.51	808.99	160	32.22%
2019	61,217.27	916.67	169	32.66%
2018	44,884.04	613.3	178	24.18%
2017	54,055.32	802.37	191	30.27%
2016	45,101.80	643.64	207	25.6%
2015	46,717.67	631.35	229	26.60%
2014	52,916.45	826.18	233	29.70%
2013	66,514.89	1162.68	251	36.80%
2012	33,766.01	907.9	265	17.70%
2011	26,783.43	680.42	242	12.90%

Source: ATHEX, HCMC

Note: GDP is calculated at current market prices

At the end of 2020, the ATHEX Composite Share Price Index closed at 808.99 units, sustaining a year-on-year loss of -11.75% (916.67 units in 2019). In 2020, the course of the index consisted of three phases. In the 1st quarter, the index moved downwards, then, during the period April-September it stabilised between 600-700 units, while after October (when it fell) and until the end of the year the index moved upwards. The index registered its low for the year in March (484.40); this value was lower than the corresponding low for the year 2019 (600.12). The index reached its high for the year in January (948.64); this value was higher than the corresponding highest value for the year 2019 (921.87).

The cumulative return of the ATHEX Composite Share Price Index for the period 2010-2020 is shown on Table 5.

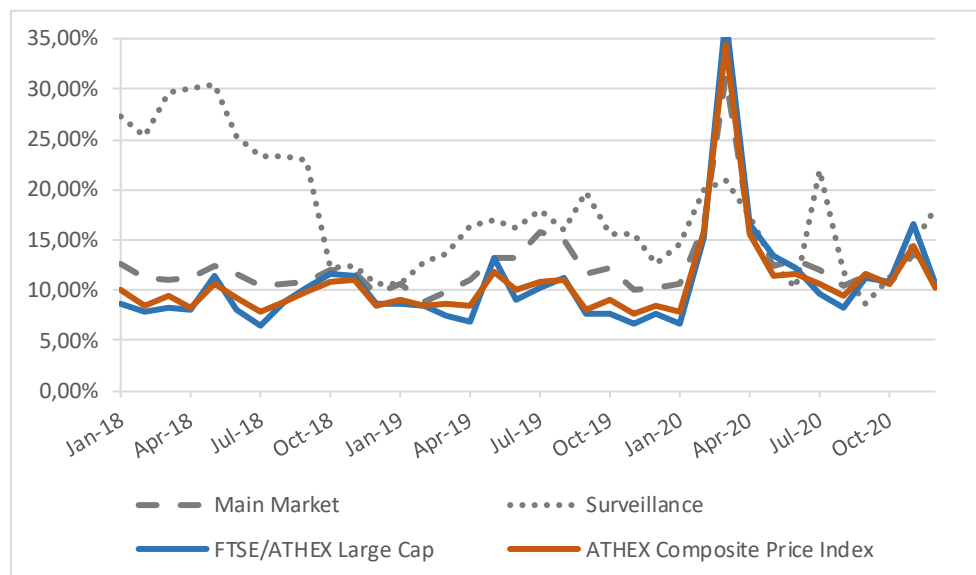
**TABLE 5. Cumulative Return (%) of the ATHEX Composite Share Price Index, 2010-2020**

Return Year
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Base year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	2019	-11.75%								
	2018	31.91%	49.47%							
	2017	0.83%	14.25%	-23.56%						
	2016	25.69%	42.42%	-4.71%	24.66%					
	2015	28.14%	45.19%	-2.86%	27.09%	1.95%				
	2014	-2.08%	10.95%	-25.77%	-2.88%	-22.09%	-23.58%			
	2013	-30.42%	-21.16%	-47.25%	-30.99%	-44.64%	-45.70%	-28.94%		
	2012	-10.89%	0.97%	-32.45%	-11.62%	-29.11%	-30.46%	-9.00%	28.06%	
	2011	18.90%	34.72%	-9.86%	17.92%	-5.41%	-7.21%	21.42%	70.88%	33.43%
2010	-42.78%	-35.17%	-56.62%	-43.25%	-54.48%	-55.35%	-41.57%	-17.77%	-35.79%	-51.88%

The volatility of the ATHEX Composite Share Price Index, the FTSE/ATHEX Large Cap index, the Main Market and Surveillance Segments of the Securities Market of the Athens Exchange for each month of the period 2018-2020 is presented in Figure 2.

**FIGURE 2. Monthly volatility in the Athens Exchange, 2018-2020**



Source: ATHEX

Note: Monthly volatility is derived from the change of closing prices for each trading day of the month

In 2020, almost all main indices of the ATHEX recorded losses. The exceptions, which registered gains, were the FTSE/ATHEX Mid & Small Cap Factor-Weighted index (4,99%) and the ATHEX Select Plus index (2,76%). The FTSE/ATHEX-CSE Banking Index recorded the largest year on year loss (-41.37%), followed by the FTSE/ATHEX-CSE Banking Total Return Index (-41.35%). Table 6 presents the closing values and the percentage year-on-year changes for main and other indices of the Athens Exchange at the end of 2020.

**TABLE 6. ATHEX Main and Other Indices, 2019-2020**

Athens Exchange Indices	2020	2019	Annual change (%)
Composite Share Price Index	808.99	916.67	-11.75%
FTSE/ATHEX Large Cap	1,934.64	2,298.02	-15.81%
FTSE/ATHEX-CSE Banking	392.80	669.94	-41.37%
FTSE/ATHEX Mid & Small Cap Factor-Weighted	3,124.15	2,975.68	4.99%
FTSE/ATHEX Market Index	473.60	568.83	-16.74%
Hellenic Mid & Small Cap Index	1,202.50	1,253.49	-4.07%
Comp. Share Price Index, Total Return	1,360.50	1,495.50	-9.03%
FTSE/ATHEX-CSE Banking, Total Return	344.08	586.69	-41.35%
FTSE/ATHEX Mid Cap	1,107.38	1,195.17	-7.35%
FTSE/ATHEX Global Traders Plus	2,101.33	2,318.70	-9.37%
FTSE/ATHEX Large Cap Total Return	2,969.49	3,413.33	-13.00%
FTSE/ATHEX Mid Cap Total Return	1,390.05	1,456.89	-4.59%

Source: ATHEX

Note: The closing price refers to the last trading day of each month.

Most sectoral indices also recorded losses. More specifically, the FTSE/ATHEX Banks Index recorded the largest loss (-41.37%), followed by the FTSE/ATHEX Energy index (-41.28%), the FTSE/ATHEX Retail Index (-28.82%), the FTSE/ATHEX Financial Services index (-23.37%) and the FTSE/ATHEX Consumer Products & Services Index (-20.67%). Gains were registered by the FTSE/ATHEX Utilities index (44.49%), the FTSE/ATHEX Technology Index (21.31%) and the FTSE/ATHEX Industrial Goods-Services index (14.50%). Table 7 presents ATHEX sectoral index data per month and for the entire year 2020.

**TABLE 7. Sectoral Share-price Indices in the ATHENS EXCHANGE, FTSE/ATHEX, 2020**

Month	Banks	Fin. Services	Real Estate	Basic Resources	Travel & Leisure	Telecoms	Utilities
Jan.	840.58	1,028.86	5,416.63	7,101.65	1,898.09	3,715.97	3,233.59
Feb.	575.15	797.53	4,731.26	5,370.02	1,607.90	3,528.79	2,703.02
Mar.	358.67	707.19	3,822.08	3,831.73	1,133.47	3,022.32	2,466.79
Apr.	340.90	735.70	4,053.24	4,322.20	1,356.53	3,330.61	2,749.55
May	330.88	745.37	4,179.74	4,188.85	1,339.12	3,484.75	3,201.75
Jun.	364.11	679.48	4,012.67	3,879.90	1,337.55	3,304.71	3,146.37
Jul.	302.86	642.48	3,839.10	3,939.34	1,207.08	3,445.20	3,323.40
Aug.	325.35	623.29	3,862.33	3,834.86	1,215.24	3,771.09	3,490.71
Sep.	303.25	562.27	3,802.90	4,129.56	1,266.71	3,398.53	3,721.40
Oct.	236.10	511.28	3,505.32	4,513.62	1,082.74	3,149.64	3,596.00
Nov.	400.49	651.22	4,171.24	5,714.40	1,496.42	3,854.68	4,439.86
Dec.	518.99	763.95	4,825.18	6,153.83	1,732.48	3,644.51	4,602.67
<b>Annual % change</b>	<b>-41.37%</b>	<b>-23.37%</b>	<b>-11.71%</b>	<b>-4.71%</b>	<b>-10.68%</b>	<b>-7.15%</b>	<b>44.49%</b>
Max	889.92	1,123.81	5,826.74	7,435.44	2,084.49	4,027.57	4,672.48
Min.	221.87	480.39	2,945.19	2,713.19	904.20	2,480.07	1,865.80

Source: ATHEX



Note: The closing price refers to the last trading day of each month.

## Value of Trading

In 2020, the value of equity trading in the Securities Market of the Athens Exchange stood at 15.97 billion euros, reduced by -2.54% year-on-year. Its average monthly value stood at 1.33 billion euros, while the highest value for the year (1.88 billion euros) was recorded in December.

The value of share trading in the two trading categories (Main Market and Surveillance) stood at 15.96 billion euros, as compared to 16.36 billion euros in 2019, reduced by -2.44%. The value of trading in exchange-traded funds fell to 9.97 million euros from 10.90 million euros in 2019, reduced by -8.51%.

The value of trading in the Alternative Market of the Athens Exchange stood at 25.97 million euros, as compared to 5.13 million euros in 2019.

**TABLE 8. Value of equity trading in the Securities Market and the Alternative Market of the Athens Exchange (€ million), 2020**

Month	Securities Market					Alternative Market
	Shares		Exchange traded funds	Suspension of trading	Total	
	Main market	Surveillance				
Jan.	1,585.00	3.71	3.10	0.18	1,591.99	1.27
Feb.	1,706.39	2.59	1.14	0.00	1,710.11	0.65
Mar.	1,795.34	1.25	1.40	0.00	1,797.99	0.19
Apr.	1,010.85	0.77	0.92	0.00	1,012.54	0.17
May	1,405.56	0.62	0.08	0.17	1,406.43	0.25
Jun.	1,408.42	0.52	0.52	0.31	1,409.76	0.48
Jul.	1,125.48	1.67	0.72	0.00	1,127.87	0.48
Aug.	630.09	0.96	0.04	0.00	631.09	0.23
Sep.	950.56	1.39	0.38	0.00	952.33	2.04
Oct.	886.62	1.45	0.69	0.00	888.76	9.08
Nov.	1,558.63	2.63	0.32	0.00	1,561.58	4.07
Dec.	1,874.74	2.81	0.68	0.00	1,878.22	7.04
<b>Total 2020</b>	<b>15,937.66</b>	<b>20.37</b>	<b>9.97</b>	<b>0.66</b>	<b>15,968.66</b>	<b>25.97</b>

Source: ATHEX

In 2020, average turnover velocity for shares traded in the Main Market stood at 1.7%. Its highest value was recorded in March (2.46%) and its lowest value was recorded in August (0.81%). Similarly, the average annual

turnover velocity for shares in the Surveillance category stood at 0.48%. Its highest value was recorded in December (1.18%) and its lowest value was recorded in May (0.17%).

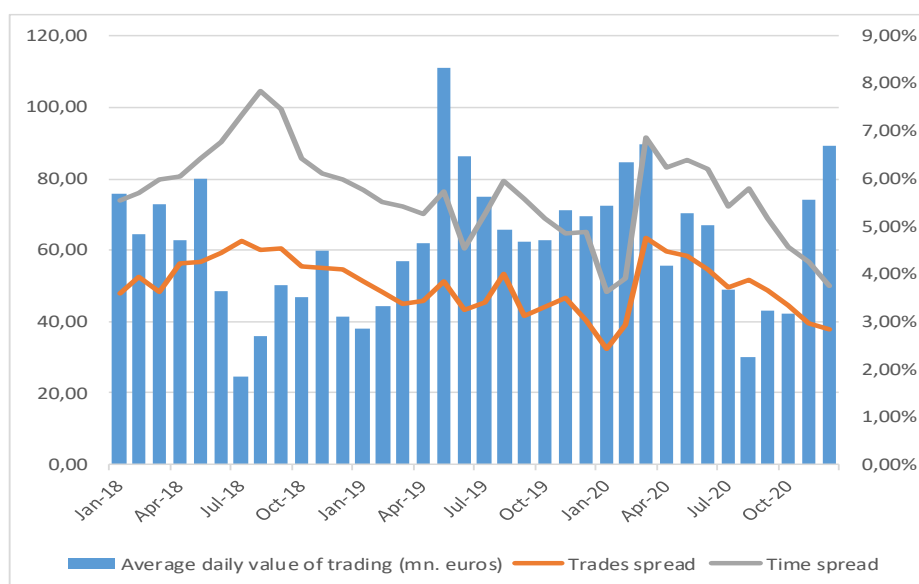
**TABLE 9. Average turnover velocity, per month, 2020**

Month	Main market	Surveillance	FTSE/ATHEX Large Cap	ATHEX Composite Price Index
Jan.	1.81%	0.57%	2.52%	2.32%
Feb.	1.72%	0.52%	3.27%	2.51%
Mar.	2.46%	0.31%	6.26%	4.17%
Apr.	1.63%	0.26%	3.79%	2.65%
May	1.64%	0.17%	4.90%	2.81%
Jun.	1.74%	0.19%	4.59%	2.67%
Jul.	1.32%	0.99%	3.36%	2.10%
Aug.	0.81%	0.21%	1.92%	1.35%
Sep.	1.44%	0.31%	3.26%	2.40%
Oct.	1.41%	0.32%	3.06%	2.24%
Nov.	2.14%	0.71%	5.80%	3.45%
Dec.	2.33%	1.18%	5.06%	3.25%

Source: ATHEX

The bid-ask spread in relation to the value of trading for the period 2018-2020 is presented in Figure 3.

**FIGURE 3. Average monthly bid-ask spread and average daily value of trading, 2018-2020**



Source: ATHEX

**Note:** Spread: The difference between the best bid and the best ask prices divided by the average of these prices.

Trades spread: The average of the spreads corresponding to certain trades, weighted by the percentage value of transactions for these trades. The spread that corresponds to the value of transactions for a trade is the one observed immediately prior to the execution of the trade.

Time spread: The average of the spreads observed during the trading session, weighted by the percentage time duration.

## New DSS Accounts and Investor Participation in the Athens Exchange

In 2020, 12,417 new accounts were opened in the Dematerialised Securities System (DSS), as compared to 9,207 in 2019, and 8,307 in 2018, representing a 34.86% year-on-year increase, while 15,551 accounts were deactivated, as compared to 25,787 in 2019 and 18,097 in 2018. The number of active accounts in December 2020 stood at 27,247, as compared to 18,785 in the same month of 2019 and 12,545 in December 2018, with the average number of active accounts for 2020 standing at 24,089, as compared to 21,292 in 2019 and 17,106 in 2018.

**TABLE 10. Number of new Investor Shares in the DSS by month, 2018-2020**

Month / Year	2020		2019		2018	
	Active accounts	New accounts	Active accounts	New accounts	Active accounts	New accounts
January	21,106	728	14,170	569	21,767	888
February	24,876	715	15,120	594	18,694	672
March	30,682	1,249	22,421	1,444	21,520	1,023
April	22,638	827	25,874	617	16,945	681
May	22,399	714	27,504	770	22,850	948
June	21,671	1,492	22,554	783	15,347	656
July	33,135	2,512	28,661	1,117	12,584	590
August	14,322	460	20,135	626	13,896	584
September	18,618	635	18,440	582	15,473	599
October	27,851	1,463	23,546	942	16,525	621
November	24,519	875	18,291	576	17,131	618
December	27,247	747	18,785	587	12,545	427
<b>Average active accounts</b>	<b>24,089</b>		<b>21,292</b>		<b>17,106</b>	
<b>Total new investor shares</b>	<b>12,417</b>		<b>9,207</b>		<b>8,307</b>	
<b>Account deactivations</b>	<b>15,551</b>		<b>25,787</b>		<b>18,097</b>	

Source: Hellenic Exchanges

In 2020, domestic investor participation (including the Hellenic Financial Stability Fund – HFSF) to the market capitalisation of the Athens Exchange was increased year-on-year (to 37.55% from 33.62%). Correspondingly, according to trading data by the Athens Exchange, domestic investors were net buyers, i.e. the value of their purchases exceeded the value of their sales by 625.19 million euros. The participation of private domestic investors rose to 17.87% (8,040.27 million euros) of the total market capitalisation in the Athens Exchange from 14.86% (7,483.98 million euros) in 2019 and 17.45% (6,146.65 million euros) in 2018, while the participation of the HFSF stood at to 2.62% (1,177.45 million euros) as compared to 3.64% (1,833.50 million euros) in 2019 and 2.04% (717.55 million euros) in 2018. The participation of foreign investors to the market capitalisation of the ATHEX was similarly reduced year-on-year (to 62.42% from 66.35% in 2019). In 2020, foreign investors were net sellers (the value of their sales exceeded the value of their purchases by 624.99 million euros).

**TABLE 11. Investor participation in the total capitalisation of the Athens Exchange, December 2020**

	Investor Accounts with balances	Capitalisation
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	Number	Percentage (%)	Value (€ million)	Percentage (%)
<b>I. Domestic investors</b>	<b>531,406</b>	<b>98.20%</b>	<b>16,892.14</b>	<b>37.55%</b>
Retail Investors, Freelance Professionals, Farmers & Sole Proprietorships	528,234	97.62%	8,040.27	17.87%
Insurance Companies	47	0.01%	167.81	0.37%
Private occupational insurance funds	15	0.00%	194.28	0.43%
Money Market Mutual Funds	14	0.00%	108.73	0.24%
Portfolio Investment Companies, Real Estate Investment Companies, Other (non-money market) Mutual Funds	99	0.02%	1,734.83	3.86%
Banks & Multilateral Development Banks	35	0.01%	172.01	0.38%
Other Financial Institutions (including Special Purpose Vehicles)	118	0.02%	133.30	0.30%
Private non-profit institutions	539	0.10%	210.49	0.47%
Non-financial undertakings	2,061	0.38%	3,802.02	8.45%
Central Government	38	0.01%	356.77	0.79%
Local Government Organizations	27	0.00%	0.60	0.00%
Social Security Funds	34	0.01%	793.33	1.76%
EU Organisations	0	0.00%	0.00	0.00%
Other Domestic Investors	144	0.03%	0.25	0.00%
Hellenic Financial Stability Fund (HFSF)	1	0.00%	1,177.45	2.62%
<b>II. Foreign Investors</b>	<b>9,540</b>	<b>1.76%</b>	<b>28,078.11</b>	<b>62.42%</b>
Retail Investors, Freelance Professionals, Farmers & Sole Proprietorships	6,288	1.16%	439.48	0.98%
Insurance Companies	74	0.01%	2,856.92	6.35%
Private occupational insurance funds	280	0.05%	966.48	2.15%
Money Market Mutual Funds	501	0.09%	2,066.43	4.59%
Portfolio Investment Companies, Real Estate Investment Companies, Other (non-money market) Mutual Funds	1,126	0.21%	7,029.18	15.63%
Banks & Multilateral Development Banks	415	0.08%	2,483.26	5.52%
Other Financial Institutions (including Special Purpose Vehicles)	225	0.04%	2,356.27	5.24%
Private non-profit institutions	23	0.00%	56.94	0.13%
Non-financial undertakings	523	0.10%	8,893.72	19.77%
Central Government	25	0.00%	565.13	1.26%
Local Government Organizations	14	0.00%	37.80	0.08%
Social Security Funds	26	0.00%	46.87	0.10%
EU Organisations	9	0.00%	224.30	0.50%
Non-EU International Organisations	9	0.00%	55.32	0.12%
Other Foreign Investors	2	0.00%	0.01	0.00%
<b>III. Other Investors</b>	<b>174</b>	<b>0.03%</b>	<b>13.00</b>	<b>0.03%</b>
<b>Total I +II + III</b>	<b>541,120</b>	<b>100.00%</b>	<b>44,983.25</b>	<b>100.00%</b>

Source: ATHEX

### Net profits and Dividends of ASE-Listed Companies

The weighted with the sector's market capitalisation price to (after-tax) earnings ratio (P/E) for the entire market was equal to 24.6. The lowest P/E was that of the General Mining sector (1.17). The sector

capitalisation-weighted dividend yield (D.Y.) of all companies listed in the ATHEX stood at 2.9%. The highest dividend yield was that of the Oil Refining and Marketing sector (5.8%).

**TABLE 12. Price to Earnings (P/E) ratio and listed company dividend yields, 2011-2020**

End of year	Weighted P/E (after taxes)	Weighted Dividend yield Percent
2020	24.6	2.9
2019	12.9	5.0
2018	18.0	3.4
2017	16.7	2.6
2016	6.7	0.9
2015	6.9	1.0
2014	9.3	3.2
2013	23.3	2.4
2012	17.5	6.3
2011	14.7	9.2

Source: ATHEX.

Note: P/E and dividend yield weighting takes into account the market capitalisation of listed companies on the basis of the closing price at the end of the year in relation to the sum of the sector's capitalisation. In particular, average capitalisation was used to calculate the P/E for 2020. Weighted P/E calculations do not take into account companies that registered losses or had P/E ratios larger than or equal to 100. Weighted dividend yield calculations do not take into account companies that did not pay out any dividends for the previous fiscal year.

## The Fixed-income securities market

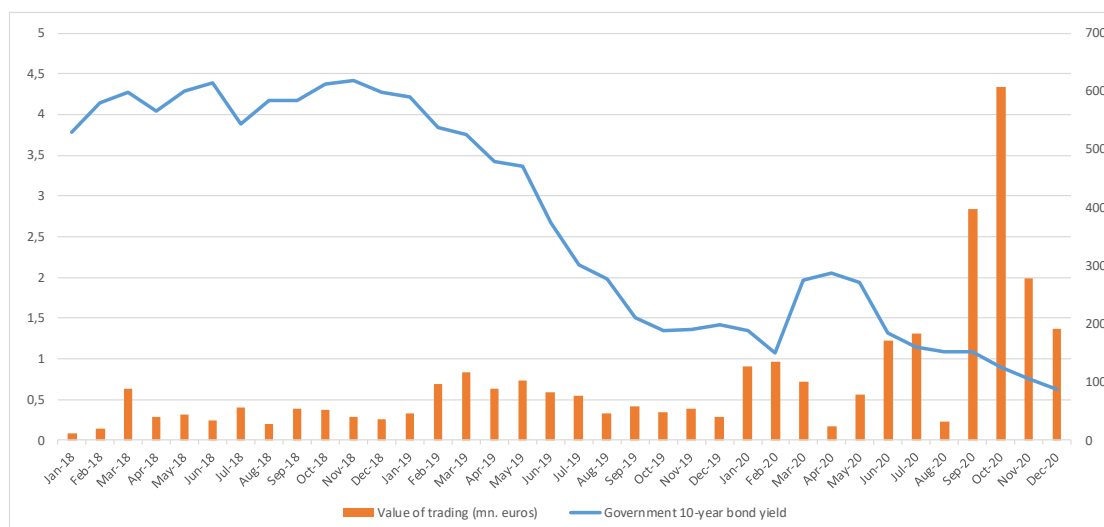
In 2020, trading in the Greek Government bond market was increased. Based on data from the System for Monitoring Transactions in Book-entry Securities of the Bank of Greece (BoG), the nominal value of secondary market trading on Greek Government bonds stood at 442 billion euros (as compared to 365 billion euros in 2019 and 275.96 billion euros in 2018), increased by 21.1% year-on-year. The average monthly value of trades stood at 36.83 billion euros. The highest value of trading was recorded in February (50.38 billion euros), followed by that in April (50.13 billion euros), while the lowest value was recorded in August (15.26 billion euros), followed by that in July (28.81 billion euros). The number of trades was reduced by -8.6% year-on-year, and stood at 70,051 (as compared to 76,643 trades in 2019 and 64,218 trades in 2018).

The annual value of trading in the Electronic Secondary Government Bonds Market (HDAT) amounted to 23.26 billion euros, as compared to 8.54 billion euros in 2019, and 5 billion euros in 2018. The average monthly value of trading stood at 1,938 million euros, and October was the month with the highest value of trading (6,080 million euros), while April was the month with the lowest value of trading (231 million euros) for the year.

At the end of 2020 the ratio of negotiable debt (bonds and T-bills) to total debt stood at 21.04%, as compared to 19.16% at the end of 2019 and 18.62% at the end of 2018.

In December 2020, the average yield of the ten-year benchmark bond stood at 0.63%, markedly reduced as compared to December 2019 (1.42%), and was the lowest for the year. The highest average yield was recorded in April (7.52%). The average yield of five-year bonds in December 2020 stood at -0.06%, and that of twenty-year bonds stood at 0.99%.

**FIGURE 4. Government 10-year Bond yield and Value of trading in HDAT, 2018-2020**



Source: Bank of Greece

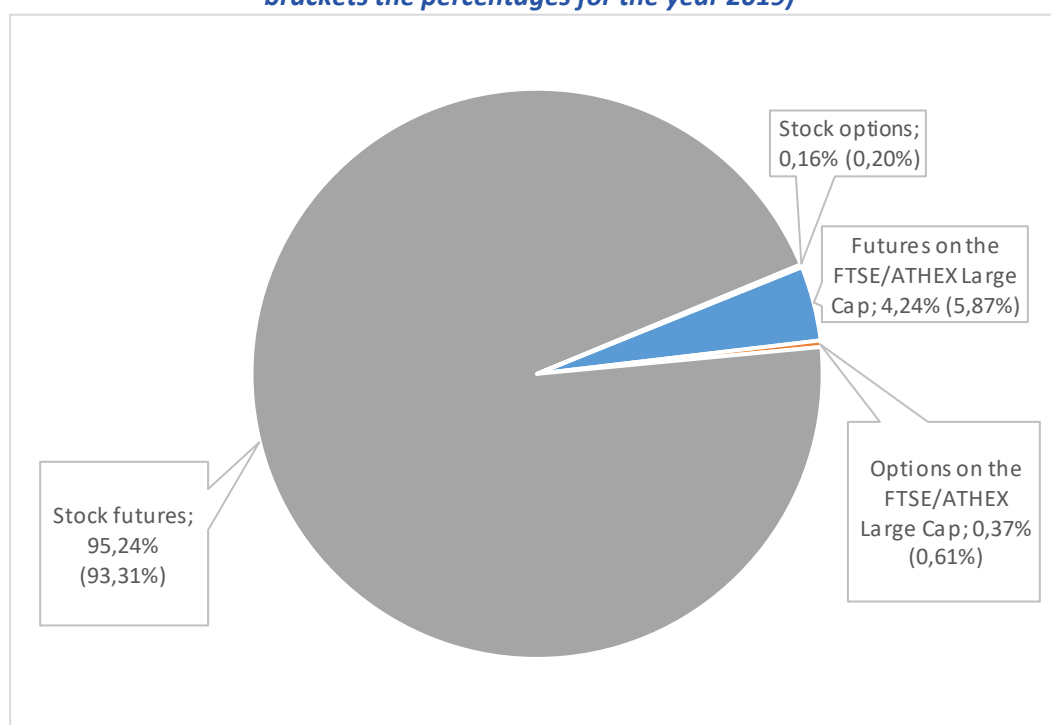
Finally, the growth of trading activity in the Securities Market of the Athens Exchange during the past few years was reversed, and the value of trading on corporate bonds fell to 190.23 million euros, from 238.66 million euros in 2019 and as compared to 158.21 million euros in 2018.

## The Derivatives Market

In 2019, the Derivatives Market of the Athens Exchange sustained the downward trend of the past three years as regards trading activity, while the number of accounts that performed trades was reduced. Moreover, the downward trend of the ratio of ATHEX member to client transaction value for all products traded in the derivatives market was reversed.

The average daily volume of trading in stock and index futures and options stood at 40,061 contracts, as compared to 41,895 contracts in 2019 and 56,008 contracts in 2018, reduced by -4.38% year-on-year. On a monthly basis, the average daily volume of trading showed intense fluctuations during the year, registering its highest value in December (71,856 contracts) and its lowest value in August (18,189 contracts). The share of stock futures in the average daily volume of trading in all derivative products rose to 95.24% from 93.31% in 2019, while the corresponding share of futures on the FTSE/ATHEX Large Cap index fell to 4.24% from 5.87% in 2019 (Figure 5).

**FIGURE 5. Distribution of the Volume of Trading in the derivatives market per type of derivative, 2020 (in brackets the percentages for the year 2019)**



Source: ATHEX, HCMC

The largest average daily trading volume was, since the beginning of the year, that of the stock futures for ALPHA Bank (10,233 contracts), followed by stock futures for Eurobank Ergasias (7,630 contracts) and for the National Bank of Greece (6,114 contracts).

The number of end investor-client accounts rose to 35,976 at the end of December 2020 from 35,391 at the end of December 2019 and 35,406 accounts at the end of December 2018 (Table 13). Moreover, the average monthly number of investor accounts was marginally increased to 35,670 in 2020 from 35,559 in 2019. In contrast, the average monthly number of accounts that performed trades fell to 1,763 in 2019 from 2,005 accounts in 2018. As a result, the corresponding percentage of the the total number of end investor-client accounts fell to 4.94% from 5.64% in 2019 and 5.35% in 2018. Table 13 presents data pertaining to the derivatives market of the ATHEX.

**TABLE 13. Derivatives market data, 2018-2020**

	Dec. 2020	Dec. 2019	Dec. 2018
Trading Members	27	28	31
Clearing Members	18	19	19
- Direct Clearing Members	11	12	12
- General Clearing Members	7	7	7
Client Accounts	35,976	35,391	35,406
Products (Index & Equity)	35	36	37

Source: ATHEX.

The ratio of ATHEX-member to client transaction value for all the products traded in the derivatives market reversed the downward course of the past few years and stood at approximately 46:54, as compared to approximately 45:55 in 2019 and 51:49 in 2018. A remarkable year-on-year change in this ratio was observed as regards options on the FTSE/ATHEX Large Cap index, at approximately 61:39 as compared to almost 56:44 in 2019 (Table 14).

**TABLE 14. Distribution of Contracts in the Derivatives market, 2018-2020**

Derivative products	Distribution of trades					
	Average 2020		Average 2019		Average 2018	
	Members	Clients	Members	Clients	Members	Clients
Futures on the FTSE/ATHEX LARGE CAP index	42.72%	57.28%	44.37%	55.63%	51.13%	48.87%
Options on the FTSE/ATHEX LARGE CAP index	61.31%	38.69%	55.54%	44.48%	66.55%	33.45%
Stock futures	34.15%	65.85%	34.59%	65.41%	39.69%	60.31%
Stock options	47.43%	52.57%	45.58%	54.44%	45.19%	54.81%
<b>TOTAL PRODUCTS</b>	<b>46.40%</b>	<b>53.60%</b>	<b>45.02%</b>	<b>54.99%</b>	<b>50.64%</b>	<b>49.36%</b>

Source: ATHEX

The ratio of the value of transactions in the derivatives market to the value of transactions in the underlying market of the Athens Exchange (derivative/ spot traded value ratio) was reduced year-on-year for all types of derivatives, with the exception of the ratio regarding stock options, which registered a marginal increase. More specifically, the average monthly ratio of the value of transactions on futures on the FTSE/ATHEX Large Cap index to the total value of trading on the underlying equities stood at approximately 9.5%, as compared to 16.75% in 2019, while the average monthly ratio of transactions on stock futures to the total value of trading in the underlying market stood at 9.75% as compared to 13.54% in 2019 (Table 15).

**TABLE 15. Value of trading in the derivatives market and the underlying market, 2020**

Month	Futures on the FTSE/ATHEX LARGE CAP index	Options on the FTSE/ATHEX LARGE CAP index	Stock futures	Stock options
Jan-20	13.16%	1.33%	7.05%	0.13%
Feb-20	14.03%	1.37%	10.71%	0.11%
Mar-20	8.19%	0.50%	8.82%	0.07%
Apr-20	9.28%	0.61%	6.06%	0.11%



Month	Futures on the FTSE/ATHEX LARGE CAP index	Options on the FTSE/ATHEX LARGE CAP index	Stock futures	Stock options
May-20	5.78%	0.46%	5.67%	0.05%
Jun-20	7.19%	0.88%	12.40%	0.09%
Jul-20	10.70%	1.10%	7.62%	0.12%
Aug-20	9.41%	1.04%	7.75%	0.09%
Sep-20	9.08%	0.81%	16.69%	0.20%
Oct-20	9.32%	0.72%	9.35%	0.12%
Nov-20	8.73%	0.68%	9.79%	0.12%
Dec-20	9.17%	0.66%	15.11%	0.09%
<b>Average 2020</b>	<b>9.50%</b>	<b>0.85%</b>	<b>9.75%</b>	<b>0.11%</b>
<b>Average 2019</b>	<b>16.75%</b>	<b>1.73%</b>	<b>13.54%</b>	<b>0.10%</b>

Source: ATHEX.

The call:put ratio concerning trading in options, on an annual basis (i.e. total volume of call options to total volume of put options for 2020), stood at approximately 1.04, as compared to 0.98 in 2019 and 0.94 in 2018. The ratio showed fluctuations on a monthly basis (maximum value: 2.19 in September; minimum value: 0.57 in December), with the average value of the ratio standing at 1.15, as compared to 0.93 in 2019 and 1.05 in 2018.

## SECURITY ISSUANCE

### Greek Government security issuance

In 2020, the Greek Government issued Treasury bills (13, 26, and 52 weeks) of a total value of approximately 23.6 billion euros, as compared to 27.86 billion euros in 2019. Moreover, there were eight bond issues with maturities of 7 years (April), 10 years (June, September), 15 years (February, October) and 30 years (January, December), amounting to approximately 16 billion euros. The average weighted cost of borrowing stood at 0.96%, as compared to 1.7% in 2019 and 1.4% in 2018.

In 2020, new Greek Government debt originated by 38.8% from the issuance of Treasury bills, and 52.5% from the issuance of bonds, while the remaining 8.7% consisted in loans (2.1% from the European Investment Bank and 6.6% from SURE). Moreover, the average-weighted maturity of central government debt was 19.43 years, as compared to 20.53 years in 2019 and 18.17 years in 2018.

### Corporate Security Issuance

In 2020, there were six share capital increases through issuance of new shares by ATHEX-listed companies, and two share capital increases through the initial public offering of stock for trading. Moreover, there were three

corporate bond issues. Total funds raised through the issuance of shares and bonds stood at 102.34 billion euros and 1.02 billion euros respectively.

## Share issuance

During the year, there were six share capital increases through issuance of new shares by ATHEX-listed companies, as compared to eight in 2019 and six in 2018. The funds raised amounted to 93.22 million euros, as compared to 740.48 million euros in 2019 and 186.86 million euros in 2018. Moreover, there were two share capital increases through the initial public offering of stock for trading, as compared to none in 2019 and one in 2018. Finally, there were no share capital increases due to merger, whereas there were two in 2019 and one in 2018. Table 16 presents the funds raised per company through the issuance of shares in 2020.

**TABLE 16. Funds raised through share issuances, 2020**

Company	Trading category	Total Funds Raised
<b>(A) Share capital increase through issuance of new shares by ATHEX-listed companies</b>		
AVAX SA	Main market	19,999,999.80
AUDIO VISUAL ENTERPRISES SA	Main market	7,999,999.50
TRASTOR REIC	Main market	37,215,718
PASAL REAL ESTATE DEVELOPMENT SA	Main market	10,028,517.12
SIDMA SA	Surveillance	8,005,571.80
P.G. NIKAS S.A.	Surveillance	9,966,401.25
<b>Total funds raised with listing of shares</b>		<b>93,216,207.67</b>
<b>(B) Initial public offering of stock for trading</b>		
ENTERSOFT SA	Main market	3,788,960.00
EPSILON NET SA	Main market	5,338,944.00
<b>Total funds raised with listing of shares</b>		<b>9,127,904.00</b>
<b>Grand Total of Funds Raised (A) + (B)</b>		<b>102,344,111.67</b>

Source: HCMC

Table 17 presents data on the number of share capital increases by ATHEX-listed companies during 2014-2020, as well as the corresponding amount of funds raised.

**TABLE 17. Share Capital Increases by ATHEX-listed companies, 2014-2020.**

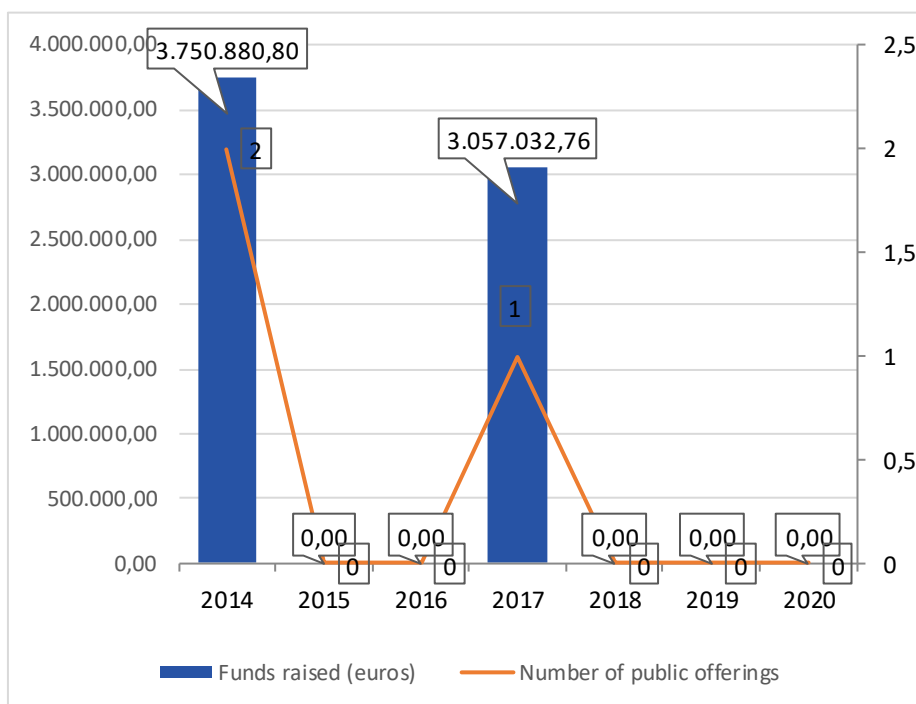
	Number of Share Capital Increases	Total Funds Raised (€ million)
2020	6	93.22
2019	8	740.48

	<i>Number of Share Capital Increases</i>	<i>Total Funds Raised (€ million)</i>
2018	6	186.86
2017	7	132.5
2016	8	201.56
2015	7	10,185.95
2014	11	8,720.85

Source: HCMC

Figure 6 presents data on the public offering of shares without admission to trading in ATHEX during the period 2014-2020. More specifically, it presents the total number of public offerings per year, as well as the amount of funds raised.

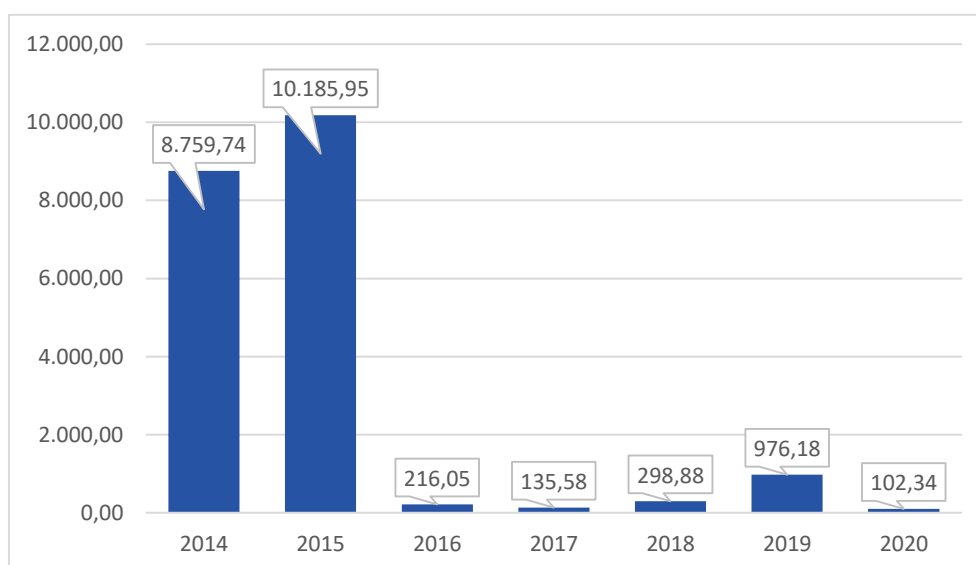
**FIGURE 6. Public offering of shares without admission to trading, 2014-2020**



Source: HCMC

Figure 7 presents the total amount of funds raised per year through share issuance during 2014-2020.

**FIGURE 7. Total funds raised through share issuance (€ mn), 2014-2020**



Source: HCMC

The quarterly distribution of share capital increases by ATHEX-listed companies in the period 2018-2020, based on the date of the approval of the relevant prospectuses by the Hellenic Capital Market Commission, is presented in Table 18. Whenever the approval was given in dates belonging to two different quarters, the reference period is that of the first approval. Moreover, wherever the approval of a Prospectus by the Hellenic Capital Market Commission is not required, the date used is the date of listing in the Athens Exchange.

**TABLE 18. Quarterly distribution of share capital Increases by ATHEX Listed Companies, 2018-2020**

Quarter	Number of issues			Total Funds Raised (€ mn)		
	2020	2019	2018	2020	2019	2018
1st	2	2	1	28	2.65	41.32
2nd	2	2	3	47.24	11.23	140.47
3rd	0	2	1	-	26.53	5.07
4th	2	2	1	17.97	700.07	-
<b>Total</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>93.22</b>	<b>740.48</b>	<b>186.86</b>

Source: HCMC

## Bond Issuance

In 2020, there were three corporate bond issues, as in 2019 and in 2018, which concerned seven-year bonds. In all three cases, the bonds issued were admitted for trading for the first time in the Debt Segment of the Securities Market of the Athens Exchange, and the funds raised amounted to 1.02 billion euros, as compared to 525 million euros in 2019 and 235 million euros in 2018.

**TABLE 19. Funds raised through corporate bond issuances, 2020**

<b>Company</b>	<b>Trading category</b>	<b>Total Funds Raised</b>
GEK TERNA HOLDING REAL ESTATE CONSTRUCTION SA	Fixed-income securities	500,000,000
LAMDA DEVELOPMENT SA	Fixed-income securities	320,000,000
GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS (OPAP)	Fixed-income securities	200,000,000
<b>Total</b>		<b>1,020,000,000</b>

Source: HCMC

### Corporate restructuring in the capital market

In 2020, the corporate restructuring of companies listed in the Athens Exchange through mergers was reduced as compared to 2019. More specifically, 5 listed companies absorbed 9 non-listed companies in 2020 (Table 20 & Figure 2019), while 10 listed companies had absorbed 12 non-listed and 2 ATHEX-listed companies in 2019. Of the acquirer listed companies, 1 came from the Banks' sector, 2 from the Basic Resources sector, 1 from the Consumer Products & Services sector, and 1 from the Real Estate sector.

Moreover, it should be noted that in 2020 there was a relative increase in corporate restructuring through spin-offs and acquisitions of business sectors. More specifically, in 2020, 5 business sectors were spun-off from 5 ATHEX-listed companies and were acquired by 6 non-listed companies (Table 21), as compared to 2 spin-offs from 2 ATHEX-listed companies that were absorbed by 2 non-listed companies in 2019. The spin-offs that took place in 2020 concerned 2 companies from the Banks super sector, 2 from the Food, Beverage & Tobacco super sector, and 1 from the Construction and Materials super sector.

Finally, on 31.12.2020, out of a total of 149 companies with shares and bonds listed in the Athens Exchange, 121 companies (81.2%) comprised groups and prepared consolidated financial statements, as compared to 126 companies comprising groups (80.8%) out of a total of 156 as per 31.12.2019 (Figure 9).

**TABLE 20. Mergers among companies listed and non-listed in the ATHEX, 2020**

<b>No</b>	<b>Acquirer</b>	<b>Industry</b>	<b>Target Company</b>
1	TRASTOR REIC	Real Estate	- AGK47 SA - KOUKOUNARIES SA - MANTEKOL SA - VS94 SA
2	PIRAEUS BANK	Banks	- PIRAEUS INSURANCE AGENCY SA (Provision of Insurance Product Distribution Services and Financial Services sector)
3	ALUMIL ALUMINUM INDUSTRY SA	Basic Resources	- ALUFONT SA

No	Acquirer	Industry	Target Company
4	SIDMA SA	Basic Resources	BITROS STEEL S.A. ( steel products trading and processing sector)
5	G.E. DIMITRIOU SA	Consumer Products & Services	- DELTA DOMESTIC APPLIANCES - SSM APPLIANCES SA

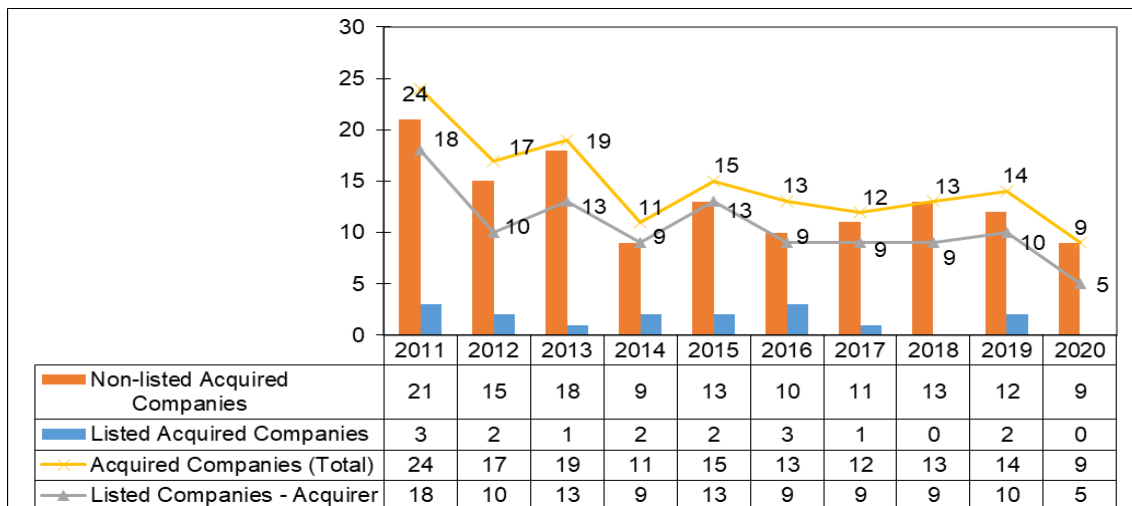
Source: HCMC

**TABLE 21. Listed company business sector spin-offs and acquisitions by companies non-listed in the Athens Exchange, 2020**

No	Listed Company	Industry	Company to which the business sector is transferred
1	EFG EUROBANK ERGASIAS	Banks	- EUROBANK SA (banking sector)
2	NIREFS SA	Food, Beverage & Tobacco	- VORIA EVIA AQUACULTURE S.M.S.A. (fish production sector)
3	SELONDA AQUACULTURE SA	Food, Beverage & Tobacco	- ROLATA AQUA CULTURE SA - FTHIOTIDA AQUACULTURE S.M.S.A. (fish production sector)
4	PIRAEUS BANK	Banks	- PIRAEUS BANK SA (banking sector)
5	INTRACOM CONSTRUCTIONS S.A	Construction & Materials	- FRACASSO HELLSA SA (metal constructions sector)

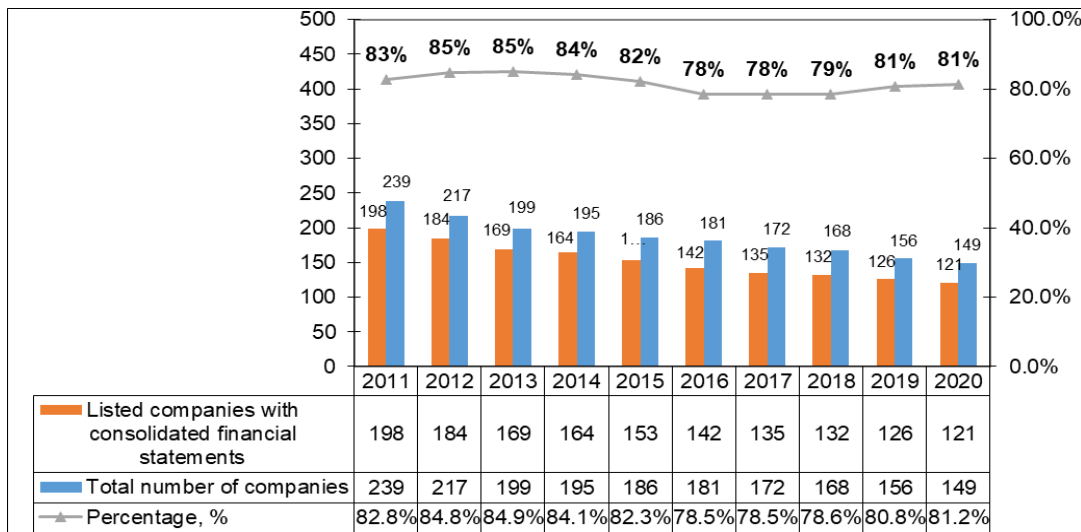
Source: HCMC

**FIGURE 8. Mergers of ATHEX-listed Companies, 2011-2020**



Source: HCMC

**FIGURE 9. Listed companies and groups of listed companies traded in the Athens Exchange, 2011-2020**



Source: HCMC

**PART THREE**  
**CAPITAL MARKET INTERMEDIARIES**

**INVESTMENT FIRMS AND FINANCIAL INTERMEDIATION FIRMS**

**Trading activity**

At the end of 2020, forty six (46) investment firms licensed by the HCMC were operating in the Greek capital market, the same number as in 2019, as compared to fifty five (55) in 2018 and sixty one in 2017. Moreover, 26 Financial Intermediation Firms (FIFs) were operating as per 31 December 2020. The Hellenic Capital Market Commission, as the authority responsible for the supervision of the aforementioned companies, and as part of exercising its supervisory duties, performed 33 audits in investment firms during 2020.

Trading activity of investment firms in equity instruments listed in the Athens Exchange remained unchanged at previous year levels, and stood at 26.36 billion euros, as compared to 26.12 billion euros in 2019 and 21.01 billion euros in 2018. Their share in the total value of trading of all companies-members of the ATHEX (Investment Firms, Banks, and remote members) rose to 82.52% from 79.78% in 2019 and 76.80% in 2018. The share of the five ATHEX members with the largest value of trading as a percentage of the total value of trading, all five of which are Investment Firms, rose to 65.57% in 2020 from 62.91% in 2019 and 76.80% in 2018. Similarly, the share of the ten-largest, in terms of trading activity, members of the Athens Exchange increased to 84.35% from 81.50% in 2019 and 81.90% in 2018.

**TABLE 22 Trading by firms-members of the Athens Exchange, 2016-2020.**

<b>Trading by ATHEX members (€ mn)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Value of Equity Trading	31,944.18	32,740.40	27,354.67	29,212.62	30,072.16
Value of Bond Trading	383.95	493.64	327.40	276.82	13.37
Total Trading Value	32,328.13	33,234.04	27,682.07	29,489.44	30,085.53
Share (%) of top-5 ATHEX members	65.57	62.91	76.80	59.49	56.68
Share (%) of top-10 ATHEX members	84.35	81.50	81.90	80.67	79.02

Source: ATHEX

**Margin Account Trading**

Table 23 presents the development of margin account trading for the year 2020, according to data submitted by investment firms to the Hellenic Capital Market Commission on the last trading day of each month. The average (monthly) number of firms actually active in this field stood at 27, while 31 firms submitted the relevant notification. The average number of active open-end contracts was slightly reduced to 11,170, as compared to 11,290 in 2019, 4,866 in 2018, 11,545 in 2017 and 6,225 in 2016 (6,943 in 2015 and 8,666 in 2014). Total average debit balances in margin accounts fell to 46.35 million euros from 51.16 million euros in 2019, and as compared to 36.39 million euros in 2018, 42.12 in 2017 and 19.67 million euros in 2016 (36.32



million euros in 2015 and 57.1 million euros in 2014), while the average value of security portfolios stood at 672.82 million euros, as compared to 728.17 million euros in 2019, 639.66 million euros in 2018, 599.85 million euros in 2017 and 453.66 million euros in 2016 (668.25 million euros in 2015 and 559.9 million euros in 2014).

**TABLE 23. Margin Account Trading, 2020**

Month 2020	Number of margin account trading notifications by Investment Firms	Number of Investme nt Firms actually providing margin account trading	Number of active open- end margin agreements	Number of active short term margin agreements	Debit balances (in € thousands)	Security Portfolio Valuation (in € thousands)
Dec.	31	27	11,106	53,316	52,644.97	818,918.55
Nov.	31	27	11,113	53,155	45,569.51	727,151.74
Oct.	31	27	11,109	53,592	45,070.79	620,595.79
Sep.	31	27	11,128	52,948	46,226.27	667,428.05
Aug.	31	27	11,115	53,565	45,180.40	658,008.46
Jul.	31	27	11,146	54,081	46,606.29	618,144.02
Jun.	31	27	11,145	54,023	47,533.72	634,982.24
May	31	27	11,179	54,725	43,746.63	640,164.78
Apr.	31	25	11,132	51,100	36,507.25	605,832.16
Mar.	31	26	11,131	52,964	32,598.48	529,947.86
Feb.	31	26	11,141	54,463	52,576.45	701,255.27
Jan.	31	26	11,594	53,882	62,022.04	851,466.52
Mean	31	27	11,170	53,485	46,356.90	672,824.62

Source: HCMC

## COLLECTIVE INVESTMENT MANAGEMENT FIRMS

### Collective Investments in Transferable Securities (UCITS)

In 2020, the total number of mutual fund management companies (MFMCs) remained unchanged to 14. The total number of mutual funds under management, which is affected by the creation of new categories of units in existing mutual funds, increased once again, to 343 at the end of the year, of which 152 were licensed by the Hellenic Capital Market Commission, from 327 in 2019 and 316 in 2018. The Hellenic Capital Market Commission, as the authority responsible for the supervision of the aforementioned companies, and as part of exercising its supervisory duties, performed 18 audits in undertakings for collective investment on securities during 2020.

At the end of the year, the total net assets of mutual funds increased by 2.98% year-on-year and stood at 8.09 billion euros, as compared to 7.85 billion euros in 2019 and 6.06 billion euros in 2018. According to the

classification of mutual funds, MFMCs managed 87 equity mutual funds, 105 bond mutual funds, 48 balanced mutual funds, 36 equity funds of funds, 41 balanced funds of funds, 4 bond funds of funds, 13 specialist mutual funds, and 9 Variable NAV money market funds.

The three largest mutual fund management companies had funds under management of 3.73 billion euros, which accounted for 46.21% of total mutual fund assets, as compared to assets of 5.16 billion euros and a corresponding market share of 65.74 % in 2019, and 3.99 billion and 65.81% in 2018. Similarly, the five largest MFMCs had funds under management of 4.56 billion euros that accounted for 56.41% of total mutual fund assets, as compared to 87.82 % in 2019 and 87.41% in 2018.

**TABLE 24. Net assets and Number of Mutual Funds, 2018-2020**

MF Classification	31.12.2020		31.12.2019		31.12.2018	
	Value (€ mn)	No of M/F	Value (€ mn)	No. of M/F	Value (€ mn)	No of M/F
Money market			11.21	3	783.48	31
Bond	2,927.15	105	2,929.85	102	1,894.84	76
Equity	1,277.95	87	1,360.91	78	888.96	76
Balanced	1,887.14	48	1,804.90	45	1,321.86	45
Funds of Funds	1,343.55	81	1,121.67	80	995.97	78
Specialist	293.84	13	306.12	13	174.84	10
VNAV MMFs	364.07	9	336.02	9		
<b>Total</b>	<b>8,093.73</b>	<b>343</b>	<b>7,859.50</b>	<b>327</b>	<b>6059.95</b>	<b>316</b>

Source: Hellenic Fund & Asset Management Association

**TABLE 25. Net Mutual Funds Assets and macroeconomic aggregates, 2009-2020**

Date	Resident deposits and repurchase agreements of non MFIs to other MFIs in Greece (€ mn) <sup>1</sup>	ATHEX Market Capitalisation (Total shares) (€ million)	Net Mutual Funds Assets (€ mn)
Nov. 2020	176,766	53,853.00	8,093.73
Dec. 2019	166,856	61,217.27	7,859.50
Dec. 2018	159,474	44,884.04	6,059.95
Nov. 2018	154,710	45,731.51	6,201.04
Dec. 2017	144,256	54,055.35	6,656.9
Dec. 2016	140,213	45,101.80	6,421.3
Dec. 2015	140,212	46,717.67	7,238.6
Dec. 2014	186,631	52,916.45	6,047.3
Dec. 2013	190,457	66,514.89	6,252.5
Dec. 2012	191,198	33,739.32	5,947.7
Dec. 2011	202,193	26,783.43	5,229.1
Dec. 2010	247,188	53,958.38	8,015.6
Dec. 2009	279,543	83,447.47	10,680.5

Source: Bank of Greece, ATHEX, Hellenic Fund & Asset Management Association

Note 1. Securitisation obligations are not included

*As far as individual mutual fund categories are concerned, the net assets of bond mutual funds stood at 2,927.16 million euros, registering a marginal y-o-y drop of -0.09%, as compared to a 54.62% increase in 2019. Their market share rose to 36.17% of the total mutual fund market at the end of the year, from 37.28% in 2019 and 31.27% in 2018, while their annual return was positive at 2.18%, as compared to 10.78% in 2019.*

*The net assets of equity mutual funds stood at 1,277.9 million euros, reduced by -6.10% year-on-year, and registering a negative y-o-y return of -3.97%, as compared to an increase in net assets by 53.09% and a positive annual return of 32.35% in 2019. The market share of equity mutual funds stood at 15.44% as per 31.12.2020, as compared to 16.91% in 2019 and 14.67% in 2018. It should be noted that the ATHEX Composite Share Price Index lost 11.75% y-o-y, the FTSE/ATHEX Large Cap Index lost 15.81% and the FTSE/ATHEX Market Index lost 16.74%.*

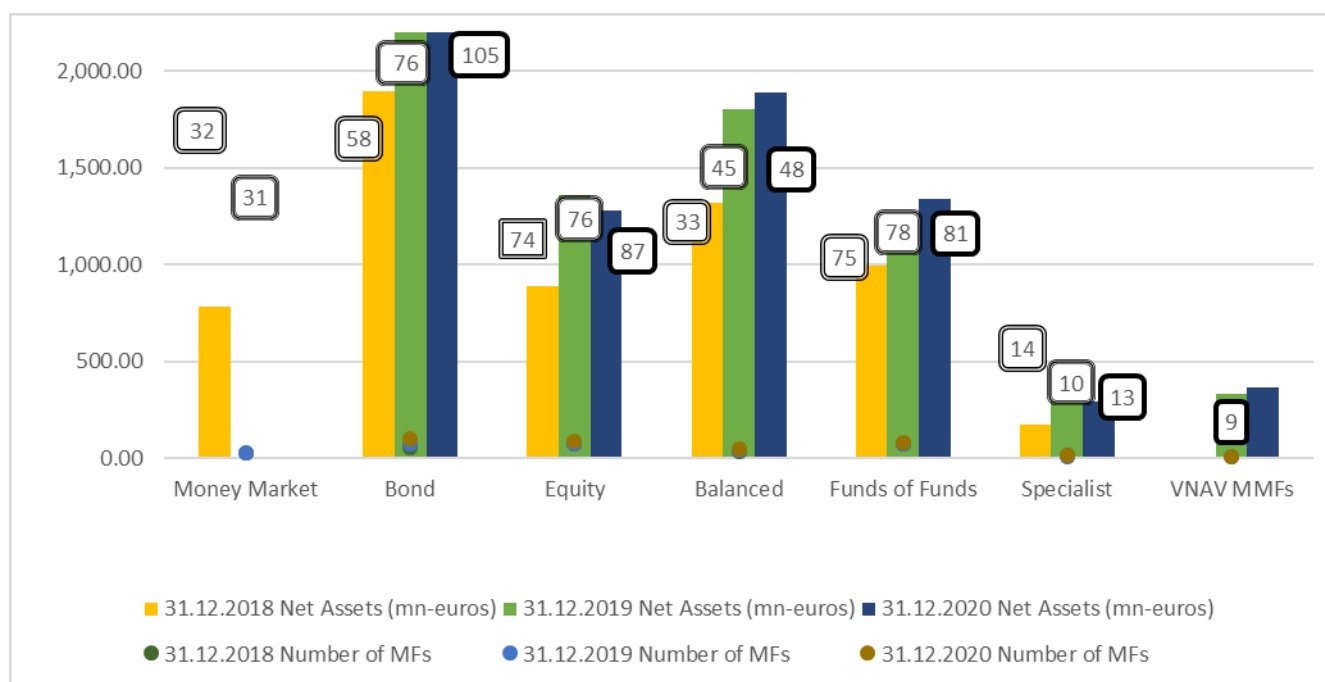
*The net assets of balanced mutual funds increased by 4.56% year-on-year to 1,887.14 million euros, as compared to a 36.54% increase in 2019, while their market share as per 31.12.2020 accounted for 23.32% of the total mutual fund market, as compared to 22.96% in 2019 and 21.81% in 2018. Their annual returns were marginally negative, at -0.70%, as compared to positive annual returns of 22.57% in 2019.*

*The net assets of funds of funds as a whole stood at 1,343.55 million euros at the end of the year, increased by 19.78% year-on-year, as compared to a 12.62% increase in 2019. Funds of funds as a whole accounted for 16.60% of the total mutual fund market as per 31.12.2020, as compared to a market share of 14.27% in 2019, and 16.44% in 2018. Equity funds of funds saw their net assets increase by a hefty 41.33%, while their annual returns were positive at 8.03%, as compared to a net asset increase of 4.44% and a positive annual return of 19.22% in 2019. Balanced funds of funds saw their net assets increase by 12.22%, while their annual returns were positive at 1.67%, as compared to a 12.91% increase in net assets and a positive annual return of 11.81% in 2019. Bond funds of funds saw their net assets increase by 2.15%, while their annual returns were positive at 0.72%, as compared to net asset growth of 59.05% and a positive annual return of 4.51% in 2019.*

*The net assets of specialist mutual funds was reduced by -4.01% year-on-year to 293.84 million euros, as compared to a 52.07% increase in 2019, while their market share as per 31.12.2020 accounted for 3.63% of the total mutual fund market, as compared to 3.9% in 2019 and 2.89% in 2018. The annual return of Absolute Return specialist mutual funds and specialist mutual funds was positive at 1.77%.*

*In 2020, mutual funds as a whole registered net inflows, which amounted to 184.97 billion euros, as compared to net inflows of 580.56 billion euros in 2019. The picture was mixed across mutual fund types. Net inflows were registered by Variable NAV money market funds (28.85 million euros), specialist mutual funds suffered outflows (-13.54 million euros), equity mutual funds registered inflows (30.60 million euros), and net inflows were also registered by Funds of Funds (157.94 million euros), while balanced mutual funds (63.56 million euros) and bond mutual funds sustained outflows (-82.45 million euros).*

**FIGURE 10. Net assets and Number of Mutual Funds per MF classification, 2018-2020**



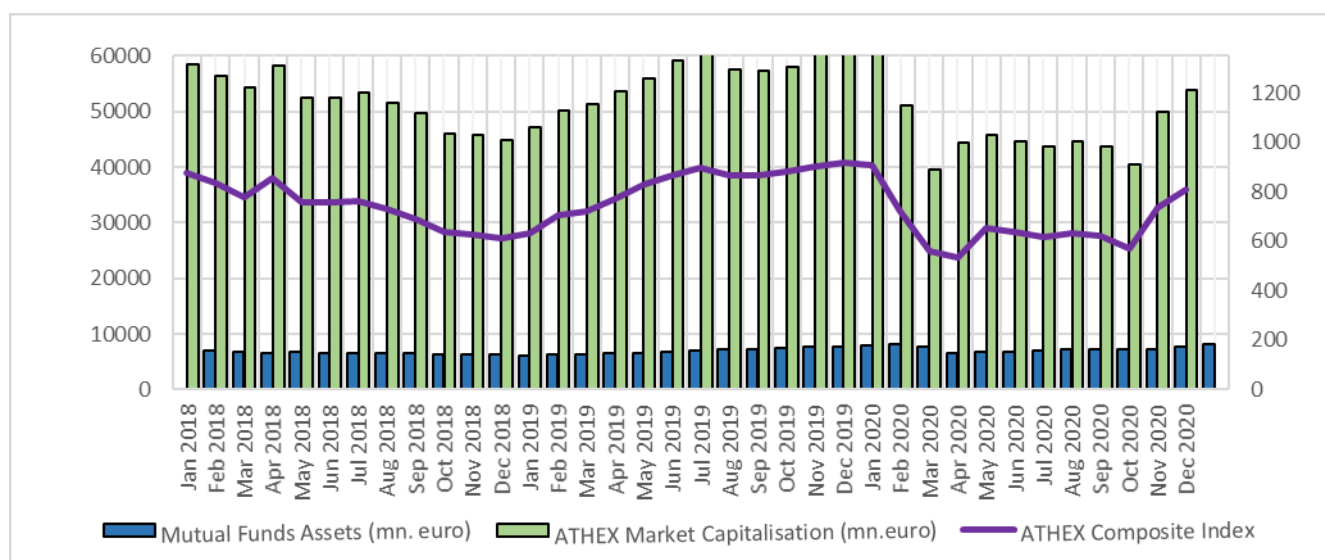
Source: Hellenic Fund & Asset Management Association

**TABLE 26. Net Assets and Number of Units in Mutual Funds, 31.12.2020**

MF Classification	Net Assets 31.12.2020 (€)	Change y-o-y (%)	No. of shares/units 31.12.2020	Change y-o-y (%)
Bond	2,927,156,735.33	-0.09	503,313,920.80	-5.53
Equity	1,277,955,145.96	-6.10	486,456,810.68	8.08
Balanced	1,887,143,481.60	4.56	245,842,661.36	0.69
Bond Funds of Funds	79,583,891.06	2.15	7,322,029.64	1.49
Equity Funds of Funds	359,689,168.59	41.33	90,894,001.47	82.75
Balanced Funds of Funds	904,286,251.39	12.22	220,526,315.76	48.14
Specialist	293,846,505.46	-4.01	159,373,72880.	11.86
VNAV MMFs	364,074,304.24	8.35	58,812,480.14	-2.60

Source: Hellenic Fund & Asset Management Association

**FIGURE 11. ATHEX Market Capitalisation - mutual fund assets and the ATHEX Composite Index, 2018-2020**



Source: Athens Exchange, Hellenic Fund & Asset Management Association.

In 2020, foreign Undertakings for Collective Investments in Transferable Securities (UCITS), notified the HCMC about their intention to sell mutual fund units in the Greek market in one hundred and one (101) cases, while twelve (12) new foreign UCITS offered notification concerning the sale of mutual fund units.

**TABLE 27. Authorised foreign Undertakings for Collective Investments, 2004-2020**

Year	UCITS (covered by Directive 85/611/EEC)		UCITS (not covered by Directive 85/611/EEC)	
	Number of UCITS	Number of Funds	Number of UCIs	Number of Funds
2020	12	101	0	0
2019	6	144	0	0
2018	4	76	0	0
2017	11	91	0	0
2016	21	100	0	0
2015	2	109	0	0
2014	7	116	0	0
2013	1	115	0	0
2012	2	75	0	0
2011	4	121	0	0
2010	10	98	0	0
2009	10	168	0	0
2008	9	369	0	0
2007	9	206	0	0
2006	6	328	0	0
2005	5	159	0	0
2004	12	92	0	0

## **Alternative Investments (PICs, AIFMs, REICs)**

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*In 2020, there was one Portfolio Investment Company (PIC) in operation. Its net assets stood at 12.69 million euros, as compared to 12.42 million euros at the end of 2019, and its shares were traded in the Securities Market of the Athens Exchange at a 26.68% discount.*

*Moreover, there were seven (7) active Real Estate Investment Companies (REICs), four (4) of which are listed in the Athens Exchange. At the end of 2020, the total value of the investment portfolio of six out of these seven companies stood at 2,845.36 million euros, as compared to 2,750.08 million euros in 2019 and 3,412.75 million euros at the end of 2018, while the value of properties under management stood at 2,221.12 million euros, as compared to 2,383.71 million euros in 2019, and 3,035.31 million euros at the end of 2018.*

*Moreover, seven (7) alternative investment fund managers were operating at the end of the year.*

## PART FOUR

### ACTIVITIES OF THE HELLENIC CAPITAL MARKET COMMISSION

#### **SUPERVISORY/REGULATORY MEASURES AND ACTIONS OF THE HCMC DURING THE COVID-19 PANDEMIC**

*During the COVID-19 pandemic the Hellenic Capital Market Commission took the following supervisory/regulatory measures and actions:*

##### **- Continuity of Operations and Contingency Plans**

*The Hellenic Capital Market Commission urged the supervised companies to monitor closely all developments related to this disease, in order to respond in a timely manner to any need to take measures for ensuring their uninterrupted operation, including their remote operation, as regards the provision of services to clients and the fulfillment of their supervisory obligations.*

*It also asked supervised companies to reevaluate the business continuity and disaster recovery systems they have designed for dealing with operational risk, and to make any necessary amendments, taking into account the scale, complexity, and nature of their activities.*

*For example, specific reference was made to the plans regarding the secure provision of services by members of the personnel through teleworking, in order to contribute to the containment of the disease, ensuring, at the same time access to the company's technological infrastructures that are necessary for carrying out their duties within the company, or replacement with alternative ways, e.g. recording of discussions on mobile phones.*

*The amended plan will have to be notified to the companies' personnel, and any effort should be made to ensure that it is understandable and applicable by the persons it concerns.*

##### **- Short sales**

*On 17 March 2020 the Board of Directors of the HCMC decided to impose a ban, in accordance with Article 20 of Regulation (EU) 236/2012, on short sales, as well as transactions other than short selling that create or increase the net short position in shares admitted to trading on the regulated market of the Athens Exchange, the competent supervisor of which is the Hellenic Capital Market Commission. The ban was in effect from 18 March 2020 to 24 April 2020. On 15 April 2020 the Board of Directors of the Hellenic Capital Market Commission decided to renew the ban until 18 May 2020.*

##### **- Requirements regarding annual general meetings**

*Greece took measures to facilitate remote participation in the companies' general meetings. According to article 33 of act of legislative act No. 68/20.3.2020, the general meetings of companies can be performed through the provision of teleconferencing facilities to some or all members. The relevant invitation must contain*

*all information and technical details concerning the participation of all members in the general meeting. This measure was in effect until 30.6.2020.*

#### ***-Financial requirements and notification requirements***

*According to a press release of the HCMC, dated 31.3.2020, issuers shall publish as soon as possible any relevant information related to the impact of COVID-19 on their economic fundamentals, the prospects or their financial positions, in accordance with the transparency requirements set out by the Regulation on Market Abuse. It is noted that issuers must comply with the disclosure requirements of article 17 of the Regulation on Market Abuse and shall make public as soon as possible any inside information that concerns them directly.*

*In accordance with article 8 of legislative act 75/30.3.2020, the deadline for the publication of annual financial reports for the fiscal year ended 31.12.2019 of the companies whose shares are listed in the Athens Exchange, was extended until 30.6. 2020. The Hellenic Capital Market Commission has also adopted and applied in its supervisory practices ESMA's recommendations and proposals pertaining to listed companies, which have been published in its website.*

#### ***-Asset management***

*The Hellenic Capital Market Commission has adopted and applied in its supervisory practices, ESMA's recommendations and proposals pertaining to certain high-risk sectors, which have been published in its website.*

#### ***-AML / CFT***

*On 24 April 2020, the Hellenic Capital Market Commission published in its website a press release, asking supervised entities to comply with their anti-money laundering and terrorist financing obligations, requiring them to consider alternative methods for implementing due diligence measures, in order to overcome the problems caused by the COVID-19 pandemic.*

*The Hellenic Capital Market Commission informed supervised entities about the reform actions announced by the European Commission in relation to the issue of tackling money laundering. In addition, the HCMC notified the supervised entities that these actions include an Action Plan, a new Methodology for identified high-risk third countries with strategic shortcomings in AML/CFT regimes, as well as an updated list of high-risk third countries.*

#### ***- ESMA Statements***

*Finally, as part of the information provided to investors and the companies supervised by the HCMC, the latter posted on its website the following ESMA statements, which resulted from consultations among all ESMA members, including the HCMC:*

- ESMA recommends action by financial market participants for COVID-19 impact (11 March 2020.)*
- ESMA statement on the postponement of the reporting obligations related to securities financing transactions under the Securities Financing Transactions Regulation and under Markets in Financial Instruments Regulation (26 March 2020)*



- *ESMA statement on the publication deadlines under the Transparency Directive for reporting periods ending on 31 December 2019 or after (27 March 2020)*
- *ESMA statement for the clarification of issues related to the publication of reports by execution venues and firms as required under RTS 27 and 28 of MiFID II, because of the COVID-19 pandemic. (31 March 2020)*
- *ESMA statement on the postponement of the publication dates of the annual transparency calculations for non-equity instruments and for the quarterly systematic internaliser data for non-equity instruments other than bonds, which takes place as part of MiFID II/MiFIR, because of the COVID-19 pandemic. (9 April 2020)*
- *ESMA statement on the deadlines for the publication of periodic reports by fund managers. (9 April 2020)*
- *ESMA statement on the timeliness of fulfilling external audit requirements for interest rate benchmarks under the Benchmarks Regulation. (9 April 2020)*
- *ESMA statement reminding of investment firms' MiFID II conduct of business obligations in the context of increasing retail investor activity. (6 May 2020)*
- *ESMA statement on non-discriminatory and open access to trading venues and central counterparties (CCPs) for transferable securities, money market instruments and ETDs. (11 June 2020)*
  
- **The operation of the HCMC during the lockdown**

*As part of dealing with the problems that emerged in workplaces because of the COVID-19 pandemic, the Hellenic Capital Market Commission responded immediately, and with a sense of responsibility, to its obligation to safeguard the health of its staff, as well as public health in general, and took all necessary measures to ensure this, continuing, at the same time, to fulfill its mission as a supervisory authority. More specifically, within a month after the beginning of the first wave of the pandemic (and until mid-April) the Hellenic Capital Market Commission managed, in accordance with the decisions of the Government, to place a very large percentage (over 80%) of its staff in remote work status, providing them with the relevant technical infrastructure (laptops, VPN connection), procured the necessary applications that enable the remote meetings of its collective bodies (WEBEX, Teams), initiated the operation of the digital protocol, and provided for the necessary security personell, based on its operational requirements. Moreover, the effort is sustained since November 2020, when new measures were required, with clear instructions to personnel as regards adherence to protection measures in its premises, remote work (by more than 70%), renewal of technical equipment, provision of services to the public via the digital protocol and communication over the phone or via e-mail.*

## **RULES AND REGULATIONS**

*In 2020, the Board of Directors of the Hellenic Capital Market Commission, having the competence, issued the following Decisions, which were directed towards improving the services provided and investor protection, and ensuring market transparency and the smooth operation of the capital market.*

### **Investment Services (Investment Firms, Financial Intermediation Firms)**

**5/870/24.02.2020** (Gov. Gaz. B' 1483/21.4.2020) *assessment of the knowledge and competence of natural persons giving investment advice or providing information to clients in accordance with article 25 of L. 4514/(Gov. Gaz. A 14/30.1.2018).*

**3/894/23.10.2020** (Gov. Gaz. B' 4913/9.11.2020) Amendment of HCMC Decision 4/452/01.11.2007“ Fitness of managers and directors of investment firms, FIFs, MFMCs, PICs, and REICs”

## **Collective Investments (Investment Funds, Management Companies, PIFs)**

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**1/876/7.4.2020** (Gov. Gaz. B' 1413) Suspension of the redemption of UCITS units on 10 April, 13 April and 24 December 2020.

## **Trading, Clearing, Settlement**

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**1/865/23.1.2020** (Gov. Gaz. B' 496) Approval of amendment to the Rulebook of the Athens Exchange.

**1/871/28.2.2020** (Gov. Gaz. B' 1568) Expansion of the license “Athens Exchange Clearing House SA” and amendment of the Regulation For The Clearing of Transactions on Derivatives.

**1/872/4.3.2020** (Gov. Gaz. B' 1491) a) Regulated market operator license to Hellenic Energy Exchange S.A. (hereinafter “HEnEx”) b) Regulated market license to the “Energy financial market” of HEnEx c) Approval of the assignment to the ATHEX Group of key business operations of HEnEx d) Approval of the Rulebook of the Energy Financial Market of HEnEx.

**2/872/4.3.2020** (Gov. Gaz. B' 1231) Specification of position limits on the commodity derivatives that will be traded in the Energy Financial Market of Hellenic Energy Exchange S.A.

**5/889/31.9.2020** (Gov. Gaz. B' 4295/2.10.2020) Amendment of HCMC Decision 3/304/10.06.2004 (Gaz. 901 B/16.6.2004) on the “Regulation for the Operation of the Dematerialised Securities System, as currently in force”.

## **Market integrity**

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**1/874/17.3.2020** (Gov. Gaz. B' 1108) Ban on short sales, as well as transactions other than short selling that create or increase the net short position in shares admitted to trading in the Athens Exchange, in accordance with article 20 of Regulation (EU) 236/2012 the competent supervisor of which is the Hellenic Capital Market Commission, irrespective of trading venue.

**6/877/15.4.2020** (Gov. Gaz. B' 1557) Extension of the ban on short sales, as well as transactions other than short selling that create or increase the net short position in shares admitted to trading in the Athens Exchange, in accordance with article 24 of Regulation (EU) 236/2012 the competent supervisor of which is the Hellenic Capital Market Commission, irrespective of trading venue.

**2/894/23.10.2020** (Gov. Gaz. B' 5303/ 3.12.2020) Adaptation to Commission Implementing Directive (EU) 2015/2392 of 17 December 2015 on Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards reporting to competent authorities of actual or potential infringements of that Regulation b) Adaptation to article 73, para. 1 of Directive 2014/65/EU – MiFid II and article 71 of L.4514/2018, (c) Adaptation to article 94B of L. 4099/2012 supplemented by article 14 L.4416/2016, Gov. Gaz. A 160/6.9.2016 (article 1 para.17 of Directive 2014/91/EU) – amendment UCITS V, (d) Adaptation to para. 3 of article 6 of L.4557/2018, item (i), as amended by L. 4734/2020, (e) Adaptation to articles 76 and 78 of L. 1969/1991 and para. 13 of article 35 of L. 2324/1995, as replaced by article 80 L.4706/2020.

## Issuer obligations

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**12A/889/31.8.2020** (Gov. Gaz. B' 4001/18.9.2020) Amendment of HCMC Decision 8/754/14.4.2016 "Special Periodic Reporting Matters pursuant to Law 3556/2007".

**1A/890/18.9.2020** (Gov. Gaz. B' 4298/2.10.2020) Particularization of the system on the determination, assessment and measurement of the amount of the sanctions per infringement that are imposed pursuant to article 24 of Law 4706/2020.

**1/891/30.09.2020** (Gov. Gaz. B' 4556/15.10.2020) On the assessment of the Internal Control System (ICS) and the implementation of the corporate governance provisions of L. 4706/2020.

**1/892/13.10.2020** (Gov. Gaz. B' 4674/ 22.10.2020) Acceptable Prospectus languages (article 27 of Regulation (EU) 2017/1129).

**2/892/13.10.2020** (Gov. Gaz. B' 4674/ 22.10.2020) Procedures and supporting documents required for the approval of Prospectuses when securities are offered to the public or admitted to trading in a regulated market.

**1/893/16.10.2020** (Gov. Gaz. B' 4728/ 26.10.2020) Prospectus that has to be published in the case of public offerings of transferable securities laid down in para.2 article 58 of L. 4706/2020.

## Various Competences

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### Tackling Money Laundering

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**4/894/23.10.2020** (Gov. Gaz. B' 5008/13.11.2020) Remote electronic identification of individuals by responsible persons supervised by the HCMC when concluding business relationships or occasional transactions.

**5/898/3.12.2020** (Gov. Gaz. B' 5744/28.12.2020) Establishment of a register of providers of exchange services between virtual currencies and fiat currencies and a register of custodian wallet providers.

### Certification of Eligibility of Persons providing services, in accordance with article 93 of Law 4514/2018

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**6/868/12.2.2020** (Gov. Gaz. B' 761/10.3.2020) Amendment of HCMC Decision 18/809/21.2.2018 "Certification of eligibility of persons providing services, in accordance with article 93 of Law 4514/2018" (Gov. Gaz. 859/B/12.3.2018).

**5/880/14.5.2020** (Gov. Gaz. PSP 386/26.5.2020) Formation of three-member Examinations Committee and specification of the remuneration of its members.

## LICENSING

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The work of the Hellenic Capital Market Commission in the field of licensing during 2020 includes the following:

### Investment Firms

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- Authorisation of the extension of Investment Firm operations in two (2) cases.

- *Assessment of the suitability of new Investment Firm board members in fourteen (14) cases.*
- *Assessment of the suitability of the actual managers of Financial Intermediation firms in four (4) cases.*
- *Approval of the acquisition of qualified holdings in Investment Firms in seven (7) cases.*
- *Approval of the share capital decreases of one (1) Investment Firm.*

### **Financial Intermediation Firms**

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- *Assessment of the suitability of a shareholder who acquired/increased a qualified holding in a FIF in two (2) cases.*

### **Mutual Fund Management Companies**

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- *Number of operating MFMCs (31.12.2020): Fifteen (15).*
- *Approval of charter modification in seven (7) cases.*
- *Approval of the qualifying holdings in MFMCs in four (4) cases.*
- *Total number of UCITS under management by MFMCs: 343*
- *Approval of the regulations and the formation of mutual funds in two (2) cases.*
- *Approval of the modification of mutual fund internal regulation in six (6) cases.*
- *Granting of license for merger between mutual funds in one (1) case.*
- *Approval of share capital changes in two (2) cases.*
- *Approval of the new composition of the board of directors in two (2) cases*

### **Portfolio Investment Companies**

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- *Number of operating PICs (31.12.2020): One (1).*
- *Approval of charter modification in one (1) case.*

### **Real Estate Investment Companies**

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- *Number of operating REICs (31.12.2020): Seven (7).*
- *Approval of the new composition of the board of directors in one (1) case.*
- *Approval of charter modification in five (5) cases.*
- *Approval of share capital changes in one (1) case.*

## **Alternative Investment Fund Managers**

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- *Number of operating AIFMs (31.12.2020): Seven (7).*
- *Total number of AIFs under management by AIFMs: Fourteen (14).*

## **EU UCITS**

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- *EU UCITS operating on 31.12.2020: ninety three (93).*
- *Active compartments of EU UCITS as per 31.12.2020: one thousand three hundred and thirty eight (1,338).*
- *Receipt of notification concerning the sale of shares in new EU UCITS in twelve (12) cases.*
- *Receipt of notification concerning the cessation of operation of EU UCITS registered in Greece in seven (7) cases.*
- *Receipt of notification concerning the sale of new funds by foreign UCITS (compartments) in one hundred and one (101) cases.*
- *Receipt of notification concerning the cessation of operation of EU UCITS funds (compartments) registered in Greece in sixty two (62) cases.*

## **Trading venues and clearing and settlement systems**

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- *5/889/31.8.2020 Approval of amendment of HCMC Decision 3/304/10.06.2004 (Gov. Gaz. 901 B/16.6.2004) on the "Regulation for the Operation of the Dematerialised Securities System, as currently in force".*

## **Approval of Prospectuses for the Public Offering of Transferable Securities and other corporate actions.**

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### **Listed Company Prospectuses for Public Offerings and/or listing of transferable securities**

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- *Approval of the prospectus of five (5) companies, concerning the public offering of shares aimed at share capital increases in favour of existing shareholders by payment of cash, and their admission to trading in the securities market of ATHEX.*
- *Approval of the prospectus of one (1) company, concerning the public offering of its stock for trading in the securities markets of the ATHEX.*

### **Prospectuses for the initial public offering and/or listing of transferable securities (L. 3371/2005).**

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- *Approval of the Prospectus and the public offering of bonds of three (3) companies in the Securities Market of the Athens Stock Exchange.*
- *Approval of the Prospectus and the initial public offering of shares of two (2) new companies in the Securities Market of the Athens Stock Exchange.*

## Corporate actions (article 1 of Regulation (EU) 2017/1129)

- *Receipt of Notification of thirteen (13) Forms provided for by article 1 of Regulation (EU) 2017/1129 concerning share capital increases and/or the conversion to shares of stock options offered to company employees.*
- *Receipt of Notification of two (2) forms provided for by article 1 of Regulation (EU) 2017/1129 concerning a share capital increase through the distribution of free shares to existing shareholders and dividends paid in the form of the distribution of shares of the same type with those on which the dividend is paid.*

## Cross-border public offerings (articles 24, 25 & 26 of Regulation (EU) 2017/1129).

*Receipt of Notification of eighteen (18) prospectuses and base prospectuses. sixty eight (68) addendums to prospectuses, two (2) registration documents and eleven (11) addendums to registration documents, in implementation of the community framework regarding cross-border public offerings, in accordance with articles 24, 25 & 26 of Regulation (EU) 2017/1129, concerning the approval certificates issued by the competent authorities of the home member-state.*

## ENFORCEMENT AND COMPLIANCE

*During 2020, the Hellenic Capital Market Commission continued its supervisory work in all areas. The audits that were performed covered all capital market entities. There were multiple audits on investment firms, mutual fund management firms, financial intermediation firms, listed companies, and stock exchange transactions. The audits detected violations of capital market regulations, which led the Hellenic Capital Market Commission to the imposition of administrative sanctions.*

### Revoking of License

- *Revoking of the operating licenses of Investment Firms in regard to specific investment services in one (1) case.*
- *Revoking of the license of one (1) Financial Intermediation Firm in implementation of article 8 of Law 4514/2018.*

### Supervision & Monitoring of the Behaviour of Listed Companies

*The Hellenic Capital Market Commission oversees the companies the securities of which are listed on a regulated market.*

#### A. Continuous Disclosure

*The Hellenic Capital Market Commission oversees and controls the companies' compliance: a) with obligations concerning continuous disclosure to investors as regards the companies themselves, as well as their subsidiaries, their executives, and their shareholders, in accordance with the current legislation; and b) with legislation on privileged information and market manipulation.*

### ***Information to investors about inside information pertaining to issuers and confirmation or denial of unverified information by the issuers***

*The Hellenic Capital Market Commission oversees and controls the compliance of companies, the securities of which are admitted for trading in the Athens Exchange, with: a) the provisions of article 17 para. 1 of Regulation (EU) 596/2014 on the obligation of issuers to disclose privileged information, as set out in article 7 of Regulation (EU) 596/2014 and the provisions of article 27, para. 8 of Law 4443/2016 (Government Gazette A 232/9.12.2016), and b) the provisions of article 2 of HCMC Decision 5/204/2000.*

*Focusing on the orderly operation of the market and the protection of investors, the Hellenic Capital Market Commission monitors news items and announcements concerning the companies with transferable securities admitted to trading in the Athens Exchange, and in the context of the prudential supervision of the compliance of the said companies with the aforementioned provisions, communicates, wherever necessary, with the listed companies and sends letters to them in order for them to:*

- verify or deny unverified information that could have a material effect on the prices of their transferable securities;*
- immediately disclose all information deemed as “privileged” and pertaining to the said companies, in order to provide investors with accurate, adequate, and clear information.*

*Pursuant to its duties concerning the prudential supervision of company compliance with the aforementioned provisions, in 2020 the HCMC sent 49 letters to companies. The review of announcements and the investigation of unverified rumours or information, which is performed daily, showed that a large number of listed companies has complied, without any interference from the HCMC, with the aforementioned regulations.*

*In case no timely or reliable information has been provided, the appropriate investigations are carried out, and in case illegal practices are ascertained, the Hellenic Capital Market Commission takes the measures provided for by the law and imposes sanctions.*

*In 2020, the HCMC proceeded, in the case of three companies, to the suspension of trading on their financial instruments that were admitted for trading on a regulated market, until these companies provided investors with complete and proper information about important events pertaining to them.*

*Moreover, pursuant to the provisions of article 17 para. 1 of regulation Regulation (EU) 596/2014, as well as article 10, par. 1 of pre-existing Law 3340/2005, in 2020 the Hellenic Capital Market Commission levied fines worth a total of 55,000 euros, for failure to disclose, and delays in the disclosure of, privileged information against 4 companies.*

*In 2020, the Hellenic Capital Market Commission, following the announcement of the extension of the deadline for the publication of annual financial reports with reference date on 31 December 2019 until 30 June 2020, sent letters to all issuers with transferable securities admitted for trading on the regulated market of the Athens Exchange, cautioning them to disclose, as soon as possible, any important information related to the impact from the spread of COVID-19 on their economic fundamentals, prospects or financial position, in accordance with the transparency requirements set out by the Regulation on Market Abuse.*

### ***Disclosure of major changes in voting rights and provision of the relevant information to investors***

*In the context of prudential supervision for the proper implementation of Law 3556/2007, the Hellenic Capital Market Commission oversees and controls the transparency obligations in the case of acquisition or sale of major holdings in issuers with transferable securities that have been admitted to trading on a regulated market.*

*In this context, the Hellenic Capital Market Commission is in communication, both with issuers, and shareholders, in order to clarify issues mostly pertaining to the existence, takeover, or cession of control over legal entities, the chain of companies through which voting rights are possessed, the proper presentation of changes in voting rights, and other ad hoc issues. Furthermore, in the above context, the Hellenic Capital Market Commission sent 10 letters. The above actions are aimed at the provision of investors with proper and complete information.*

*Pursuant to the provisions of Law 3556/2007 on the obligations concerning the announcement and disclosure of major holdings, shareholders and other responsible persons submitted approximately 280 announcements to the Hellenic Capital Market Commission in 2020. As far as compliance of the supervised persons with the provisions of the aforementioned law, as well as pre-existing PD 51/1992 is concerned, in 2020 the Hellenic Capital Market Commission levied total fines of 57,500 euros on seven individuals or legal entities.*

*As regards continuous disclosure issues, the Hellenic Capital Market Commission participated in international work groups and, more specifically, in the CFSC Corporate Finance Standing Committee and the Takeover Bid Network of ESMA.*

## **B. Periodic Reporting**

*Pursuant to articles 4 and 5 of law 3556/2007, the issuers of transferable securities listed in ATHEX are obliged to publish annual and semi-annual financial reports, while, pursuant to article 5b of the same law, banks with transferable securities listed in the ATHEX are also obliged to publish quarterly financial statements (for the 1st and 3rd quarter of each fiscal year) in accordance with the International Financial Reporting Standards (IFRS).*

*In 2020, as part of the supervision of company compliance with the provisions of Law 3556/2007, and, in particular, the verification of the companies' compliance with the IFRS as presented in their financial statements, the Hellenic Capital Market Commission performed sample audits to 21 published financial statements of 14 issuers. More specifically, it audited 15 annual and 6 interim financial statements and reviewed certain issues related to 9 annual and 2 interim financial statements.*

*In the context of the above audits, the HCMC called called 6 issuers to make certain corrections, or add notifications to forthcoming financial statements.*

*It should be noted that the above audit identified deviations mainly from the following IAS/IFRS:*

*IAS 1 – Presentation of Financial Statements*

*IAS 7 – Statement of Cash Flows*

*IAS 12 – Income taxes*

*IAS 24 – Related Party Disclosures*

*IAS 36 – Impairment of assets*



*IAS 37 – Provisions, Contingent Liabilities and Contingent Assets*

*IAS 40 – Investment property*

*IFRS 7 – Financial Instruments: Disclosures*

*IFRS 9 – Financial Instruments:*

*IFRS 13 – Fair Value Measurement*

*IFRS 15 – Revenue from Contracts with Customers*

*In 2020, the HCMC levied fines of 82,000 euros and 120,000 to 3 companies and 3 individuals, respectively, for the non-IFRS compliant preparation of financial statements, and 68,000 euros for non-disclosure or non-timely disclosure of financial reports (annual or semi-annual).*

*Moreover, focusing on investor protection and the orderly functioning of the market, in 2 cases where the external auditors expressed qualified opinions, 2 cases of non disclosure of financial reports, and 1 case of well-founded suspicion that the financial statements were not IFRS-compliant, the HCMC requested the ATHEX to place the shares of these companies under suspension.*

*Moreover, in its Public Statement (20 May 2020 ESMA32-63-972) titled “Implications of the COVID-19 outbreak on the half-yearly financial reports”, ESMA recommends that semi annual financial statements should include detailed –qualitative and quantitative, according to case– information about:*

- a) the impact of the pandemic on the company’s operation*
- b) the measures taken to mitigate the impact of the pandemic*
- c) an estimate of the expected future impact of the pandemic.*

*In relation to that, the review of the semi-annual financial reports of all companies for the period ended on 30 June 2020 revealed individual non-disclosures in the financial statements of 52 companies, in accordance with the provisions of para. 6 of article 5 of L. 3556/2007. As part of this review, the Hellenic Capital Market Commission called 49 issuers to publish a correction, in accordance with para. 2 item (i) of article 23 of Law 3556/2007, by means of an announcement in the Daily Official List of the Athens Exchange.*

*Focusing on the provision of reliable and timely information to investors, in conjunction with the impact from the spread of COVID-19 on the activity of issuers with transferable securities admitted for trading on the regulated market of the Athens Exchange, the HCMC called the issuers’ managements to make, by 15.12.2020, an announcement, through the means provided for by article 21 of L. 3556/2007, providing investors with information about the evolution of their economic fundamentals during the 3rd quarter of the fiscal year 2020, and any developments regarding their operation. All issuers responded and disclosed the requested information.*

*Finally, as regards periodic reporting issues, the Hellenic Capital Market Commission participated in international work groups and, more specifically, in the European Enforcers Coordination Sessions & Corporate Reporting Standing Committee (CRSC) and the European Enforcers Common Session (EECS) of ESMA.*

### **C. Supervision of Listed Companies**

## **Corporate Governance**

*In 2020, and in particular on 17 July 2020, Greece adopted a new law on Corporate Governance (L.4706/2020 - Gov. Gaz. A' 136/17-07-2020), with the aim of modernising the institutional framework regarding Corporate Governance (L. 3016/2002 and HCMC Decision 5/204/2000) and ensuring the more efficient operation of the market. Articles 1-24 of the Law on Corporate Governance come into effect in July 2021. Moreover, article 74 of L. 4706/2020 brought legislative drafting improvements to the provisions of article 44 of L. 4449/2017 on Audit Committees.*

*Pursuant to the delegating provisions of the new law, the HCMC issued Decisions and Guidelines on specific matters provided for by L. 4706/2020, in order to contribute to the timely and appropriate preparation of listed companies. The aim of the HCMC is to ensure that the Decisions and Circulars issued help avoid uncertainty and, thus, help increase the effectiveness and efficiency of the new corporate governance regime.*

*More specifically, the HCMC issued Decision 1A/890/18.9.2020 (Gov. Gaz. B' 4298-02.10.2020), on: "Specification of the system on the determination, assessment and measurement of the amount of the sanctions per infringement that are imposed pursuant to article 24 of Law 4706/2020", to ensure that the market knows how sanctions are assessed and determined.*

*Moreover, the HCMC issued Decision 1/891/30.9.2020 (Gov. Gaz. B' 4556-2020), on: "Specification of article 14 par. 3 sec. j and par. 4, Evaluation of the Internal Audit System (IAS) and the Application of the provisions on Corporate Governance (CG) of Law 4706/2020." This decision sets out the time, procedure, periodicity and any other, more specific, matter deemed necessary for the application of the evaluation of the internal audit system that is provided for by L. 4706/2020, as well as the characteristics of the persons that perform this evaluation.*

*Also, the HCMC published Circular no. 60, which included the Guidelines on the Suitability Policy of article 3 of Law 4706/2020. The purpose of this circular is to specify the principles that govern the selection or the replacement of the members of the Board of Directors, as well as the renewal of the term of the current members, the criteria for evaluating the suitability of the members of the BoD and the diversity criteria on the selection of the members of the BoD that govern the content of the Suitability Policy, which is a new statutory obligation.*

*Finally, the Hellenic Capital Market Commission sent to all listed companies, a letter, with protocol number 1508/17.07.2020, which contains comments, clarifications, and recommendations on the implementation of the provisions of articles 3 and 4 of L. 3016/2002 and article 44 of L.4449/2017.*

*In 2020, the HCMC evaluated issues pertaining to the corporate governance of listed companies and imposed sanctions on 2 companies, 1 company-Advisor to the issuance of a prospectus, and 19 members of the Board of Directors of listed companies, for violations of L. 3401/2005, L. 3016/2002 and article 44 of L. 4449/2017.*

*Furthermore, in the context of compliance with the provisions of L. 3016/2002, article 44 of L. 4449/2017 and HCMC Decision 5/204/2000, the Hellenic Capital Market Commission, always focusing on the protection of, and the provision of correct and complete information to, investors, reviewed the announcements of listed companies on the Daily Official List of the ATHEX, as well as the relevant minutes that were submitted, concerning the composition of the Board of Directors and the Audit Committee, and the appointment of an internal auditor. Moreover, pursuant to its duties concerning the prudential supervision of company compliance*

with the aforementioned provisions, the HCMC communicated with the majority of listed companies, providing them with directions and clarifications concerning the above. In addition, the contents of 12 prospectuses were reviewed as regards listed company compliance with the provisions of L. 3016/2002, article 44 of L. 4449/2017 and HCMC Decision 5/204/2000.

### **Uses of funds raised**

The Hellenic Capital Market Commission reviews the final uses of the funds raised by companies from the capital market, in conjunction with their stated uses in the relevant prospectuses, the decisions of the competent bodies, and their announcements.

Moreover, in the context of prudential supervision it monitored the uses of funds raised by listed companies by means of share capital increases or corporate bond issuances.

Finally, as part of exercising its duties, it performs sample, ad hoc or general audits.

The HCMC was actively involved in three international work groups, participating in the relevant meetings and presenting its proposals and positions. More specifically, it participated in the following groups:

- Coordination Network on Sustainable Finance of ESMA (four meetings in 2020)
- Sub Committee on Consumer Protection and Financial Innovation (JC SC CPF) of ESMA (three meetings in 2020)
- Corporate Governance Committee of the OECD (four meetings in 2020)

## **Supervision & Monitoring of Takeover Bids**

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The Hellenic Capital Market Commission also monitors compliance with the relevant legislation in the case of takeover bids or the admission of securities to trading on regulated markets, including reviews of the contents of prospectuses and the evaluation of advertisements, notifications, statements or announcements designed to attract investors to invest in all types of transferable securities.

In 2020, four (4) requests regarding takeover bids for securities traded in the ATHEX were submitted to the Hellenic Capital Market Commission in accordance with Law 3461/2006, and three (3) of these requests were approved. It should also be noted that during 2020 the HCMC approved another three (3) takeover bids for securities traded in the ATHEX, which had been submitted in the previous year 2019. (Table 28).

As part of the supervision of the supervised persons' compliance with the provisions on takeover bids, in 2020 the HCMC levied a fine of 300,000 euros on one individual for violating the provisions of HCMC Decision 2/258/5.12.2002 on takeover bids, which preceded L. 3461/2006.

In addition, the Hellenic Capital Market Commission received four (4) requests for the execution of squeeze-out rights, i.e. the right of the Bidder that, after the end of the bid, possesses transferable securities representing at least ninety percent (90%) of the Target Company's voting rights to demand the transfer of all the remaining transferable securities of the Target Company. More specifically, in 2020 the following requests were submitted

to, and approved by, the Board of the Hellenic Capital Market Commission: (i) the request of “ANDROMEDA SEAFOOD SOCIEDAD LIMITADA” for the execution of its squeeze-out right on the shares of “SELONDA AQUACULTURE SA” (approved on 27.5.2020); (ii) the request by “ANDROMEDA SEAFOOD SOCIEDAD LIMITADA” for the execution of its squeeze-out right on the shares of “NIREFS AQUACULTURE SA” (approved on 27.5.2020); (iii) the request by “ANTKAR SA” for the execution of its squeeze-out right on the shares of “KARATZIS” (approved on 27.5.2020); (iv) and the request by “ANDROMEDA SEAFOOD SOCIEDAD LIMITADA ” for the execution of its squeeze-out right on the shares of “PERSEUS SPECIALITY FOOD PRODUCTS SA” (approved on 17.6.2020).

**TABLE 28. Take-over bids in the capital market, 2020**

No	Date of submission	Type of bid	Bidder	Target company	Date of Approval	Acceptance period	% of shares prior to the bid	% of shares after the bid
1	17/12/2019	COMPULSORY	ANDROMEDA SEAFOOD SOCIEDAD LIMITADA	SELONDA AQUACULTURES SA	12/3/2020	17/3/2020 - 22/4/2020	79.62%	98.05%
2	17/12/2019	COMPULSORY	ANDROMEDA SEAFOOD SOCIEDAD LIMITADA	NIREFS AQUACULTURE SA	12/3/2020	17/3/2020 - 22/4/2020	74.34%	95.57%
3	20/12/2019	COMPULSORY	ANDROMEDA SEAFOOD SOCIEDAD LIMITADA	PERSEFS SPECIALITY FOOD PRODUCTS SA	7/4/2020	10/4/2020 - 11/5/2020	89.15%	97.93%
4	21/1/2020	COMPULSORY	ANTKAR SA	KARATZIS SA	12/3/2020	16/3/2020 - 13/4/2020	84.63%	97.61%
5	24/6/2020	COMPULSORY	ANKOSTAR SA	NEWSPHONE HELLAS S.A. AUDIOTEX	18/9/2020	23/9/2020 - 18/11/2020	55.07%	88.48%
6	31/7/2020	COMPULSORY	STERNER STENHUS GREECE AB	PASAL DEVELOPMENT SA	30/9/2020	5/10/2020 - 2/11/2020	87.64%	87.91%
7	10/12/2020	COMPULSORY	NEWCO UNITED GROUP HELLAS S.A.R.L.	HELLENIC TELECOMMUNICATIONS & TELEMATICS APPLICATIONS (FORTHNET SA)	PENDING	-	-	-

Source: HCMC

## De-listing of shares from the Athens Exchange

In accordance with the provisions of article 17 para. 5 of Law 3371/2005, as currently in force, and after requests of the companies themselves, the Board of the HCMC decided to de-list the shares of six (6) companies. More specifically: (i) “FG EUROPE SA” submitted a request to the HCMC, concerning the de-listing of its shares from the Athens Exchange, which was approved by the Board of the Hellenic Capital Market

Commission on 12.3.2020; (ii) “ELTRAK SA” submitted a request to the HCMC, concerning the de-listing of its shares from the Athens Exchange, which was approved by the Board of the Hellenic Capital Market Commission on 12.3.2020; (iii) “SELONDA AQUACULTURE SA” submitted a request to the HCMC, concerning the de-listing of its shares from the Athens Exchange, which was approved by the Board of the Hellenic Capital Market Commission on 13.7.2020; (iv) “NIREUS AQUACULTURE SA” submitted a request to the HCMC, concerning the de-listing of its shares from the Athens Exchange, which was approved by the Board of the Hellenic Capital Market Commission on 13.7.2020; (v) “KARATZIS SA” submitted a request to the HCMC, concerning the de-listing of its shares from the Athens Exchange, which was approved by the Board of the Hellenic Capital Market Commission on 13.7.2020; and (vi) “PERSEUS SPECIALITY FOOD PRODUCTS” submitted a request to the HCMC, concerning the de-listing of its shares from the Athens Exchange, which was approved by the Board of the Hellenic Capital Market Commission on 31.8.2020.

## **Monitoring and supervision of public offerings of transferable securities**

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In 2020 and, more specifically, on 17 July 2020, new law 4706/2020 (Gov. Gaz. A' 136/17-07-2020) was adopted. Articles 57-68 of this law set out the publication requirements for the offerings of securities and the admission to trading of securities in a regulated market and measures on the implementation of the Regulation (EU) 2017/1129.

Pursuant to the delegating provisions of the new law, the HCMC issued three decisions concerning the public offering of securities and/or their admission to trading of securities in a regulated market. In particular:

- Pursuant to article 64, para. 2 of L. 4706/2020, the Board of Directors of the Hellenic Capital Market Commission issued Decision 2/892/13.10.20 “Procedures and supporting documents required for the approval of Prospectuses when securities are offered to the public or admitted to trading in a regulated market”, which specifies the procedure and supporting documents required for the approval of prospectuses.

This Decision revoked the Underwriters’ Code, i.e. HCMC Decision 3/460/10.1.2008, since the matters pertaining to the obligations and conduct of investment firms and banks mediating in the public offering or admission of transferable securities to trading were incorporated into L. 4514/2018 (MiFid II).

Moreover, the aforementioned Decision revoked HCMC Decisions 8/862/19.12.19 and 9/687/3.7.2014 “Public offering and allocation of bonds” and “Allocation and definition of the final price of IPO securities” respectively, thus enabling underwriters to allocate bonds or shares in accordance with market demand.

- Pursuant to article 64, para. 2 of L. 4706/2020, the Board of Directors of the Hellenic Capital Market Commission issued Decision 1/892/13.10.2020 “Acceptable Prospectus languages”, which makes it possible to prepare the prospectus, apart from Greek also in English, at the discretion of the issuer, the person making the offer or the person requesting the admission to trading on a regulated market. In case the prospectus is prepared in English, the summary of the prospectus provided for by article 7 of Regulation (EU) 2017/1129 shall also be available in Greek.

- Pursuant to article 59, para. 1 of L. 4706/2020, the Board of Directors of the Hellenic Capital Market Commission issued Decision 1/893/16.10.2020 “Prospectus that has to be published in the case of public

offerings of transferable securities laid down in para.2 article 58 of L. 4706/2020”, which facilitates the preparation of prospectuses for public offering of less than 5,000,000 euros.

In 2020, the HCMC imposed total fines of €300,000, and more specifically, a €150,000 fine on two legal persons for violations of the provisions of article 24 para. 3 of L. 3401/2005, as in force, since they used the Internet or other media to make advertisements, notifications, statements or announcements in Greece, with the purpose of attracting investors to invest in shares, without receiving prior approval for the prospectus by the HCMC.

## Fines

### Investment Firms, Financial Intermediation Firms, Mutual Fund Management Companies, and Banks

- Fines were levied on two (2) firms for violating article 72 of L. 1969/1991 on the prohibition of the publication or dissemination of misleading information about transferable securities listed in the ATHEX, which may, due to their nature, affect the price of, or trading on, the said securities.
- Fines were levied on two (2) firms for violating article 2 of law 2843/2000 concerning the provision of credit by ATHEX members.
- A fine was levied on one (1) firm for violating article 7 of Law 3340/2005 that prohibits market manipulation.
- A fine was levied on one (1) firm for violating article 17 of Law 3340/2005, concerning the obligation of persons professionally arranging transactions in financial instruments to notify the Hellenic Capital Market Commission whenever there is reasonable suspicion that the executed transactions might constitute market abuse.
- A fine was levied on one (1) firm for violating article 11 of Law 3283/2004 on codes of conduct MFMCs must have in place in order to serve their clients’ interests in the best possible manner and safeguard the integrity of the market.
- Fines were levied on two (2) firms for violating article 12 of Law 3606/2007 concerning the organisational requirements of investment firms.
- Fines were levied on three (3) firms for violating article 25 of Law 3606/2007 on investor protection upon the provision of investment services and on the obligation of investment firms to provide clear, accurate and non-misleading information to their clients.
- Fines were levied on two (2) firms for violating article 6 of Law 4141/2013 on the terms of the provision of credit to clients.
- A fine was levied on one (1) firm for violating HCMC Decision 1/347/12.7.2005 on indications of market abuse.

- A fine was levied on one (1) firm for violation HCMC Decision 2/347/2005 on the obligation of professionals that intermediate in the preparation of transactions, concerning the prevention of market abuse.
- Fines were levied on four (4) firms for violating HCMC Decision 1/452/1.11.2007 on the code of conduct for investment firms.
- Fines were levied on three (3) firms for violating HCMC Decision 2/452/1.11.2007 on the mandatory disclosure of transactions and information by Investment Firms.
- A fine was levied on one (1) firm for violating HCMC Decision 5/452/1.11.2007 on the obligation to sign up with the tied agents' register maintained by the HCMC.
- A fine was levied on one (1) firm for violating HCMC Decision 1/462/2008 on the obligation of MFMCs to comply with basic principles of conduct, taking any appropriate and effective measure to ensure that.

### Listed Companies

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- Fines were levied on three (3) listed companies for violating art. 10 of Law 3340/2005 on the obligation of issuers to disclose, without any delay, any privileged information directly related to them.
- A fine was levied on one (1) listed company for violating article 13 of Law 3340/2005 on the disclosure of transactions and notification of the HCMC.
- Fines were levied on eight (8) listed companies for violating article 4 of Law 3556/2007 on the issuers' obligation to publish annual financial reports.
- Fines were levied on seven (7) listed companies for violating article 5 of Law 3556/2007 on the issuers' obligation to publish semi-annual financial reports.
- A fine was levied on one (1) listed company for violating article 6 of Law 3556/2007 on the issuers' obligation to publish quarterly financial reports.
- Fines were levied on seven (7) listed companies for violating article 19 of Law 3556/2007 regarding the submission of information about the listing of transferable securities.
- Fines were levied on seven (7) listed companies for violating article 21 of Law 3556/2007 regarding issuer access to regulated information.
- A fine was levied on one (1) listed company for violating article 45 of L. 4443/2016 on the non-submission of the updated list provided for by article 19, para. 5 of Regulation (EU) 596/2014.
- Fines were levied on five (4) listed companies for violating HCMC Decision 3/347/2005 on issuer obligations concerning the disclosure of privileged information.
- A fine was levied on one (1) listed company for violating HCMC Decision 1/434/2007 on the periodic reporting and continuous disclosure obligation pursuant to Law 3556/2007.

- *A fine was levied on one (1) listed company for violating HCMC Decision 8/754/2016 concerning Special Periodic Reporting Matters pursuant to Law 3556/2007.*
- *A fine was levied on one (1) listed company for violating article 17 of Regulation (EU) 596/2014 on the obligation of issuers to inform the public as soon as possible of privileged information which pertains to them.*

## Legal Entities

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- *A fine was levied on one (1) legal entity for violating Regulation 236/2012 on the short selling of shares.*
- *Fines were levied on two (2) legal entities for violating article 30 of L. 3283/2004 on the contents of the prospectus MFMCs have to publish for each mutual fund under their management.*
- *A fine was levied on one (1) legal entity for violating article 35 of L. 3283/2004 on the sale of UCITS shares/units in Greece by a UCITS based in another member state and licensed by the competent authorities of this state, in accordance with the provisions of Directive 85/611/EEC.*
- *A fine was levied on one (1) legal entity for violating article 11 of Law 3283/2004 on codes of conduct MFMCs must have in place in order to serve their clients' interests in the best possible manner and safeguard the integrity of the market.*
- *Fines were levied on two (2) legal entities for violating article 30 of Law 3283/2004 on the contents of advertisements for the sale of mutual funds.*
- *Fines were levied on two (2) legal entities for violating article 24 of L. 3401/2005 on the prohibition of individuals or legal entities to attract investors to invest in transferable securities without the prior approval of a prospectus by the Hellenic Capital Market Commission.*
- *Fines were levied on five (5) legal entities for violating L. 3556/2007 on the disclosure of major shareholdings and the notification of the Hellenic Capital Market Commission.*
- *A fine was levied on one (1) legal entity for violating HCMC Decision 2/132/1998 to advertise in a manner that prevents the dissemination of misleading messages and the creation of false impressions among investors.*
- *Fines were levied on five (5) legal entities for violating HCMC Decision 1/452/2007 on the code of conduct for investment firms.*

## Individuals

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- *A fine was levied were levied on one (1) individual for violating PD 51/1992 on the disclosure of information upon the acquisition and sale of major shareholdings in ATHEX-listed companies.*
- *Fines were levied on two (2) individuals for violating article 7 of Law 3340/2005 that prohibits market manipulation.*



- Fines were levied on four (4) individuals for violating art. 72 of L. 1969/1991 the dissemination of false or inaccurate information through the Press, or by any other means, which may affect the price of one or more transferable securities listed in stock exchanges.
- Fines were levied on three (3) individuals for violating article 4 of L. 3556/2007 on the audited financial statements that the issuer of consolidated financial statements is obliged to prepare.
- Fines were levied on two (2) individuals for violating articles 14 & 19 of law 3556/2007 on the information they are obliged to disclose to the issuer in the case of acquisition or sale of major holdings or the exercise of major voting right percentages, the content of the this information, as well as their simultaneous submission to the Hellenic Capital Market Commission.
- A fine was levied on one (1) individual for violating HCMC Decision 2/258/2002 on the obligation of a person that acquires, by any means, transferable Securities and owing to that acquisition the percentage of their voting rights exceeds 50% of the total voting rights of the target company, to make a Bid for the entirety of the transferable securities of the target company, within thirty (30) days after such an acquisition.
- Fines were levied on two (2) individuals for violating HCMC Rule 1/347/2005 on acts of market abuse by means of orders or transactions.

The total fines levied by the Hellenic Capital Market Commission in 2020 stood at € 1.877.936,00 ευρώ. The allocation of fines among supervised entities is presented in Table 29.

**TABLE 29. Number and value of fines, 2020.**

<b>Number of cases</b>	<b>Entity</b>	<b>Fines (€)</b>
10	Investment Firms, FIFs, MFMCs, and Banks	237,000
20	Listed Companies	215,000
14	Other legal entities	702,936
11	Individuals	723,000
<b>Total: 55</b>		<b>Total: 1. 877,936</b>

Source: HCMC

## **OTHER ACTIVITIES**

### **Tackling Money Laundering and Terrorist Financing**

The Special Anti-Money Laundering and Terrorist Financing Unit, which operates pursuant to art. 6, paragraph 6 of Law 4557/2018, aims at monitoring the compliance of supervised entities with their obligations regarding

*the prevention and suppression of money laundering and terrorist financing. In this context, the Special Unit performs audits on the supervised entities and, at the same time, submits reports to the Anti-Money Laundering Independent Authority in regard to any suspicious transactions possibly detected.*

*During the year, the Hellenic Capital Market Commission submitted six (6) reports to the Anti-Money Laundering Authority on issues possibly pertaining to money laundering activities.*

*In 2020, the Special Unit continued its work, performing on-site audits on three (3) Investment Firms, one (1) Mutual Fund Management Company, two (2) Venture Capital Management Firms, and one (1) Tied Agent of a foreign Investment Firm.*

*The audits performed on the aforementioned companies during the year, led to the detection of shortcomings, for which written recommendations were made.*

*Moreover, in the same year the administrative procedure was completed in the case of eleven (11) investment firms that had been audited in the previous year, recommendations were made in 2020, and it was ascertained that they took measures in relation to these recommendations.*

*As part of remote supervision, in July 2020 the supervised firms submitted to the HCMC the Compliance Officers' Annual Report on the prevention of money laundering and terrorist financing for the year 2019, in accordance with paragraph 2 of article 10 of Decision 1/506/8.4.2009.*

*The Annual Reports were audited on the basis of the risk-based approach, in accordance with the Common Guidelines of the European Supervisory Authorities and the Risk Assessment Methodology introduced by the Hellenic Capital Market Commission, which assesses the risk each supervised company and sector represents.*

*The findings of the said risk assessment were taken into account during the preparation of the Audit Programme and the selection of the firms to be audited in the forthcoming period.*

*It was decided to conduct the next risk assessment with the use of a specialised IT application (RegTech).*

*Moreover, information continued to be provided to the companies via the relevant web page of the Hellenic Capital Market Commission ([http://www.hcmc.gr/el\\_GR/web/portal/mlaundering1](http://www.hcmc.gr/el_GR/web/portal/mlaundering1)) on:*

- the Recommendations of the Financial Action Task Force (FATF) about high-risk countries and regions, as well as countries and regions showing strategic weaknesses in the field of money laundering and terrorist financing.*
- the application of customer due diligence (CDD) measures by obliged persons during the coronavirus pandemic (COVID-19).*
- a call for input on 'de-risking' and its impact on access to financial services.*
- FATF Guidance on Digital Identity, and COVID-19-related ML/TF risks and policy responses.*

*In this year, the Hellenic Capital Market Commission also issued:*

*Decision 4/894/23.10.2020 on: the “Remote electronic identification of individuals by responsible persons supervised by the HCMC when concluding business relationships or occasional transactions” and Decision 5/898/3.12.2020 on: the “Establishment of a register of providers of exchange services between virtual currencies and fiat currencies and a register of custodian wallet providers.”*

*In November 2020, the European Commission and the European Banking Authority (EBA) conducted, by means of teleconferencing, an on-site evaluation of the competent agencies (including the Hellenic Capital Market Commission) as regard the implementation of the 4th anti-money laundering Directive.*

*Finally, during the year, executives of the Special Unit participated, among others:*

- as members, in the meetings of the first and third unit of the Anti-Money Laundering Authority;*
- in the teleconferences of the AML Standing Committee of EBA;*
- in the FATF team of experts that is working on the update of the Guidelines on virtual currencies.*

## **Professional certification of capital market agents**

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*The current regime for the professional certification of persons providing services in accordance with article 93 of L. 4514/2018 is regulated by means of HCMC Decision 18/809/21.2.2018 (Gov. Gaz. B 859/12.3.2018), in implementation of article 93 of Law 4514/2018 (Gov. Gaz. A 14). This article establishes the obligation of Investment Firms, Financial Intermediation Firms, Mutual Fund Management Companies, Portfolio Investment Companies and Alternative Investment Fund Managers, to employ holders of the Certificates of Suitability for the provision of investment and other services.*

*The Certificate of Suitability refers to eight specific types of services: (α1): Receipt, transmission and execution, on behalf of clients, of orders on transferable securities, shares/units in collective investment undertakings, and money market instruments; (α2): Receipt, transmission and execution, on behalf of clients, of orders on derivative products; (β): Provision of investment advice concerning transferable securities, shares/units in collective investment undertakings, and money market instruments, derivative products, and structured financial products; (β1): Provision of investment advice concerning transferable securities, shares/units in collective investment undertakings, and money market instruments; (γ): Client portfolio management; (δ): Preparation of analyses on financial instruments or issuers; (ε) Sale of shares/units in UCITS or other undertakings for collective investment; (σ1): Clearing of transactions on transferable securities; and (σ2): Clearing of transactions on derivatives.*

*The Certificate is bestowed by the HCMC if the applicant has successfully sat in certification exams (both on special subjects and on the legislative framework) or, having worked as a trainee, has successfully attended certification seminars and sat in the relevant exams for certificates (α1), (ε), (σ1) and (σ2), or is the holder of equivalent certificates issued or recognised by the competent capital market regulators of IOSCO members and has passed the exam on the “Capital Market Regulatory Framework” module.*

*Moreover, certification is also conditional on the fulfillment of additional suitability criteria, such as the fulfillment of minimum personal reliability requirements and, depending on the certificate, of specific minimum qualifications.*

*The certificate bestowed by the Hellenic Capital Market Commission is valid for five years, renewable either via attendance to a training seminar on developments in the regulatory framework of the capital market, or via successful participation in the examination on the regulatory framework module, or without attendance to the training seminar or successful participation in the exam on the regulatory framework, provided that the certified individual has specific previous experience.*

*In implementation of the above, 123 applications for participation in the exams or the seminars that were organised during the year (July, September) were submitted in 2020, and 75 certificates were granted, as compared to 274 applications submitted and 174 certificates granted in 2019. More specifically, 13 certificates were granted in specialty (α1), 12 certificates in specialty (α2), 13 certificates in specialty (β1), 7 certificates in specialty (β), 11 certificates in specialty (γ), 7 certificates in specialty (δ), 6 certificates in specialty (σ1), 2 certificates in specialty (σ2), and 4 certificates in specialty (ε). Moreover, 3 certificates of suitability were granted in 2020 without participation in the exams, in implementation of transitional provisions, while 4 certificates were granted without participation in the exams following the submission of requests for exception due to equivalence and participation in the exams on the “Capital Market Regulatory Framework” module. In 2020, finally, 47 certificates were renewed, which expired on 31.12.2020, while 56 persons were deleted from the certified persons' list, since their certificates expired on 31.12.2019 and were not renewed. The total number of persons certified by the Hellenic Capital Market Commission as per the end of 2020 stood at 3507.*

## **Investigation of complaints/reports**

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*As part of the active supervision of the capital market, the Hellenic Capital Market Commission receives and investigates complaints and reports by investors or other persons (legal and natural) concerning possible violations of capital market legislation by supervised entities, in collaboration, wherever required, with the Hellenic Ombudsman for Banking-Investment Services.*

*The Hellenic Capital Market Commission investigates the complaints against the entities it supervises exclusively as regards compliance with capital market law, and wherever violations are detected it imposes the appropriate sanctions, which are made public.*

*The Hellenic Capital Market Commission is not an intermediation agency responsible for the resolution of disputes and does not deal with cases of private disputes.*

*The complaints are mostly investigated on the basis of their number of record, based on the protocol number of incoming documents. The time it takes for a complaint to be processed depends on its content, as well as the violations that may occur.*

*The procedure for processing these reports is the following:*

- *Letters of inquiry are sent to the respondent.*
- *The submitted information is evaluated.*

- *If no violation of capital market legislation is ascertained, the case is closed, and the person submitting the complaint or the report is duly notified.*
- *If a violation of capital market legislation is ascertained, the applicable procedure for the imposition of administrative sanctions is triggered. The person submitting the complaint is informed in writing after the complaint has been processed.*

*In 2020, 147 complaints/reports were submitted to the Hellenic Capital Market Commission as compared to 85 complaints/reports in 2019, 116 in 2018, 280 in 2017, and 225 in 2016, while 143 complaints were processed as compared to 188 complaints in 2019, 189 complaints in 2018, 212 complaints in 2017 and 116 in 2016. During the year, the Board of the Hellenic Capital Market Commission imposed, following the review of the relevant complaints by its competent Department, total fines of €102,000 due to violations of capital market legislation.*

## **Sale of transferable securities listed for trading in the Athens Exchange**

### **Forced sales of transferable securities**

*In 2020, ten (10) requests were submitted for the granting of licenses and/or the appointment of ATHEX-members for the forced sale of pledged or seized transferable securities traded in the markets of the ATHEX. Of these, three (3) requests concerned Greek Government Bonds (GGBs) and the remainder concerned shares. Moreover, five (5) forced sales were completed during the year (of which three (3) concerned GGBs). The corresponding data per year are as follows: in 2019, 23 requests were submitted (of which 9 concerned GGBs) and 22 forced sales were completed (of which 7 concerned GGBs), and in 2018, 23 requests were submitted and 17 forced sales were completed (of which 4 concerned GGBs). Because of the public health crisis and the consequent restrictive measures imposed for preventing the spread of the coronavirus, both the operation of courts and forced sales were suspended.*

*The total value of transferable securities sold amounted to 5,802,962.40 euros (of which 2,536,876.70 euros concerned GGBs), as compared to 13,433,646.60 euros (of which 9,253,485.81 euros concerned GGBs) in 2019, and 32,934,259.52 euros (of which 9,470,518.91 concerned GGBs) in 2018. Since the transfer of competence concerning the forced sale of transferable securities to the HCMC (2003), and till the end of 2020, the HCMC has received a total of 255 requests for the forced sale of pledged or seized transferable securities.*

### **Sale of Non-Dematerialised shares or shares resulting from fractional balances**

*In 2020, one request was submitted to the HCMC for the appointment of an ATHEX member for the sale of shares that result from fractional balances resulting from the share capital increase of a listed company. The sale was completed within the year. In 2019, two requests had been submitted and the corresponding sales had been completed within the year, as in 2018.*

In **2020**, the Directorate of Legal Services (DLS) of the Hellenic Capital Market Commission (HCMC) handled a large number of legal cases, offered in many instances legal advice and opinions to the competent departments of the HCMC, and was actively involved in the legislative and regulatory work of the HCMC, both on the national and EU levels. More specifically, the Directorate was active in the following areas:

### 1. Litigation

In **2020**, the DLS had to deal with the following court cases:

*a. DLS attorneys were present at the administrative courts (Council of State, Administrative Appellate Court of Athens, and Administrative Courts of First Instance) during the hearings of 137 cases.*

*They also include 1 case that was heard in an administrative court in the presence of external attorneys.*

*b. Three cases were heard in criminal courts. The cases were heard without the presence of DLS attorneys, since the HCMC was not eligible for joining criminal proceedings as a civil party.*

*c. DLS attorneys were present at civil courts during the hearings of 2 cases.*

*d. The attorneys of the DLS prepared and filed written arguments or memoranda with the administrative courts in another 18 cases, not adjudicated nevertheless during 2020, as a result of adjournment due to the abstention or because of other reasons.*

*e. A further 18 criminal cases were prepared by the DLS and are pending in front of the investigating authorities.*

*f. Finally, in the case of 6 questions entered to European Courts, the respective memoranda have been prepared.*

### 2. Proposal for, and application of, remedies

*a. Attorneys of the DLS advised the Executive Committee the submission of 4 appeals and one petition for negation.*

*b. Moreover, 2 requests for criminal indictments were submitted, concerning various violations of penal and capital market law.*

### 3. Provision of legal support

*The DLS provided legal aid to the competent departments of the HCMC in 254 cases. More specifically, DLS attorneys:*

- *Drafted 51 legal opinions on various serious legal issues.*
- *Prepared **53** notes answering various legal questions.*

### 4. Involvement in the legislative and regulatory work

Attorneys of the DLS participated in the Commission's legislative and regulatory work, and more specifically in the preparation of draft laws and amendments to laws (19 cases) and the preparation of regulations (6 cases).

#### 5. Court rulings delivered to the HCMC during 2019

In **2020**, **64** court rulings were delivered to the Hellenic Capital Market Commission. Of these:

- **40** rulings were ***in favour*** of the Hellenic Capital Market Commission, rejecting appeals, caveats or actions against it or approving requests for rescission and appeal submitted by the HCMC.
- **10** rulings were ***partly in favour*** of the HCMC, partly approving appeals and caveats against it, mainly by reducing the fines imposed.
- **10** rulings were ***against*** the HCMC, approving appeals, caveats or actions against it or rejecting requests for rescission, appeal or motions submitted by the HCMC.
- **4** rulings led to the ***postponement or the recommittal or the annulment*** of the trial.

#### 6. Out-of-court settlement

#### 7. Major court rulings

The major court rulings delivered to the HCMC during 2020 were the following:

##### 1. **Ruling 1528/2020 of the Council of the State, MYTILINEOS SA**

As set out in article 10 of L. 3340/2005, issuers are obliged to disclose, without any delay, any privileged information directly related to them, the term "privileged information" denoting any information that leads to a specific positive result, i.e. leads to the conclusion of agreements for cooperation with other companies or entities, and the object of which is the issuers' activity, in which case the disclosure obligation of the latter becomes even stronger. This obligation consists in the clear and indisputable confirmation of such information, especially in the case this information is published in the press. Moreover, as set out in article 2 of HCMC Decision 5/204/2000, issuers are obliged to confirm or deny any information that is made public and could affect the price of financial instruments. The imposition of two sanctions for the non-disclosure of information pertaining to two agreements was correct, as these agreements constituted major events, the knowledge of each could materially affect the price of shares, as well as because the provision does not, in principle, prohibit the imposition of two fines for two independent violations.

##### 2. **Ruling 22/2020 of the Council of the State, (rulings 23/2020 and 218-220/2020 also of relevance), PANOS GERMANOS etc.**

According to this ruling, the manipulation of the closing price of a financial instrument, by means of transactions or orders for the execution of transactions, even when such manipulation does not result in a significant increase or decrease, or simply stabilisation, of the price of the said instrument, may mislead those investors who act on the basis of the closing price, in the sense that it can affect the decisions they make as regards their transactions, without it being necessary to prove that transactions were actually affected or that such price manipulation affected the total price or tradability of the said financial instrument. Moreover, the term "not normal or artificial price level" denotes any level that does not correspond to actual fundamentals, while it is deemed that, in order to ascertain the violation, it is also not necessary to prove that certain persons sustained a loss, the culpability of the person who committed the violation does not exert any influence, nor it is necessary to

prove that the person who performed the transaction was aware, or should be aware, of the manipulation attempted through the transaction.

## STUDIES BY THE HELLENIC CAPITAL MARKET COMMISSION

### HCMC Survey on Mutual Fund Charges in Greece

As part of monitoring and supervising the Greek capital market, the HCMC has undertaken a research project collecting and analyzing data submitted by supervised Mutual Fund Management Companies (MFMCs) related to the fees and charges applied by MFMCs on the UCITS they manage (funds that have been authorized by the HCMC) for the years 2016, 2017, 2018 and 2019.

The analysis of these data by the Directorate of Research was performed on both the aggregate level, and per UCITS category (equity, bond, money market, funds of funds, specialist), as well as per type of charge (subscription fees, redemption fees, ongoing charges, and performance fees). The analysis of the data submitted by MFMCs shows that:

In 2019, 14 MFMCs were operating in Greece, as compared to 15 MFMCs in 2018 and 2017, and 14 in 2016. The total number of mutual funds on sale, taking into account different classes of units, at the end of 2019 stood at 207 (146 UCITS if different classes of units are not taken into account), as compared to 203 in 2018 (145 UCITS if different classes of units are not taken into account), 173 in 2017 (150 UCITS if different classes of units are not taken into account) and 161 in 2016 (160 UCITS if different classes of units are not taken into account)

More specifically, the following table presents the total number of UCITS in 2019, 2018, 2017, and 2016, both taking and not taking into account different classes of units as different M/Fs.

M/F Category:	2019 Number of M/Fs (with unit classes)	2019 Number of M/Fs (without different unit classes)	2018 Number of M/Fs (with unit classes)	2018 Number of M/Fs (without different unit classes)	2017 Number of M/Fs (with unit classes)	2017 Number of M/Fs (without different unit classes)	2016 Number of M/Fs (with unit classes)	2016 Number of M/Fs (without different unit classes)
<b>Balanced</b>	38	31	39	31	31	29	31	30
<b>Bond</b>	69	45	54	36	42	36	33	33
<b>Equity</b>	59	40	56	39	53	45	50	50
<b>Balanced FoFs</b>	8	6	9	7	7	7	8	8
<b>Bond FoFs</b>	4	3	4	3	3	3	3	3
<b>Equity FoFs</b>	18	12	18	12	17	12	12	12



<b>Money market</b>	10	8	22	16	18	16	16	16
<b>Specialist</b>	1	1	1	1	2	2	8	8
<b>Total M/Fs</b>	207	146	203	145	173	150	161	160

Source: HCMC

The following table presents the averages of the aforementioned charges for the years 2016, 2017, 2018 and 2019, both for UCITS of all categories (Total M/Fs), and for individual UCITS categories (i.e. Balanced, Bond, Equity, Balanced FoFs, Bond FoFs, Equity FoFs, Money Market, and Specialist).

<b>AVERAGE CHARGES PER M/F CATEGORY</b>					
<b>Category</b>	<b>Period</b>	<b>Subscription fee (%) per unit class</b>	<b>Redemption fee (%) per unit class</b>	<b>Ongoing Charges (%) <sup>1</sup></b>	<b>Performance fee (%) per unit class</b>
<b>TOTAL M/Fs</b>	2019Y	0.30%	0.25%	1.91%	0.29%
	2018Y	0.31%	0.24%	2.08%	0.15%
	2017Y	0.40%	0.31%	2.36%	0.10%
	2016Y	0.47%	0.36%	2.28%	0.03%
<b>BALANCED</b>	2019Y	0.54%	0.36%	1.97%	0.56%
	2018Y	0.54%	0.34%	2.15%	0.03%
	2017Y	0.74%	0.45%	2.33%	0.22%
	2016Y	0.61%	0.47%	2.28%	0.04%
<b>BOND</b>	2019Y	0.20%	0.20%	1.21%	0.29%

<sup>1</sup> Ongoing Charges include tax charges, as specified by the provisions of article 103 of Law 4099/2012. More specifically, paragraph 3 of this article stipulates that:

“3. The management company, in the name and on behalf of the mutual fund or the SICAV, or on an ad hoc basis, the SICAV provided for by article 40, is obliged to pay a tax, which is calculated on a daily basis on the six-month average of the net assets of the UCITS or any individual investment departments thereof. The payment of the tax the tax obligation of the UCITS and its unitholders or shareholders is exhausted.

The tax rate is set at ten percent (10%) over the interest rate on the main refinancing operations of the Eurosystem of the European Central Bank (hereinafter the Reference Rate), with the following surcharges, depending on the category of each UCITS or any investment departments thereof, based on a relevant Decision by the Board of the Hellenic Capital Market Commission:

- a) money market UCITS, no surcharge;
- b) bond UCITS, twenty five basis points (0.25);
- c) balanced UCITS, five basis points (0.5);
- d) equity UCITS, and all other UCITS categories, excluding the ones mentioned above, one percentage point (1).

“The tax due for each semester can not be less than:

- a) 0.025% of the six-month average net assets in the case of money market UCITS;
- b) 0.175% of the six-month average net assets in the case of bond UCITS;
- c) 0.25% of the six-month average net assets in the case of balanced UCITS;
- d) 0.375% of the six-month average net assets in the case of equity and other UCITS;

	2018Y	0.21%	0.21%	1.44%	0.00%
	2017Y	0.24%	0.23%	1.53%	0.05%
	2016Y	0.33%	0.26%	1.56%	0.03%
<b>EQUITY</b>	2019Y	0.31%	0.27%	2.56%	0.25%
	2018Y	0.34%	0.28%	2.83%	0.51%
	2017Y	0.41%	0.36%	3.13%	0.12%
	2016Y	0.45%	0.38%	3.10%	0.05%
<b>BALANCED FoFs</b>	2019Y	0.11%	0.20%	1.88%	0.30%
	2018Y	0.11%	0.17%	2.19%	0.00%
	2017Y	0.26%	0.19%	2.39%	0.15%
	2016Y	0.04%	0.33%	2.04%	0.00%
<b>BOND FoFs</b>	2019Y	0.04%	0.25%	1.38%	0.02%
	2018Y	0.04%	0.25%	1.45%	0.00%
	2017Y	0.10%	0.34%	1.71%	0.00%
	2016Y	0.00%	0.36%	1.56%	0.00%
<b>EQUITY FoFs</b>	2019Y	0.29%	0.29%	3.22%	0.00%
	2018Y	0.40%	0.29%	3.41%	0.00%
	2017Y	0.36%	0.37%	3.97%	0.01%
	2016Y	0.58%	0.51%	3.89%	0.00%
<b>MONEY MARKET</b>	2019Y	0.06%	0.00%	0.52%	-
	2018Y	0.01%	0.02%	0.57%	0.00%
	2017Y	0.00%	0.03%	0.65%	0.00%
	2016Y	0.00%	0.03%	0.65%	0.00%
<b>SPECIALIST FUNDS</b>	2019Y	3.00%	0.50%	1.87%	-
	2018Y	3.00%	0.50%	1.87%	0.00%
	2017Y	3.00%	0.50%	1.87%	0.00%
	2016Y	2.00%	0.62%	1.43%	0.00%

Source: HCMC

Based on the above data, in 2019 subscription fees and ongoing charges on **M/Fs of all categories** were **reduced** (by -0.0077 and -0,1695 percentage points respectively), and on average stood at 0.30% and 1.91% respectively, as compared to 0.31% and 2.078% to 2018, 0.396% and 2.353% in 2017 and 0.470% and 2.279% in 2016. It should be noted that ongoing charges decreased across all M/F categories, excluding specialist M/Fs, where they remained at the previous year's levels.

In contrast, redemption fees on **M/Fs of all categories** were marginally increased by 0.0095 percentage points as compared to 2018, and on average stood at 0.25%, as compared to 0.243% in 2018, 0.304% in 2017 and 0.355% in 2016.

In 2020, performance fees **increased** year-on-year across **all M/F categories for which there were available data** (Money Market, Equity FoFs, and Specialist), with the **exception of Equity FoFs**, where they were reduced (-0.2666 percentage points). More specifically, performance fees across all M/F categories increased by 0.1449 percentage points (0.29% on average in 2019, as compared to 0.147% in 2018 and 0.095% in 2017)

### **HCMC Survey on the Provision of Investment Services to Retail Investors in Greece**

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The Hellenic Capital Market Commission collects and processes semi-annual data on the demand for financial instruments and investment services by retail investors, the way these instruments are advertised by the supervised companies, and the methods selected by retail customers and/or shareholders to communicate with supervised companies. Moreover, it records investor interest and the provision of innovative investment products by the supervised companies. The results from the processing of the statistical data are used in order to form an opinion on the trends regarding the provision of investment services in the Greek market. Moreover, these findings are submitted to the European Securities and Markets Authority (ESMA) in the form of answers to relevant questionnaires, in the same manner that relevant information is submitted by the other national competent authorities of the EU to ESMA, with the purpose of forming an opinion on the trends prevailing in EU member-state markets.

More specifically, the companies that are supervised by the HCMC (investment firms, collective investment management firms, banks that have been authorised and provide investment services) are asked to submit semi-annual data on their turnover from the provision of specific investment services (execution of orders on behalf of clients, provision of investment advice, and portfolio management), the value of investment product transactions by their clients, the number of retail investors, on an ad hoc basis, the method selected by these customers/shareholders for communicating with the companies, and, finally, the means used for the promotion/advertisement of investment products. Moreover, the supervised companies are asked to report the number of their retail customers who demanded, or expressed interest for, specific innovative products, or to whom they offered or intend to offer the said innovative products.

### **Innovation Hub**

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The European-wide, as well as international, growth of companies that employ modern information technologies in the field of financial services (namely FinTech) has also affected Greek daily life, leading to the

*establishment of a domestic Fintech ecosystem. More specifically, many financial service providers and, in general, financial institutions, have started considering the use of technologically innovative products and services, or are already providing such products and services, with the aim of gaining a competitive advantage, while an increasing number of investors is interested in, or has already used, digital innovative products and financial services through digital communication channels, mainly via the Internet and mobile phones.*

*In this context, and focusing on investor protection, ensuring the orderly operation and integrity of the market, in July 2019, the HCMC established an Innovation Hub, with the following objectives:*

*(a) provision of support to firms offering financial technology products and services, in their effort to understand the implementation of the existing regulatory framework and any compliance obligations;*

*(b) interaction with said firms, in order to detect and deal with the risks as well as highlight the potential benefits, which may accompany new products and services, and promote the sound growth of the financial innovation sector; and*

*(c) identification of the need to submit legislative proposals for the establishment of a beneficial, appropriate, and proportionate national legislative framework.*

*Therefore, through the operation of the Innovation Hub, the HCMC looks forward to the development of an innovative technology environment within the financial services sector, which will be based on secure solutions so that, on one hand, investor confidence in the financial market is not undermined and, on the other hand, Fintech firms are allowed to grow in a sustainable manner.*

*The Innovation Hub is addressed to:*

- Startup entities, which are planning to operate in the financial sector, in areas of competence of the HCMC, and have created an innovative product or service through the use of modern information technology; or*
- Companies that are already supervised by the HCMC and plan to introduce an innovative Fintech product or service, through the use of modern information technology.*

*For example, the aforementioned entities or companies may be operating in Fintech fields related to artificial Intelligence applications, Distributed Ledger Technologies, and activities such as Equity-based Crowdfunding, and Crypto-currencies/ crypto-assets.*

*In 2020, the Innovation Hub of the Hellenic Capital Market Commission received three (3) requests for assistance, concerning domestic and foreign companies with proposals for innovative products or services or business activities. The requests pertaining to crowdfunding and the provision of crypto-currency exchange services. In 2019 the HCMC had received four (4) requests pertaining to crowdfunding, the provision of crypto-currency exchange services, the application of artificial intelligence technology, and the application of blockchain ledger technology. All requests have been answered after being internally processed, and the relevant guidance has been appropriately provided.*

## FINANCIAL POSITION

According to the published data concerning the execution of the Budget for the fiscal year 2020, which are prepared on the basis of the Public Accounting System, total revenues rose to 7,982 thousand euros from 9,939 thousand euros in 2019, reduced by 19.7%. This result is attributed to the 19.5% decrease in contributions and fees paid by supervised entities, mostly resulting from corporate actions pertaining to take over bids and share capital increases, which were reduced in 2020, as compared to the previous year, mainly because of the COVID-19 pandemic.

Expenses for the fiscal year 2020 fell to 9,224 thousand euros from 9,637 thousand euros in 2019, reduced by 4.3%. This figure resulted from the decrease in payroll and staff, as well as operating and other expenses.

As a result of the above, the result for the fiscal year 2020 was a deficit of 1,242 thousand euros, as compared to a surplus of 302 thousand euros in 2019.

**TABLE 30. HCMC Financial position, 2018-2020**

<b>RESULTS</b>	<b>2020</b> (Amounts in €)	<b>2019</b> (Amounts in €)	<b>2018</b> (Amounts in €)	<b>Percentage change 2020-2019</b>
<b>Total income</b>	7,981,793.46	9,938,932.29	8,371,140.32	-19.7%
• <b>Contributions by supervised entities</b>	6,908,282.52	8,582,401.51	6,830,722.31	-19.5%
• <b>Financial income</b>	906,250.34	1,090,482.78	1,354,235.12	-16.9%
• <b>Other income</b>	167,260.60	266,048.00	186,182.89	-37.1%
<b>Total expenses</b>	9,224,101.29	9,636,712.26	8,827,685.12	-4.3%
• <b>Payroll and Staff Costs</b>	6,009,630.19	6,407,719.19	6,378,513.57	-6.2%
• <b>Rents - public use expenses</b>	1,299,370.02	1,231,421.64	776,481.41	5.5%
• <b>Capital expenditures</b>	151,084.86	33,854.76	30,753.60	346.3%
• <b>Subscriptions to International Organisations</b>	781,639.44	696,747.33	722,063.14	12.2%
• <b>Operating and other expenses</b>	982,376.78	1,266,969.34	919,873.40	-22.5%
<b>Net Result</b>	-1,242,307.83	302,220.03	-456,544.80	-511.1%

Source: HCMC

(\*) It should be noted that the data for the fiscal years 2019 and 2018 are according to the reports approved by the Ministry of Finance, while the data for 2020 are according to the published data concerning the execution of the Budget.

### ***The Hellenic Capital Market Commission and the European Securities and Markets Authority (ESMA)***

*The European Securities and Markets Authority (ESMA) is an independent EU authority, whose purpose is to safeguard the stability of the European financial system, by ensuring the integrity and transparency of the market, as well as investor protection. It is part of the European System of Financial Supervision (ESFS), along with other two European Supervisory Authorities, the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board (ESRB), as well as the national competent authorities.*

*The Hellenic Capital Market Commission, as is the case for the regulators of the other 27 member states<sup>2</sup> and the 3 countries of the European Economic Area (EEA) that participate as members without voting rights, is represented at the Board of Supervisors of ESMA by its Chairperson. The Board of Supervisors of ESMA is the chief ESMA body with decisive competences on major issues, including the issuance of technical standards and guidelines. Following the unanimous election of the Chairperson of the Hellenic Capital Market Commission by the ESMA Board of Supervisors as a member of the Management Board of ESMA on 16 December 2020, the HCMC will participate in the Board from 1.1.2020 to 30.6.2023. The main role of the Management Board of ESMA is to ensure that the Authority carries out its mission in accordance with the ESMA Regulation and oversees issues pertaining to the Authority's management and coordination. Moreover, the Hellenic Capital Market Commission is actively involved, with its specialised and experienced executives, in the work of ESMA's standing and other committees.*

#### ***Advisory Proportionality Committee (article 1 para. 6)***

*As part of the revision of Regulations on European Supervisory Authorities (ESAs Review – Regulation (EU) 2019/2175), including ESMA, it was decided to establish, as an integral part of ESMA, an Advisory Committee on Proportionality to advise ESMA on how, in full compliance with the applicable rules, its actions and measures should take into account specific differences prevailing in the field of transferable securities and financial markets, as regards the nature, scale and complexity of risks, business models and practices, and the size of financial institutions and of markets, to the extent these factors are relevant to the rules under consideration.*

*In 2020, ESMA's Advisory Committee on Proportionality mostly dealt with preparing its methodology, in order to perform its role in accordance with the provisions of the regulation establishing ESMA.*

#### ***Supervisory Convergence Standing Committee***

*As part of the implementation of ESMA's Strategic Orientation for 2016-2020, the Supervisory Convergence Standing Committee is responsible for promoting a common and consistent supervisory approach across ESMA members and develop a framework for the use of supervisory convergence tools. It also plays an important role as a forum for cooperation among national regulators.*

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<sup>2</sup> As of 1.2.2020, the United Kingdom is not any more a member of the European Union.

*During 2020, the Standing Committee, in collaboration with the competent internal supervising convergence team of ESMA, mostly dealt with issues arising as part of the achievement of the supervisory convergence objective, following the changes adopted in the context of the ESAs' Review. Among other things, it dealt with the preparation of the peer review methodology published by ESMA (ESMA42-111-4966/5.6.2020), as well as the preparation of texts that were subsequently published by ESMA and concerned the terms of use of various supervisory convergence tools established as part of the ESAs Review, such as the Rules of Procedure on Breach of Union Law investigations (ESMA 43-318-5630), as well as the specific framework for developing the various Q&As published by ESMA as Level 3 measures (see <https://www.esma.europa.eu/questions-and-answers>).*

### **Central Counterparties Supervisory Committee**

*The Central Counterparties Supervisory Committee (CCPSC) has been established under Regulation (EU) 648/2012 on OTC Derivatives, Central Counterparties and Trade Repositories (European Markets Infrastructure Regulation - EMIR), as amended by EMIR 2.2 (Regulation (EU) 2019/2099) as a permanent internal committee of ESMA, reporting to the Board of Supervisors, which remains the final decision-making body for all draft decisions prepared by the CCPSC.*

*The Central Counterparties Supervisory Committee has a specific role/specific tasks in relation to central counterparties established in the EU (EU-CCPs), in order to enhance supervisory convergence and ensure a resilient environment for their operation.*

*More specifically, its role concerns:*

- the preparation of opinions on draft decisions by a national competent authority concerning the compliance of an EU-CCP with certain requirements of EMIR;*
- the annual peer review on the supervision of EU CCPs;*
- the annual ESMA CCP Stress Tests; and*
- the preparation of decisions on the validation of significant changes to CCP risk models.*

*The CCP Supervisory Committee is also responsible for certain tasks in relation to CCPs established in third countries (TC-CCPs), as part of the new supervisory responsibilities for ESMA as regards TC-CCPs, with the objective to ensure the adequate monitoring and management of the risk they may pose to the EU. This relates, in particular, to the preparation of decisions regarding the recognition of TC-CCPs and the supervision of Tier 2 CCPs, including the tiering and comparable compliance assessments, as well as the review of recognitions.*

*In 2020, the CCP Supervisory Committee focused on, and prepared, the following documents, which were published by ESMA:*

- letter to EC regarding EMIR 2.2 Delegated Acts on tiering criteria, comparable compliance and fees for third-country CCPs (ESMA70-151-3192/9.7.2020);*
- report of the results of the 3rd Eu-wide CCP stress test (ESMA70-151-3186/13.7.2020);*
- recognition of three CCPs from the United Kingdom (from 1 January 2020) (ESMA77-99-1403/28.9.2020).*

## **CCP Policy Committee**

*The CCP Policy Committee deals with issues pertaining to the assessment of risks for investors, markets and financial stability, including the definition of organisation, conduct and prudential supervision requirements applicable to central counterparties as financial market infrastructures. It also promotes supervisory convergence through the development of Q&As or opinions related to CCP issues based on EMIR or any other EU legislation. It established a single rulebook on EU financial markets by developing guidelines on CCP issues on the basis of EMIR or any other EU legislation, such as the impending regulation for the recovery and resolution of central counterparties, until the establishment of the Resolution Committee, as well as by developing new, or, whenever necessary, revising existing technical standards based on EMIR, which concern CCPs, as well as based on the impending regulation for the recovery and resolution of central counterparties, until the establishment of the Resolution Committee. Moreover, by means of reports that evaluate implementation, it prepares the revision or possible extensions of EMIR, or similar reports related to other EU legislation on issues affecting CCPs, apart from those that must be prepared by the CCP Supervisory Committee, in accordance with EMIR. Finally, it develops technical advice on central counterparty-related topics.*

*- a final report on the regulatory technical standards on colleges for central counterparties under EMIR (ESMA70-151-2919/30.3.2020);*

*- a final report on technical advice on penalties imposed on CCPs under EMIR 2.2 (ESMA43-370-103/31.3.2020);*

*- a validation table for reporting under the revised technical standards (ESMA74-362-853 1/12/2020).*

## **Post-Trading Standing Committee**

*The Post-Trading Standing Committee addresses issues related to the clearing and settlement of transactions in financial instruments, including financial market infrastructures and other entities providing post-trading services. The Committee is responsible for processing and specifying issues included in EMIR. The Standing Committee is also responsible for developing ESMA's policy in regard to Regulation (EU) 909/2014 on central securities depositories (Central Securities Depositories Regulation-CSDR) and on the regulatory and supervisory implications of the TARGET2-Securities project, while in 2020 the agenda also included the consequences from the BREXIT.*

*In 2020, the Standing Committee focused on, and prepared, the following documents, which were published by ESMA:*

*- a final report on regulatory technical standards on Settlement Discipline Postponement (ESMA70-151-2895/04.2.2020);*

*- a final report on the alignment of the clearing and trading obligations under MiFIR (ESMA70-156-2076/7.2.2020);*

*- a consultation paper on post trade risk reduction services – article 85(3a) of EMIR (ESMA70-151-2852/26.3.2020);*



- a consultation paper about technical standards on reporting, data quality, data access and registration of Trade Repositories under EMIR REFIT (ESMA74-362-47/27.3.2020) and final report (ESMA74-362-824/17.12.2020);
- a report to the European Commission on Central Clearing Obligations for PSA- No 1 (ESMA70-151-2823/2.4.2020);
- EMIR RTS on various amendments to the bilateral margin requirements in view of the international framework (ESAs 2020 09/4.5.2020);
- statement on RTS amendments in response to the COVID-19 pandemic (ESMA71-99-1324/ 4.5.2020);
- a list of the Authorities designated to be notified of insolvency proceedings (ESMA70-151-2766/10.6.2020);
- a list of relevant authorities under article 12 CSDR (ESMA70-151-887/29.6.2020);
- publication of updated list of central counterparties authorised to offer services and activities in the union (ESMA70-148-523/13.10.2020);
- a report to the European Commission on Internalised Settlement under CSDR (ESMA70-156-3729/5.11.2020);
- a report to the European Commission on the provision of cross-border services by central securities depositories (ESMA70-156-3569/5.11.2020);
- a public statement on EMIR and SFTR data in the context of BREXIT (ESMA74-362-881/09.11.2020);
- a report on PTRR services with regards to the clearing obligation (ESMA70-156-3351/ 10.11.2020);
- a list of Competent Authorities Responsible for the authorisation and supervision of Central Securities Depositories (CSDs) (ESMA70-708036281-159/10.11.2020);
- final report – bilateral margin amendments (intragroup equity options and novations) (ESAs 2020 20/23.11.2020),
- final report on the clearing obligation (intragroups and novations) (ESMA70-156-3883/23.11.2020);
- a list of the key relevant provisions of corporate or similar law of a member state under which securities are constituted (ESMA70-151-995/11.12.2020);
- a report to the European Commission on Central Clearing Obligations for PSA- No 2 (ESMA70-151-3248/17.12.2020);
- an updated Q&A on the implementation of CSDR (ESMA70-708036281-2/8.7.2020).
- an updated Q&A on SFTR data reporting (ESMA70-362-893/5.11.2020).

### **Investor Protection & Intermediaries Standing Committee**

The Investor Protection & Intermediaries Standing Committee addresses issues related to the protection of investors upon the provision of investment services to them in the context of MiFID/MiFID II/MiFIR. Its work is

aimed at regulatory convergence on issues of organisational requirements, codes of conduct, and the cross-border provision of investment services by authorised providers, i.e. investment firms and credit institutions. Moreover, it aims at the completion of the single rulebook, through the provision of technical advice to the EU and the preparation of technical standards and recommendations, the protection of investors through the issuance of warnings and, under the new MiFID II/MiFIR legislative framework, the coordination and exercising of product intervention powers.

In 2020, the Standing Committee focused on, and prepared, the following documents, which were published by ESMA:

- draft technical standards on the provision of investment services and activities in the Union by third-country firms (ESMA35-43-2131/31.1.2020) and (ESMA35-43-2424/28.9.2020);
- Technical Advice to the Commission on the effects of product intervention measures (ESMA35-43-2134/4.2.2020);
- a public statement on the MiFID II requirements on the recording of telephone conversations in the context of the COVID-19 pandemic (ESMA35-43-2348/20.3.2020);
- a public statement on issues related to the publication of reports by execution venues and firms as required under RTS 27 and 28 in the context of the COVID-19 pandemic (ESMA35-36-1919/31.3.2020);
- a report to the European Commission on the impact of the inducements and costs and charges disclosure requirements (ESMA35-43-2126/1.4.2020);
- ESMA annual statistical report on performance and costs of retail investment products in the EU - 2020 (ESMA 50-165-1098/6.4.2020);
- ESMA statement on the implementation of provisions on the conduct of business obligations in the context of increasing retail investor activity (ESMA35-43-2391/6.5.2020);
- guidelines on regulatory compliance function requirements (ESMA35-36-1946/5.6.2020);
- a report of sanctions and measures imposed by national regulators under MiFID II in 2019 (ESMA35-43-2427/13.7.2020);
- a consultation paper on the ESMA/EBA joint guidelines for assessing the suitability of members of the management body and key function holders (ESMA35-43-2464/31.7.2020);
- an updated Q&A on investor protection (ESMA35-43-349/22.12.2020).

### **Investment Management Standing Committee (IMSC)**

The Investment Management Standing Committee is responsible for monitoring the regulatory framework and supervisory practices regarding collective investment management and harmonised and non-harmonised investment funds. The Committee is responsible for addressing issues related to Directive (EC) 2009/91 on undertakings for collective investment in transferable securities (UCITS), as well as Directive (EU) 2011/61 on Alternative Investment Fund Managers. The Standing Committee is also responsible for developing ESMA policy in relation to Regulation (EU) 345/2013 on European venture capital funds (EuVECA), Regulation (EU)

346/2013 on European social entrepreneurship funds (EUSEF), the Regulation (EU) on European long-term investment funds (ELTIF), and Regulation (EU) 2017/1131 on money market funds.

In 2020, the Standing Committee focused on, and prepared, the following documents, which were published by ESMA:

- guidelines on stress test scenarios under the MMF Regulation (ESMA34-49-172/3.3.2020) and final report (ESMA34-49-289/16.12.2020);
- a consultation paper on guidelines on Article 25 of Directive 2011/61/EU (ESMA34-39-967/27.03.2020) and final report (ESMA34-32-552/17/12/2020);
- a consultation paper on guidelines for dealing with leverage risk in the field of AIFs (ESMA34-39-967/27.3.2020);
- a consultation paper on implementing technical standards on cross-border distribution of funds (ESMA34-39-966/31.3.2020);
- a final report guidelines on performance fees in UCITS and certain types of AIFs (ESMA34-39-968/3.4.2020) and guidelines (ESMA34-39-992/ 5.11.2020);
- ESMA statement on the actions to mitigate the impact of COVID-19 on the deadlines for the publication of periodic reports by fund managers (ESMA34-45-896/9.4.2020);
- a supervisory briefing on the supervision of costs in UCITS and AIFs (ESMA34-39-1042/4.6.2020);
- a public statement on external support within the meaning of Article 35 of the MMF Regulation (ESMA34-39-109/9.7.2020);
- ESMA letter to the European Commission on the review of the Alternative Investment Fund Managers Directive (ESMA34-32-550/18.8.2020);
- a consultation paper on draft guidelines on marketing communications (ESMA34-45-926/9.11.2020);
- a report on the penalties and measures imposed under the UCITS Directive in 2019 (ESMA34-45-934/12.11.2020);
- a report on the penalties and measures imposed under the AFIMD Directive in 2018-2019 (ESMA34-32-548/12.11.2020);
- an ESMA statement to fund managers to improve readiness for future adverse shocks (ESMA71-99-1418/13.11.2020);
- a publication of technical reporting instructions under the money market fund regulation (ESMA65-8-6480/ 4.12.2020).

#### **Data Standing Committee**

*The Data Standing Committee (DSC), in the context of its widened mandate, contributes to the work of ESMA on issues pertaining to 1/ the improvement of the quality of both regulatory data, as well as market data disclosed to national authorities; 2/ basic data infrastructure, ensuring stability and consistency among different data reporting regimes; 3/ the promotion of data-driven supervision; and 4/ the promotion of supervisory convergence as foreseen in the ESMA 2020-22 Strategic Orientation.*

*Moreover, as regards the revised text of its powers, the DSC shall refer to the relevant standing committee, any potential threats that are relevant to ESMA's objectives of ensuring investor protection, orderly functioning, integrity and stability of financial markets.*

*More specifically, the DSC contributes to the work of ESMA on issues pertaining to regulatory and market data reporting, the reporting of investment positions in derivatives, transactions in financial Instruments, record-keeping of orders, instrument reference data, transparency data, max transactions thresholds, alternative investment fund manager reporting requirements, approved prospectuses and the relevant meta-data, as well as money market fund reporting requirements.*

*In 2020, the Standing Committee focused on, and prepared, the following documents, which were published by ESMA:*

- a consultation paper on SME GMs under MiFID II and MAR (ESMA70-156-2061/6.5.2020);*
- a consultation paper on the technical standards on trade repositories under EMIR REFIT (ESMA 74-362-47/26.3.2020);*
- a consultation paper on the calculation of positions by trade repositories under REFIT (ESMA 74-362-608/9.7.2020);*
- designed, monitored, assessed the data of, and drew conclusions from a Data Quality Review of the data submitted by responsible parties to Trade Repositories as part of EMIR and SFTR, with the aim of improving the quality of the data and the reliability of the system;*
- designed, monitored, assessed the data of, and drew conclusions from a TREM Data Quality Review of the data submitted by responsible parties to national regulators as part of EMIR, with the aim of improving the quality of reported transactions;*
- an updated Q&A concerning transaction reporting under MiFIR (ESMA70-1861941480-56/8.7.2020);*
- an updated Q&A concerning transaction reporting under EMIR (ESMA70-1861941480-52/21.12.2020);*
- an updated Q&A concerning transaction reporting under SFTR (ESMA70-362-893/5.11.2020);*
- an updated statement on the completion of the transitional period for the disclosure of data under EMIR and SFTR in the context of the Brexit.*

### **Market Integrity Standing Committee**

*The purpose of the Market Integrity Standing Committee is to enhance the efficiency of the supervisory activities of national regulators in cases of market abuse.*

*In 2020, the work of the Standing Committee focused on the preparation of the following documents that were published by ESMA:*

- an opinion on the accepted market practice on liquidity contracts notified by the Italian regulator (ESMA70-155-7850/31.1.2020);*
- ESMA decision on thresholds for reporting net short positions (ESMA70-155-9546/16.3.2020), first renewal (ESMA71-99-1342/11.6.2020), second renewal (ESMA70-155-10189/15.7.2020), third renewal (ESMA70-155-11072/17.9.2020), fourth renewal (ESMA70 -155-11608/17.12.2020);*
- ESMA decisions on short selling bans by 5 jurisdictions (ESMA71-99-1318/15.4.2020);*
- a final report on CUM EX and other multiple withholding tax reclaim schemes (ESMA70-155-10272/23.9.2020);*
- a final report to the European Commission on MAR review (ESMA70-156-2391/24.9.2020);*
- a final report on the regulatory and implementing technical standards on SMEs GMs under MAR (ESMA70-156-3581/29.10.2020);*
- annual report on administrative and criminal sanctions and other administrative measures under article 33 of Regulation (EU) 596/2014 (Market Abuse Regulation, MAR) (ESMA70-156-3537/21.12.2020).*

#### **Committee for Economic and Markets Analysis (CEMA)**

*The Committee for Economic and Markets Analysis (CEMA) assists ESMA in monitoring financial market developments. In this context, CEMA surveys its members and, based on more general analyses, processes the periodic Economic publications of ESMA. These texts are:*

- the quarterly “Risk Dashboard”, which provides the institutional bodies of the EU, market participants, and the wider public with information about financial market risks, and*
- the bi-annual “Trends, Risks and Vulnerabilities” report, on the trends, potential risks and vulnerabilities of the financial system across all markets.*

*Moreover, CEMA works on capital market studies prepared either by ESMA or by CEMA members.*

*In 2020, apart from working on the periodic publications mentioned above, CEMA focused on studies concerning issues such as:*

- the preparation and publication of ESMA’s Annual Statistical Report on EU Alternative Investment Funds (AIFs) (ESMA50-165-1032/10.1.2020);*
- the preparation and publication of ESMA’s annual statistical report on performance and costs of retail investment products in the EU in 2020 (ESMA 50-165-1098/6.4.2020) (with reference to the processing of the relevant statistical data on UCITS by the Hellenic Capital Market Commission);*
- the preparation and publication of ESMA’s 2nd Annual Statistical Report on the EU Derivatives Market (ESMA50-165-1362/6.11.2020), with risk-based analysis of the structure and features of European derivatives markets, based on the data submitted to Trade Repositories registered with ESMA;*

- the preparation and publication of ESMA's 1st Annual Statistical Report on EU securities markets (ESMA-50-165-1355/30.11.2020) under MiFID II.

Finally, in 2020 the three Task Forces established within CEAMA, continued their work on issues pertaining to the institutional framework 1) EMIR, 2) AIFMD, 3) MiFID II.

### **Corporate Finance Standing Committee (CFSC)**

The Corporate Finance Standing Committee is responsible for addressing all issues related to the Prospectus Regulation, as well as Corporate Governance. Its work also concerns major shareholding disclosures under the Transparency Directive. The Committee promotes greater efficiency in the day-to-day work of national supervisors; increases supervisory convergence and ensures the coherent application of rules across all member states.

In 2020, the Standing Committee focused on, and prepared, the following documents, which were published by ESMA in regard to prospectuses:

- a letter to the European Commission concerning ESMA's technical advice on general equivalence criteria for prospectuses (ESMA31-59-1451/31.1.2020);

- a statement with information on shareholder cooperation and acting in concert under the takeover bids directive (ESMA/2014/677-REV/27.2.2020);

- an updated Q&A on ESMA Guidelines on Alternative Performance Measures (ESMA32-51-370/17.4.2020);

- guidelines on disclosure requirements under the Prospectus Regulation (ESMA31-62-1426/15.7.2020);

- a list of national thresholds for shareholder identification under the revised Directive 2017/828 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder involvement (SRD II) (ESMA32-380-143/31.8.2020);

- a report containing statistical data on the number of prospectuses approved and passported in the EEA in 2019 (ESMA32-384-4852/24.9.2020);

- a response to European Commission targeted consultation on the establishment of an EU Green Bond Standard (ESMA42-110-2314/2.10.2020);

- a list of national thresholds below which the obligation to publish a prospectus does not apply, in accordance with specific provisions of Regulation (EU) 2017/1129 (ESMA31-62-1193/23.10.2020);

- an updated Q&A on the prospectus regulation (ESMA31-62-1258/18.2.2020);

- an updated Q&A on the prospectus regulation (ESMA31-62-780/30.9.2020).

### **Secondary Markets Standing Committee**

The Secondary Markets Standing Committee works on the structure, transparency and efficiency of secondary markets for financial instruments, including trading platforms and OTC markets. More specifically, the

*Secondary Markets Standing Committee studies the impact of changes in the structure of markets on the transparency and efficiency of trading in all financial instruments, helps form ESMA policy, and promotes supervisory convergence amongst national regulators on issues that fall under its competence.*

*In 2020, the Standing Committee prepared the following documents, which were published by ESMA:*

- a public statement on tick sizes (ESMA70-1556-2485/20.3.2020);*
- a report of technical advice to the European Commission on weekly position reports under MiFID II (ESMA70-156-2287/1.4.2020);*
- ESMA statement on the need to postpone the publication dates of the annual transparency calculations for non-equity instruments and for the quarterly systematic internaliser data for non-equity instruments other than bonds, in the context of the COVID-19 pandemic (ESMA70-155-9817/9.4.2020);*
- a consultation paper on SME GMs under MiFID II and MAR (ESMA70-156-2061/6.5.2020);*
- an opinion on third-country trading venues for the purpose of transparency under MiFID II/MIFIR (ESMA70-154-165/3.6.2020);*
- an opinion on third-country trading venues for the purpose of position limits under MiFID II/MIFIR (ESMA70-156-112/3.6.2020);*
- a public statement on ETD access (ESMA70-156-3070/11.6.2020);*
- an opinion on the assessment of pre-trade transparency waivers (ESMA70-155-6641/16.7.2020);*
- a consultation paper on the review of the obligations under MiFID II and MAR (ESMA74-362-773/24.9.2020);*
- a consultation paper on the functioning of Organised Trading Facilities (ESMA70-156-2013/25.9.2020);*
- a statement on the impact of Brexit on the application of MiFID II/MIFIR (ESMA70-155-10962/1.10.2020);*
- MiFID II/MiFIR Annual Report under Commission Delegated Regulation (EU) 2017/583 (RTS 2) (ESMA70-156-3300/9.10.2020);*
- a statement on STO (Share Trading Obligation) issues because of BREXIT during the last quarter of 2020 (ESMA70-155-7782/26.10.2020);*
- a consultation paper on draft guidelines on market data (ESMA70-156-2477/6.11.2020);*
- a statement on DTO (Derivatives Trading Obligation) issues because of BREXIT (ESMA70-155-8842/25.11.2020);*
- consultation paper on algorithmic trading under MiFID II (ESMA70-156-2368/18.12.2020);*
- an updated Q&A on MiFIR transaction reporting topics (ESMA70-1861941480-56/8.7.2020);*
- an updated Q&A on MiFIR transparency topics (ESMA70-872942901-35/29.5.2020);*

-an updated Q&A on market structure topics (ESMA70-872942901-38/29.5.2020).

### **Financial Innovation Standing Committee (FISC)**

*This Standing Committee coordinates the national supervisory authorities' response to new or innovative financial activities and provides advice to ESMA on how to act in this sector, for example by issuing alerts and warnings, or conducting any regulatory action needed to prevent financial innovation from causing customer detriment or threatening financial stability. As part of its activities, the Standing Committee also collects data, analyzes, and reports on, investor trends. Moreover, the Committee contributes to the Joint Committee of European Supervisory Authorities' work on financial activities, financial innovation and consumer-related issues.*

*In 2020, the Standing Committee prepared the following documents, which were published by ESMA:*

- a consultation paper for draft guidelines on outsourcing to Cloud Service Providers (ESMA50-164-3342/3.6.2020) and final guidelines (ESMA50-157-2403/18.12.2020);
- ESMA's response to the European Commission's Consultation on a New Digital Finance Strategy for Europe (ESMA50-164-3463/29.6.2020).

### **Corporate Reporting Standing Committee**

*The Corporate Reporting Standing Committee works on issues related to accounting, the audit of financial statements, and periodic financial reporting, in the context of the Transparency Directive. More specifically, it monitors, and contributes to, regulatory developments in the area of accounting and auditing, including the EU endorsement process of International Financial Reporting Standards (IFRS), as well as the work of relevant EU accounting and/or auditing Committees. Moreover, the Standing Committee coordinates the activities of national regulators from the European Economic Area relating to compliance of issuers with the IFRS, in order to achieve convergence in decision-making in regard to IFRS implementation topics.*

*In 2020, the Standing Committee focused on the following activities:*

- a report on amendments to ESMA Guidelines on enforcement of financial information (ESMA32-67-613/4.2.2020);
- a report on the (European Single Electronic Format – ESEF) with test cases (ESMA32-60-583/23.3.2020);
- a statement on the accounting implications of the COVID-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9 – Financial Instruments (ESMA32-63-951/25.3.2020);
- a statement on actions to mitigate the impact of COVID-19 on EU financial markets regarding publication deadlines under the Transparency Directive (ESMA31-67-742/27.3.2020);
- a report on the enforcement and regulatory activities of European Accounting Enforcers in 2019, as regards financial statement issuer compliance with the IFRS (ESMA32-63-846/2.4.2019);
- publication of selected enforcement decisions from ESMA's database of decisions on financial statements taken by national regulators in the period May 2018-October 2019 (ESMA32-63-845/2.4.2020);



- *preparation/review of ESMA Q&A on Guidelines on Alternative Performance Measures (ESMA32-51-370/17.4.2020);*
- *preparation of ESMA letters to the International Accounting Standards Board (IASB) and the European Financial Reporting Advisory Group (EFRAG) on the former's Exposure Draft: COVID-19 Related Rent Concessions – proposed amendments to IFRS 16 – Leases (ESMA32-61-402/11.5.2020 and ESMA32-61-403/11.5.2020);*
- *a statement on the Implications of the COVID-19 outbreak on the half-yearly financial reports (ESMA32-63-972/20.5.2020);*
- *preparation of ESMA letters to the International Accounting Standards Board (IASB) and the European Financial Reporting Advisory Group (EFRAG) on the latter's Exposure Draft: Interest Rate Benchmark Reform - Phase 2 (ESMA32-61-405/26.5.2020 and ESMA32-61-406/26.5.2020);*
- *preparation of ESMA response to European Commission consultation on the review of the Non-Financial Reporting Directive (NFRD) (ESMA32-334-245/11.6.2020);*
- *a final report on draft regulatory technical standards including the 2020 RTS update on the European Single Electronic Format (ESEF) (ESMA32-60-607/18.6.2020);*
- *a public statement on the coordination of supervisory action on accounting for lease modifications in the context of the COVID-19 pandemic (ESMA32-61-417/21.7.2020);*
- *preparation of ESMA letters to the International Accounting Standards Board (IASB) and the European Financial Reporting Advisory Group (EFRAG) on the former's Exposure Draft: General Presentation and Disclosures (ESMA32-61-397/6.10.2020 and ESMA32-61-421/6.10.2020);*
- *preparation of ESMA letters to the IFRS Interpretation Committee on its tentative agenda (ESMA32-61-418/24.09.2020), as well as inclusion of the following subjects to it: Costs necessary to make the sale (IAS 2 – Inventory) (ESMA32-63-1051/12.10.2020) and Derecognition of a warrant (IAS 32 - Financial Instruments: Presentation and disclosure (ESMA32-63-1052/12.10.2020);*
- *ESMA statement on European common enforcement priorities for 2020 annual financial reports, for the uniform implementation of International Financial Reporting Standards (IFRS) and the harmonisation of non-financial reporting (ESMA32-63-1041/28.10.2020);*
- *report and ESMA Q&A regarding the fast-track peer review on the Wirecard case (ESMA42-111-5349/03.11.2020 and ESMA71-99-1423/03.11.2020);*
- *publication of the taxonomy files of the European Single Electronic Format (ESEF) for 2020 (ESEF 2020/7.12.2020);*
- *preparation of ESMA letter to the IFRS Foundation on the consultation paper on n Sustainability Reporting (ESMA32-334-334/16.12.2020);*

- preparation of ESMA letters to the International Accounting Standards Board (IASB) and the European Financial Reporting Advisory Group (EFRAG) on the former's Discussion Paper: Business Combinations—Disclosures, Goodwill and Impairment (ESMA32-61-413/18.12.2020 and ESMA32-61-445/18.12.2020).

### **Network on Credit Rating Agencies**

The network on Credit Rating Agencies (CRAs) is responsible for providing know-how on CRA-related policy issues, such as the assessment of the compliance of third country legislative and regulatory regimes with the requirements of Regulation (EU) 1060/2009 on CRAs (as amended), and the performance of credit rating activities by third-country CRAs.

In 2020, it prepared the following documents, which were published by ESMA:

- CRA market share calculation for 2019 (ESMA33-9-340/10.1.2020);
- public statement on CRA-related matters, in the context of the COVID-19 pandemic (ESMA80-191-995/26.3.2020);
- consultation on the availability and use of credit ratings (ESMA33-5-829/30.3.2020);
- report of CLO credit ratings – an overview of Credit Rating Agencies practices and challenge (ESMA80-189-6982/13.5.2020);
- preparation of the decision to impose fines against Scope Ratings GmbH (ESMA41-356-77/4.6.2020);
- final report on guidelines on internal control for CRAs (ESMA 33-9-371/30.9.2020);
- statement on the endorsement of CRAs in the context of the COVID-19 pandemic (ESMA 33-5-857/27.10.2020);
- CRA market share calculation for 2020 (ESMA33-9-383/4.12.2020);
- updated Q&A on the implementation of Regulation (EU) 1060/2009 on Credit Rating Agencies (as amended) (ESMA33-5-87/17.2.2020).

### **Network on Benchmarks**

The Network on Benchmarks works on issues related to Benchmarks under Regulation 2016/1011/EU on indices used as benchmarks in financial instruments and financial contracts (BMR). More specifically, it drafts opinions on the assessment of a critical benchmark under article 20 item (c) and article 20 paragraph 4 of the BMR; the drafting of advice regarding the type of benchmark and the requirements applicable to its provision in applications for recognition, under article 32 paragraph 6 of the BMR; the drafting of opinions on recognised third-country benchmark administrators or validated third country benchmark criteria, under article 53 of the BMR; the drafting or review of ESMA guidelines and recommendations or other Level III measures and supervisory convergence tools (opinions, advice, supervisory briefings, methodological frameworks), as well as any other BMR-related implementation or monitoring topics.

In 2020, it prepared the following documents, which were published by ESMA:

- *ESMA response to European Commission consultation on the BMR review (ESMA71-99-1285/14.2.2020);*
- *public statement on actions to mitigate the impact of COVID-19 on EU financial markets regarding the timeliness of fulfilling external audit requirements for interest rate benchmarks under the BMR (ESMA80-187-546/9.4.2020);*
- *bilateral Memorandum of Understanding with the Monetary Authority of Singapore in the context of BMR equivalence (ESMA71-99-1313/17.4.2020);*
- *no action letter to supervised entities on the ESG disclosure requirements for benchmark administrators (ESMA 71-99-1323/29.04.2020);*
- *a consultation paper on BMR advice fees (ESMA80-187-623/25.9.2020);*
- *report on draft regulatory technical standards under BMR (ESMA70-156-1464/9.3.2020) and final report (ESMA80-187-608/29.9.2020);*
- *BMR BREXIT public statement (ESMA80-187-610/1.10.2020);*
- *public statement on the BMR transitional period – pending applications (ESMA70-156-2187/15.10.2020);*
- *an updated Q&A on BMR (ESMA70-145-114/6.11.2020);*
- *consultation paper on procedural rules for penalties imposed on Benchmark Administrators (concerns critical benchmark administrators and third party administrators, pursuant to Regulation 2019/2175) (ESMA 43-370-272/23.12.2020).*

### **Securitisation Network**

*The network is dealing with issues pertaining to Regulation (EU) 2017/2402 laying down a general framework for securitisation (Securitisation Regulation).*

*In 2020, it prepared the following documents, which were published by ESMA:*

- *guidelines on securitisation repository data completeness and consistency thresholds (ESMA 33-128-827/17.1.2020);*
- *list of designated competent authorities under the Securitisation Regulation (ESMA33-128-777/17.6.2020);*
- *securitisation reporting instructions (ESMA65-8-6469/19.8.2020);*
- *guidelines on the portability of information between securitisation repositories (ESMA33-128-1001/5.10.2020);*
- *updated Q&A on the Securitisation Regulation (ESMA33-128-563/28.5.2020).*

### **Co-ordination Network on Sustainability**

ESMA's Coordination Network on Sustainability (CNS) is responsible for monitoring developments and developing ESMA's strategy on issues related to **Sustainable Finance**, which were a policy priority in 2020. In 2020, it mostly worked on the following documents, which were published by ESMA:

- prepared, in collaboration with the competent Standing Committees of ESMA, the response to the European Commission consultation on the Renewed Sustainable Finance Strategy (ESMA30-22-821/15.7.2020), which incorporated ESMA's contribution to the consultation on the Green Bond Standard framework;
- preparation of ESMA's Strategy on Sustainable Finance (ESMA22-105-1052/6.2.2020), which was being updated at the end of 2020;

Moreover, in 2020, the CNS was collectively informed about the work of individual Standing Committees of ESMA on sustainability matters: this work mostly consists in the preparation of regulations for the incorporation of **ESG factors – Environmental, Social, Governance**– in new European legislation as regards supervised entities and companies with securities admitted to trading on a regulated market, as well as market-based risk assessments.

### **IT Management and Governance Group**

The work of ESMA's IT Management and Governance Group (ITMG) contributes to the design, implementation, and operation of pan-European IT projects. The main objective of the projects is to ensure the compliance of national competent authorities with the obligations emanating from the relevant European legislation and ensure that the cost of the requisite data management shall be proportional to the corresponding benefit.

The work of the Group during 2020 mainly consisted in the following:

- multi-annual IT work programme, IT strategy and methodology, and technical guidance relating to operational and technical requirements, testing requirements for IT projects and interfaces.

### **Participation in work groups as part of the Joint Committee of European Supervisory Authorities (ESAs)**

#### Sub-Committee of the Joint Committee of European Supervisory Authorities (ESAs) on Investor Protection and Financial Innovation

This sub-committee works on investor protection and financial innovation issues of concern to the three European Supervisory Authorities (ESAs), namely EBA, ESMA and EIOPA.

During 2020, the sub-committee worked on PRIIPS matters, as well as on the preparation of the regulatory technical standards under Regulation 2019/2088 on sustainability-related disclosures in the financial services sector, and Regulation 2020/852 on Taxonomy.

#### Sub-Committee of the Joint Committee of European Supervisory Authorities (ESAs) on securitisation

This sub-committee works on securitisation-related issues of concern to the three European Supervisory Authorities (ESAs), namely EBA, ESMA and EIOPA.

*During 2020, the sub-committee, which is chaired by the Chairperson of the Hellenic Capital Market Commission, worked on the preparation of Q&As on securitisation under Regulation 2017/2402, which concern all three European Supervisory Authorities (ESAs), i.e. EBA, ESMA and EIOPA.*

*In 2020, the Sub-committee prepared the three supervisory authorities' draft opinion on the Jurisdictional Scope of Application of the Securitisation Regulation, which was completed in early 2021. Moreover, in 2020 it prepared the draft Report on the implementation and functioning of the Securitisation Regulation, which aims at identifying the initial challenges and any issues that arose during the first years of implementing this Regulation, and could affect the overall effectiveness of the framework. The report is expected to be completed by the end of March 2021.*

## **The HCMC and European institutional bodies and instruments**

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### **European Systemic Risk Board**

*The aim of the European Systemic Risk Board is to prevent the systemic risks that threaten the stability of the financial system in the European Union and avert any serious adverse effects on the financial system and the economy at large. The Hellenic Capital Market Commission participates in the General Board and the Advisory Technical Committee.*

### **European Council, European Commission**

*In 2020, the Hellenic Capital Market Commission monitored, on the technical level the following dossiers that were submitted to the European Council: the proposal for a Regulation on Markets in Crypto-assets; the proposal for a Regulation on distributed ledger technology market infrastructures; the proposal for a Regulation on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014 and (EU) No 909/2014; and the proposal for a Directive amending directives 2006/43/EC, 2009/65/EC, 2009/138/EU, 2011/61/EU, EU/2013/36, 2014/65/EU, (EU) 2015/2366 and EU/2016/2341, as well as the proposal for a Regulation on crowdfunding service providers.*

*In addition, in 2020 the Hellenic Capital Market Commission participated in the work of the Expert Group of the European Securities Committee (EGESC), the Informal Company Law Expert Group, and the working group on CSDR review.*

## **The Hellenic Capital Market Commission and IOSCO**

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*The International Organization of Securities Commissions (IOSCO), is the main forum of international cooperation among capital market regulators and is the international agency responsible for the establishment of standards for the financial markets. For the time being, IOSCO has 129 ordinary members from more than 100 countries. The Hellenic Capital Market Commission is represented by its Chairperson in the proceedings of the European Regional Committee, as well as the Presidents Committee, which comprises all Presidents (Chairs) of IOSCO members. The Hellenic Capital Market Commission is also actively involved in the work of IOSCO Committee 4, whose work concerns the prevention and detection of capital market violations on the international level, mainly through the enhancement and encouragement of collaboration*

among regulators. Moreover, the Hellenic Capital Market Commission participates in the work of the IOSCO Screening Group, which evaluates potential signatories of the IOSCO Multilateral Memorandum of Understanding (IOSCO MMoU), as well as the new Enhanced Multilateral Memorandum of Understanding (Enhanced MMoU – EMMoU), which was adopted by IOSCO in April 2017. The EMMoU extends the scope of mutual assistance among regulators, by adding, among other things, new types of confidential information regulators will be able to exchange. These new types of information and/or assistance are the following: information about persons owning or controlling other persons or assets; information about audits, especially the audits of financial statements; compelling physical attendance for testimony in front of the assisting authority; power to freeze assets, when allowed by the law; and data traffic records.

## **The Hellenic Capital Market Commission and other international bodies**

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### **Mediterranean Partnership of Securities Regulators**

The Mediterranean Partnership of Securities Regulators (MPSR) comprises Algeria, Cyprus, Egypt, Greece, Italy, Morocco, Portugal, Spain, Tunisia, and Turkey, and its purpose is to develop complementary actions and ensure the implementation of IOSCO's principles by the securities regulators of this region.

### **Organisation of Economic Cooperation and Development**

The Organisation for Economic Co operation and Development (OECD) aims at promoting policies for the improvement of economic and social welfare. The Hellenic Capital Market Commission participates in the work of the Corporate Governance Committee, as well as the Task Force on Financial Consumer Protection.

### **Financial Action Task Force**

The Financial Action Task Force is an international policy-making body, which establishes international standards for suppressing money laundering and terrorist financing. The Hellenic Capital Market Commission participates in the work of the Task Force both on the plenary, and on the individual working group levels.

## **Bilateral Memoranda of Understanding**

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The purpose of Memoranda of Understanding (MoU) is to establish and implement a procedure for the provision of assistance among competent authorities for the supervision of the capital market, in order to help them perform their functions. These Memoranda enable supervisory authorities to exchange confidential information, in order to exercise supervision and achieve compliance of the supervised agents of the market with the existing institutional regulations. The memoranda of understanding between the supervisory authorities of different countries facilitate international co-operation between stock exchanges, companies and other capital market agents, and therefore are the first stage for the establishment and further improvement of the relations among these countries' capital markets. In the context of the new European architecture for the supervision of financial markets, MOUs play a key role, since they are instrumental in the move towards the single supervision of the European market. Up to this date, the Hellenic Capital Market Commission has signed 26 bilateral and 2 multilateral Memoranda of Understanding.

**Provision of investment services as part of Directive 2014/65/EU on markets in financial instruments (MiFID)**

At the end of 2020, the number of undertakings from EEA countries that provided investment services in Greece remained unchanged at 2,616, but there were changes in the country representation (see Table 31).

More specifically, as regards the distribution of undertakings per country, the United Kingdom is still first with 1,849 firms, followed by Cyprus with 238, Germany with 95, Ireland with 66, the Netherlands with 62, and Luxembourg with 57 firms.

Twenty one (22) investment firms have been authorised by the Hellenic Capital Market Commission to provide investment services in EEA countries.

**TABLE 31. Provision of Investment Services (MiFID) in Greece, 2018-2020**

Country	Total of Active Companies		
	2020	2019	2018
<i>Austria</i>	33	14	31
<i>Belgium</i>	11	10	10
<i>Bulgaria</i>	8	9	8
<i>France</i>	58	53	48
<i>Germany</i>	95	86	60
<i>Denmark</i>	8	9	11
<i>Estonia</i>	1	0	1
<i>United Kingdom</i>	1,849	1,874	1,892
<i>Ireland</i>	66	66	45
<i>Italy</i>	16	18	16
<i>Iceland</i>	1	1	1
<i>Spain</i>	18	15	14
<i>Croatia</i>	1	1	1
<i>Cyprus</i>	238	231	224
<i>Latvia</i>	3	3	2
<i>Lithuania</i>	1	1	1
<i>Lichtenstein</i>	16	15	14

Country	Total of Active Companies		
	2020	2019	2018
<i>Luxembourg</i>	57	61	52
<i>Malta</i>	30	29	26
<i>Norway</i>	14	29	29
<i>Netherlands</i>	62	60	50
<i>Hungary</i>	3	3	1
<i>Poland</i>	0	0	1
<i>Portugal</i>	4	4	2
<i>Romania</i>	0	0	1
<i>Slovakia</i>	3	4	3
<i>Slovenia</i>	0	0	1
<i>Sweden</i>	7	7	6
<i>Czech Republic</i>	3	3	3
<i>Finland</i>	10	10	10
<b>Total</b>	<b>2,616</b>	<b>2,616</b>	<b>2,564</b>

Source: HCMC

#### Provision of Investment Services (MiFID) under Directive 2011/61/EC on Alternative Investment Fund Managers (AIFMs)

At the end of 2020, 115 AIFMs from the EU offered investment services in Greece under Directive 2011/61/EC (MiFID), as compared to 101 in 2019 (see table 32).

As regards the distribution of AIFMs per country, the United Kingdom is ranked first with 47 AIFMs.

**TABLE 332. Provision of Investment Services (MiFID) by EU AIFMs in Greece, 2018-2020**

Country	Total EEA AIFMs		
	2020	2019	2018
<i>France</i>	8	6	4
<i>Germany</i>	3	2	2
<i>Denmark</i>	1	1	0
<i>Ireland</i>	19	6	0
<i>Cyprus</i>	4	1	1



Country	Total EEA AIFMs		
	2020	2019	2018
<b>United Kingdom</b>	47	68	62
<b>Luxembourg</b>	23	12	3
<b>Malta</b>	3	2	2
<b>Netherlands</b>	5	3	2
<b>Other</b>	2	-	-
<b>Total</b>	<b>115</b>	<b>101</b>	<b>76</b>

Source: HCMC

#### Marketing of shares in EEA Alternative Investment Funds (AIFs) in Greece by EEA Alternative Investment Fund Managers (AIFMs)

At the end of 2020, 216 EEA AIFMs marketed shares or units in 333 EEA AIFs in Greece, as compared to 84 EEA AIFMs that marketed shares or units in 255 EEA AIFs in Greece in 2019 (see Tables 33 and 34).

As regards the distribution of EEA AIFMs per country, Luxembourg is ranked first with 71 AIFMs.

As regards the distribution of EEA AIFs per country, Luxembourg is also ranked first with 162 AIFs.

Four (4) AIFMs that have been authorised by the Hellenic Capital Market Commission are marketing 5 EU AIFs in EU member states.

**TABLE 33. EEA AIFMs marketing shares or units in EEA AIFs in Greece, 2018-2020**

Country	Total EEA AIFMs		
	2020	2019	2018
<b>Austria</b>	4	-	-
<b>Belgium</b>	3	-	-
<b>France</b>	23	4	2
<b>Germany</b>	13	-	-
<b>Denmark</b>	1	1	1
<b>United Kingdom</b>	46	21	30
<b>Ireland</b>	19	10	6
<b>Italy</b>	1	-	-
<b>Croatia</b>	1	-	-

Country	Total EEA AIFMs		
	2020	2019	2018
Cyprus	4	3	1
Lichtenstein	1	1	1
Luxembourg	71	32	18
Malta	7	3	2
Norway	2	1	1
Netherlands	9	2	2
Sweden	10	2	1
Czech Republic	1	-	-
<b>Total</b>	<b>216</b>	<b>80</b>	<b>65</b>

Source: HCMC

TABLE 34. EEA AIFs marketed in Greece by EEA AIFMs, 2018-2020

Country	Total EEA AIFs		
	2020	2019	2018
France	5	1	0
United Kingdom	4	11	14
Ireland	145	43	50
Italy	0	0	0
Cyprus	3	2	1
Lichtenstein	0	2	2
Luxembourg	162	189	129
Malta	5	6	4
Norway	0	0	0
Netherlands	7	1	1
Slovenia	1	0	0
Sweden	1	0	0
<b>Total</b>	<b>333</b>	<b>255</b>	<b>201</b>

Source: HCMC

## Marketing of European Venture Capital Funds (EuVECA)s in Greece by EU European Venture Capital Fund Managers (EuVECA Managers)

At the end of 2020, 35 EU EuVECA Managers marketed 42 EU EuVECA)s in Greece, as compared to 37 EuVECA Managers and 73 EuVECA)s respectively in 2019 (see tables 35 and 36).

**TABLE 35. EU EuVECA Managers marketing EUVECA)s in Greece, 2018-2020**

Country	Total EuVECA Managers		
	2020	2019	2018
<i>Austria</i>	5	2	2
<i>France</i>	4	1	1
<i>Germany</i>	2	6	4
<i>Denmark</i>	0	1	0
<i>United Kingdom</i>	8	12	11
<i>Ireland</i>	4	2	2
<i>Luxembourg</i>	4	2	1
<i>Netherlands</i>	5	2	2
<i>Portugal</i>	0	1	1
<i>Sweden</i>	4	7	5
<i>Finland</i>	0	1	0
<b>Total</b>	<b>35</b>	<b>37</b>	<b>29</b>

Source: HCMC

**TABLE 36. EuVECA)s marketed in Greece by EU EuVECA Managers, 2018-2020**

Country	Total EuVECA)s		
	2020	2019	2018
<i>Austria</i>	7	4	3
<i>Belgium</i>	1	1	0
<i>France</i>	5	2	2
<i>Germany</i>	7	8	4
<i>Denmark</i>	0	2	0
<i>United Kingdom</i>	1	34	23
<i>Ireland</i>	6	2	2

<b>Country</b>	<b>Total EuVECAs</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Netherlands</b>	7	6	3
<b>Luxembourg</b>	5	4	3
<b>Portugal</b>	0	1	1
<b>Sweden</b>	3	8	6
<b>Finland</b>	0	1	0
<b>Total</b>	<b>42</b>	<b>73</b>	<b>47</b>

Source: HCMC

#### Marketing of EU European Social Entrepreneurship Funds (EuSEF) in Greece by EU European Social Entrepreneurship Fund Managers (EuSEF Managers)

At the end of 2020, 1 EuSEF Manager from the United Kingdom marketed 1 UK EuSEF in Greece.

Source: HCMC

## ANNEX 1. HCMC DECISIONS

No. Of Rule / Gazette	Title	Summary
6/868/12.2.2020_ (Gov. Gaz. B' 761/10.3.2020)	Amendment of HCMC Decision 18/809/21.2.2018 "Certification of eligibility of persons providing services, in accordance with article 93 of Law 4514/2018"	Amends HCMC Decision 18/809/21.2.2018 "Certification of eligibility of persons providing services, in accordance with article 93 of Law 4514/2018" as regards the submission of information pertaining to reliability guarantees.
5/870/24-2-2020 (Gov. Gaz. B/1483/21-4-2020)	Assessment of the knowledge and competence of natural persons giving investment advice or providing information to clients in accordance with article 25 of L. 4514/(Gov. Gaz. A 14/30.1.2018).	On the obligation of Investment Firms, Banks, MFMCs, PICs, AIFMs to ensure that the individuals (including tied agents) providing investment advice or providing information about financial instruments, investment services or ancillary services to clients; possess the knowledge and skills required to fulfil their obligations under articles 24 and 25 of L. 4514/2018.
12A/889/31.8.2020_ (Gov. Gaz. B' 4001/18.9.2020)	Amendment of HCMC Decision 8/754/14.4.2016 "Special Periodic Reporting Matters pursuant to Law 3556/2007"	On the replacement of item (c) para. 1 of article 1 of HCMC Decision 8/754/14.4.2016 "Special Periodic Reporting Matters pursuant to Law 3556/2007" (Gov. Gaz. B /1345/13.5.2016)
12A/890/18.9.2020_ (Gov. Gaz. B' 4298/2.10.2020)	Particularization of the system on the determination, assessment and measurement of the amount of the sanctions per infringement that are imposed pursuant to article 24 of Law 4706/2020.	On the particularization of the system on the determination, assessment and measurement of the amount of the sanctions per infringement ("Sanctions System" or "System") in relation to infringements arising from articles 1-23 of L. 4706/2020 and 44 para. 1 and 3, cases a, b, and c of L. 4449/2017, ascertained against individuals or legal entities subject to the scope of articles 24 of L. 4706/2020 and 44 para. 4 of Law 4449/2017.
1/891/30.9.2020 - (Gov. Gaz. B' 4556/15.10.2020)	Particularization of article 14 par. 3 sec. j and par. 4, Evaluation of the Internal Audit System (IAS) and the Application of the provisions on Corporate Governance (CG) of Law 4706/2020.	On the definition of the time, procedure, periodicity and any other, more specific, matter necessary for the application of the evaluation of the internal audit system, as well as the characteristics of the persons that perform this evaluation. Furthermore, the internal rules of the company must include the policy and procedure for conducting the periodic evaluation of the internal audit system

No. Of Rule / Gazette	Title	Summary
5/889/31.8.2020_ (Gov. Gaz. B' 4295/2.10.2020)	Amendment of HCMC Decision 3/304/10.6.2004 (Gov. Gaz. B 901/16.6.2004) "Rulebook of the Dematerialized Securities System as currently in force."	On the replacement of item b) paragraph 2 of article 4 of the Decision and the addition of paragraph 5 to article 26.
2/892/13.10.2020 (Gov Gaz. B' 4674/22.10.2020)	Procedures and supporting documents required for the approval of Prospectuses when securities are offered to the public or admitted to trading in a regulated market.	On the procedures and supporting documents required for the approval of Prospectuses when securities are offered to the public or admitted to trading in a regulated market.
1/892/13.10.2020 (Gov Gaz. B' 4674/22.10.2020)	Acceptable Prospectus languages (article 27 of Regulation (EU) 2017/1129).	On the languages that are acceptable for the drafting of prospectuses
1/893/16.10.2020 (Gov. Gaz. B' 4728/26.10.2020)	Prospectus that has to be published in the case of public offerings of transferable securities laid down in para. 2, article 58 of Law 4706/2020	On the cases of public offerings of transferable securities that take place in Greece, if the total value of the transferable securities on offer is equal to at least five hundred thousand euros (500,000) and no more than the ceiling laid down in para. 2 of article 58 of Law 4706/2020 and/or the cases of admission of the said securities to trading, subject to para. 3, article 3 of Regulation EU 2017/1129 and the exception of para. 3, article 59 of Law 4706/2020
2/894/23.10.2020 (a) (Gov. Gaz B' 5303/3.12.2020)	Adaptation to Commission Implementing Directive (EU) 2015/2392 of 17 December 2015 on Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards reporting to competent authorities of actual or potential infringements of that Regulation b) Adaptation to article 73, para. 1 of Directive 2014/65/EU – MiFid II and article 71 of L.4514/2018, (c) Adaptation to article 94B of L. 4099/2012 supplemented by article 14 L.4416/2016, Gov. Gaz. A 160/6.9.2016 (article 1 para.17 of Directive 2014/91/EU) – amendment UCITS V, (d) Adaptation to para. 3 of article 6 of	On the a) adaptation of the legislative framework to to Commission Implementing Directive (EU) 2015/2392 of 17 December 2015 on Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards reporting to competent authorities of actual or potential infringements of that Regulation; b) adaptation to article 73, para. 1 of Directive 2014/65/EU – MiFid II and article 71 of L.4514/2018; (c) adaptation to article 94B of L. 4099/2012 supplemented by article 14 L.4416/2016, Gov. Gaz. A 160/6.9.2016 (article 1 para.17 of Directive 2014/91/EU) – amendment UCITS V; (d) adaptation to para. 3 of article 6 of L.4557/2018, item (i), as amended by L. 4734/2020; and (e) adaptation to articles 76 and 78 of L. 1969/1991 and para. 13 of article 35 of L. 2324/1995, as replaced by article 80 L.4706/2020.

No. Of Rule / Gazette	Title	Summary
	<i>L.4557/2018, item (i), as amended by L. 4734/2020, (e) Adaptation to articles 76 and 78 of L. 1969/1991 and para. 13 of article 35 of L. 2324/1995, as replaced by article 80 L.4706/2020.</i>	
<i>4/894/23.10.2020 (Gov. Gaz. B/5008/13.11.2020)</i>	<i>Remote electronic identification of individuals by responsible persons supervised by the HCMC when concluding business relationships or occasional transactions”</i>	<i>Concerns a) the financial organizations of case b, para. 1 of article 5 of L. 4557/2018; b) the providers of exchange services between virtual currencies and fiat currencies of case l, para. 1 of article 5 of L. 4557/2018; and c) the providers of custodian wallet services of case m, para. 1 of article 5 of L. 4557/2018, that are supervised by the HCMC under case b, para. 1, article 6 of Law 4557/2018</i>
<i>3/894/23.10.2020_ (Gov. Gaz. B/4913/9.11.2020)</i>	<i>Amendment of HCMC Decision 4/452/01.11.2007 “Fitness of managers and directors of investment firms, FIFs, MFMCs, PICs, and REICs”</i>	<i>On the amendment of HCMC Decision 4/452/01.11.2007 as regards the “Subject” and as regards article 1.</i>
<i>5/898/3.12.2020 (Gov. Gaz. B 5744/28.12.2020)</i>	<i>Establishment of a register of providers of exchange services between virtual currencies and fiat currencies and a register of custodian wallet providers_</i>	<i>On the mandatory registration of custodian wallet providers and providers of exchange services between virtual currencies and fiat currencies to a register, the information and forms submitted, and other relevant provisions.</i>

## **ANNEX 2. HCMC PARTICIPATION IN, AND CONTRIBUTION TO, INTERNATIONAL CONFERENCES AND MEETINGS**

- 7 January 2020, Paris, Meeting of ESMA’s Investment Management Standing Committee;
- 9 to 10 January 2020, Paris, Meeting of the Financial Action Task Force (FATF) – Virtual Currencies;
- 10 January 2020, Brussels, Participation in a European Commission seminar on the second phase of negotiations between the United Kingdom and the European Union;
- 13 to 14 January 2020, Paris, Meeting of ESMA’s Data Standing Committee;
- 14 January 2020, Paris, Meeting of ESMA’s Central Counterparties Supervisory Committee;
- 16 January 2020,, Paris, Meeting of the working group of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs) on artificial intelligence topics;
- 21 to 22 January 2020, Frankfurt, Meeting of the working group of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs) on artificial intelligence topics;
- 22 to 23 January 2020, Cairo, Annual Meeting of the national competent authorities participating in the Mediterranean Partnership of Securities Regulators;
- 29 January 2020, Paris, Meeting of the Plenary of the Board of Supervisors of ESMA;
- 30 January 2020, Frankfurt, Meeting of ESMA’s Secondary Markets Standing Committee;

- 30 January 2020, Paris, Participation in ESMA's Senior Supervisors Forum on Risk Based Approach;
- 30 to 31 January 2020, Paris, Meeting of ESMA's Market Integrity Standing Committee.
- 4 February 2020, Paris, Meeting of a sub-working group of ESMA's Financial Innovation Standing Committee;
- February 4 2020, London, Meeting of the European Regional Committee of IOSCO;
- 5 February 2020, Paris, Meeting of ESMA's Central Counterparties Supervisory Committee;
- 6 February 2020, Paris, Meeting of ESMA's Supervision Co-ordination Network;
- 11 to 12 February 2018, Paris, Meeting of the "European Enforcers Coordination Sessions (EECS)" Sub-committee of ESMA's Corporate Reporting Standing Committee;
- 11 to 22 February 2020, Frankfurt, Meeting of the working group of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs) on PRIIPs topics;
- 16 February 2020 Teleconference of the ESMA Co-ordination Network on Sustainability;
- 18 February 2020, Paris, Meeting of ESMA's Investment Management Standing Committee;
- 18 to 20 February 2020, Madrid, Meetings of the IOSCO Screening Group and the IOSCO Policy Committee 4;
- 24 to 25 February 2020, Paris, Meeting of IT Management and Governance Group;
- 25 February 2020, Paris, Meeting of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs);
- 25 February 2020, Paris, Meeting of ESMA's Financial Innovation Standing Committee;
- 26 February 2020, Paris, Meeting of ESMA's Investor Protection and Intermediaries Standing Committee;
- 27 February 2020, Frankfurt, Participation in EIOPA's ENW 7 Pensions meeting;
- 27 February 2020, Paris, Meeting of the ESMA Enforcement network;
- 2 March 2020, Paris, Meeting of ESMA's Supervisory Convergence Standing Committee;
- 4 March 2020, Paris, Meeting of ESMA's Secondary Markets Standing Committee;
- 4 March 2020, Paris, Meeting of ESMA's Corporate Finance Standing Committee;
- 5 March 2020, Teleconference of the Advisory Technical Committee of the European Systemic Risk Board;
- 6 March 2020, Teleconference of ESMA's Committee of Economic and Markets' Analysis;
- 9 March 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 9 March 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 11 and 12 March 2020, Teleconference of the working group of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs) on investor complaint management topics;
- 11 March 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 17 March 2020, Teleconference of the sub-working group of ESMA's Investor Protection and Intermediaries Standing Committee;
- 23 to 25 March 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 26 March 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 26 March 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 30 March 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 1 April 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 1 April 2020, Teleconference of the Central Counterparties Supervisory Committee;



- 2 April 2020, Teleconference of the plenary of the European Systemic Risk Board;
- 3 April 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 3 April 2020, Teleconference of ESMA's Secondary Markets Standing Committee;
- 6 April 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 6 and 7 April 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 8 April 2020, Teleconference of ESMA's Corporate Finance Standing Committee;
- 15 April 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 15 April 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 15 April 2020, Teleconference of the "European Enforcers Coordination Sessions (EECS)" Sub-committee of ESMA's Corporate Reporting Standing Committee;
- 16 April 2020, Teleconference of ESMA's Financial Innovation Standing Committee;
- 17 and 20 April 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 21 April 2020, Teleconference of ESMA's Supervisory Convergence Standing Committee;
- 22 April 2020, Teleconference of ESMA's Data Standing Committee;
- 27 April 2020 Teleconference of the ESMA Co-ordination Network on Sustainability;
- 28 and 29 April 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 4 May 2020, Teleconference of ESMA's Secondary Markets Standing Committee;
- 4 May 2020, Teleconference of the OECD Corporate Governance Committee;
- 5 May 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 6 May 2020, Teleconference of ESMA's Investor Protection and Intermediaries Standing Committee;
- 6 May 2020, Teleconference of ESMA's Supervisory Convergence Standing Committee;
- 6 May 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 11 May 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 19 and 20 May 2020, Teleconference of the IOSCO Screening Group and the IOSCO Policy Committee 4;
- 26 May 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 28 May 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 3 June 2020, Teleconference of the ESMA Enforcement network;
- 3 June 2020 Teleconference of the ESMA Co-ordination Network on Sustainability;
- 5 June 2020, Teleconference of ESMA's Post-Trading Standing Committee;
- 5 June 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 9 June 2020, Teleconference of the Advisory Technical Committee of the European Systemic Risk Board;
- 10 June 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 10 June 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 11 June 2020, Teleconference of ESMA's Corporate Finance Standing Committee;
- 11 and 12 June 2020, Teleconference of ESMA's Secondary Markets Standing Committee;
- 12 June 2020, Teleconference of ESMA's Supervisory Convergence Standing Committee;
- 15 June 2020, Teleconference of ESMA's Data Standing Committee;
- 15 to 17 June 2020, Teleconference of the OECD Working Party on Private Pensions;
- 17 June 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 17 June 2020, Teleconference of ESMA's Supervisory Convergence Standing Committee;
- 18 June 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 18 June 2020, Teleconference of ESMA's Financial Innovation Standing Committee;
- 18 June 2020, Teleconference of ESMA's Investor Protection and Intermediaries Standing Committee;
- 19 June 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 22 and 23 June 2020, Teleconference of ESMA's Committee of Economic and Markets' Analysis;

- 23 June 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 23 June 2020, Teleconference of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs);
- 24 June 2020, Teleconference of the OECD Task Force on Investor Protection (COVID-19 pandemic-related investor protection issues);
- 24 and 25 June, EIOPA Teleconference on: ENW 7 Pensions;
- 25 June 2020, Teleconference of the plenary of the European Systemic Risk Board;
- 26 June 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 2 July 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 8 and 9 July 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 10 July 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 13 July 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 15 July 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 16 July 2020, Teleconference of the sub-working group of ESMA's Investor Protection and Intermediaries Standing Committee;
- 21 July 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 30 July 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 30 July 2020, Teleconference of the ESMA CRA Network;
- 5 August 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 7 August 2020, Teleconference of the working group of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs) on investor complaint management topics;
- 26 August 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 31 August 2020, Teleconference of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs);
- 31 August 2020, Teleconference of the Advisory Technical Committee of the European Systemic Risk Board;
- 31 August 2020, Teleconference of ESMA's Secondary Markets Standing Committee;
- 31 August 2020 Teleconference of the ESMA Co-ordination Network on Sustainability;
- 1 September 2020, Teleconference of the "European Enforcers Coordination Sessions (EECS)" Sub-committee of ESMA's Corporate Reporting Standing Committee;
- 3 September 2020, Teleconference of ESMA's Data Standing Committee;
- 3 September 2020, Teleconference of ESMA's Corporate Finance Standing Committee;
- 4 September 2020, Teleconference of ESMA's Investor Protection and Intermediaries Standing Committee;
- 8 September 2020, Teleconference of ESMA's Supervisory Convergence Standing Committee;
- 9 September 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 9 to 10 September, 2020, Participation at the Eurofi High Level Seminar 2020 (via teleconference);
- 15 to 17 September 2020, Teleconference of the IOSCO Screening Group and the IOSCO Policy Committee 4;
- 16 September 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 16 September 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 17 September 2020, Teleconference of ESMA's Financial Innovation Standing Committee;
- 17 September 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 17 to 18 and 21 September 2020, Participation in the "15th Annual Greek Roadshow" (via teleconferences);

- 22 and 23 September 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 24 September 2020, Teleconference of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs);
- 24 September 2020, Teleconference of the plenary of the European Systemic Risk Board;
- 29 September 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 1 October 2020, Teleconference of ESMA's Corporate Finance Standing Committee;
- 2 October 2020, Teleconference of ESMA's Committee of Economic and Markets' Analysis;
- 
- 7 October 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 8 and 9 October 2020, Teleconference of the OECD Task Force on Investor Protection;
- 9 October 2020, Teleconference of ESMA's Data Standing Committee;
- 10 October 2020, Teleconference of ESMA's Post-Trading Standing Committee;
- 14 October 2020, Teleconference of ESMA's Investor Protection and Intermediaries Standing Committee;
- 16 October 2020, Teleconference of ESMA's Committee of Economic and Markets' Analysis;
- 16 October 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 20 October 2020, Teleconference of ESMA's Supervisory Convergence Standing Committee;
- 20 and 21 October 2020, Teleconference of the "European Enforcers Coordination Sessions (EECS)" Sub-committee of ESMA's Corporate Reporting Standing Committee;
- 21 and 22 October, EIOPA Teleconference on: ENW 7 Pensions;
- 23 October 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 27 October 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 4 November 2020, Teleconference of the sub-working group of ESMA's Investor Protection and Intermediaries Standing Committee;
- 4 November 2020, Teleconference of the working group of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs) on PRIIPs topics;
- 5 November 2020, Teleconference of the Advisory Technical Committee of the European Systemic Risk Board;
- 5 November 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 6 November 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 9 to 10 November 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 9 to 18 November, IOSCO Annual Conference (via teleconferences);
- 11 to 13 November 2020, Teleconference of the OECD Task Force on Investor Protection;
- 12 November 2020, Teleconference of the ESMA Enforcement network;
- 12 November 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 13 November 2020 Teleconference of the ESMA Co-ordination Network on Sustainability;
- 16 November 2020, Teleconference of the sub-committee on investor protection and financial innovation of the Joint Committee of the European Supervisory Authorities (ESAs);
- 17 and 18 November 2020, Teleconference of ESMA's Investor Protection and Intermediaries Standing Committee;
- 18 November 2020, Teleconference of ESMA's Data Standing Committee;
- 18 and 19 November 2020, Teleconference of ESMA's Financial Innovation Standing Committee;
- 19 November 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 20 November 2020, Teleconference of ESMA's Secondary Markets Standing Committee;
- 24 and 25 November 2020, Teleconference of the OECD Corporate Governance Committee;

- 26 November 2020, Teleconference of ESMA's Market Integrity Standing Committee;
- 26 November 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 30 November and 1 December 2020, Teleconference of ESMA's Committee of Economic and Markets' Analysis;
- 1 December, EIOPA Teleconference on: ENW 7 Pensions;
- 2 December 2020, Teleconference of the ESMA CRA Network;
- 2 December 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 7 to 9 December 2020, Teleconference of the OECD Working Party on Private Pensions;
- 9 December 2020, Teleconference of the sub-working group of ESMA's Investor Protection and Intermediaries Standing Committee;
- 9 December 2020, Teleconference of ESMA's Secondary Markets Standing Committee;
- 9 and 10 December 2020, Teleconference of the "European Enforcers Coordination Sessions (EECS)" Sub-committee of ESMA's Corporate Reporting Standing Committee;
- 10 December 2020, Teleconference of the Central Counterparties Supervisory Committee;
- 11 December 2020, Teleconference of ESMA's Investment Management Standing Committee;
- 11 December 2020, Teleconference of ESMA's Post-Trading Standing Committee;
- 11 to 12 December 2020, Teleconference of the OECD Working Party on Private Pensions;
- 14 December 2020, Teleconference of the MiFID II Task Force of ESMA's Committee of Economic and Markets' Analysis;
- 14 and 16 December 2020, Teleconference of ESMA's Corporate Reporting Standing Committee;
- 15 December 2020, Teleconference of the plenary of the European Systemic Risk Board;
- 16 December 2020, Teleconference of the Plenary of the Board of Supervisors of ESMA;
- 18 December 2020, Teleconference of ESMA's Investor Protection and Intermediaries Standing Committee;
- 18 December 2020, Teleconference of ESMA's Market Integrity Standing Committee;

**ANNEX 3. TABLES**
**TABLE I. Fundamentals of the ATHEX and foreign Exchanges, 2020**

Stock Exchange	Market Capitalisation		Annual Value of Transactions on shares (EOB) <sup>1</sup>		Turnover ratio <sup>2</sup> (%)	No. of listed companies <sup>5</sup>	Index	Closing price (Dec. 2020)	Return Y-o-y % Change
	(USD\$ mn)	Y-o-y % Change	(USD\$ mn)	y-o-y % Change					
<b>Athens Exchange</b>	50,986.89	-4.97%	16,204.08	0.97	31.78	172	<b>GD / ATHEX</b>	910.90	-0.63%
<b>Deutsche Boerse</b>	2,284,108.84	NA	2,069,823.49	37.39	90.62	485	<b>DAX</b>	13718.78	3.55%
<b>LSE Group</b>	4,045,597.13	-3.28%	2,096,760.18	4.84	51.83	2340	<b>FTSE 100 (LSE)</b>	6555.82	-13.08%
<b>Euronext</b>	5,443,947.50	15.79%	2,505,274.77	43.98	46.02	1489	<b>Euronext 100</b>	1103.54	-3.57%
<b>BME Spanish Exchanges</b>	759,174.66	-4.78%	463,336.33	13.35	61.03	2722	<b>IBEX 35</b>	8073.70	-15.45%
<b>Vienna Stock Exchange<sup>5</sup></b>	124,075.36	-6.78%	35,930.55	36.36	28.52	806	<b>ATX</b>	2780.44	-12.76%
<b>Nasdaq Nordic Exchanges</b>	2,110,440.09	30.87%	1,030,998.97	-93.52	48.85	1068	<b>OMXS30 (Stockholm)</b>	1874.74	5.81%
<b>Borsa Istanbul</b>	237,473.62	28.39%	900,189.57	158.91	379.07	367	<b>BIST 100***</b>	1476.72	29.06%
<b>NYSE – USA</b>	26,232,740.00	12.45%	26,176,916.32	113.73	99.79	2873	<b>NYSE Composite</b>	14524.80	4.40%
<b>Nasdaq – USA</b>	19,060,372.31	46.59%	24,924,017.05	56.66	130.76	2987	<b>NASDAQ Composite</b>	12888.28	43.64%
<b>Japan Exchange Group</b>	6,718,219.55	8.51%	6,155,538.03	20.73	91.62	3754	<b>Topix</b>	1804.68	4.84%
<b>Hong-Kong Exchanges</b>	6,130,420.43	25.13%	3,144,061.81	67.53	51.29	2545	<b>Hang Seng Index</b>	27231.13	-3.40%
<b>Shanghai Stock Exchange</b>	6,975,970.45	36.63%	12,177,939.15	56.32	174.57	1813	<b>Shanghai Composite</b>	3391.76	11.20%

Source: World Federation of Exchanges, LSE Group: Bloomberg

1. Because of differences in the presentation and estimation of transaction value, the figures are not totally comparable.

2. Tradability index: Value of trading in shares / market capitalisation.

3. Euronext comprises the markets of Belgium, the UK, France, the Netherlands, and Portugal.

4. Includes data from the stock exchanges of Stockholm, Copenhagen, Helsinki, Iceland, Tallinn, Riga, and Vilnius.

5. January 2021 data.

**TABLE II. Market Share and Total Assets per MFMC, 2018-2020**

MFMF	31.12.2020				31.12.2019				31.12.2018			
	Number of M/F	Assets (€ mil.)	Market share (%)	Change in Share	Number of M/F	Assets (€ mil.)	Market share (%)	Change in Share	Number of M/F	Assets (€ mil.)	Market share (%)	Change in Share
EUROBANK ASSET MANAGEMENT (EFG)	129	2,217.99	27.40	0.01	126	2,152.47	27.39	-2.76	114	1,808.38	29.84	-1.30
ALPHA ASSET MANAGEMENT	41	1,521.79	18.80	-1.67	41	1,609.15	20.47	2.21	42	1,111.18	18.34	0.15
HELLENIC PENSION FUND MANAGEMENT	2	1,456.83	18	0.12	2	1,404.94	17.88	0.33	2	1,068.27	17.63	0.64
PIRAEUS ASSET MANAGEMENT	55	1,125.50	13.91	2.49	52	897.58	11.42	3.10	53	506.66	8.36	-0.02
NBG ASSET MANAGEMENT	25	825.63	10.20	-0.46	25	837.92	10.66	-2.52	26	802.40	13.24	-0.02
ALPHA TRUST	17	255.22	3.15	-0.16	17	260.44	3.31	-0.07	17	205.79	3.40	0.01
TRITON ASSET MANAGEMENT (HSBC)	6	160.60	1.98	-0.24	6	174.55	2.22	-0.14	6	143.53	2.37	0.42
METLIFE (ALICO)	12	135.22	1.67	-0.12	12	140.69	1.79	-0.31	12	128.02	2.11	-0.01
3K INVESTMENT PARTNERS (ING)	10	121.51	1.50	0.11	8	109.63	1.39	0.31	9	66.02	1.09	0.20
ALLIANZ	7	98.22	1.21	-0.11	7	103.72	1.32	0.13	7	72.56	1.20	-0.05
EVROPAIKI PISTI (EUROPEAN RELIANCE) ASSET MANAGEMENT	7	83.09	1.03	0.03	5	78.98	1.01	-0.10	6	67.63	1.12	0.04
ATTICA WEALTH MANAGEMENT	6	38.73	0.48	-0.03	5	39.81	0.51	-0.08	5	35.63	0.59	-0.03
OPTIMA ASSET MANAGEMENT (ex CPB ASSET MANAGEMENT)	6	33.78	0.42	0.01	5	32.03	0.41	-0.07	4	29.15	0.48	-0.05
ATHOS ASSET MANAGEMENT	20	19.58	0.24	0.02	16	17.52	0.22	-0.02	13	14.74	0.24	0.02
<b>TOTAL</b>	<b>343</b>	<b>8,093.73</b>	<b>100</b>		<b>327</b>	<b>7,859.50</b>	<b>100</b>		<b>316</b>	<b>6,059.95</b>	<b>100</b>	

Source: Hellenic Fund & Asset Management Association.

**TABLE III Distribution of mutual fund assets (%) per MFMC, 31.12.2020**

MFMC	Money market			Bond	Balanced	Equity	MMF	Funds of Funds	Index	Specialist
	Short term	Money market	Total							
3K INVESTMENT PARTNERS				24.38	5.38	70.24				
ALLIANZ				34.45	38.36	27.19				
ALPHA ASSET MANAGEMENT				33.27	24.32	21.33	3.16	15.50	1.09	1.33
ALPHA TRUST				14.59	30.77	36.59	3.09	14.96		
ATHOS ASSET MANAGEMENT				38.20	23.14	38.66				
ATTICA WEALTH MANAGEMENT				37.51	37.47	20.84		4.18		
EUROBANK EFG ASSET MANAGEMENT				39.15	1.94	9.02	3.75	33.80		12.34
METLIFE				44.33	6.75	29.42	5.93	4.88	8.69	
OPTIMA ASSET MANAGEMENT MFMF				28.95		41.99		29.07		
TRITON ASSET MANAGEMENT				20	10.19	42.43	27.38			
HELLENIC PENSION FUND MFMC				27	73					
NBG ASSET MANAGEMENT				51.74	16.28	20.28		11.69		
EVROPAIKI PISTI (EUROPEAN RELIANCE) ASSET ANAGEMENT				41.99	5.40	52.61				
PIRAEUS ASSET MANAGEMENT				42	9.26	15.15	15.36	18.23		
<b>MARKET SHARES</b>				<b>36.17</b>	<b>23.32</b>	<b>15.44</b>	<b>4.50</b>	<b>16.60</b>	<b>0.35</b>	<b>3.63</b>

Source: Hellenic Fund & Asset Management Association.

**TABLE IV. Annual Returns of Mutual Funds, 2018-2020**

<i>M/F Classification</i>	<i>Annual return (%)</i>		
	<i>2020</i>	<i>2019</i>	<i>2018</i>
<b>EQUITY</b>			
<i>Equity Funds – North America</i>	12.81	24.86	-2.58
<i>Equity Funds - Developed Countries</i>	-0.10	24.78	-8.34
<i>Equity Funds - Emerging Markets</i>	-17.54	27.82	-9.18
<i>Index Equity M/Fs</i>	-15.87	45.67	-22.63
<i>Equity Funds - Global</i>	3.21	29.08	-7.79
<i>Equity Funds - Greece</i>	-7.97	40.18	-16.21
<i>Equity Funds - Eurozone</i>	-5.04	20.45	-13.92
<i>Bond Funds - Global</i>	-0.64	5.33	1.28
<i>Bond Funds - Greece</i>	5.86	21.94	-0.07
<i>Government Bond Funds - Developed Countries</i>	0.91	6.69	0.38
<i>Government Bond Funds – Emerging Countries</i>	1.71	6.13	-7.07
<i>Corporate Bond Funds - Investment Grade</i>	-0.22	4.68	-0.85
<i>Corporate Bond Funds - High Yield</i>	-	-	-
<i>Balanced Mutual Funds</i>	-0.62	23.06	-7.84
<i>Variable NAV MMFs</i>	-0.24		
<i>Short Term Money Market Funds</i>	-	0.16	-0.26
<i>Money Market Funds</i>	-	4.01	1.20
<i>Specialist Funds - Absolute Return</i>	0.64	3.84	0.72
<i>Specialist Funds (Special Type)</i>	2.11	15.10	-1.51
<i>Equity FoFs</i>	7.66	20.32	-8.71
<i>Balanced FoFs</i>	1.53	11.52	-4.14
<i>Bond FoFs</i>	0.72	4.51	-0.07

Source: Hellenic Fund & Asset Management Association.



**TABLE V. M/F Net Assets, ATHEX-listed company capitalisation and the GD/ATHEX,2016-2020**

<b>Month / Year</b>	<b>M/F net assets (€ mn)</b>	<b>Monthly Change (%)</b>	<b>Capitalisation of ATHEX-listed Companies (€ million)</b>	<b>ATHEX Composite Price Index</b>	<b>Monthly Change (%)</b>
Dec-20	8,093.73	3.77%	53,853.00	808.99	9.78%
Nov-20	7,800.04	7.84%	50,061.89	736.92	29.40%
Oct-20	7,232.72	-0.80%	40,527.00	569.5	-8.84%
Sep-20	7,291.02	1.21%	43,697.68	624.75	-1.46%
Aug-20	7,203.66	0.88%	44,577.28	633.98	2.65%
Jul-20	7,140.72	0.56%	43,724.52	617.61	-3.33%
Jun-20	7,101.05	3.74%	44,709.76	638.9	-2.10%
May-20	6,844.77	2.76%	45,712.18	652.58	21.65%
Apr-20	6,660.99	3.08%	44,509.00	536.45	-3.91%
Mar-20	6,462.24	-17.23%	39,583.00	558.3	-22.50%
Feb-20	7,807.40	-3.79%	51,080.55	720.35	-20.92%
Jan-20	8,115.15	3.25%	61,540.48	910.9	-0.63%
Dec-19	7,859.50	1.48	61,217.27	916.67	1.67%
Nov-19	7,745.05	1.50	60,492.08	901.58	2.15%
Oct-19	7,630.81	3.09	57,937.49	882.57	1.63%
Sep-19	7,401.79	2.01	57,420.47	868.42	0.04%
Aug-19	7,256.17	0.90	57,657.80	868.10	-3.54%
Jul-19	7,191.18	2.73	61,119.11	899.93	3.62%
Jun-19	7,000.01	4.16	59,242.47	868.48	4.61%
May-19	6,720.64	1.31	55,921.23	830.24	7.37%
Apr-19	6,633.94	2.90	53,706.06	773.24	7.19%
Mar-19	6,446.98	1.36	51,434.96	721.37	1.96%
Feb-19	6,360.77	2.25	50,201.10	707.51	11.48%
Jan-19	6,221.05	2.66	47,098.54	634.64	3.48%
Dec-18	6,059.95	-2.28	44,884.04	613.30	-2.69
Nov-18	6,201.04	-0.94	45,731.51	630.23	-1.55
Oct-18	6,259.99	-2.33	46,108.53	640.15	-7.45
Sep-18	6,412.88	-0.75	49,714.12	691.69	-5.20
Aug-18	6,461.25	-1.74	51,653.39	729.62	-4.15
Jul-18	6,575.46	-0.17	53,426.67	761.23	0.48
Jun-18	6,586.78	0.57	52,447.18	757.57	0.23
May-18	6,549.52	-3.57	52,549.71	755.85	-11.93
Apr-18	6,791.81	2.76	58,296.75	858.22	9.96
Mar-18	6,609.61	-1.46	54,325.85	780.50	-6.60
Feb-18	6,707.43	-3.24	56,507.74	835.66	-4.91
Jan-18	6,931.99	4.13	58,545.48	878.83	9.53

Source: Athens Stock Exchange, Hellenic Fund & Asset Management Association.

**TABLE VI. Listed PIC data, 31.12.2020**

<b>PIC</b>	<b>Share Price (€)</b>	<b>Book Value of Share (euros)</b>	<b>Premium / Discount (%)</b>	<b>Internal Rate of Return</b>	<b>Net Asset Value (€ million)</b>
ALPHA TRUST ANDROMEDA	23.2	31.64	-26.68	7.88	12.69

Source: Hellenic Capital Market Commission.

**TABLE VII. Net assets of investment funds in EU member-states, 2019-2020**

<b>Member state</b>	<b>Total Net Assets (€ million)</b>		<b>UCITS market net assets (€ million)</b>		<b>AIF market net assets (€ million)</b>	
	<b>30.12.2020</b>	<b>31.12.2019</b>	<b>30.12.2020</b>	<b>31.12.2019</b>	<b>30.12.2020</b>	<b>31.12.2019</b>
	Austria	20,589.70	194,082.8	89,947.20	86,338.7	111,642.50
Belgium	170,377.80	165,380.4	160,285.30	143,662.4	10,092.50	21,718.1
Bulgaria	847.4	824.4	839.2	815.5	8.2	8.9
Croatia	2,998.30	3,605.1	2,412.10	3,034.8	586.2	570.3
Cyprus	4,872.00	5,232.0	409	357.0	4,463.00	4,875.0
Czech Republic	15,233.60	14,626.4	13,541.30	13,078.4	1,692.40	1,548.0
Denmark	328,810.80	315,591.6	157,819.70	144,199.0	170,991.10	171,392.7
Finland	132,389.90	124,709.5	116,898.70	109,741.2	15,491.20	14,968.3
France	2,066,996.00	1,956,090.0	884,296.00	822,808.0	1,182,700.00	1,133,282.0
Germany	2,511,384.80	2,357,739.7	418,145.00	407,949.4	2,093,239.80	1,949,790.3
Greece	9,668.30	8,836.4	6,237.30	6,086.3	3,431.00	2,750.1
Hungary	18,951.40	19,557.2	1,335.60	1,251.9	17,615.90	18,305.3
Ireland	3,324,194.00	3,048,404.0	2,528,072.00	2,315,504.0	796,122.00	732,900.0
Italy	329,442.20	320,653.6	241,183.30	244,539.5	88,258.90	76,114.1

<i>Member state</i>	<i>Total Net Assets</i>		<i>UCITS market net assets</i>		<i>AIF market net assets</i>	
	<i>(€ million)</i>		<i>(€ million)</i>		<i>(€ million)</i>	
	<i>30.12.2020</i>	<i>31.12.2019</i>	<i>30.12.2020</i>	<i>31.12.2019</i>	<i>30.12.2020</i>	<i>31.12.2019</i>
<i>Lichtenstein</i>	55,021.50	53,914.3	28,647.70	29,080.8	26,373.80	24,833.6
<i>Luxembourg</i>	4,973,780.00	4,718,914.0	4,158,430.00	3,920,828.0	815,350.00	798,086.0
<i>Malta</i>	13,717.30	15,351.1	2,602.00	3,086.3	11,115.30	12,264.9
<i>Netherlands</i>	998,745.00	947,476.0	39,694.00	43,215.0	959,051.00	904,261.0
<i>Norway</i>	142,623.20	134,605.9	142,623.20	134,605.9	2,819.20	
<i>Poland</i>	61,517.30	62,957.1	27,005.00	28,146.6	34,512.20	34,810.5
<i>Portugal</i>	25,504.10	23,509.0	13,920.50	12,283.3	11,583.60	11,225.7
<i>Romania</i>	8,409.60	9,629.2	4,037.20	4,699.5	4,372.30	4,929.7
<i>Slovakia</i>	7,832.60	7,413.8	5,791.90	5,341.3	2,040.70	2,072.4
<i>Slovenia</i>	3,410.30	3,148.6	3,227.50	3,009.2	182.8	139.4
<i>Spain</i>	304,406.00	306,311.0	249,106.00	245,809.0	55,300.00	60,502.0
<i>Sweden</i>	479,913.10	421,208.7	455,338.50	398,370.9	24,574.60	22,837.8
<i>Switzerland</i>	762,034.60	714,293.5	592,249.50	564,510.0	169,785.10	149,783.5
<i>Turkey</i>	26,245.30	29,087.3	14,423.50	15,394.2	11,821.80	13,693.1
<i>United Kingdom</i>	1,784,304.40	1,751,302.1	1,285,995.00	1,282,530.9	498,309.40	468,771.2

Source: EFAMA

**TABLE VIII. Structure of mutual fund assets in EU member-states, 2019-2020**

Type of M/F	31.12.2020		31.12.2019	
	Total Assets (€ billion)	% of Total (%)	Total Assets (€ billion)	% of Total (%)
Equity	4,676	40.16	4,286	39
Balanced	2,043	17.55	1,997	18.17
Bond	3,109	26.70	3,054	27.79
Money market	1,443	12.39	1,275	11.6
Guaranteed	6.01	0.05	6.6	0.06
Other	256	2.21	247	2.25
ARIS*	107	0.92	125	1.14
<b>TOTAL</b>	<b>11,644</b>	<b>100</b>	<b>10,990</b>	<b>100</b>
of which:				
ETFs	N/A	N/A	N/A	N/A
Funds of Funds			-	-

Source: EFAMA

\*Absolute return innovative strategies (ARIS)

**TABLE IX. Capital Increases through issuance of new shares, and issuance of bonds by ATHEX-listed companies, 2020**

No	Company	Trading category	Date of approval by HCMC	Right Coupon Cut-off Date	SCI Period	Initial Trading Day for new transferable securities	Total Funds Raised (euros)	Initial Share Price (€)	Number of shares	Beneficiaries	Inv. Firm Advisor / Underwriter
1	AVAX SA <sup>(1)</sup>	Main market	20/1/2020	22/01/2020	1/27/2020-10/02/2020	17/02/2020	19,999,999.80	0.30	66,666,666	Public offering (0.85N-1E) in favour of existing shareholders	-
2	AUDIO VISUAL ENTERPRISES SA <sup>(2)</sup>	Main market	18/2/2020	21/02/2020	2/26/2020-11/03/2020	23/03/2020	7,999,999.50	0.30	26,666,665	Public offering (7N-27E) in favour of existing shareholders	-
3	TRASTOR REIC <sup>(3)</sup>	Main market	04/6/2020	10/06/2020	6/15/2020-29/06/2020	06/07/2020	37,215,718.20	0.90	41,350,798	Public offering (17N-23E) in favour of existing shareholders	PIRAEUS BANK SA
4	PASAL REAL ESTATE DEVELOPMENT SA <sup>(4)</sup>	Main market	17/6/2020	19/06/2020	6/24/2020-09/07/2020	24/6/2020	10,028,517.12	0.67	14,967,936	Public offering (8N-1E) in favour of existing shareholders	-

No	Company	Trading category	Date of approval by HCMC	Right Coupon Cut-off Date	SCI Period	Initial Trading Day for new transferable securities	Total Funds Raised (euros)	Initial Share Price (€)	Number of shares	Beneficiaries	Inv. Firm Advisor / Underwriter
5	SIDMA SA <sup>(5)</sup>	Surveillance	23/10/2020	N/A	N/A	27/10/20	8,005,571.8	2.3577	3,395,556	SCI without preference rights, with contribution in kind of assets of BITROS STEEL S.A.	-
6	P.G. NIKAS S.A. <sup>(6)</sup>	Surveillance	20/11/2020	24/11/2020	11/27/2020-10/12/2020	21/12/2020	9,966,401.25	0.75	13,288,535	Public offering (1N-3E) in favour of existing shareholders	-
<b>TOTAL OF FUNDS RAISED THROUGH THE LISTING OF TRANSFERABLE SECURITIES (€)</b>							<b><u>93,216,207.67</u></b>				

Source: HCMC

Notes:

1. *The share capital increase through payment in cash with preemptive rights in favor of existing shareholders as decided by the Repetitive Extraordinary General Shareholders Meeting held on 26.09.2019 was subscribed by 52.90% by shareholders that exercised the preemptive right through the payment of a total of €10,586,024.10, which corresponds to 35,286,747 new common registered shares, while 31,379,919 shares remained unsold. Pursuant to the resolution of the Repetitive Extraordinary General Shareholders Meeting dated 26.09.2019 and the resolution of the company's Board of Directors dated 10.02.2020, the aforementioned unsold shares were sold to key stockholders at the discretion of the BoD, bringing the final subscription ratio to 100.00% and the total amount raised to €19,999,999.80.*
2. *The share capital increase through payment in cash and by way of preemptive rights in favor of the company's existing shareholders, as decided by the Annual General Shareholders Meeting held on 17.07.2019 was subscribed by 100%. A percentage of 77.07% was subscribed by the shareholders that exercised their preemptive rights, through the payment of €644,415,560.90, which corresponds to 20,552,678 new common registered shares. The exercising of the subscription right led to absorption of the remaining 22.93% through the payment of a total amount of €1,834,196.10, which corresponds to 6,113,987 new common registered shares. Following the above, no share remained unsold, bringing the final amount of the Share Capital Increase to €7,999,999.80.*
3. *The share capital increase partly through payment in cash and partly by way of offsetting a claim and preemptive rights in favour of the company's existing shareholders, as decided by the Extraordinary General Meeting of the Shareholders of 29.10.2019, in conjunction with a resolution of the company's Board of Directors dated 12.12.2019, was subscribed by 51.2%, through the payment of a total amount of €37,215,718.20, which corresponds to 41,350,798 new common registered shares, at a nominal value of € 0.50 and a sale price of € 0.90 each. Shareholders who exercised their preemptive right subscribed to 30.7% of the SCI, through the payment of a total amount of €22,263,918.30, which corresponds to 24,737,687 new common registered shares. The SCI was 20.6% covered by an amount of €14,949,999.90 (16,611,111 new shares) by offsetting an overdue claim, which emanates from the convertible bond, the issuance of which was decided by the Extraordinary General Meeting of the Shareholders of 29.10.2019, in conjunction with a resolution of the company's Board of Directors dated 19.11.2019 (concerns the claim of WRED LLC against the company). The exercising of the subscription right led to absorption of 0.002% through the payment of a total amount of €1,800.00 in cash, which corresponds to 2,000 new common registered shares*
4. *The share capital increase through payment in cash and by way of preemptive rights in favour of the company's existing shareholders, as decided by the Extraordinary General Meeting of the Shareholders of the company of 02.12.2019, in conjunction with a resolution of the company's Board of Directors dated 25.05.2020, was subscribed by 100%, through the payment of a total amount of €10,028,517.12, which corresponds to 14,967,936 new common registered shares, at a nominal value of €0.50 and a sale price of €0.67 each. Shareholders who exercised their preemptive right subscribed to 1.40% of*

*the SCI, through the payment of a total amount of €140,415.92, which corresponds to 209,576 new common registered shares, while 14,758,360 shares remained unsold. Pursuant to a resolution of the Board of Directors dated 07.07.2020, all 14,758,360 unsold shares, were sold to "STERNER STENHUS GREECE AB", which covered all the available unsold shares and paid a total amount of €9,888,101.20. Following the above, the company's share capital was increased by €10,028,517.12 and an amount of €2,544,549.12 was credited to the "Share Premium Account."*

- 5. The Annual General Meeting of the company's shareholders that was held on 25.05.2020 reached, among other things, a resolution on a share capital increase of up to €4,584,000.60, through the issuance of 3,395,556 new common registered shares at a par value of €1.35 each, in favour of BITROS SA, without any preemptive right in favour of other shareholders, through the contribution in kind of assets and liabilities pertaining to the trading and procession of steel products made by BITROS STEEL SA. Following the completion of the transfer of the assets, the company's Board of Directors certified on 16.10.2020 to the share capital increase by the amount of €4,584,000.60 and the issuance of three million three hundred ninety five thousand five hundred and fifty six (3,395,556) new shares in favour of the Transferee in exchange for the contribution of the Assets.*
  - 6. The share capital increase through payment in cash and by way of preemptive rights in favour of the company's existing shareholders, as decided by the Extraordinary General Meeting of the Shareholders of 02.09.2020, in conjunction with a resolution of the company's Board of Directors dated 09.11.2020, was subscribed by 100%. A percentage of 98.42% was subscribed by the shareholders that exercised their preemptive rights, through the payment of €9,808,804.50, which corresponds to 13,078,406 new common registered shares. The exercising of the subscription right led to absorption of the remaining 1.58% through the payment of a total amount of €157,596.75, which corresponds to 210,129 new common registered shares Following the above, no share remained unsold, bringing the final amount of the Share Capital Increase to €9,966,401.25.*
-



**TABLE X. Public offering and initial public offering of transferable securities in the ATHEX, 2020**

No	Company	SCI Period	Initial Trading Day	Trading segment/Sector/Sub-sector	Share Price Range (€) or Interest Rate Range	Sale price or initial trading price (€)	Number of new transferable securities with Pub. Offering and/or listing	Funds Raised (€)	Main Underwriter of the Pub. Offering	Advisors
1.	<b>ENTERSOFT SA</b> <sup>(1)</sup>	03.03.2020-05.03.2020	10.03.2020	Main market	-	7.00 & 6.30	516,800 & 27,200	3,788,960.00	EUROXX SECURITIES SA	EUROXX SECURITIES SA
2.	<b>GEK TERNA HOLDING REAL ESTATE CONSTRUCTION SA</b> <sup>(2)</sup>	29.06.2020-01.07.2020	06.07.2020	Fixed-income securities	2.5%-3.0%	1,000.00	500,000	500,000,000.00	EUROXX SECURITIES SA NATIONAL BANK OF GREECE S.A. , PIRAEUS BANK SA , EUROBANK SA	NATIONAL BANK OF GREECE
3	<b>EPSILON NET S.A.</b> <sup>(3)</sup>	08.07.2020-10.07.2020	15.07.2020	Main market	-	2.40	2,224,560	5,338,944.00	ALPHA BANK SA	ALPHA BANK SA
4	<b>LAMDA DEVELOPMENT S.A.</b> <sup>(4)</sup>	15.07.2020-17.07.2020	22.07.2020	Fixed-income securities	3.40%-3.80%	1,000.00	320,000	320,000,000.00	EUROXX SECURITIES SA NATIONAL BANK OF GREECE S.A. , PIRAEUS BANK SA , EUROBANK SA ALPHA BANK SA	EUROBANK SA PIRAEUS BANK SA
5	<b>GREEK ORGANIZATION OF</b>	21.10.2020-23.10.2020	29.10.2020	Fixed-income securities	2.10%- 2.50%	1,000.00	200,000	200,000,000.00	EUROBANK SA, ALPHA BANK,	EUROBANK SA

**TOTAL FUNDS RAISED (€)**

**1,029,127,904.00**

No	Allocation to Private Investors	Allocation to Qualified Investors	Total Demand from Private Investors (no.)	Total Demand from Qualified Investors (domestic and international)	Oversubscription by Private Investors	Oversubscription by Qualified Investors	Total oversubscription	Participating Capital (€)
1.	134,618	382,182	134,618	952,586	1.00	2.49	2.104	7,970,921.96
2.	282,500	217,500	348,030	311,807	1.23	1.43	1.302	659,837,000.00
3.	866,940	1,357,620	963,267	2,589,132	1.11	1.91	1.597	8,525,757.60
4.	223,000	97,000	395,920	210,350	1.78	2.17	1.895	606,270,000.00
5.	137,000	63,000	363,860	237,461	2.66	3.77	3.007	601,321,000.00

Source: HCMC

**Notes:**

1. The share capital increase through payment in cash and by way of preemptive rights in favour of the company's existing shareholders and the admission of all shares to trading on the Regulated Market of the ATHEX, as decided by the Extraordinary General Meeting of the Shareholders of 11.10.2019, in conjunction with resolutions of the company's Board of Directors dated 31.12.2019 and 13.02.2020, was subscribed by 100%, through the payment of a total amount of €3,788,960, which corresponds to 516,800 new common registered shares as regard the public offering in Greece at a sale price of € 7.00 each, and 27,200 new shares offered to a limited number of company-related individuals, at a sale price of € 6.30 each (i.e. reduced by 10%).

2. *Public offering in Greece by payment in cash and admission to trading in the Debt Segment of the regulated market of the Athens Exchange of 500,000 common bearer bonds of a par value of €1,000 each of the company "GEK TERNA HOLDING REAL ESTATE CONSTRUCTION SA" and a total value of €500,000,000 through the issuance of a seven-year common bond loan. The yield of the bonds upon maturity was set at 2.75%, the interest rate was set at 2.75%, and the sale price of the bonds was set at €1,000 each, i.e. 100% of its par value. The public offering was subscribed by 1.30 times with total valid demand amounting to €659.837.*
3. *The share capital increase through payment in cash and abolition of preemptive rights in favour of existing shareholders, as decided by the Extraordinary General Meeting of the Shareholders of 15.11.2019, in conjunction with a resolution of the company's Board of Directors dated 25.06.2020, was subscribed by 100%, through the payment of a total amount of €5,338,944, which corresponds to 2,224,560 new common registered shares, at a sale price of € 2.40 each.*
4. *Public offering in Greece by payment in cash and admission to trading in the Debt Segment of the regulated market of the Athens Exchange of 320,000 common bearer bonds of a par value of €1,000 each of the company "LAMDA DEVELOPMENT SA" and a total value of €320,000,000 through the issuance of a seven-year common bond loan. The yield of the bonds upon maturity was set at 3.40%, the interest rate was set at 3.40%, and the sale price of the bonds was set at €1,000 each, i.e. 100% of its par value. The public offering was subscribed by 1.93 times with total valid demand amounting to €618.3 million.*
5. *Public offering in Greece by payment in cash and admission to trading in the Debt Segment of the regulated market of the Athens Exchange of 200,000 common bearer dematerialised bonds of a par value of €1,000 each and a total value of €500,000,000 through the issuance of a seven-year common bond loan. The yield of the bonds upon maturity was set at 2.10%, the interest rate was set at 2.10%, and the sale price of the bonds was set at €1,000 each, i.e. 100% of its par value. The public offering was subscribed by 3.06 times with total valid demand amounting to €611.9 million.*

**TABLE XI. Trading Status of companies listed in the regulated market of the ATHEX, 31.12.2020**

Market	Under regular trading	Under Suspension	Total
Main market	123		
Under surveillance	22		
<b>Total number of companies with shares listed in the Securities Market</b>	<b>145</b>	<b>15</b>	<b>160</b>
<b>Total number of companies with bonds listed in the Debt Segment</b>	<b>10*</b>		<b>4</b>
<b>Grand Total</b>			<b>164</b>

\* Out of 10 companies with bonds listed in the Securities Market, 6 also have shares listed in the same market.

<b>Companies the shares of which were listed in the ATHEX in 2020</b>	
Company	Date
ENTERSOFT SA	10.03.2020
EPSILON NET SA	15.07.2020

<b>Companies the common bonds of which were listed in the ATHEX in 2020</b>	
Company	Date
GEK TERNA SA	06.07.2020
LAMDA DEVELOPMENT SA	22.07.2020
OPAP SA	29.10.2020

<b>Companies the shares of which were de-listed from the ATHEX in 2020</b>				
No	Company	Date	Reasoning	Previous status
1	F. G. EUROPE S.A.	13.03.2020	HCMC Decision in accordance with par. 5, article 17 L.3371/2005	Securities Market
2	ELTRAK SA	13.03.2020	HCMC Decision in accordance with par. 5, article 17 L.3371/2005	Securities Market
3	OPAP SA	19.03.2020	Early redemption of the total number of bonds by the company	Debt Segment
4	SUNLIGHT SYSTEMS SA	18.06.2020	Early redemption of the total number of bonds by the company	Debt Segment
5	MYTILINEOS SA	25.06.2020	Early redemption of the total number of bonds by the company	Debt Segment
6	KARATZIS SA	14.07.2020	HCMC Decision in accordance with par. 5, article 17 L.3371/2005	Securities Market
7	NIREFS AQUACULTURE SA	14.07.2020	HCMC Decision in accordance with par. 5, article 17 L.3371/2005	Securities Market
8	SELONDA AQUACULTURES SA	14.07.2020	HCMC Decision in accordance with par. 5, article 17 L.3371/2005	Securities Market

9	PERSEFS SPECIALITY FOOD PRODUCTS SA	01.09.2020	HCMC Decision in accordance with par. 5, article 17 L.3371/2005	Securities Market
10	BABIS VOVOS INTNL CONSTR CORP.	04.12.2020	Decision of the Listings and Market Operation Committee of the ATHEX	Securities Market
11	TELETYPOS SA	04.12.2020	Decision of the Listings and Market Operation Committee of the ATHEX	Securities Market
12	ALPHA GRISSIN SA	04.12.2020	Decision of the Listings and Market Operation Committee of the ATHEX	Securities Market
13	PEGASUS PUBLISHING SA	04.12.2020	Decision of the Listings and Market Operation Committee of the ATHEX	Securities Market
14	CHATZIKRANIOTIS AND SONS MILLS SA	04.12.2020	Decision of the Listings and Market Operation Committee of the ATHEX	Securities Market

<b>Companies under surveillance as per 31.12.2020</b>					
No	Company	Date *	No	Company	Date *
1.	VARVARESSOS SA	21.12.2009	12.	AVEPE VARANGIS	15.04.2016
2.	SATO SA	08.04.2011	13.	LIVANIS PUBLISHING SA	15.04.2016
3.	YALCO - SD CONSTANTINO & SON SA	08.04.2011	14.	FRIGGOGLASS SA	15.04.2016
4.	DUROS	06.09.2011	15.	BITROS HOLDING SA	10.05.2017
5.	FORTHNET SA	25.11.2011	16.	BIOTER SA	11.12.2017
6.	P. G. NIKAS S.A.	10.4.2012	17.	PROODEFTIKI TECHNICAL COMPANY	15.02.2018
7.	SIDMA SA	10.4.2012	18.	EUROCONSULTANTS SA	11.05.2018
8.	LAVIPHARM SA	31.7.2012	19.	WOOL INDUSTRY TRIA ALFA SA	25.10.2018
9.	ANEK SA	05.04.2013	20.	SELECTED TEXTILE IND. SA	07.11.2018
10.	KRE KA SA	05.04.2013	21.	VIS SA	09.07.2020
11.	AKRITAS SA	08.04.2015	22.	INTRALOT SA	09.07.2020

\* The date when the company was excluded from normal trading status and put under surveillance.

<b>Companies under suspension as per 31.12.2020</b>					
No	Company	Date	No	Company	Date
1.	KERAMICS ALLATINI REAL ESTATE & HOLDING	31.8.2012	9.	J.BOUTARIS & SON HOLDING S.A.	02.10.2018
2.	NEORION SA HOLDING	31.8.2012	10.	G.E. DIMITRIOU SA	02.05.2019
3.	MARITIME COMPANY OF LESVOS (NEL)	01.09.2015	11.	CRETA FARM SA	02.05.2019
4.	AXON SA HOLDING	02.05.2017	12.	ELVIEMEK SA	01.10.2019
5.	NAFTEMBORIKI P. ATHANASIADIS & CO SA	03.10.2017	13.	M.L.S. INNOVATION INC	13.05.2020
6.	EUROBROKERS SA	30/4/2018	14.	AEGEK SA	26.06.2020
7.	EUROMEDICA SA	02.5.2018	15.	DIONIC SA	01.07.2020
8.	FOLLI FOLLIE DUTY FREE SHOPS SA	25.05.2018			

Source: HCMC

**Communication:**

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*The Annual Reports of the Hellenic Capital Market Commission are listed, in chronological order, at:*

[http://www.hcmc.gr/el\\_GR/web/portal/annualreports](http://www.hcmc.gr/el_GR/web/portal/annualreports)