

LAW 1806/1988

**AMENDMENT OF LEGISLATION
CONCERNING
THE SECURITIES EXCHANGES AND
OTHER PROVISIONS**

**CHAPTER A'
Supervision**

Article 1

1. The securities exchanges are supervised by the Minister of National Economy.

2. Wherever in existing legislation on the securities exchanges reference is made to the responsibilities (or authorities) of the Minister of Commerce, henceforth applies to the Minister of National Economy.

3. Wherever this law provides for ministerial responsibility, this shall always refer to the Minister of National Economy, unless otherwise stipulated by a special provision. Any reference made to the word "exchange" in this context should be given the meaning of "securities exchange".

4. Supervision rules shall be drawn up by a ministerial decision, after taking the recommendation of the Capital Market Commission. With the help of these rules, the Capital Market Commission may take up, apart from the tasks delegated to it through the existing legislation, also other sectors on the supervision of exchanges. The same rules may assign a number of duties, performed under present legislation by the Government Supervisor, to bodies and departments of the securities exchange. The rules are amended by a Ministerial Decision, following the recommendation the Capital Market Commission.

5. The supervisory authorities are entitled to audit the books and the particulars kept by the securities exchanges, the securities exchange members and the companies listed on the securities exchange. The audited physical persons and legal entities are obliged to supply to the official supervisory authorities all the necessary data particulars for auditing.

In certain cases, the Supervision rules anticipate conduct of ordinary and extraordinary audit by specialised auditors. Furthermore, the rules oblige the audited physical persons and legal entities to provide all the necessary particulars to the supervisory authorities for auditing, either periodically or in specific cases.

**CHAPTER B'
Membership of the Securities Exchange**

Article 2

Ordinary members of the securities exchange are the individual brokers and the brokerage companies. Floor assistants are not ordinary members of the securities exchange. Wherever in the present law reference is made to "a member of the securities exchange", it refers to either brokers or brokerage companies.

Article 3

1. The brokerage company is a joint stock company established for the sole purpose of conducting securities exchange transactions.

2. The minimum share capital of the joint stock brokerage company is 70.000.000 drachmas and must be fully paid up in cash upon establishment of the company. This minimum share capital can be increased by a ministerial decision, following the recommendation of the Capital Market Commission.

3. The shares of the joint stock brokerage company are registered. With the exception of hereditary succession or parental granting, their transfer, without the prior permission of the Capital Market Commission, is invalid, except if through the transfer of shares, the acquirer holds shares corresponding to less than ten percent of the company's share capital.

4. The following may not be shareholders of a joint stock brokerage company: stockbrokers, floor assistants, securities exchange representatives, another brokerage company, a personal company as described in case V of paragraph 3, of article 12, of law 3632/1928 (GG 137), or an institution exclusively engaged in collective investments in securities. The conventional transfer of shares of a joint stock brokerage company to any of the aforementioned persons is invalid vis-a-vis the brokerage company. Any of the above persons who acquires, by way of inheritance, shares of a joint stock brokerage company is deprived of the rights to attend and to vote at the General Assemblies of shareholders, as well as of the right to control the company.

An exception is made for securities exchange representatives, stockbrokers already appointed to be securities exchange representatives and floor assistants, who may be shareholders of the company which has appointed them to be either representatives or floor assistants, respectively.

Article 4

1. Authorisation for the establishment of a joint stock brokerage company, in accordance with the provisions on joint stock companies, requires the prior deposit of the company's share capital in a

bank legally operating in Greece, and the permission of the Capital Market Commission. In order for an authorisation to be granted, the Capital Market Commission takes into consideration such factors as the organisation, the technical and financial means of the company, the reliability and expertise of its directors, as well as the suitability of the shareholders, who own more than ten percent of the share capital, so as to ensure the efficient management of the company. Banks are not allowed to participate in more than one joint stock brokerage company.

2. Apart from the conditions set out in the previous paragraph, a similar permission of the Capital Market Commission is necessary also for the conversion of an existing joint stock company to a brokerage company.

3. The establishment and operation of a foreign brokerage company in Greece requires also permission of the Capital Market Commission, granted after having assessed the particulars provided for under paragraph 1. In order for above authorisation to be granted, the foreign brokerage company must prove that it is a member of a foreign securities exchange and, must deposit beforehand in a special account of a bank legally operating in Greece a share capital amounting at least to the anticipated minimum share capital required for joint stock brokerage companies. The granting of the above authorisation is subject to reciprocity. The foreign brokerage companies operating in Greece are obliged to draft the annual financial accounts, according to the provisions on joint stock companies. The above mentioned own funds shall be treated as the company's share capital.

4. The Capital Market Commission suspends by its resolution directors of securities exchange companies, in case they lack the reliability required under paragraph 1. The suspended director is replaced according to the provisions of the company's articles of associations and to the legislation on joint stock companies.

5. In case the Capital Market Commission decides that such conditions exist that would lead to the rejection of an application for an authorisation, according to the second clause of the first paragraph, the Committee submits its recommendation to the Minister, who may decide to revoke the authorisation of the brokerage company.

Article 5

1. If on the closing date of the balance sheet the liabilities of the joint stock brokerage company exceed its own funds, the company is obliged to increase its share capital within the first six months of the following fiscal year, so that its liabilities do not exceed its own funds.

2. For the purpose of enforcing the provisions of the previous paragraph, categories A and C of the example laid out under paragraph 4.1.103 of article 1 of the P.D. 1123/1980 (GG 283), are considered to be the "own funds" and the "liabilities", respectively.

3. If the brokerage company fails to increase its share capital according to paragraph 1 of this article, its authorisation is revoked following a recommendation of the Capital Market Commission.

4. The provisions of this article apply accordingly also to foreign brokerage companies that will operate in Greece, according to paragraph 3 of article 4 of this law.

Article 6

1. As for securities exchange transactions, the joint stock brokerage company appoints its representatives who are referred to as securities exchange representatives.

2. Wherever the existing legislation on exchanges requires the service of a stockbroker for a securities exchange transaction, the joint stock brokerage company holds responsibility only if the transaction was performed by its securities exchange representative. The aforementioned representation also includes the negotiations for carrying out a securities exchange contract, and the receipt of an order to enter into its contract. As for the remaining issues, the joint stock brokerage company is represented vis-a-vis any third parties in accordance with the provisions on joint stock companies.

3. As securities exchange representatives the following persons can be appointed:

a. Stockbrokers, whereby their professional practice is suspended.

b. Persons having succeeded in the special examinations set out under paragraph 2 of article 10, of the present law, provided that they possess the qualifications necessary for one's appointment as stockbroker, as anticipated in paragraph 3 of the same article.

4. The securities exchange representative is appointed and suspended according to the provisions on representation, included in the articles of association of the joint stock brokerage company, and to the provisions of legislation on joint stock companies, subject to paragraphs 3, 5 and 6 of this article. An employment contract between a joint stock brokerage company and a securities exchange representative is always for an indefinite time period.

5. The appointment of a securities exchange representative, as described in paragraph 1, is approved by the Capital Market Commission, provided that the requirements of paragraph 3 are met.

6. By exception, until the ministerial decision anticipated in paragraph 2 of Article 10 is published, in any case no later than 31.12.1989, the Capital Market Commission may authorise the appointment of a securities exchange representative not having participated in the aforementioned special examinations, provided that due to his profession he possesses sufficient knowledge and expertise in capital market issues, so that he meets all the requirements for participation in the examinations, described under paragraph 3 of article 10. The time limit of this paragraph does not apply in case a securities exchange representative is reappointed.

7. The securities exchange representative of a joint stock brokerage company cannot simultaneously be the representative of another brokerage company.

8. Upon decision of the Minister, following the recommendation of the Athens Stock Exchange Board of Directors and of the Capital Market Commission, it is stipulated the maximum number of securities exchange representatives who may attend securities exchange sessions for the account of each joint stock brokerage company, and the procedure of notifying the securities exchange of the appointment of a securities exchange representative. Moreover, all the specific issues and the necessary details for the implementation of the present article are settled.

The joint stock brokerage company may appoint floor assistants under the same conditions and through the same procedure as provided for the floor assistants of stockbrokers under the existing legislation. Following the recommendation of the Capital Market Commission, the Minister defines the maximum number of floor assistants per securities exchange member. The floor assistant cannot provide his services concurrently to more than one members of the securities exchange.

Article 7

1. Wherever in the existing legislation on securities exchanges reference is made to the term "broker", as from the enforcement of the present law it refers to a stockbroker and to a joint stock brokerage company.

2. The securities exchange representatives are subject to the same criminal and administrative sanctions applied to stockbrokers.

3. Provisions of the existing legislation treating the issue of incompatibility among a stockbroker's tasks also apply accordingly for securities exchange representatives and joint stock brokerage companies.

Article 8

1. The ordinary and extraordinary audits

anticipated by the provisions on joint stock companies is carried out in the joint stock brokerage companies by a chartered accountant.

2. The entries anticipated by article 7b of Law 2190/1920, as valid, are effected in the same registers as are the entries of banking enterprises.

Article 9

1. As from the enforcement of this law, no company may be established in accordance with the provisions of case V, of paragraph 3, of Article 2, of Law 3632/1928, as valid.

2. The personal companies established according to the provisions of case V, of paragraph 3, of article 2, of Law 3632/1928 and operating upon enforcement of the present law are subject to these provisions and to the supervision anticipated in article 1 of this law. These personal companies carry out the securities exchange transactions a stockbroker is authorized to carry out.

3. A stockbroker who is an associate of a personal company may not practice the profession of a broker on an individual basis, nor can he be appointed securities exchange representative, unless he resigns from the specific personal company.

4. Provisions of the existing legislation treating the issue of incompatibility among a stockbroker's tasks also apply accordingly for the personal companies of this article.

Article 10

1. The person who possesses the qualifications anticipated in paragraph 3 of this article and has succeeded in the special examinations is appointed stockbroker, by decision of the Capital Market Commission.

2. By a ministerial decision, following the recommendation of the Athens Stock Exchange Board of Directors and of the Capital Market Commission, are determined the manner of carrying out the examinations as well as the syllabus. Moreover, every specific issue and necessary detail are settled. The purpose of these examinations is to select persons possessing the necessary abilities, expertise and reliability required for having a stockbroker on a professional basis.

3. Each participant in the special examinations of paragraph 1 must:

a. Be at least 25 years old.

b. Possess a degree from either a High Educational Institution (H.E.I.) or a polytechnic. By exception, an employed floor assistant by the time of enforcement of the present law, who does not possess such a degree from either a H.E.I. or a polytechnic, may participate in the examinations, provided that by the submission of his application for participation in the examinations he had practiced the profession of a floor assistant for at

least 5 years.

c. If liable for military service, he must either have completed it or have been released from this obligation.

d. Not have been convicted in the past for any offence which would obstruct him from obtaining a position as a civil servant.

e. Have been involved in securities exchange matters for at least three (3) years under a full time employment. Evidence of this employment must be provided by a certificate from the appropriate insurance body or from the tax authority and by a reference letter signed by the employer.

Article 11

The stockbroker who has currently abandoned his profession due to his appointment as securities exchange representative, continues to be a member of the Athens Stock Exchange Members Guarantee Fund, constituted according to article 9 of the L. D. 3078/1954 (GG 245), or of the members guarantee fund to be constituted under article 18, paragraph 1 of the present law. Moreover, the stockbroker also continues to be insured in the Brokers Insurance Fund. If for any reason ceases to be a securities exchange representative, he may restart practicing his former profession as a stockbroker, provided that he is not a shareholder of a joint stock brokerage company.

CHAPTER C'

Management of the Securities Exchange

Article 12

1. The Securities exchange is managed by a seven members Board of Directors.

2. Three of the members are recommended from the securities exchange members. At least one out of these members must be a securities exchange representative and the other two must be either stockbrokers or securities exchange representatives. For the remaining four seats, one member of the Board of Directors is proposed by the companies listed in the main market of the securities exchange, one member by the employees of the securities exchange, and one by the Greek institutions, whose exclusive object is the collective investment in movable securities; the seventh member is selected by the Minister among candidates of specialised expertise and integrity.

3. The Board of Directors, consisting of the members nominated according to paragraph 2, is appointed by a ministerial decision for a term of three years. This tenure ends within the third year from their election with the appointment of a new Board of Directors. The members of the Board of Directors may be reelected. However, it is not permitted to appoint members of the securities

exchange Board of Directors persons that have been convicted for one of the offences which would disqualify them from employment in the public sector.

4. In case of resignation, forfeiture, or death of a member of the Board of Directors, a new member is proposed, as required by paragraph 2 of this article, and appointed by a ministerial decision for the remaining period of the tenure. As for the recommendation of the members described in paragraph 2, the Minister allows for a reasonable time period, not shorter than 10 days from the relevant written invitation. If upon expiry of the deadline no actions was taken, the Minister proceeds to the appointment of the members of the Board of Directors, elected by himself, following the recommendation of the Capital Market Commission.

By a ministerial decision, after consultation with the Capital Market Commission, all specific issues and necessary details related to the enforcement of paragraph 2 are settled, as to the suggestion of members by the groups of physical persons and legal entities defined under the same paragraph.

Article 13

1. The Board of Directors elects from its members the President of the securities exchange who provides his services to the securities exchange on a full-time basis. Moreover, the Board of Directors elects the Vice-President who replaces the President, in the case the latter is either absent or inhibited. The Board of Directors assigns secretarial duties to an employee of the securities exchange.

2. The President is the supreme executive body of the securities exchange and is in charge of the general supervision of the workings of the securities exchange. Moreover, he holds all the responsibilities assigned to the President of the stock exchange by the existing legislation.

3. If a stockbroker or a securities exchange representative is elected President of the Securities exchange Board of Directors, the practice of his profession is suspended as long as his tenure as President lasts. Throughout the period of suspension, the stockbroker continues to be a member of the Athens Stock Exchange Members Guarantee Fund and to be insured in the insurance fund, where stockbrokers are insured by the law.

Article 14

1. The Board of Directors: a) manages the securities exchange and its property, b) represents judicially and extrajudicially the securities exchange, except if the law otherwise stipulates, c) supervises the orderly performance of the securities

exchange workings. Moreover, the securities exchange Board of Directors holds all the responsibilities the existing legislation grants to the managing committee.

2. The securities exchange Board of Directors may delegate the exercise of its duties to one or more executive committees consisting of its members or even senior staff of the securities exchange with adequate education and expertise. Moreover, the Board of Directors may assign the representation or the exercise of part of its duties to one or more of its own members.

Article 15

1. The securities exchange Board of Directors convenes regularly on days and hours set up by itself by a relevant decision and extraordinarily, after the invitation of the President.

2. A Board meeting is valid when at least five members are present in person and decides by the majority of at least five members, either present in person or by their representatives, unless a specific provision anticipates a larger majority. Representation is assigned solely to another advisor. Each advisor is authorized to represent only one absent member.

3. The secretary keeps the minutes of the Board meetings.

Article 16

The remuneration of the members of the Board of Directors, of its executive committees and of the secretary are defined by ministerial decision, following the recommendation of the Board of Directors and the Capital Market Commission, and burden the Budget of the securities exchange.

Article 17

1. The first Securities exchange Board of Directors following the enforcement of the present law will be appointed by a ministerial decision. The Athens Stock Exchange members recommend three member for the Board of Directors in accordance with the procedure anticipated by the securities exchange rules for the election of members of the managing committee. One member is recommended by the Athens Chamber of Commerce and Industry, another member by the President of the Greek Portfolio Investment Companies and Mutual Funds Management Companies, and another member by the employees of the securities exchange by an absolute and direct voting. The seventh member is selected by the Minister among persons of specialised expertise and integrity. In order for the enforcement of the present paragraph, the provisions of clauses 2 and 3 of paragraph 4 of article 12 apply accordingly.

2. The Committee managing the Athens Stock Exchange is retained until the publication of the ministerial decision anticipated in paragraph 1, and functions according to the issues defined under Article 8, Law 3632/1928.

CHAPTER D'

Establishment of Securities Exchanges

Article 18

1. The securities exchange is established by presidential decree, following the recommendation of the Minister and the opinion of the Capital Market Commission. The same decree establishes the Athens Stock Exchange Members Guarantee Fund as collateral for securities exchange transactions of the new securities exchange and regulates every specific issue and necessary detail.

2. The provisions of the existing legislation on securities exchanges applies to all the securities exchanges, regardless of whether these provisions refer to a securities exchange, in general, or to the Athens Stock Exchange, in particular, with the exception of the provisions of this law that refer exclusively and solely to the Athens Stock Exchange.

3. The brokerage companies and the stockbrokers may apply for membership of more than one securities exchanges.

Article 19

1. By a ministerial decision, following the recommendation of the Capital Market Commission, the regulation of every new securities exchange is drawn up and the conduct of supervision of the new securities exchange is stipulated, as well as every other specific issue and necessary detail.

2. The securities exchange regulation is modified by a ministerial decision, following the recommendation of the Board of Directors and of the Capital Market Commission.

3. The provisions of the Athens Stock Exchange regulation remain valid, as long as they do not contradict the current legislation on the securities exchanges.

4. By a presidential decree, published after the relevant proposal of the Minister, the existing provisions of legislation on the Athens Stock Exchange regulation can be codified into a single text. For this purpose it is permitted to restructure these provisions, without altering their meaning, to break up into parts, to merge articles, to add new articles, to delete those provisions that have been rescinded, either explicitly or implicitly, as well as to delete transitional provisions that are no longer in effect, to correct phrases containing rescinded rules, to correct and adjust the phrasing, to render

the provisions to modern Greek, or even to carry out the necessary adaptations in relation to the existing legislation.

CHAPTER E' **Securities Exchange Transactions**

Article 20

1. In the sense of this law, securities exchange transactions are only the following:

a. A cash sale conducted according to the issues defined by the existing legislation on the securities exchanges.

b. The sale under specific agreements, such as the delivery of securities after the expiry of a certain deadline, a repurchase agreement, and an option contract. The terms and the procedure of conducting and executing a sale under specific agreements are determined by a ministerial decision, following the recommendation of the Capital Market Commission.

c. Any legal act related to the conclusion and the exercise of the aforementioned contracts.

2. Until the enforcement of a relevant decision, as for case b of paragraph of this article, only cash sales may be conducted. Securities exchange contracts concluded before the enforcement of this law, are governed by the provisions that were in force by the time the contracts were concluded.

Article 21

The securities exchange contracts are concluded either by the participation of a securities exchange member in the securities exchange session (on exchange contracts), or without such participation (off exchange contracts), or by offsetting entries of opposite orders (contracts of matching orders), following the procedure and the conditions set up in the subsequent articles.

Article 22

1. The on exchange contract is concluded during the specified operating hours of the securities exchange session, through statements of offer by a securities exchange member and of acceptance of this same offer by another member. The above statements are effected in the 'open outcry', or by any other means ensuring the publicity of statements to the persons attending the trading session of the securities exchange. The latter means is determined by the securities exchange Board of Directors, taking into consideration the technological developments.

2. The on exchange contract is carried out upon recording of its data (or particulars) and their written notification to the competent authorities of the securities exchange, according to the issues

determined in article 27.

3. Each member of the securities exchange may carry out on exchange contracts.

4. The securities exchange Board of Directors determines the duration of the trading sessions, which must be at least four hours. All securities may be traded throughout the trading session.

Article 23

1. An off exchange contract may be solely concluded by joint stock brokerage companies under the following terms and conditions:

a. The share capital of the joint stock brokerage company is at least 200,000,000 drachmas. By a ministerial decision, following the recommendation of the Capital Market Commission, the above amount may be readjusted.

b. The joint stock brokerage company has submitted to the securities exchange in writing a list of those securities it intends to trade off exchange and has placarded on its offices, as well as in the premises of the securities exchange, a table containing the securities, the bid and ask prices offered each time, as well as the minimum and maximum quantity of securities the brokerage company is obliged to trade per orderer.

c. The seller or buyer of securities has stated to the joint stock brokerage company his intention to carry out an off exchange contract.

2. The joint stock brokerage company is obliged to meet the supply or demand of the securities at the prices stated on the suspended board at the specific time the request was submitted, and up to the volume stated on the very same board. Having the orderer's consent, the transaction may be concluded at the price and the quantity freely agreed by the two parties.

3. As for off exchange contracts, the joint stock brokerage company is allowed to trade only for on its own account.

4. The joint stock brokerage company is obliged to communicate to the securities exchange directly and in writing the conclusion of an off exchange contract. A document is also considered to be even a telex, as well as any other means of communication ensuring the accurate information of the securities exchange, according to a relevant resolution of the securities exchange Board of Directors. The aforementioned announcement includes all the data the existing legislation deems necessary in order for the completeness of both statements of offer and acceptance in on exchange contracts.

5. The joint stock brokerage company must also meet all remaining obligations anticipated by the law, as to the receipt of orders and conclusion of securities exchange contracts.

6. Off exchange contracts are concluded during the operating hours of the competent authorities of

the securities exchange. These hours, as well as the operating hours of the securities exchange members' offices are determined by the same procedure, followed in order to set up the securities exchange operating hours.

7. A securities exchange contract concluded on the trading floor during the securities exchange session, without participation in the procedure anticipated for on exchange contracts (i.e. the open outcry system), is considered to be an off exchange contract, provided the conditions set up in the previous paragraphs are met.

Article 24

1. Every securities exchange member has the right to conclude a securities exchange contract by executing opposite orders of sale and purchase, without attending the securities exchange trading session (i.e. matching orders), only in the case of sale of a joint stock company's registered shares, provided that through the sale the acquirer concentrates such a volume of shares that corresponds to more than ten percent of the issuing company's share capital. In order to conclude the aforementioned contract, it is required prior permission of the President of the securities exchange Board of Directors and of the Capital Market Commission, who monitor the fulfillment the conditions defined by this provision, and the authenticity of the contract.

2. The order given for a contract of matching orders is always in writing and mentions the price of the contract freely agreed upon by the transacting parties.

3. The securities exchange member concluding a securities exchange contract of matching orders is obliged to immediately notify the securities exchange in writing, according to procedure described under paragraph 4 of article 23.

Article 25

1. The securities exchange member may always conclude securities exchange contracts solely for the account of its clients, who are not securities exchange members.

2. By exception: (a) The securities exchange member concludes a securities exchange contract for its own account or for the account of another securities exchange member, provided it is an on exchange contract (i.e. contract concluded on the open outcry) and the procedure set up for on exchange contracts is followed. (b) The joint stock brokerage company meeting the conditions set out under article 23 may also conclude an off exchange contract for its own account, even with a securities exchange member transacting with the aforementioned brokerage company for the account

of one of its orderers, as well as for its own account.

CHAPTER F'

Underwriting Services in a Public Offering

Article 26

1. A joint stock brokerage company with a share capital of at least one billion drachmas may also undertake - subject to the conditions and the procedure anticipated in the existing legislation - underwriting services in a public offering, and fully cover the unsold securities.

2. The aforementioned minimum share capital is subject to readjustment by a ministerial decision, following the recommendation of the Capital Market Commission.

CHAPTER G'

Transparency of Transactions

Article 27

1. All orders given to a securities exchange member, as well as all securities exchange contracts including those concluded by the securities exchange member for its own account, are recorded in full detail, so that the competent bodies in charge of the supervision of the exchanges can monitor the compliance with the relevant provisions. To serve this purpose, by decision of the Minister, following the recommendation of the Athens Stock Exchange Board of Directors and of the Capital Market Commission, may be amended the provisions of the existing legislation on the books and the particulars of stockbrokers and may be defined:

a. The books to be kept and the particulars to be published by the securities exchange members.

b. The content of compulsory entries in the aforementioned books and of the particulars published.

c. The particulars that must be submitted by the securities exchange members to the competent authorities of the securities exchange, or to the bodies of auditors, as well as the procedure and the precise time of their submission.

d. Any other specific subject and necessary detail.

2. A securities exchange member cannot appeal to a securities exchange transaction not proven by the aforementioned legitimately kept books and by the published and submitted particulars, wherever the law provides for.

Article 28

By a ministerial decision, following the recommendation of the Athens Stock Exchange Board of Directors and of the Capital Market

Commission, is defined the content, the procedure and the manner of drafting and publishing the daily official list of the securities exchange, and every other specific issue and necessary detail are settled. It is compulsory for the daily official list to report the prices and the items of the traded securities and, in a separate table, to report the prices and the items of securities that attracted bids and offers without transactions being concluded.

Article 29

1. The acquisition - for any legal cause - of registered shares listed on the securities exchange is not recorded in the books of shareholders and of the company's shares, unless the securities exchange Board of Directors is formerly informed in writing on the fact, that through the transfer of shares, the percentage of share capital owned, or even indirectly controlled by the acquirer either reaches or exceeds the limits of 10%, 20%, 33,3%, 50% or 66,6%.

2. The same prior information is required in order to record - in the books of shareholders and of the company's shares - the first increase, due to any legal cause, following the enforcement of the present law, of the percentage of participation in the share capital of a company, whose shares are registered and listed on the securities exchange, of a shareholder who owns at least 10 % of the company's share capital, even if no reporting requirement exists, according to the previous paragraph.

3. The aforementioned information is not required in case of concluding a securities exchange contract through matching orders, as anticipated by article 24.

4. By a ministerial decision, following the recommendation of the securities exchange Board of Directors and of the Capital Market Commission, are defined the manner and the time of notification by the securities exchange to the public of the information referred to in paragraphs 1 and 2, as well as of the conclusion of contracts performed by matching orders, as anticipated in article 24. By a similar decision, is also settled any other specific issue and necessary detail, as for the enforcement of the provisions of paragraphs 1 and 2.

Article 30

1. Whoever, having acquired confidential information on a company by providing his services, either permanently or temporarily, under any capacity to that, or in favor of that specific company, exploits this information, either personally or through another person, in order to buy or sell securities of that company, with the purpose to achieve substantial financial benefit,

either for his own account or for a third party, or to bring about substantial financial loss to a third party, will be punished by at least three months of imprisonment and a fine.

2. Exactly the same punishment is imposed to any person who acquires confidential information on a company, either directly or indirectly, from persons acquiring such information, as described under the preceding paragraph, exploits it consciously, either personally or through another person, in order to buy or sell securities of the specific company, with the purpose to achieve substantial financial benefit, either for his own account or for a third party, or to bring about substantial financial loss to a third party.

3. It is quite a burden if the actions mentioned in paragraphs 1 and 2 are performed by persons employed by joint stock brokerage companies, in whose (share) capital banks participate, or by persons employed in a bank - a shareholder - of such companies.

4. In the sense of the previous paragraphs, a piece of confidential information has the following characteristics:

- a. It is not published or by any means made known to the public,
- b. It is of specific nature and concerns a company whose securities are listed on the securities exchange,
- c. If made known to the public, this information could substantially influence the price of those securities.

CHAPTER H'

Commissions and Subscription Fees

Article 31

1. By resolution of the Minister, following the recommendation of the Securities exchange Board of Directors and of the Capital Market Commission, the following are defined:

a. The commissions paid to the securities exchange members as for the execution of securities exchange transactions and for all kinds of provision of their services during the practice of their profession, as well as the percentage of deviation between the bid and offer prices of shares traded by a joint stock brokerage company, in off exchange transactions.

b. The fees paid to the securities exchange by the companies, whose shares are either listed or about to be listed on the securities exchange, either as listing fees, or as a periodic or other kind of subscription fee.

A similar decision may assign the determination of the commissions referred to in case a to the

securities exchange Board of Directors, or may even allow for the transcating parties to freely agree upon these commissions.

2. By decision of Minister, following the recommendation of the securities exchange Board of Directors and of the Capital Market Commission, are defined the amounts paid by the securities exchange members as membership fee and as their subscription fee to the securities exchange. Until the publication of such a decision, the specific issue continues to be settled by the existing provisions.

3. The companies referred to in case b, of paragraph 1, the stockbrokers and the joint stock brokerage companies pay monthly subscriptions appropriated for the electronic support of the trading procedure. The joint stock brokerage companies must also pay a lump sum equal to the sum of the subscriptions paid for the aforementioned purpose by each securities exchange member, during the last two years prior to their establishment. The payment of subscriptions covers the expenditure effected in order for the maintenance and the extension of the computerised system of trading, of the central securities depository and of the statistical and informational services provided to the public.

4. The electronic support of the trading procedure is assigned to the securities exchange Board of Directors and is subject to the supervision of the Capital Market Commission. The size of subscriptions mentioned in paragraph 3 and every other specific issue related to their payment are settled by resolution of the Capital Market Commission.

CHAPTER I' **Parallel Market**

Article 32

1. A presidential decree, following the suggestion of the Minister and the recommendation of the securities exchange Board of Directors and of the Capital Market Commission, may establish the operation of a parallel market of the securities exchange, where securities not traded in the main securities exchange market are subject of securities exchange transactions.

2. A ministerial decision, following the recommendation of the securities exchange Board of Directors and of the Capital Market Commission defines the following:

a. The listing requirements of securities about to be listed on the parallel market and the obligations of their issuers. These requirements and obligations may not be stricter than those the existing legislation defines for the listing of securities on the main securities exchange market.

b. The listing fees and the periodic subscription

fees paid by the companies, whose securities are listed on the parallel market.

c. The time and location of the trading sessions of the parallel market.

d. The standard trading unit of security titles of the parallel market.

e. The reasons for delisting securities from the parallel market, which may not be stricter than those the existing legislation defines for the delisting of securities from the main securities exchange market.

3. The only type of transaction allowed in the parallel market is the cash sale.

4. The transfer of securities from the parallel to the main securities exchange market is effected following an application filed by the issuers of these securities. The procedure followed is the one anticipated for the listing of securities on the main market. By a ministerial decision, following the recommendation of the Capital Market Commission, deviations from the above listing procedure may be allowed, provided the relevant obligations of the securities' issuer have already been met due to their prior listing on the parallel market.

5. As to the remaining issues, the provisions of the existing legislation ruling the operation of the main securities exchange market apply also for the operation of the parallel market. The same holds also for the provisions defining the obligations and responsibilities of the securities exchange members.

6. The provisions on the tax legislation referring to either the securities listed on the main securities exchange market, or to the issuers of these securities or to the bearers of these securities apply accordingly also for the securities listed on the parallel securities exchange market.

CHAPTER J' **Central Securities Depository**

Article 33

1. By a ministerial decision, following the recommendation of the Athens Stock Exchange Board of Directors, the Central Securities Depository is set to operation. To it are deposited and safeguarded in the name and, following the request of the acquirer, the security titles listed on the Athens Stock Exchange, that are subject to securities exchange transactions.

2. The acquirer of the securities is supplied with a depository receipt. Such a document may be deposited in the place of share titles, wherever the existing legislation requires such a document as proof of a shareholder's ownership.

3. Upon enforcement of the decision of paragraph 1, the conventional transfer of registered shares listed on the Athens Stock Exchange, either on the main market or on the parallel market, may

be also effected by depositing the share titles with the aforementioned central securities depository. In such a case, the anticipated by the existing legislation notes to be made on the body of the share title - necessary for every transfer - are not compulsory.

4. A ministerial decision defines the following:

a) The type of the depository receipt and the procedure of its issuance, b) the means of informing the joint stock companies of any cases of transfers of their registered shares, c) the remuneration of the securities exchange as for the safe keeping of the security titles, d) the remuneration of the securities exchange and of its members who act as intermediaries, when registered shares are transferred.

A similar decision settles all other specific matters and the necessary details for the enforcement of this article.

CHAPTER K'

Final and Transitional Provisions

Article 34

1. Within the Ministry of National Economy, a Department for the Capital Market and the Securities Exchanges is established, consisting of the Capital Market Division, the Securities Exchanges Division and the Secretarial Division.

2. The responsibilities of the department are the following and are allocated among its divisions and its office as follows:

a. The Capital Market Division:

The monitoring and analysis of developments in the Greek and international capital markets. The processing and preparation of proposals as for the formation of a government policy on capital market issues. Preparation and dispatch of issues falling within the responsibilities of the Capital Market Commission, as well as the secretarial support of the Committee's operation.

b. The Securities exchanges Division:

The supervision of the Securities exchanges. The processing and the preparation of proposals in order for the orderly operation of the securities exchanges and for its adaptation to international developments.

c. The Secretarial Division:

The keeping of protocol and of official records of the department. The typewriting, copying and circulation of documents, the reception and information of the persons transacting with the department, and the secretarial support of the department's units and staff, in general.

3. The Department and its Divisions are managed by employees of degree A, University Graduates (UG) of the Financial Branch of the Ministry of National Economy.

4. Wherever the existing legislation on the

securities exchanges refers to the 'General Government Supervisor', to the 'Government Supervisor', to the 'Government Commissioner and to the "Government Representative", the Department of Capital Markets and Securities exchanges of the Ministry of National Economy is implied. Wherever, according to the current legislation, the presence in person is required in order to conduct government's supervision on the Athens Stock Exchange, the latter is conducted by the Head of the Securities exchanges Division of the Capital Markets and Securities exchanges Department, or by his legitimate alternate.

5. Within one month from the enforcement of this law, the functions of the Department of Government Supervision of the Athens Stock Exchange of the Ministry of Commerce will be transferred and taken up by the Department of Capital Markets and of Securities exchanges of the Ministry of National Economy. Until this procedure is concluded, and in any case no later than one month following the enforcement of this law, the supervision of the exchanges will be conducted by the Minister of Commerce. Following the conclusion of the aforementioned procedure, the Department of Government Supervision of the Athens Stock Exchange of the Ministry of Commerce is abolished by the law itself.

Article 35

1. Paragraph 1 of article 12 of law 148/1967 (GG 173), as valid, is replaced as follows:

'1. A Capital Market Commission is established within the Ministry of National Economy consisting of eleven members and its President. The President and the Committee's members are appointed by the Minister of National Economy as described below. Provided it is stipulated by the ministerial decision, the President provides his services on a full time basis.

The following are appointed members of the Capital Market Commission: a) Three employees of degree A, University Graduates (UG) of those employed by the Ministries of Commerce, Finance and National Economy, respectively, b) one person recommended by the Bank of Greece, c) two persons selected among persons out of those recommended by the Greek commercial and investment banks, respectively, d) one person recommended by resolution of the Athens Stock Exchange Board of Directors, e) four persons recommended by the Greek Industries Association, the Chambers of Industry and Commerce of Athens and Thessaloniki and the Greek Chamber of Finance, respectively.

The Minister of National Economy appoints the Vice President from the members of the Capital

Market Commission. He also appoints the secretary and the assistant secretary of the Committee from the employees of the Ministry of the National Economy.'

2. Paragraph 7 of article 12 of law 148/1967, as valid, is replaced as follows:

'7. The remuneration of the President, of the members, of the secretary and of the assistant secretary of the Capital Market Commission are determined by a common decision of the Ministers of Finance and of National Economy, with the exception of any general or specific provision.

3. The Capital Market Commission established and operating according to article 12 of law 148/1967, as valid, will continue until the committee according to the provisions of this article is established.

4. The permission anticipated in the first clause of paragraph 1, of article 10, of law 876/1979 (GG 48) is granted by the Capital Market Commission.

Article 36

Wherever this law requires the prior recommendation of the securities exchange Board of Directors in order for the publication of a ministerial decision, the latter may also be published without such recommendation, in case securities exchange Board of Directors does not respond within a reasonable deadline set by the Minister in writing to the Board of Directors.

Article 37

The ministerial decisions anticipated by article 1 paragraph 4, article 3 paragraph 2, article 6 paragraphs 7 and 8, article 10 paragraph 2, article 12 paragraph 3, clauses a and b, article 12 paragraph 4, clause a, article 12 paragraph 4, clause b, article 17 paragraph 1, article 19 paragraphs 1 and 2, article 20 paragraph 1, clause b, article 27 paragraph 1, article 29 paragraph 4, article 31 paragraph 1, article 32 paragraphs 2 and 4, article 33 paragraphs 1 and 4 are published on the Government Gazette.

Article 38

1. Upon enforcement of the present law, the following are rescinded:

a. Article 2 of the Royal Decree of 12/16 June 1909,

b. paragraphs 1 and 2 of article 6 of Legislative Decree 3078/1954, as valid,

c. paragraphs 1, 2, 3, 4, 7, 8, 9, 10 of article 4 of Law 3632/1928, and

d. the provisions of legislation on securities exchanges which conflict with this law or which deal with issues settled by this law.

2. In those cases where the Minister is

authorised by law - through relevant decisions - to settle issues already stipulated by provisions of legislation, as valid today, such provisions continue to apply until the enforcement of the relevant ministerial decision.

3. Under article 2 of the presidential decree 360/1985 (GG 129) the following paragraph 3 is added:

'3. By resolution of the Minister of National Economy, following the recommendation of the Capital Market Commission, the joint stock companies listed on a securities exchange are obliged to publish reports in the Greek language on their financial activities and their profits during the first quarter of every fiscal year, as well as during the first 9-month period. An exception from this obligation is made for the Bank of Greece and for the Mutual Funds. The exact time of publication of the reports is defined by the aforementioned resolution. The provisions of the following articles 4,5,6,7 and 8 also apply for these reports.'

4. The first clause of condition 8 of paragraph A, of article 4, of the presidential decree 350/1985 (GG 126) does not apply to the listing on the Securities exchange of bank bonds issued according to article 3 of law 128/1975 (GG No 178), as valid. This paragraph is in effect from the enforcement of the presidential decree 350/1985.

5. A ministerial decision, following the recommendation of the Capital Market Commission, determines the following:

a. The amount of contribution to the Athens Stock Exchange Members Guarantee Fund, according to article 9 of the legislative decree 3078 of 7-11 October 1954, paid by the joint stock brokerage companies concluding securities exchange contracts for market making and by the joint stock brokerage companies which take up responsibilities of an underwriter in a public offering.

b. The percentage of the net worth of the Athens Stock Exchange Members Guarantee Fund allocated, according to article 17 of the legislative decree 3078 of 7-11 October 1954, to the creditors of a securities exchange member unable to meet its obligations arising from securities exchange transactions.

Article 39

1. By a presidential decree, following the recommendation of the Ministry of National Economy, all provisions of legislation on the securities exchanges may be codified into a single text under the title "Securities exchanges", after being converted into modern Greek also using the single-accent system.

2. Upon codification, it is permitted to reconstruct the aforementioned provisions, to break up or merge articles, to add new articles, to delete

provisions already explicitly or implicitly rescinded and transitional provisions no longer in effect, to correct passages containing rules that have been rescinded, to correct or readjust the phrasing of clauses, as well as to make the necessary adjustments, as required by the existing legislation.

3. As for the above codification, by resolution of the Minister of National Economy, a working group may be established, whose members will be provided with a compensation defined by a common decision of the Ministers of National Economy and Finance.

CHAPTER L

Article 40

1. The Bank of Greece and the competent deputy attorney general as designated by article 8, paragraph 1 of law 1738/1987 (GG 200), have the power to monitor the sources of the financial means of companies publishing magazines and newspapers, as well as of the companies engaged in establishing and operating radio or television stations. Furthermore, they may also monitor the sources of financial means, through which shares of Greek credit institutions have been acquired - the latter not belonging to the State in the sense of article 1, of paragraph 6, of law 1256/1982 (GG 65) - by shareholders already possessing shares corresponding to more than 20 percent of the credit institutions' share capital.

2. The confidentiality rule, stipulated by article 1 of legislative decree 1059/1971 (GG 270), with regard to deposits in any kind of credit institution operating in Greece does not apply to the Bank of Greece, as to monitoring the enforcement of the monetary regulations governing the operation of credit institutions, and only apply to the following persons listed below:

a. Presidents, chairmen of a Board, General Directors, Assistant General Directors and managers of companies defined in paragraph 1, as well as other bodies of the same companies engaged in their management, as stipulated in the companies' articles of association, or following the decision either of the General Assembly of shareholders, or of the associates, or of the Board of Directors, as well as publishers and directors of newspapers, of magazines, of radio and television stations, and owners, publishers and directors of magazines.

b. Natural persons or legal entities owning at least twenty percent of the share capital of Greek banking institutions as defined in paragraph 1, as the latter results from the register of shareholders, or from the list of participants in the last General Assembly of Shareholders preceding financial audit.

c. Natural persons or legal entities or

associations of persons, operating in any legal form, especially as joint stock companies, limited liability companies, general and limited partnerships, associations, foundations and companies of the civil law, that set as their objective or are engaged in publishing daily newspapers, weekly publications and magazines of any kind, as well as in the establishment or operation of radio and television stations.

d. Any kind of business in which natural and legal persons of the aforementioned cases a, b and c participate with at least 20 percent in the company's share capital.

e. Spouses and minor children of the natural persons of the above categories.

3. The provisions of articles 2 and 3 of the legislative decree 1059/1971 also apply to the bodies of the Bank of Greece monitoring the deposits of the persons mentioned under paragraph 2. However, the report of data protected by the confidentiality rule is allowed, provided it is necessary to justify the decision to impose a sanction. An irrevocable conviction of any of the above monitoring bodies of the Bank of Greece for violating article 2, paragraph 1 of the legislative decree 1059/1971 entails - by the law itself - its immediate dismissal from the position with the Bank of Greece.

4. In case of conducting an investigation or a trial, the interrogator or the court, in order to ensure the confidentiality of bank deposits vis-a-vis third parties, regardless of the regular controls conducted by the Bank of Greece, submits a request to the Governor of the Bank of Greece, after an explicitly justified decision of the competent judicial board or court, in order to conduct an investigation under the terms of the previous provisions of this article. The report with the findings of the monitoring bodies of the Bank of Greece is forwarded to either the interrogator or the court in order to update the relevant case files.

5. The natural and legal persons listed under paragraph 2 of this article must submit, within three months from the enforcement of this law and in April of every subsequent year, a statement of the sources of the funds, and other monetary or financial means, through which they participate in a publishing company or in a credit institution of paragraph 1. In case of establishment of a credit institution, such a statement is submitted along with the application for authorisation. In case of establishment of a publishing company, such a statement is submitted within a month from its commencement of operation. In case of participation in any company of the two preceding clauses, such a statement is submitted within a month from the participation in or the acquisition of the company. The natural or legal persons obliged to submit the above statement submit it either to the Bank of Greece - if associated, under any capacity

mentioned under paragraph 2, with a credit institution of paragraph 1 of this article - or to the deputy attorney general - if associated, under any capacity mentioned under paragraph 2 of this article, with a publishing company of paragraph 1 of this article - according to the following provisions.

6. The statements of the previous paragraph and the information contained therein are not confidential.

7. Whoever fails to submit a statement or consciously submits a deficient or inaccurate statement is punished with at least one year's imprisonment and a fine. The responsible parties are deprived of their civil rights for a period ranging from one to five years.

If the act was the result of negligence, the responsible parties are punished with imprisonment ranging from three months to two years.

8. The import of capital from abroad is proven only by means of the supporting documents granted by a bank, regarding the purchase of foreign currency.

The competent supervisory authorities are entitled to access the above mentioned documents.

9. By a common decision of the Ministers to the Prime Minister of the Government, of National Economy, Finance and Justice, are stipulated the details of enforcing the provisions of this article, and, in particular, the procedure required for the unobstructed performance of the aforementioned investigation by the Bank of Greece, the establishment of the confidentiality rule concerning bank deposits vis-a-vis third parties and the safeguarding of the free flow of capital from abroad. Until the above decision is published, the procedures anticipated by the existing legislation continue to be valid.

Article 41

This law is enforced upon publication on the Government Gazette, unless otherwise defined.

We order the promulgation of the present law on the Government Gazette and its enforcement as a law of the State.