No.F09222/3804

GOVERNMENT GAZETTE

OF THE HELLENIC REPUBLIC

FIRST ISSUE

Issue number 195

17 August 2007

LAW NUMBER 3606

Markets for financial instruments and other provisions

THE PRESIDENT

OF THE HELLENIC REPUBLIC

We issue the following law passed by Parliament:

FIRST PART

MARKETS FOR FINANCIAL INSTRUMENTS

CHAPTER A

DEFINITIONS AND SCOPE

Article 1

Purpose

The purpose of the First Part of this law is to transpose into Greek legislation Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (L 145/30.4.2004).

Article 2

Definitions

For the purposes of this law, the following definitions shall apply:

1. "Investment firm" means any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis. “Investment firm” also

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

means any natural person authorised by another Member State pursuant to Directive 2004/39/EC.

2. “Investment societe anonyme-AEPEY” means an investment firm authorised by the Capital Market Commission pursuant to the provisions of this law.

3. “Credit institution” shall mean a credit institution in the sense of Law 3601/2007 (Government Gazette 178 A) or, in case of a credit institution situated in another Member State, the undertaking in the sense of article 4(1)(a) of Directive 2006/48/EC (L 177/30.6.2006).

4. "Systematic internaliser" means an investment firm or credit institution which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a regulated market or an Multilateral Trading Facility (MTF).

5. “Market maker" means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against his proprietary capital at prices defined by him.

6. "Client" means any natural or legal person to whom an investment firm or credit institution provides investment and/or ancillary services.

7. "Professional client" means a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and who meets the criteria laid down in article 6.

8. "Retail client" means a client who is not a professional client.

9. "Market operator" means a person who manages and/or operates the business of a regulated market.

10. "Regulated market" means a multilateral system which:

(a) is operated and/or managed by a market operator,

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(b) brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and

(c) is authorised and functions regularly and in accordance with the provisions of Chapter F of the First Part of this law.

11. "Multilateral trading facility (MTF)" means a multilateral system, operated by an investment firm, a credit institution or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Chapter B to D of the First Part of this law.

12. "Limit order" means an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.

13. "Transferable securities" means those classes of securities which are negotiable on the capital market, with the exception of instruments of payment, such as:

(a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;

(b) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;

(c) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures.

14. "Money market instruments" means those classes of instruments which are normal dealt in on the money market, such as

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

treasury bills, certificates of deposit and commercial paper and excluding instruments of payment.

15. “Member State” means every Member State of the European Union and any other state that has ratified the Agreement on European Economic Area (EEA).

16. "Home Member State" means:

(a) in the case of investment firms:

(i) if the investment firm is a natural person, the Member State in which its head office is situated;

(ii) if the investment firm is a legal person, the Member State in which its registered office is situated;

(iii) if the investment firm has, under its national law, no registered office, the Member State in which its head office is situated;

(b) in the case of a regulated market, the Member State in which the regulated market is registered or, if under the law of that Member State it has no registered office, the Member State in which the head office of the regulated market is situated.

17. "Host Member State" means the Member State, other than the home Member State, in which an investment firm has a branch or performs services and/or activities or the Member State in which a regulated market provides appropriate arrangements so as to facilitate access to trading on its system by remote members or participants established in that same Member State.

18. "Management company" means a management company as defined in article 3(4) of Law 3283/2004 (Government Gazette 210 A) or, in case of a management company situated in another Member State, an undertaking as defined in article 1a(2) of Council Directive 85/611/EEC of 20 December 1985 (L 375/31.12.1975), including a Mutual Fund Management Societe Anonyme (AEDAK) as defined in article 3(5) of Law 3283/2004, as well as any undertaking situated

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

outside the European Union which would be obliged to seek authorisation pursuant to article 5(1) of Directive 85/611/EEC were it situated within the European Union.

19. "Branch" means a place of business other than the head office which is a part of an investment firm or credit institution, which has no legal personality and which provides investment services and/or activities and which may also perform ancillary services for which the investment firm has been authorised; all the places of business set up in the same Member State by an investment firm with headquarters in another Member State shall be regarded as a single branch.

20. "Qualifying holding" means any direct or indirect holding in an investment firm which represents 10% or more of the capital or of the voting rights, as set out in Articles 9 and 19 of Directive 2004/109/EC (L 390/31.12.2004), taking into account the conditions for summing up such rights pursuant to article 12(4) and (5) of such Directive, or which makes it possible to exercise a significant influence over the management of the investment firm in which that holding subsists. To determine the qualifying holding, consideration is not taken of voting rights held by investment firms or credit institutions in the context of providing underwriting of financial instruments or placing of financial instruments on a firm commitment basis, provided that (i) such rights are neither exercised nor used in any other way with the purpose of intervening in the management of the issuer and (ii) they will be transferred within one (1) year of acquisition.

21. "Parent undertaking" means a parent undertaking as defined in article 42e(5) or article 106(1) of Law 2190/1920 (Government Gazette 37 A) or, in case of a parent undertaking situated in another Member State of the European Union, an undertaking as defined in article 1 of Seventh Council Directive 83/349/EEC (L 193/18.7.1983).

22. "Subsidiary" means a subsidiary undertaking as defined in article 42e(5) or article 106(1) of Law 2190/1920, or, in case of a subsidiary undertaking situated in another Member State of the European Union, an undertaking as defined in article 1 of Seventh Council Directive 83/349/EEC, including any subsidiary of a subsidiary undertaking of an ultimate parent undertaking.

23. "Control": an undertaking is considered to control another when it meets at least one of the requirements set out in articles 42e or 106 of Law 2190/1920 or Article 1(1) and (2) of Directive 83/349/EEC.

24. "Close links" means a situation in which two or more natural or legal persons are linked by:

(a) participation which means the ownership, direct or by way of control, of 20% or more of the voting rights or capital of an undertaking,

(b) control which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to in Article 1(1) and (2) of Directive 83/349/EEC, or a similar relationship between any natural or legal person and an undertaking, any subsidiary undertaking of a subsidiary undertaking also being considered a subsidiary of the parent undertaking which is at the head of those undertakings.

A situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship shall also be regarded as constituting a close link between such persons.

Article 3

Scope

1. The provisions of the First Part of this law shall apply to investment firms, regulated markets and market operators, as well as investment intermediary societes anonymes (AEED), provided that they offer investment services pursuant to their authorisation.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

2. The following provisions shall apply to credit institutions, when providing one or more investment services and/or performing investment activities:

(a) article 2,

(b) paragraph 5 of this article, as well as articles 6, 7, 12 to 15, and 19,

(c) articles 25 to 30,

(d) paragraphs 1, 6 and 7 of article 31, paragraphs 1, 2, 4 and 5 of article 32, articles 34 and 49 to 58,

(e) articles 59 to 62, 66 and 69, and

(f) article 71.

3. The following provisions shall apply to AEDAKs that provide the investment services laid down in paragraph 2 of article 4 of Law 3283/2004:

(a) paragraph 5 of this article, and

(b) articles 10, 12 and 15.

4. The provisions of this law shall not apply to:

(a) insurance undertakings as defined in article 2 of legislative decree 400/1970 (Government Gazette 10 A) or insurance undertakings as defined in article 1 of Directive 73/239/EEC (L 228/16.8.1973) or Article 1 of Directive 2002/83/EC (L 345/19.12.2002) or undertakings carrying on the reinsurance and retrocession activities referred to in Directive 64/225/EEC (OJ 56/4.4.1964);

(b) persons which provide investment services exclusively for their parent undertakings, for their subsidiaries or for other subsidiaries of their parent undertakings;

(c) persons providing an investment service where that service is provided in an incidental manner in the course of a professional activity and that activity is regulated by legal or regulatory provisions or

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

a code of ethics governing the profession which do not exclude the provision of that service;

(d) persons who do not provide any investment services or activities other than dealing on own account unless they are market makers or deal on own account outside a regulated market or an MTF on an organised, frequent and systematic basis by providing a system accessible to third parties in order to engage in dealings with them;

(e) persons which provide investment services consisting exclusively in the administration of employee-participation schemes;

(f) persons which provide investment services which only involve both administration of employee-participation schemes and the provision of investment services exclusively for their parent undertakings, for their subsidiaries or for other subsidiaries of their parent undertakings;

(g) the members of the European System of Central Banks and other national bodies performing similar functions and other public bodies charged with or intervening in the management of the public debt;

(h) collective investment undertakings and pension funds whether coordinated at Community level or not and the depositaries and managers of such undertakings;

(i) persons dealing on own account in financial instruments, or providing investment services in commodity derivatives or derivative contracts included in item (j) of article 5 to the clients of their main business, provided this is an ancillary activity to their main business, when considered on a group basis, and that main business is not the provision of investment services on the basis of Law 3601/2007 or Directive 2006/48/EC;

(j) persons providing investment advice in the course of providing another professional activity not covered by this Directive

provided that the provision of such advice is not specifically remunerated;

(k) persons whose main business consists of dealing on own account in commodities and/or commodity derivatives. This exception shall not apply where the persons that deal on own account in commodities and/or commodity derivatives are part of a group the main business of which is the provision of other investment services on the basis of Law 3601/2007 or Directive 2006/48/EC;

(l) firms which provide investment services and/or perform investment activities consisting exclusively in dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets or which deal for the accounts of other members of those markets or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such firms is assumed by clearing members of the same markets.

5. The rights conferred by this law shall not extend to the provision of services as counterparty in transactions carried out by public bodies dealing with public debt or by members of the European System of Central Banks performing their tasks as provided for by the Treaty and the Statute of the European System of Central Banks and of the European Central Bank or performing equivalent functions under national provisions.

Article 4

Investment services and activities

and ancillary services

1. Investment services and activities shall mean:

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(a) Reception and transmission of orders, consisting in receiving and transmitting orders on behalf of clients for transactions in financial instruments,

(b) Execution of orders on behalf of clients, consisting in acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients;

(c) Dealing on own account, consisting in trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments;

(d) Portfolio management, consisting in managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments;

(e) Investment advice, consisting in the provision of personal recommendations to a client, either upon its request or at the initiative of the investment firm, in respect of one or more transactions relating to financial instruments;

(f) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;

(g) Placing of financial instruments without a firm commitment basis;

(h) Operation of Multilateral Trading Facilities (MTF).

2. Ancillary services shall mean:

(a) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management;

(b) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;

(c) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;

(d) Foreign exchange services where these are connected to the provision of investment services;

(e) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;

(f) Services related to underwriting;

(g) Investment services and activities as well as ancillary services related to the underlying derivatives included in items (e) to (g) and (j) of article 5, where these are connected to the provision of investment or ancillary services.

Article 5

Financial instruments

For the purposes of this law, financial instruments shall include:

(a) Transferable securities;

(b) Money-market instruments;

(c) Units in collective investment undertakings;

(d) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

(e) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);

(f) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;

(g) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;

(h) Derivative instruments for the transfer of credit risk;

(i) Financial contracts for differences;

(j) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

Article 6

Professional clients

1. The following should be regarded as professionals in all investment services and activities and financial instruments for the purposes of this law:

(a) The following entities which are required to be authorised or regulated to operate in the financial markets, entities are authorised by a Member State under Community legislation, entities authorised or regulated by a Member State without reference to a Directive and entities authorised or regulated by a non-Member State:

(i) Credit institutions,

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(ii) Investment firms,

(iii) Other authorised or regulated financial institutions,

(iv) Insurance companies,

(v) Collective investment schemes and management companies of such schemes,

(vi) Pension funds and management companies of such funds,

(vii) Commodity and commodity derivatives dealers,

(viii) Locals,

(ix) Other institutional investors.

(b) Large undertakings meeting two of the following size requirements on a company basis:

(i) balance sheet total: EUR 20,000,000;

(ii) turnover total: EUR 40,000,000;

(iii) own funds: EUR 2,000,000.

(c) National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.

(d) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

2. Professional clients may be allowed to request non-professional treatment and investment firms may agree to provide a higher level of protection. Where the client of an investment firm is an undertaking referred to above, the investment firm must inform it prior to any provision of services that:

(a) on the basis of the information available to the firm, the client is deemed to be a professional client,

(b) he can request a variation of the terms of the agreement in order to secure a higher degree of protection, and

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(c) he will be treated as professional client unless the firm and the client agree otherwise.

3. It is the responsibility of the client, considered to be a professional client, to ask for a higher level of protection when it deems it is unable to properly assess or manage the risks involved.

4. This higher level of protection will be provided when a client who is considered to be a professional enters into a written agreement with the investment form to the effect that it shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement should specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

Article 7

Clients who may be treated as professionals

1. Clients other than those mentioned in paragraph 1 of article 6, including public sector bodies and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules. Investment firms should therefore be allowed to treat any of the above clients as professionals provided the relevant criteria and procedure mentioned below are fulfilled. These clients should not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed in article 6.

2. Any such waiver of the protection afforded by the standard conduct of business regime shall be considered valid only if an adequate assessment of the expertise, experience and knowledge of the client, undertaken by the investment firm, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making his own investment decisions and understanding the risks involved. The fitness test applied to managers and directors of entities licensed by competent authorities in the financial field could be

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

regarded as an example of the assessment of expertise and knowledge. In the case of small entities, the person subject to the above assessment should be the person authorised to carry out transactions on behalf of the entity.

3. Before deciding to accept any request for waiver, investment firms must be required to take all reasonable steps to ensure that the client requesting to be treated as a professional client meets, as a minimum, two of the following criteria:

(a) the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,

(b) the size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds five hundred thousand euro (EUR 500,000),

(c) the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

4. The clients defined above may waive the benefit of the detailed rules of conduct only where the following procedure is followed:

(a) they must state in writing to the investment firm that they wish to be treated as a professional client, either generally or in respect of a particular investment service or transaction, or type of transaction or product,

(b) the investment firm must give them a clear written warning of the protections and investor compensation rights they may lose,

(c) they must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.

5. Investment firms must implement appropriate written internal policies and procedures to categorise clients. Any changes in the

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

internal policies and procedures of the investment firm does not necessary affect its relations with cliens already categorised as professional under the requirements and procedures provided for by this article.

6. Professional clients are responsible for keeping the firm informed about any change, which could affect their current categorisation. Should the investment firm become aware however that the client no longer fulfils the initial conditions, which made him eligible for a professional treatment, the investment firm must take appropriate action.

Article 8

Provision of investment services and activities

1. With the exception of investment firms authorised and supervised by the competent authority of another Member State, only AEPEYs and credit institutions, as well as AEEDs and AEDAKs, pursuant to applicable provisions and their authorisation, shall be allowed to provide professional investment services and activities in Greece.

2. Any person intentionally providing investment services or activities in violation of the preceding paragraph shall be punished by imprisonment of at least one (1) year. In the event that investment services or activities are provided by legal persons, the sentence referred to in the preceding paragraph shall be imposed to the person responsible for the administration or management of the legal person.

CHAPTER B
AUTHORISATION AND OPERATING CONDITIONS FOR AEPEYs

Article 9
Authorisation and AEPEY register

1. The Capital Market Commission shall grant authorisation to an AEPEY, provided that its registered offices and central management are located in Greece. The authorisation shall recite the investment services and activities and ancillary services that the AEPEY is allowed to provide. To provide ancillary services, AEPEYs must be authorised to provide at least one main investment service.

2. AEPEYs shall operate in the form of societe anonymes. Their name shall designate them as "Investment Societe Anonyme" and their trade name as "AEPEY".

3. An AEPEY seeking authorisation to extend its business to additional investment services or activities or ancillary services not foreseen at the time of initial authorisation shall submit a request for extension of its authorisation.

4. The Capital Market Commission shall establish an AEPEY register, in which authorised AEPEYs shall be recorded. This register shall be publicly accessible and shall contain information on the services and activities for which the AEPEY is authorised. It shall be updated on a regular basis.

5. AEPEYs shall always comply with the terms referred to in Chapter B of the First Part of this law throughout their operation.

6. AEPEYs shall cite in all documents, publications, notices or advertisements that they are supervised by the Capital Market Commission and shall state their authorisation number.

Article 10

AEPEY share capital

1. The share capital of AEPEYs shall be at least one million five hundred thousand euro (EUR 1,500,000).

2. The share capital of an AEPEY trading for its own account, underwriting financial instruments or placing financial instruments on a firm commitment basis or operating an MTF shall be at least five million euro (EUR 5,000,000).

3. The share capital of an AEPEY that only receives and transmits orders, provides investment advice or portfolio management, without holding client funds or financial instruments, shall be five hundred thousand euro (EUR 500,000).

4. The shares of AEPEYs shall be registered.

5. To authorise the establishment of an AEPEY pursuant to the provisions on societes anonymes, it must have deposited its share capital in a special account with a credit institution operating in Greece and received authorisation by the Capital Market Commission. The share capital shall be paid in cash and no partial payments are allowed.

Article 11

Procedures for granting requests for authorisation

1. The Capital Market Commission shall not grant authorisation unless and until such time as it is fully satisfied that the applicant complies with all requirements under the provisions adopted pursuant to this Chapter. Existing societes anonymes may also be authorised, provided that they have been operating for at least one (1) year and meet the requirements of this Chapter.

2. The founders or shareholders of the AEPEY shall provide all information necessary to enable the Capital Market Commission to satisfy itself that the AEPEY has established, at the time of initial

authorisation, all the necessary arrangements to meet its obligations under the provisions of this Chapter.

3. The Capital Market Commission shall inform the applicant, within six (6) months of the submission of a complete application, whether or not authorisation has been granted.

4. The conditions and procedure for authorisation and any other technical matter and necessary detail shall be specified by decision of the Capital Market Committee.

5. The competent authorities of the home Member State shall be consulted by the Capital Market Commission prior to granting authorisation to an applicant which is:

(a) a subsidiary of an investment firm, credit institution or insurance undertaking authorised in another Member State; or

(b) a subsidiary of the parent undertaking of an investment firm, credit institution or insurance undertaking authorised in another Member State; or

(c) controlled by the same natural or legal persons as control an investment firm, credit institution or insurance undertaking authorised in another Member State.

6. The Bank of Greece or the Private Insurance Supervision Committee shall be consulted by the Capital Market Commission prior to granting an authorisation to an applicant which is:

(a) a subsidiary of a credit institution or insurance undertaking located in Greece; or

(b) a subsidiary of the parent undertaking of a credit institution or insurance undertaking located in Greece; or

(c) controlled by the same person, whether natural or legal, who controls a credit institution or insurance undertaking located in Greece.

Article 12

Organisational requirements

1. AEPEYs shall comply with the organisational requirements set out in paragraphs 2 to 9 throughout their operation.

2. AEPEYs shall establish adequate policies and procedures sufficient to ensure compliance of the firm including its managers, employees and tied agents with its obligations under the provisions of this law as well as appropriate rules governing personal transactions by such persons.

3. AEPEYs shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest as defined in Article 13 from adversely affecting the interests of its clients.

4. AEPEYs shall take reasonable steps to ensure continuity and regularity in the performance of investment services and activities. To this end, they shall employ appropriate and proportionate systems, resources and procedures.

5. AEPEYs shall ensure, when relying on a third party for the performance of operational functions which are critical for the provision of continuous and satisfactory service to clients and the performance of investment activities on a continuous and satisfactory basis, that it takes reasonable steps to avoid undue additional operational risk. Outsourcing of important operational functions may not be undertaken in such a way as to impair materially the quality of its internal control and the ability of the Capital Market Commission to monitor the firm's compliance with all obligations.

6. AEPEYs shall have sound administrative and accounting procedures, internal control mechanisms, effective procedures for risk assessment, and effective control and safeguard arrangements for information processing systems.

7. AEPEYs shall arrange for records to be kept of all services and transactions undertaken by it which shall be sufficient to enable the Capital Market Commission to monitor compliance with the requirements under this law, and in particular to ascertain that the AEPEY has complied with all obligations with respect to clients or potential clients.

8. AEPEYs shall, when holding financial instruments belonging to clients, make adequate arrangements so as to safeguard clients' ownership rights, especially in the event of insolvency, and to prevent the use of a client's instruments on own account except with the client's express consent.

9. AEPEYs shall, when holding funds belonging to clients, make adequate arrangements to safeguard the clients' rights and, except in the case of credit institutions, prevent the use of client funds for its own account.

10. AEPEY credits shall not seize or confiscate its clients' assets, including but not limited to assets in the form of cash deposited in client bank accounts in the name of the firm or financial instruments, provided that such clients are the beneficiaries, according to the books kept by the firm and any other means of evidence.

11. Financial instruments that cannot be seized or confiscated pursuant to the preceding paragraph shall include, in addition to financial instruments belonging to AEPEY clients, pursuant to the rules of property law, those held by the AEPEY directly or indirectly in its name and on behalf of the client, whose effective beneficiary is a client, according to the books kept by the firm and any other means of evidence, irrespective of whether or not such financial instruments are recorded in the register of the depository or other instrument recording system in the beneficiary client.

12. A decision of the Board of Directors of the Capital Market Commission or an Act of the Governor of the Bank of Greece may specify, for AEPEYs and credit institutions respectively, the obligations provided for in paragraphs 2 to 9, according to the implementing measures referred to in article 13(10) of Directive 2004/39/EC.

Article 13

Conflicts of interest

1. In the course of providing investment or ancillary services, AEPEYs shall take all reasonable steps to identify conflicts of interest:

(a) between themselves, including their managers, employees and tied agents, or any person directly or indirectly linked to them by control and their clients, or

(b) between one client and another.

2. Where organisational or administrative arrangements to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the AEPEY shall clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business on its behalf.

3. A decision of the Board of Directors of the Capital Market Commission or an Act of the Governor of the Bank of Greece may specify, for AEPEYs and credit institutions respectively, the obligations provided for in paragraphs 2 to 9, according to the implementing measures referred to in article 13(10) of Directive 2004/39/EC:

(a) the steps that AEPEYs might reasonably be expected to take to identify, prevent, manage and/or disclose conflicts of interest when providing various investment and ancillary services;

(b) appropriate criteria for determining the types of conflict of interest whose existence may damage the interests of the clients or potential clients of the AEPEY or the credit institution.

Article 14

Certification

1. The staff and executives of AEPEYs, AEEDs, AEDAKs and Portfolio Investment Societes Anonymes (AEEX) responsible, as the case may be, for:

(a) receiving and transmitting orders,

(b) executing orders,

(c) providing investment advice,

(d) managing portfolios, and

(e) analysing securities and money and capital markers,

shall hold the relevant professional competence certificate, issued by the Capital Market Commission. For staff and executives of credit institutions, the professional competence certificate is issued by the Bank of Greece. Tests for the professional competence certificate are conducted by the Capital Market Commission or jointly by the Bank of Greece and the Capital Market Commission. Other bodies may award professional competence certificates pursuant to the decisions referred to in paragraphs 2 and 3 of this article.

2. A decision of the Board of Directors of the Capital Market Commission shall specify the qualifications and conditions for participation in the tests, the content, the organisation of relevant training seminars, the testing procedure, the conditions and procedure for renewing and withdrawing professional competence certificates, the fees payable by candidates and the firms that employ or will employ them and any other relevant detail. The same decision may provide for the procedure of recognition of professional competence certificates issued according to a similar certification procedure applied by another EU Member State, for the assignment of all or part of the testing to other bodies and for details relating to exemptions from testing.

3. A joint decision of the Bank of Greece and the Capital Market Commission shall specify the contents of paragraph 2 relating to staff and executives of credit institutions providing investment services or activities.

4. A decision of the Board of Directors of the Capital Market Commission may stipulate that AEPEY executives responsible for settling transactions in financial instruments shall hold a professional competence certificate and shall specify the contents of paragraph 2 of this article.

5. A joint decision of the Bank of Greece and the Capital Market Commission may specify the contents of paragraph 4 in relation to staff and executives of credit institutions responsible for settling transactions in financial instruments.

Article 15

Trading process and finalisation of transactions in an MTF

1. The Capital Market Commission shall grant authorisation to AEPEYs operating an MTF when, in addition to meeting the requirements laid down in article 12,

(a) they establish transparent and non-discretionary rules and procedures for fair and orderly trading

(b) they establish objective criteria for the efficient execution of orders.

(c) they establish transparent rules regarding the criteria for determining the financial instruments that can be traded under its systems.

(d) they establish and maintain transparent rules, based on objective criteria, governing access to their facility. These rules shall comply with the conditions established in Article 45(3), and

(e) they provide, or are satisfied that there is access to, sufficient publicly available information to enable its users to form an

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

investment judgment, taking into account both the nature of the users and the types of instruments traded.

2. The Bank of Greece shall grant authorisation to operate an MTF to a credit institution, provided that the requirements of paragraph 1 are met. The credit institution shall notify the Capital Market Commission of its intention to operate an MTF concurrently with the submission of the relevant application to the Bank of Greece. The Capital Market Commission shall verify that the requirements of points (a) to (e) of paragraph 1 are met and shall notify the Bank of Greece accordingly.

3. Articles 25, 27 and 28 of this law shall not be applicable to the transactions concluded under the rules governing an MTF between its members or participants or between the MTF and its members or participants in relation to the use of the MTF. However, the members of or participants in the MTF shall comply with the obligations provided for in the said articles with respect to their clients when, acting on behalf of their clients, they execute their orders through the systems of an MTF.

4. AEPEYs and market operators operating an MTF shall clearly inform its users of their respective responsibilities for the settlement of the transactions executed in that facility. They shall have put in place the necessary arrangements to facilitate the efficient settlement of the transactions concluded under the systems of the MTF.

5. Where a transferable security, which has been admitted to trading on a regulated market, is also traded on an MTF without the consent of the issuer, the issuer shall not be subject to any obligation relating to initial, ongoing or ad hoc financial disclosure with regard to that MTF.

6. AEPEYs and market operators operating an MTF shall comply immediately with any decision of the Capital Market Commission to suspend or remove a financial instrument from trading.

7. A decision of the Board of Directors of the Capital Market Commission may specify the conditions and procedure, define specific terms for granting and withdrawing authorisations to operate an MTF and specify the obligations under this article that AEPEYs, credit institutions and market operators operating an MTF must comply with.

Article 16

Shareholders with qualifying holdings

1. The Capital Market Commission shall not authorise the performance of investment services or activities by an AEPEY until it has been informed of the identities of the shareholders, whether direct or indirect, natural or legal persons, that have qualifying holdings and the amounts of those holdings. The Capital Market Commission shall refuse authorisation if, taking into account the need to ensure the sound and prudent management of an AEPEY, it is not satisfied as to the suitability of the shareholders that have qualifying holdings. Where close links exist between the AEPEY and other natural or legal persons, the Capital Market Commission shall grant authorisation only if those links do not prevent the effective exercise of its supervisory functions.

2. The Capital Market Commission shall refuse authorisation if the laws, regulations or administrative provisions of a third country governing one or more natural or legal persons with which the AEPEY has close links, or difficulties involved in their enforcement, prevent the effective exercise of its supervisory functions.

3. The Capital Market Commission shall approve in advance the acquisition or sale of a qualifying holding pursuant to this paragraph. Any natural or legal person that, individually or in association with other persons, proposes:

(a) to acquire or increase, directly or indirectly, a qualifying holding in an AEPEY, if in consequence the proportion of the voting rights that they hold would reach or exceed 20%, 1/3 or 50% so that the

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

AEPEY would become their subsidiary, it shall first notify the Capital Market Commission in writing of the size of the resulting holding, as well as any other information under paragraph 7,

(b) to sell, directly or indirectly, a qualifying holding in an AEPEY, it shall first notify the Capital Market Commission in writing of the size of the holding and their intention to reduce such holding so that the proportion of the voting rights that they hold would fall short of 20%, 1/3 or 50% so that the AEPEY would cease to be their subsidiary.

4. The assessment of the acquisition shall be subject to the prior consultation provided for in paragraph 5 of article 11 if the acquirer of any holding referred to in paragraph 3 is:

(a) a credit institution, an insurance or reinsurance undertaking, an investment firm or a Collective Investment in Transferable Securities (UCITS) management company authorised in another Member State, or in a different sector that the one in which the acquisition of holding is sought, or

(b) the parent undertaking of a credit institution, insurance or reinsurance undertaking, an investment firm or a UCITS management company authorised in another Member State, or in a different sector that the one in which the acquisition of holding is sought, or

(c) a person controlling a credit institution, insurance or reinsurance undertaking, an investment firm or a UCITS management company authorised in another Member State, or in a different sector that the one in which the acquisition of holding is sought.

The Capital Market Commission shall state in its decision to approve a qualifying holding the views or reservation expressed in the context of the consultation referred to in the preceding paragraph.

5. If an AEPEY becomes aware of any acquisitions or disposals of holdings in its capital that cause holdings to exceed or fall below any of the thresholds referred to in the first subparagraph of

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

paragraph 3, it shall inform the Capital Market Commission without delay. AEPEYs shall inform the Capital Market Commission by 31 January of each year of the names of shareholders possessing qualifying holdings and the sizes of such holdings in the past year as shown, for example, by the information received at annual general meetings of shareholders and, in case of AEPEYs whose transferable securities are admitted to trading on a regulated market, by the notification of significant holdings of their shareholders.

6. Where the influence exercised by the persons referred to in the first subparagraph of paragraph 1 is likely to be prejudicial to the sound and prudent management of an AEPEY, the Capital Market Commission take appropriate measures to put an end to that situation. Such measures may consist in applications for judicial orders, the imposition of sanctions against directors and those responsible for management, or suspension of the exercise of the voting rights attaching to the shares held by the shareholders in question. Similar measures shall be taken in respect of persons who fail to comply with the obligation to provide prior information in relation to the acquisition or increase of a qualifying holding. If a holding is acquired despite the opposition of the Capital Market Commission, regardless of any other sanctions to be adopted, the exercise of the corresponding voting rights shall be null and void.

7. A decision of the Capital Market Commission shall define the period and procedure for the assessment of notifications for approval of qualifying holdings made pursuant to paragraph 3 of this article, as well as the relevant information and documentation to be submitted by the persons intending to acquire qualifying holdings in an AEPEY, in implementation of Directive 2004/39/EC.

Article 17

Persons who direct AEPEYs

1. The members of the board of directors of the AEPEY shall be of sufficiently good repute and sufficiently experienced as to ensure the sound and prudent management of the AEPEY.

2. The Capital Market Commission may refuse authorisation or reject any proposed changes in the management of the AEPEY if it is not satisfied that the persons who will effectively direct the AEPEY are of sufficiently good repute or sufficiently experienced, or if there are objective and demonstrable grounds for believing that the management of the AEPEY pose a threat to its sound and prudent management.

3. The AEPEY shall promptly notify the Capital Market Commission of any changes to its management, along with all information needed by the Capital Market Commission to assess whether the new staff appointed to manage the AEPEY are of sufficiently good repute and sufficiently experienced. The Capital Market Commission shall be deemed to have approved the change in the management of the AEPEY if it does not oppose such change within one (1) month of the notification of the change.

4. The management of the AEPEY shall be undertaken by at least two persons meeting the requirements laid down in paragraph 1. Such persons shall hold professional competence certificates, as provided for in item (c) of paragraph 1 of article 14.

5. Where there are no such persons as required for the legitimate constitution of the board of directors of an AEPEY, the application for the appointment of interim management pursuant to article 69 of the Civil Code may also be submitted by the Capital Market Commission. The members of the board of directors of an AEPEY appointed by this procedure, while performing their duties, shall not be liable under penal law nor shall be individually liable for payment, due to

the non-payment of taxes or debts to the State or any other authority or insurance agency, created before they assumed their duties as members of the interim management of the AEPEY. This provision shall not affect the liability of such persons for taxes and debts to the State or any other authority or insurance agency, created in the course of performing their duties as interim management of the firm.

6. A decision of the Capital Market Commission may specify the suitability criteria for the members of the board of directors of AEPEYs and the other persons directing its activity.

Article 18

Financial statements and regular audit of AEPEYs

1. AEPEYs shall prepare financial statements pursuant to the International Accounting Standards adopted by the European Union, as provided for in Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002.

2. For AEPEYs, the regular audit foreseen by the provisions on societes anonymes shall be carried out by a certified auditor-accountant.

3. The Board of Directors of the Capital Market Commission may decide to require that AEPEYs submit annually the report of their regular auditors to the effect that sufficient procedures are in place for their compliance with the obligations referred to in article 12 and the regulatory acts issued by authority thereof. The same decision may specify the content and method of submitting the report referred to above and determine any technical matter and necessary detail.

Article 19

Membership of an authorised Investor Compensation Scheme

1. In order for an AEPEY to provide investment services, it must be member of an authorised investor compensation scheme.

2. AEPEYs shall notify their clients, before the provision of any investment services, of the investor compensation scheme of which they are members.

Article 20

Provisional suspension of AEPEY authorisation

1. The Capital Market Commission may, by decision of its Board of Directors, provisionally suspend the operation of an AEPEY when there are serious indications of violation of the capital market legislation that makes its operation dangerous to investors and the smooth functioning of the market. Provisional suspension may also be decided for some of the investment services authorised by the Capital Market Committee. In case of emergency, the suspension shall be decided by the Executive Committee of the Capital Market Commission and the relevant decision shall be approved in the ensuing meeting of the Board of Directors. The length of the suspension cannot exceed three (3) months. The suspension decision may provide for a short time-frame in order for the firm to take the necessary measures to cease the violations or eliminate their effects. In case of emergency, especially at the request of the AEPEY itself, the suspension may be extended for a further forty-five (45) days.

2. The suspension decision shall be immediately enforceable, shall be notified to the AEPEY in any suitable manner and shall be published in the website of the Capital Market Commission and the mass media. By the expiry of the suspension period and taking the views of the AEPEY into consideration, the Board of Directors of the Capital Market Commission shall decide either to lift the suspension and impose sanctions or to withdraw the authorisation of the firm pursuant to article 21.

3. The Capital Market Commission may, in the decision made pursuant to paragraph 1, appoint an employee or executive thereof

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

and/or a third party as provisional trustee of the AEPEY and determine the actions that may be freely taken by the AEPEY and the actions that may be taken only with the prior consent of the provisional trustee. Any action of the AEPEY management requiring the prior consent of the provisional trustee and made without such consent shall be null and void. The liability of the provisional trustee in the performance of his duties shall be limited to fraud and gross negligence.

4. The provisional trustee shall be subject to the control and supervision of the Capital Market Commission and his duties shall continue as long as the firm is under provisional suspension and, in any event, until the appointment of a liquidator overseer pursuant to article 22.

5. The provisional trustee may be replaced by decision of the Capital Market Commission.

6. The remuneration of the provisional trustee shall be fixed in the appointment decision and shall be payable by the AEPEY whose operation is provisionally suspended. In case of employees or executives of the Capital Market Commission, such remuneration shall be payable in addition to the salary paid by the Capital Market Commission.

7. The provisional trustee, when prosecuted or charged for actions or omissions in the performance of his duties and by reason thereof, shall attend the relevant hearing with members of the Legal Service of the Capital Market Commission. The provisional trustee shall not be subject to detention nor shall he incur any penal, civil or other liability towards any party for debts of the AEPEY created before his appointment, irrespective of the time of assessment thereof.

Article 21

Withdrawal of authorisations

1. The Capital Market Commission may withdraw the authorisation issued to an AEPEY in whole or for certain investment

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

services or activities or ancillary services for which it was authorised, where such an investment firm:

(a) does not make use of the authorisation within twelve (12) months, expressly renounces the authorisation or has provided no investment services or performed no investment activity for the preceding six (6) months;

(b) has obtained the authorisation by making false statements or by any other irregular means;

(c) no longer meets the conditions under which authorisation was granted;

(d) does not meet the conditions of the provisions of applicable legislation on capital adequacy;

(e) has seriously and systematically infringed the provisions of the legislation on the capital market.

2. Before withdrawing the authorisation, the Capital Market Commission shall notify the AEPEY of the ascertained shortcomings or infringements, as well as of its intention to withdraw the authorisation, and shall determine a period, which cannot be less than ten (10) of the said notification, within which the firm must express its views and take, if required, the necessary measures to cease the infringements or eliminate their effects. The Capital Market Commission shall take a final decision after the expiry of the said time limit, having taken into account the views of the AEPEY and having assessed the measures taken.

Article 22

Special liquidation

1. Where the authorisation of an AEPEY is withdrawn, the ministerial decision that authorised the establishment and approved the statutes of the firm shall also be withdrawn and the AEPEY shall be put under special liquidation pursuant to the provisions of this article. During this stage and until the delivery of the judgment of the One-member First

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Instance Court, as provided for in paragraph 9 of this article, the AEPEY cannot be declared bankrupt. Individual prosecution and any mandatory enforcement against the AEPEY shall also be suspended during such period.

2. The Capital Market Commission shall issue a decision appointing the liquidation Overseer who may, with the approval of the Capital Market Commission, retain the advisory services of a natural or legal person specializing in AEPEY operation. In the same decision, the Capital Market Commission shall determine the remuneration of the Overseer and his advisor, which shall be payable by the AEPEY, and may also regulate general matters relating to the liquidation process. Where, after an AEPEY has come under special liquidation pursuant to this article, it is ascertained that the firm under liquidation does not have the necessary resources to carry out the liquidation tasks, the Joint Guarantee Fund for Investment Services under Law 2533/1997 (Government Gazette 228 A), following a relevant justified request of the Overseer, shall cover the cost of remuneration of the Overseer and the liquidator, as well as other necessary operating expenses for the liquidation for a period not exceeding twelve (12) months of the date when the Overseer assumed his duties. The above time limit may be extended by decision of the Board of Directors of the Capital Market Commission, pursuant to the schedule of tasks of the special liquidation, as agreed between the Joint Guarantee Fund and the Overseer.

3. The Overseer shall submit to the competent court, within three (3) days of the notification of his appointment, a request for the appointment of liquidator. Until a liquidator is appointed, the Overseer shall exercise all powers of liquidator. After the appointment of liquidator, the Overseer shall monitor the liquidation, shall express opinions, at the request of the liquidator, on liquidation matters, shall inform the Capital Market Commission in writing about the course of

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

liquidation at least every two months or when so requested and shall submit a report on conclusion of the liquidation. Any invalidity in the appointment of the Overseer shall not affect the validity of his actions from his appointment until the cancellation thereof.

4. The liquidator shall be appointed pursuant to the procedure referred to in articles 739 et seq. of the Code of Civil Procedure. Any contrary provisions in statutes shall not be applied. The liquidator shall be a natural or legal person specializing in AEPEYs and shall be selected from a list of at least twenty (20) persons, compiled annually by the Capital Market Commission. The court shall hear the request within five (5) days and shall deliver its judgment within five (5) months, at the latest, of the date of hearing. The said judgment shall also determine the remuneration of the liquidator, which shall be payable by the firm. The validity of the decision cannot be suspended.

5. Right after his appointment, the Overseer shall make an inventory and shall separate from other assets of the firm the assets, cash and securities of the firm, as well as the assets, cash and securities of third parties that are associated with the provision of investment services by the company pursuant to article 4 of this law, which are held by the firm or have been delivered thereby to the Central Security Depository or Banks for safekeeping. The Overseer, within ten (10) days of his appointment, shall invite the beneficiaries of any claims, by notice published once a week for three consecutive weeks in five widely-sold daily newspapers, of which at least three must be financial newspapers, to announce their claims along all required documentation within three (3) months of the last publication. This announcement shall be notified in writing to the head of the tax office of the region where the firm is based.

6. Particulars for claims relating to the delivery of cash or financial instruments held by the firm and associated with the provision of investment services thereby pursuant to article 4, the liquidator shall

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

verify such claims on the basis of entries in the books and records of the firm within three (3) months.

7. Within a period not exceeding two (2) months of the said verification of claims, the liquidator shall deliver the cash and financial instruments of third parties held by the firm and associated with the provision of investment services thereby pursuant to article 4. More particularly, the liquidator shall commensurably satisfy the beneficiaries of unregistered instruments and cash, where existing unregistered instruments and cash held by the AEPEY on behalf of its clients are not sufficient to satisfy the beneficiaries of unregistered instruments or cash, respectively.

5. Within a period not exceeding fifteen (15) days of the conclusion of the procedure for returning the assets of AEPEY clients, pursuant to paragraphs 5 to 7 hereof, the Overseer shall inform the Compensations Committee, as referred to in paragraph 6 of article 68 of Law 2593/1997, of the investment services claims that were not satisfied pursuant to the above, in order for the Committee to decide, having received from the Overseer all necessary information from the records of the firm, whether the Joint Guarantee Fund is obliged to pay compensation under article 66 of Law 2533/1997. The Joint Guarantee Fund, without being obligated to observe any additional procedure or notification, shall pay compensation to beneficiaries pursuant to article 67 of Law 2533/1997 and shall immediately inform the Overseer of the relevant payments. The liquidator shall reduce accordingly the amounts of claims against the firm.

9. Following the satisfaction of investment services claims, pursuant to articles 65 to 67 of Law 2533/1997, as currently in force, with the procedure of delivery or the payment of compensation by the Joint Guarantee Fund, the special liquidation under this article is concluded. The conclusion of the liquidation under this article shall be

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

announced by judgment of the One-member First Instance Court of the region where the firm is based, trying according to the procedure of articles 739 et seq. of the Code of Civil Procedure, at the request of the Overseer or any other person with legitimate interest. In the same judgment, the Court shall order the Overseer and the liquidator to convene a general meeting of the firm's shareholders in order to decide on the election of new liquidators, pursuant to the provisions of the firm's statutes and article 49 of Law 2190/1920, as currently in force, and shall determine that the term of office of the Overseer and the liquidator shall expire when the said elected liquidators assume their duties. If, for any reason, it is not possible to elect new liquidators, the provisions of article 69 of the Civil Code shall apply. The relevant request is submitted to the Court by the Overseer. In this case, the special liquidation under this article shall conclude and the term of office of the Overseer and the liquidator shall expire when the court appointed liquidators assume their duties. The conclusion of the special liquidation under this article and the expiry of the term of office of the Overseer and the liquidator shall be notified by the Overseer to the Capital Market Commission, which shall cease to be further informed of the course of the firm's liquidation. Concurrently with the notification under the preceding paragraph, the Overseer and the liquidator shall submit a report on the liquidation under this article to the Capital Market Commission. From all other aspects, the conclusion of pending matters of the firm, including the satisfaction of the claims of the Joint Guarantee Fund under article 67, paragraph 4, of Law 2533/1997, as currently in force, of the investment services claims, to the extent that they were not satisfied during the process of delivery or compensation by the Joint Guarantee Fund, as well as of any other claims against the firm shall proceed pursuant to the provisions of article 49 of Law 2190/1920, as currently in force, by the liquidators.

10. If the firm, after the payment of compensation by the Joint Guarantee Fund pursuant to articles 65 to 67 of Law 2533/1997, is completely deprived of assets and, therefore, the liquidation cannot proceed under the provisions of article 49 of Law 2190/1920, the Overseer or any person with legitimate interests may, in lieu of application of paragraph 9, ask the Court to certify the complete lack of assets, declare the cease of liquidation and order the deletion of the firm from the registers of societes anonymes. The judgment of the Court shall be notified to the Capital Market Commission by the Overseer.

11. The dissolution of the legal personality of an AEPEY made for any other reason except bankruptcy, including the reasons referred to in paragraph 1, shall be immediately notified to the Capital Market Commission, which may, by decision delivered within two (2) months, place the firm under liquidation pursuant to the provisions of this law. Any expropriation of AEPEY assets made from the dissolution of the legal personality until the delivery of such decision or the expiry of such time limit shall be null and void.

12. The Overseer and the liquidator shall not be detained nor shall incur any penal, civil or other liability towards any party for debts of the AEPEY under liquidation created before their appointment, irrespective of the time of assessment thereof.

Article 23

Payments to clients of AEPEYs under liquidation

1. The payment of any sum to investors being clients of AEPEYs under liquidation pursuant to the provisions of article 22 shall be notified by the Overseer to the Joint Guarantee Fund and, vice versa, any payment by the Joint Guarantee Fund to investors being clients of AEPEYs under liquidation shall be notified by the Joint Guarantee Fund to the liquidator(s) of the firm.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

2. The clients of AEPEYs whose claims from the provision of investment services have not been fully satisfied by the debtor firm or the Joint Guarantee Fund shall rank before the claims determined in case 3 of article 975 of the Code of Civil Procedure and before the division under article 977 of the Code of Civil Procedure and shall be preferentially satisfied from any amounts refunded to the firm by the Joint Guarantee Fund pursuant to case (b), paragraph 1, of article 74 of Law 2533/1997.

3. If an AEPEY is dissolved and put under liquidation, all financial instruments and monetary amounts belonging to its clients shall be separated from the corporate assets to be distributed and shall be rendered to their beneficiaries, unless:

(a) a pledge has been constituted thereon, in which case they are delivered to the pledge holder;

(b) the AEPEY has a claim against the beneficiaries, in which case opposite similar claims are offset.

4. The financial instruments and monetary amounts belonging to AEPEY clients and are separated from the corporate assets to be distributed shall include, in addition to financial instruments and monetary amounts belonging to the clients of the AEPEY pursuant to the rules of contract law, financial means in materialised or dematerialised form, and monetary amounts held, directly or indirectly, by the AEPEY on behalf of clients, on which the claim of the clients is verified on the basis of the entries in the AEPEY books and records, as well as any other evidence in writing.

5. The table of financial instruments and monetary amounts of the AEPEY belonging to its clients shall be prepared by the liquidator and shall be forwarded to any person with legitimate interests.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Article 24

Relations with third countries

The Capital Market Commission shall inform the European Commission of any general difficulties which the AEPEYs encounter in establishing themselves or providing investment services and performing investment activities in any third country.

CHAPTER C

PROVISIONS FOR THE PROTECTION OF INVESTORS

Article 25

Conduct of business obligations when providing investment services

1. When providing investment services and ancillary services to clients, AEPEYs shall act honestly, fairly and professionally in accordance with the best interests of their clients and comply, in particular, with the principles set out in paragraphs 2 to 8.

2. All information, including marketing communications, addressed by the AEPEY to clients or potential clients shall be fair, clear and not misleading. Marketing communications shall be clearly identifiable as such.

3. AEPEYs shall provide their clients or potential clients with appropriate information in a comprehensible form to clients or potential clients, so that they are reasonably able to understand the nature and risks of the investment service and of the specific type of financial instrument that is being offered and, consequently, to take investment decisions on an informed basis. This information may be provided in a standardised format. This information shall be about:

(a) the AEPEY and its services,

(b) financial instruments and proposed investment strategies; this should include appropriate guidance on and warnings of the risks associated with investments in those instruments or in respect of particular investment strategies,

(c) execution venues, and

(d) costs and associated charges.

4. When providing investment advice or portfolio management, AEPEYs shall obtain the necessary information regarding the client's or potential client's knowledge and experience in the investment field relevant to the specific type of product or service, his financial situation and his investment objectives so as to enable the firm to recommend to the client or potential client the investment services and financial instruments that are suitable for him (suitability check).

5. AEPEYs, when providing investment services other than those referred to in paragraph 4, shall ask the client or potential client to provide information regarding his knowledge and experience in the investment field relevant to the specific type of product or service offered or demanded so as to enable the AEPEY to assess whether the investment service or product envisaged is appropriate for the client (compatibility check). In case the AEPEY considers, on the basis of the information received under the previous subparagraph, that the product or service is not appropriate to the client or potential client, the investment firm shall warn the client or potential client. This warning may be provided in a standardised format. In cases where the client or potential client elects not to provide the information referred to under the first subparagraph, or where he provides insufficient information regarding his knowledge and experience, the AEPEY shall warn the client or potential client that such a decision will not allow the firm to determine whether the service or product envisaged is appropriate for him. This warning may be provided in a standardised format.

6. AEPEYs, when providing investment services that only consist of execution and/or the reception and transmission of client orders with or without ancillary services, may provide those investment services to their clients without the need to obtain the information or

make the determination provided for in paragraph 5 where all the following conditions are met:

(a) the above services relate to shares admitted to trading on a regulated market or in an equivalent third country market, money market instruments, bonds or other forms of securitised debt (excluding those bonds or securitised debt that embed a derivative), UCITS and other non-complex financial instruments. A third country market shall be considered as equivalent to a regulated market if it complies with equivalent requirements to those established under Chapter F of the First Part of this law,

(b) the service is provided at the initiative of the client or potential client,

(c) the client or potential client has been clearly informed that in the provision of this service the AEPEY is not required to assess the suitability of the instrument or service provided or offered and that therefore he does not benefit from the corresponding protection of the relevant conduct of business rules; this warning may be provided in a standardised format,

(d) the AEPEY complies with its obligations under Article 13.

7. AEPEYs shall establish a record that includes the document or documents agreed between the firm and the client that set out the rights and obligations of the parties, and the other terms on which the firm will provide services to the client. The rights and duties of the parties to the contract may be incorporated by reference to other documents or legal texts.

8. The client must receive from the AEPEY adequate reports on the service provided to its clients. These reports shall include, where applicable, the costs associated with the transactions and services undertaken on behalf of the client.

9. In cases where an investment service is offered as part of a financial product which is already subject to other provisions of Community legislation or common European standards related to credit institutions and consumer credits with respect to risk assessment of clients and/or information requirements, this service shall not be additionally subject to the obligations set out in this Article.

10. A decision of the Board of Directors of the Capital Market Commission may specify the obligations of AEPEYs, as determined in paragraphs 2 to 8, according to the implementing measures referred to in article 19(10) of Directive 2004/39/EC.

Article 26

Provision of services through the medium of another investment firm

1. An AEPEY receiving an instruction to perform investment or ancillary services on behalf of a client through the medium of another investment firm may rely on client information transmitted by the latter firm. The investment firm which mediates the instructions will remain responsible for the completeness and accuracy of the information transmitted.

2. The AEPEY which receives an instruction to undertake services on behalf of a client in this way shall also be able to rely on any recommendations in respect of the service or transaction that have been provided to the client by another investment firm. The investment firm which mediates the instructions will remain responsible for the appropriateness for the client of the recommendations or advice provided.

3. The AEPEY which receives client instructions or orders through the medium of another investment firm shall remain responsible for concluding the service or transaction, based on any such information or recommendations, in accordance with the relevant provisions of this Chapter.

Article 27

Obligation to execute orders on terms most favourable to the client

1. AEPEYs shall take all reasonable steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. Nevertheless, whenever there is a specific instruction from the client, the AEPEY shall execute the order following the specific instruction.

2. AEPEYs shall establish and implement effective arrangements for complying with paragraph 1. In particular, AEPEYs shall establish and implement an order execution policy to allow them to obtain, for their client orders, the best possible result in accordance with paragraph 1.

3. The order execution policy shall include, in respect of each class of instruments, information on the different venues where the AEPEY executes its client orders and the factors affecting the choice of execution venue. It shall at least include those venues that enable the AEPEY to obtain on a consistent basis the best possible result for the execution of client orders. AEPEYs shall provide appropriate information to their clients on their order execution policy and shall obtain the prior consent of their clients to the execution policy.

4. Where the order execution policy provides for the possibility that client orders may be executed outside a regulated market or an MTF, the AEPEY shall, in particular, inform its clients about this possibility. AEPEYs shall obtain the prior express consent of their clients before proceeding to execute their orders outside a regulated market or an MTF. AEPEYs may obtain this consent either in the form of a general agreement or in respect of individual transactions.

5. AEPEYs shall monitor the effectiveness of their order execution arrangements and execution policy in order to identify and,

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

where appropriate, correct any deficiencies. In particular, they shall assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for the client or whether they need to make changes to their execution arrangements. AEPEYs shall notify clients of any material changes to their order execution arrangements or execution policy.

6. AEPEYs shall be able to demonstrate to their clients, at their request, that they have executed their orders in accordance with the firm's execution policy.

7. A decision of the Board of Directors of the Capital Market Commission may specify the obligations of AEPEYs, as determined in paragraphs 1, 3, 4 and 5, according to the implementing measures referred to in article 21(6) of Directive 2004/39/EC.

Article 28

Client order handling rules

1. AEPEYs authorised to execute orders on behalf of clients shall implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or the trading interests of the investment firm. These procedures or arrangements shall allow for the execution of otherwise comparable client orders in accordance with the time of their reception by the investment firm.

2. In the case of a client limit order in respect of shares admitted to trading on a regulated market which are not immediately executed under prevailing market conditions, AEPEYs shall, unless the client expressly instructs otherwise, take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants. AEPEYs shall comply with this obligation by transmitting the client limit order to a regulated market and/or MTF.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

3. A decision of the Board of Directors of the Capital Market Commission may:

(a) specify the obligations of AEPEYs under this article, and

(b) waive the obligation of AEPEYs to make public a limit order that is large in scale compared with normal market size as determined under Article 56(2).

Article 29

Tied agents

1. AEPEYs may appoint natural or legal persons as tied agents, provided that they are entered in the register referred to in paragraph 5 hereof, with prior notice to the Capital Market Commission or the Bank of Greece, in case of credit institutions. Tied agents cannot hold money or financial instruments on behalf of clients.

2. Tied agents shall act on behalf of only one AEPEY, under its full and unconditional responsibility. Tied agents may promote the investment and ancillary services of AEPEY to clients or potential clients, receive orders from clients for investment services or financial instruments, place financial instruments and provide advice to clients in respect of such financial instruments and services offered by the AEPEY.

3. AEPEYs shall ensure that a tied agent discloses the capacity in which he is acting and the firm which he is representing when contacting or before dealing with any client or potential client or before promoting the services referred to in paragraph 2 to a client.

4. AEPEYs appointing tied agents shall take adequate measures in order to avoid any negative impact that the activities of the tied agent not covered by the scope of this law could have on the activities carried out by the tied agent on behalf of the AEPEY.

5. Tied agents established in Greece shall be registered by the AEPEY or the credit institution they represent in a register of tied agents kept by the Capital Market Commission and the Bank of Greece,

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

respectively. The register shall be updated on a regular basis. It shall be publicly available for consultation. AEPEYs and credit institutions proposing the registration of a tied agent shall ensure that they are of sufficiently good repute and that they possess appropriate general, commercial and professional knowledge so as to be able to communicate accurately all relevant information regarding the proposed service to the client or potential client.

6. A decision of the Board of Directors of the Capital Market Commission or an Act of the Governor of the Bank of Greece shall determine, respectively, the conditions for the entry of tied agents in the register, kept by the Capital Market Commission or the Bank of Greece, as the case may be, as well as the technical details for keeping and updating such register and the access of investors thereto. The same decision and act shall determine the organisational requirements of AEPEYs and credit institutions utilising tied agents and those of tied agents, as well as any necessary matter relating to the operation of tied agents.

Article 30

Transactions executed with eligible counterparties

1. AEPEYs authorised to execute orders on behalf of clients and/or to deal on own account and/or to receive and transmit orders, may bring about or enter into transactions with eligible counterparties without being obliged to comply with the obligations under Articles 25, 27 and 28(1) in respect of those transactions or in respect of any ancillary service directly related to those transactions.

2. Eligible counterparties shall be AEPEYs, credit institutions, insurance companies, UCITS and their management companies, portfolio management societes anonymes, pension funds and their management companies, other financial institutions authorised or regulated under Community legislation or the national law of a Member

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

State, undertakings exempted from the application of this law under Article 3(3)(k) and (l), national governments and their corresponding offices including public bodies that deal with public debt, central banks and supranational organisations. Such entities may request, either on a general form or on a trade-by-trade basis, treatment as clients whose business with the AEPEY is subject to the provisions of Articles 25, 27 and 28.

3. In the event of a transaction where the prospective counterparties are located in a different Member State, AEPEYs shall defer to the status of the other undertaking as determined by the law or measures of the Member State in which that undertaking is established.

4. AEPEYs, when they enter into transactions in accordance with paragraph 1, shall obtain the express confirmation from the prospective counterparty that it agrees to be treated as an eligible counterparty. This confirmation may be obtained either in the form of a general agreement or in respect of each individual transaction.

5. A decision of the Board of Directors of the Capital Market Commission may specify the procedures for requesting the treatment of clients as eligible counterparties, the procedure for obtaining their express confirmation and any other relevant matter and necessary detail pursuant to the implementing measures referred to in Article 34(5) of Directive 2004/39/EC.

CHAPTER D

INVESTMENT FIRMS' RIGHTS

Article 31

Freedom to provide investment services and activities

1. Any investment firm authorised and supervised by the competent authorities of another Member State in accordance with the provisions of national law by which that State adapted to Directive 2004/39/EC may freely perform investment services and/or activities as

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

well as ancillary services in Greece, provided that such services and activities are covered by its authorisation. Ancillary services may only be provided together with an investment service and/or activity. An investment firm may commence providing investment services and activities after the competent authority of the host Member State has forwarded to the Capital Market Commission a relevant notice.

2. AEPEYs wishing to provide services or activities within the territory of another Member State for the first time, or which wishes to change the range of services or activities so provided, shall communicate the following information to the Capital Market Commission:

(a) the Member State in which it intends to operate;

(b) a programme of operations stating in particular the investment services and/or activities as well as ancillary services which it intends to perform and whether it intends to use tied agents in the territory of the Member States in which it intends to provide services.

3. The Capital Market Commission shall, at the request of the competent authority of the host Member State and within a reasonable time, communicate the identity of the tied agents that the AEPEY intends to use in that Member State. The host Member State may make public such information.

4. The Capital Market Commission shall, within one month of receiving the information referred to in paragraphs 2 and 3 hereof, forward it to the competent authority of the host Member State designated as contact point in accordance with Article 65(2). The AEPEY may then start to provide the investment service or services concerned in the host Member State.

5. In the event of a change in any of the particulars communicated in accordance with paragraph 2, the AEPEY shall give written notice of that change to the Capital Market Commission at least

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

one (1) month before implementing the change. The Capital Market Commission shall inform the competent authority of the host Member State of those changes.

6. Investment firms and market operators operating MTFs from other Member States may provide in Greece appropriate arrangements so as to facilitate access to and use of their systems by remote users or participants established in Greece, after the competent authority of the home Member State has forwarded a relevant notice to the Capital Market Commission. The Capital Market Commission may ask the competent authority of the home Member State to communicate the identity of the members or participants of the MTF established in that Member State.

7. The AEPEY or the market operator that operates an MTF in Greece shall communicate to the Capital Market Commission the Member State in which it intends to provide the arrangements referred to in paragraph 6. The Capital Market Commission shall, on the request of the competent authority of the host Member State and within a reasonable delay, communicate the identity of the members or participants of the MTF established in Greece.

8. A decision of the Board of Directors of the Capital Market Commission shall determine the procedure, time limits and content of communications and exchange of information under this article and any other technical matter and necessary detail.

Article 32

Establishment of a branch in Greece

1. An investment firm authorised by the competent authority of another Member State under the provision of national law, by which the said State adapted to Directive 2004/39/EC, may provide in Greece, through the establishment of a branch, investment and ancillary services and investment activities covered by its authorisation, following a

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

relevant notice of the Capital Market Commission to the investment firm and within two (2) months, at the latest, of the communication of the competent authority of its home Member State to the Capital Market Commission. Ancillary services may only be provided together with an investment service and/or activity.

2. The services provided by the branch of an investment firm established in Greece shall comply with the obligations laid down in Articles 25, 27, 28, and 49 to 54 and with measures adopted pursuant thereto. The Capital Market Commission shall monitor compliance with the provisions referred to in the preceding paragraph and may ask the investment firm to take measures in order for the branch to comply with the obligations stemming from such provisions regarding investment and ancillary services and investment activities provided by the branch in Greece.

3. The competent authority of the home Member State of the investment firm authorised in another Member State may, in the exercise of its responsibilities and after informing the Capital Market Commission, may carry out on-site inspections in the branch of the investment firm established in Greece.

4. Investment firms that have established branches in Greece shall, for statistical purposes, submit to the Capital Market Commission periodic reports on the activities of their branches in Greece.

5. Investment firms that have established branches in Greece shall submit to the Capital Market Commission the necessary information to verify their compliance with the applicable provisions.

6. A decision of the Board of Directors of the Capital Market Commission shall determine the terms and procedure for the establishment of branches of investment firms authorised in other Member States, and the commencement of provision of investment services, investment activities and ancillary services thereby in Greece.

7. Investment firms authorised by the competent authority of a third country may provide investment and ancillary services and investment activities and duly operate in Greece by means of a branch with the authorisation of the Capital Market Commission. The provisions of Chapter B of the First Part of this Law shall apply to such authorisation. A decision of the Board of Directors of the Capital Market Commission may specify the procedure, conditions and documentation required, as well as special terms for the authorisation provided for in this paragraph, as well as any technical matter and necessary detail.

Article 33

Establishment of a branch in another Member State

1. Any investment firm wishing to establish a branch within the territory of another Member State shall first to notify the Capital Market Commission and provide it with the following information:

(a) the Member States within the territory of which it plans to establish a branch;

(b) a programme of operations setting out inter alia the investment services and/or activities as well as the ancillary services to be offered and the organisational structure of the branch and indicating whether the branch intends to use tied agents;

(c) the address in the host Member State from which documents may be obtained;

(d) the names of those responsible for the management of the branch.

2. In cases where the AEPEY uses a tied agent in the host Member State, such tied agent shall be subject to the provisions of this law relating to branches.

3. Unless the Capital Market Commission has reason to doubt the adequacy of the administrative structure or the financial situation of an AEPEY, taking into account the activities envisaged in the host

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Member State, it shall, within three (3) months of receiving all the information, communicate that information to the competent authority of the host Member State designated as contact point in accordance with Article 58(1) of Directive 2004/39/EC and inform the AEPEY concerned accordingly.

4. The Capital Market Commission shall communicate details of the accredited compensation scheme of which the AEPEY is a member to the competent authority of the host Member State. In the event of a change in the particulars, the Capital Market Commission shall inform the competent authority of the host Member State accordingly.

5. Unless the Capital Market Commission has reason to doubt the adequacy of the administrative structure or the financial situation of an AEPEY, taking into account the activities envisaged in the host Member State, it may, within three (3) months of receiving all the information, refuse to communicate the information referred to in paragraph 3 to the competent authority of the host Member State, giving reasons for its refusal to the AEPEY concerned.

6. On receipt of a communication from the competent authority of the host Member State, or failing such communication from the latter at the latest after two (2) months from the date of transmission of the communication by the Capital Market Commission, the branch may commence business in the host Member State.

7. In the event of a change in any of the information communicated in accordance with paragraph 1, the AEPEY shall give written notice of that change to the Capital Market Commission at least one (1) month before implementing the change. The Capital Market Commission shall inform the competent authority of the home Member State of any change.

Article 34

Access to central counterparty, clearing and settlement facilities

1. Investment firms shall have the right of access to central counterparty, clearing and settlement systems in Greece for the purposes of finalising or arranging the finalisation of transactions in financial instruments. Access of those investment firms to such facilities shall be subject to the same non-discriminatory, transparent and objective criteria as apply to participants with registered offices and central administration in Greece. The use of those facilities shall not be restricted to the clearing and settlement of transactions in financial instruments undertaken on a regulated market or MTF in Greece.

2. Regulated markets in Greece shall offer all their members the right to designate the system for the settlement of transactions in financial instruments undertaken on that regulated market, subject to:

(a) such links and arrangements between the designated settlement system and any other system or facility as are necessary to ensure the efficient and economic settlement of the transaction in question; and

(b) agreement by the Capital Market Commission that technical conditions for settlement of transactions concluded on the regulated market through a settlement system other than that designated by the regulated market are such as to allow the smooth and orderly functioning of financial markets. This assessment of the Capital Market Commission shall be without prejudice to the competencies of the Bank of Greece as overseer of payment and settlement systems. The Capital Market Commission shall take into account the oversight already exercised by the Bank of Greece in order to avoid undue duplication of control and shall cooperate with it, where required.

3. The rights of investment firms under this article shall be without prejudice to the right of operators of central counterparty,

clearing or securities settlement systems to refuse on legitimate commercial grounds to make the requested services available.

Article 35

Provision of services and establishment of a branch in third country

1. The Capital Market Commission may prohibit an AEPEY from providing investment services to a non-Member State of the European Union, if it considers that the provision of activities in such country may prejudice the interests of investors.

2. The Capital Market Commission may prohibit an AEPEY from establishing a branch in a non-Member State of the European Union, if, on the basis of information submitted by the AEPEY and taking into account the overall organisation, financial position and technical-economic infrastructure of the AEPEY, it considers that the establishment of a branch may prejudice the interests of investors.

3. A decision of the Board of Directors of the Capital Market Commission shall determine the conditions and procedure for the establishment of branches in non-Member States of the European Union.

CHAPTER E

INVESTMENT INTERMEDIARY SOCIETES ANONYMES

Article 36

Authorisation, share capital and regular audit of AEEDs

1. AEEDs shall operate in the form of societes anonymes. Their name shall include the phrase “Investment Intermediary Societe Anonyme” and they shall trade as “AEED”.

2. AEEDs may not provide any investment service except the reception and transmission of orders in transferable securities and units in collective investment undertakings and the provision of investment advice in relation to such financial instruments. AEEDs are not allowed to hold clients' funds or securities.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

3. AEEDs are allowed to transmit orders in transferable securities and units in collective investment undertakings only to:

(a) investment firms authorised in a Member State;

(b) credit institutions authorised in a Member State;

(c) branches of investment firms or of credit institutions which are authorised in a third country and which are subject to and comply with prudential rules considered to be at least as stringent as those applicable to investment firms or of credit institutions authorised in a Member State, including provisions on capital adequacy;

(d) collective investment undertakings in transferable securities, authorised under the law of a Member State to market units to the public pursuant to Law 3283/2004.

5. The shares of AEEDs shall be registered.

6. The prior authorisation of the Capital Market Commission shall be required in order to establish, pursuant to the provisions on societes anonymes, an AEED or convert an existing firm into an AEED. The authorisation shall enumerate the investment services that the AEED is entitled to provide.

7. The ordinary and extraordinary audit provided for by Law 2190/1920 on societes anonymes shall be carried out in AEEDs by a chartered auditor.

8. AEEDs shall submit to the Capital Market Commission the information subject to disclosure under article 7a, para.1, of Law 2190/1920.

Article 37

Authorisation and organisational conditions for AEEDs

1. To authorise an AEED, the Capital Market Commission shall examine:

(a) whether the conditions of article 36 are met;

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(b) the adequacy of organisation, organisational structure and technical and financial means of the firm;

(c) the good repute and sufficient experience of the persons who effective direct the business of the AEED, who cannot be less than two, in order to ensure the sound and prudent management of the AEED, and

(d) the suitability of shareholders with qualifying holdings in the firm, in order to ensure the sound and prudent management thereof.

2. The Capital Market Commission may refuse authorisation or reject any proposed changes in the management of the AEED if it is not satisfied that the persons who will effectively direct the AEED are of sufficiently good repute or sufficiently experienced, or if there are objective and demonstrable grounds for believing that the management of the AEED pose a threat to its sound and prudent management.

3. The AEED shall promptly notify the Capital Market Commission of any changes to its management, along with all information needed by the Capital Market Commission to assess whether the new staff appointed to manage the AEED are of sufficiently good repute and sufficiently experienced. The Capital Market Commission shall be deemed to have approved the change in the management of the AEED if it does not oppose such change within one (1) month of the notification of the change.

4. The Capital Market Commission may, on the basis of the good repute and sufficient experience of the members of the Board of Directors and the persons who effectively manage the business of the AEED, demand the removal of the persons from the Board of Directors of the AEED, the removal of the persons who effective direct its business or the supplementation of the firm's officers, if it considers it necessary to ensure the interests of investors and the smooth operation of the AEED, as well as the capital market. If the AEED does not comply

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

within a reasonable period with the relevant decisions of the Capital Market Commission, the latter may, in addition to sanctions referred to in article 61, take the measures referred to in articles 38 and 39.

5. A shareholder of an AEED who proposes to transfer shares so that, after the transfer, the proportion that he holds in the share capital would fall short of 20%, 1/3 or 50% of the share capital or the voting rights or if the firm ceases to be the subsidiary of the transferor, he shall notify the Capital Market Commission at least one (1) month before the transfer of shares. Moreover, a shareholder who proposes to acquire or increase holdings in an AEED so that, after the acquisition, the proportion that he holds in the share capital would reach or exceed 20%, 1/3 or 50% of the share capital or the voting rights or if the firm would become a subsidiary of the acquirer, he shall notify the Capital Market Commission at least one (1) month before the acquisition of the shares. The Capital Market Commission may refuse to approve the acquisition or disposal of holdings if, taking into account the need to ensure the sound and prudent management of the AEED, it is not satisfied as to the suitability of new shareholders. If the holdings are acquired despite the refusal of the Capital Market Commission and apart from other sanctions that may be imposed, the exercise of voting rights derived from such shares shall be null and void.

6. A decision of the Board of Directors of the Capital Market Commission may specify the conditions and documentation required for authorisation and the requirements for the establishment of branches. The same decision may determine the documentation required for any change in the members of the Board of Directors, in the persons who effectively direct the business of the AEED and in persons with qualifying holdings pursuant to paragraph 5.

Article 38

Provisional suspension of AEED authorisation

1. The Capital Market Commission may, by decision of its Board of Directors, provisionally suspend the operation of an AEED when there are serious indications of violation of the capital market legislation that makes its operation dangerous to investors and the smooth functioning of the market. In case of emergency, the suspension shall be decided by the Executive Committee of the Capital Market Commission and the relevant decision shall be approved in the ensuing meeting of the Board of Directors. The length of the suspension cannot exceed three (3) months. The suspension decision may provide for a short time-frame in order for the firm to take the necessary measures to cease the violations or eliminate their effects. In case of emergency, especially at the request of the AEED itself, the suspension may be extended for a further forty-five (45) days.

2. The suspension decision shall be immediately enforceable, shall be notified to the AEED in any suitable manner and shall be published in the website of the Capital Market Commission and the mass media. By the expiry of the suspension period and taking the views of the AEED into consideration, the Board of Directors of the Capital Market Commission shall decide either to lift the suspension or to withdraw the authorisation of the firm pursuant to article 39.

Article 39

Withdrawal of AEED authorisation

1. The Capital Market Commission may withdraw the authorisation issued to an AEED in whole or for one investment service for which it was authorised, where:

(a) the AEED does not make use of the authorisation within six (6) months or has provided no investment services for the preceding six (6) months;

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(b) the AEED has obtained the authorisation by making false statements or by any other irregular means;

(c) the AEED no longer meets the conditions under which authorisation was granted;

(d) the level of the AEED's own capital according to the latest balance sheet falls short of fifty thousand euro (EUR 50,000);

(e) the AEED has seriously and systematically infringed the provisions of the legislation on the capital market.

2. Before withdrawing the authorisation, the Capital Market Commission shall notify the AEED of the ascertained shortcomings or infringements, as well as of its intention to withdraw the authorisation, and shall determine a period, which cannot be less than ten (10) of the said notification, within which the firm must express its views and take, if required, the necessary measures to cease the infringements or eliminate their effects. The Capital Market Commission shall take a final decision after the expiry of the said time limit, having taken into account the views of the AEED.

Article 40

Provisions to ensure investor protection

1. A decision of the Capital Market Commission shall determine the books and records kept and issued by AEEDs in relation to the investment services they provide, the content of mandatory entries in such books and records and any other technical matter and necessary detail.

2. The provisions of article 25 and the regulatory acts issued by authority thereof shall apply to AEEDs accordingly.

CHAPTER F

REGULATED MARKETS

Article 41

Regulated market authorisation and applicable law

1. Authorisation as a regulated market in Greece shall be granted with the prior consent of the Capital Market Commission.

2. Without prejudice to the relevant provisions of Law 3340/2005 (Government Gazette 112 A), transactions carried out in a regulated market, whose authorisation was issued by the Capital Market Commission, shall be governed by Greek law.

3. The Capital Market Commission may withdraw the authorisation issued to a regulated market where:

(a) the operator does not make use of the authorisation within twelve (12) months, expressly renounces the authorisation or the regulated market has not operated for the preceding six (6) months;

(b) the authorisation was obtained by making false statements or by any other irregular means;

(c) the regulated market no longer meets the conditions under which authorisation was granted;

(d) the market operator, in the operation of the regulated market, has seriously and systematically infringed the provisions adopted pursuant to this law;

(e) the authorisation of the market operator is withdrawn.

Article 42

Market operator authorisation

1. The market operator shall operate in the form of societe anonyme, with the prior authorisation of the Capital Market Commission. The operator shall act in the name and on behalf of the regulated market operated thereby and shall be liable for its compliance with the obligations foreseen in applicable laws.

2. The initial share capital of the market operator shall be at least twenty million euro (EUR 20,000,000). To receive authorisation, the operator must have deposited the share capital in a special account with a credit institution operating in Greece. Authorisation may also be granted to existing societes anonymes, provided that they have been operating for at least one (1) year and meet the requirements of this Chapter. The market operator's own capital cannot fall short of the initial share capital throughout its operation. The shares of the market operator shall be registered.

3. The operator of the regulated market shall disclose information regarding the ownership and, in particular, the identity and scale of the interests of any parties in a position to exercise significant influence on the administration and management of the regulated market. The market operator shall similarly disclose any change to such information.

4. To issue the authorisation, the Capital Market Commission shall examine the good repute and sufficient experience of the members of the Board of Directors and the persons who effectively direct the business of the market operator or who are responsible for the administration and management of regulated markets or MTFs, as well as the persons with qualifying holdings, in the sense of article 2(20), in its share capital and the parties in a position to exercise significant direct or indirect influence on the administration and management of the regulated market, to ensure sound and prudential administration and operation of the regulated market. The arrangements of this paragraph shall not include the Bank of Greece in its capacity of market operator.

5. The approval of the Capital Market Commission shall also be required for any change in the members of the Board of Directors, the persons who effectively direct its business and the parties in a position to exercise significant direct or indirect influence on the administration and

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

management of the regulated market. The Capital Market Commission shall not approve any proposed changes if there are objective and demonstrable grounds for believing that such changes pose a threat to the sound and prudent management of the regulated market. The arrangements of this paragraph shall not include the Bank of Greece in its capacity of market operator.

6. The prior consent of the Capital Market Commission shall be required for the transfer of shares of the market operator when, as a consequence, the holdings of a shareholder reach or exceed 20%, 1/3, 50% or 2/3 of the share capital. To grant such authorisation, the Capital Market Commission shall examine the suitability of the person acquiring the shares pursuant to paragraph 4. The acquisition of shares without the prior consent of the Capital Market Commission shall deprive the holder of the right to vote in general meetings.

7. The ordinary and extraordinary audit of the market operator, provided for by the law on societes anonymes, shall be carried out by two chartered auditors. The entries provided for by the law on societes anonymes shall be made in the Register referred to in article 7b, paragraph 8, of Law 2190/1920.

8. The Capital Market Commission may withdraw the authorisation issued to a market operator where:

(a) the operator does not make use of the authorisation within twelve (12) months, expressly renounces the authorisation or the regulated market has not operated for the preceding six (6) months;

(b) the authorisation was obtained by making false statements or by any other irregular means;

(c) the operator no longer meets the conditions under which authorisation was granted;

(d) the operator has seriously and systematically infringed the provisions adopted pursuant to this law.

9. The Capital Market Commission may, by decision of the Board of Directors, specify the conditions and procedure and determine specific requirements for granting and withdrawing market operator authorisations, including terms and conditions for the approval of suitability of the members of the Board of Directors and the persons who effectively direct the business, the persons who exercise significant influence on the management and administration of the regulated market and its shareholders, as well as any other technical matter or necessary detail.

Article 43

Organisational requirements

1. The regulated market shall, as a minimum:

(a) have arrangements to identify clearly and manage the potential adverse consequences, for the operation of the regulated market or for its participants, of any conflict of interest between the interest of the regulated market, its owners or its operator and the sound functioning of the regulated market, and in particular where such conflicts of interest might prove prejudicial to the accomplishment of any functions delegated to the regulated market by the Capital Market Commission;

(b) be adequately equipped to manage the risks to which it is exposed, to implement appropriate arrangements and systems to identify all significant risks to its operation, and to put in place effective measures to mitigate those risks;

(c) have arrangements for the sound management of the technical operations of the system, including the establishment of effective contingency arrangements to cope with risks of systems disruptions;

(d) have transparent and non-discretionary rules and procedures that provide for fair and orderly trading and establish objective criteria for the efficient execution of orders;

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(e) have effective arrangements to facilitate the efficient and timely finalisation of the transactions executed under its systems;

(f) have available, at the time of authorisation and on an ongoing basis, sufficient financial resources to facilitate its orderly functioning, having regard to the nature and extent of the transactions concluded on the market and the range and degree of the risks to which it is exposed;

(g) have bylaws that settle, in particular, matters regarding the obligations of the members of the regulated market, the rules of access to the regulated market, the rules for admitting financial instruments to trading, the rules of trade, as well as rules regarding the suspension and withdrawal of financial instruments, in compliance with the provisions of articles 44 to 46.

2. The Board of Directors of the Capital Market Commission shall issue an authorisation to a regulated market after having ascertained that the terms and conditions of articles 43 to 45 are met. Along with the authorisation of a regulated market, the Capital Market Commission shall approve the legality of the bylaws of the regulated market. The Board of Directors of the Capital Market Commission shall also approve any amendment to the bylaws. The decisions referred to in this paragraph shall be published in the Government Gazette. The bylaws and the amendments thereto shall be binding, as of the date of entry into force of the approving decision of the Capital Market Commission, the members of the regulated market, the issuers of transferable securities that are admitted or have applied for admission to trading in the regulated market and all persons to whom the bylaws refer.

3. A decision of the Board of Directors of the Capital Market Commission may specify the conditions and procedure and determine specific terms for granting and withdrawing regulated market

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

authorisations. The same decision may specify the contents of the bylaws of the regulated market and determine the procedure for its disclosure.

Article 44

Admission of financial instruments to trading

1. The bylaws of regulated markets shall have clear and transparent rules regarding the admission of financial instruments to trading.

2. Those rules shall ensure that:

(a) any financial instruments admitted to trading in a regulated market are capable of being traded in a fair, orderly and efficient manner,

(b) in the case of transferable securities, they are freely negotiable;

(d) in the case of derivatives referred to in article 5, points (d) to (j), the design of the derivative contract allows for its orderly pricing as well as for the existence of effective settlement conditions.

3. The bylaws of regulated markets shall also include arrangements:

(a) to verify that issuers of transferable securities that are admitted to trading on the regulated market comply with their obligations in respect of initial, ongoing or ad hoc disclosure obligations;

(b) to facilitate its members in obtaining access to information which has been made public under applicable law;

(c) to review regularly the compliance with the admission requirements of the financial instruments which they admit to trading.

4. A transferable security that has been admitted to trading on a regulated market can subsequently be admitted to trading on other regulated markets, even without the consent of the issuer and in compliance with the relevant provisions of Law 3401/2005 (Government Gazette 257 A). The issuer shall be informed by the regulated market of the fact that its securities are traded on that regulated market. The issuer

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

shall not be subject to any obligation to provide information required under paragraph 3(a) and (b). The terms and procedure of admission of transferable securities to trading in a regulated market pursuant to this paragraph shall be defined in the bylaws of the regulated market.

Article 45

Access to the regulated market

1. The bylaws of a regulated market shall include transparent and non-discriminatory rules, based on objective criteria, governing access to or membership of the regulated market.

2. Those rules shall specify any obligations for the members of the regulated market arising from:

(a) rules relating to transactions on the market;

(b) professional standards imposed on the staff of the members that are operating on the market;

(c) the rules and procedures for the clearing and settlement of transactions concluded on the regulated market;

(d) the conditions established, for members other than investment firms and credit institutions;

3. Regulated markets may admit as members investment firms, credit institutions and other persons who:

(a) are fit and proper;

(b) have a sufficient level of trading ability and competence;

(c) have, where applicable, adequate organisational arrangements; and

(d) have sufficient resources for the role they are to perform, taking into account the different financial arrangements that the regulated market may have established in order to guarantee the adequate settlement of transactions.

4. Members of a regulated market shall:

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(a) not obliged to apply to each other the obligations laid down in Articles 25, 27 and 28 for transactions made in the market, and

(b) apply the obligations provided for in Articles 25, 27 and 28 with respect to their clients when they, acting on behalf of their clients, execute their orders on a regulated market.

5. The rules on access to or membership of the regulated market provide for the direct or remote participation of investment firms and credit institutions, provided that procedures and systems of market trading do not require presence in person for the transactions.

6. A regulated market authorised by the Capital Market Commission may establish appropriate systems in another Member State to facilitate access to and trading on those markets by remote members or participants established in such Member State. The regulated market shall forward a relevant communication to the Capital Market Commission. The Capital Market Commission shall communicate, within one month, this information to the host Member State. The Capital Market Commission shall, on the request of the competent authority of the host Member State and within a reasonable time, communicate the identity of the members of the regulated market established in the host Member State.

7. Regulated markets authorised by other Member States may provide appropriate arrangements in Greece so as to facilitate access to and trading on those markets by members or participants established in Greece. The competent authority of the home Member State shall communicate this information to Capital Market Commission. The Capital Market Commission may request information regarding the identity of the members or participants of the regulated market established in Greece.

8. The operator of the regulated market shall communicate, on a regular basis, the list of its members to the Capital Market Commission.

Article 46

Suspension and removal of instruments from trading

1. Without prejudice to article 59, paragraph 4, items (e) and (f) of this law and article 17, paragraph 1, item (b) and paragraph 3, item (a), of Law 3371/2005 (Government Gazette 178 A) relating to suspension or removal of an instrument from trading, the operator of the regulated market may suspend or remove from trading a financial instrument which no longer complies with the rules of the regulated market unless such a step would be likely to cause significant damage to the investors' interests or the orderly functioning of the market. The market operator shall immediately make public this decision to suspend or remove the instrument from trading and shall communicate relevant information to the Capital Market Commission. The Capital Market Commission shall inform the competent authorities of the other Member States.

2. When the Capital Market Commission demands the suspension or removal of a financial instrument from trading on a regulated market or MTF, it shall immediately make public its decision and inform the competent authorities of the other Member States.

3. Except where it could cause significant damage to the investors' interests or the orderly functioning of the market, the Capital Market Commission shall demand the suspension or removal of a financial instrument from trading on a regulated market or MTF, if it becomes aware that the competent authority of another Member State has demanded suspension or removal of such instrument from the regulated market that operates under its authority.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Article 47

Trading in transactions information and data

Trading in and making, directly or indirectly, electronically available information and data regarding transactions made in a regulated market, especially transaction prices, volumes, demand and supply prices, shall be allowed only with the written consent of the regulated market, which shall determine the conditions under which such information and data may be provided, the method and extent of provision thereof, as well as the remuneration of the regulated market.

Article 48

List of regulated markets

The Capital Market Commission shall draw up a list of the regulated markets for which it has granted authorisation and shall forward that list to the other Member States and the European Commission. A similar communication shall be effected in respect of each change to that list.

CHAPTER G

MARKET TRANSPARENCY AND INTEGRITY

Article 49

Report transactions and maintaining records

1. AEPEYs shall keep at the disposal of the Capital Market Commission, for at least five (5) years, the relevant data relating to all transactions in financial instruments which they have carried out, whether on own account or on behalf of a client. In the case of transactions carried out on behalf of clients, the records shall contain all the information and details of the identity of the client, and the information required under Law 2331/1995 (Government Gazette 173 A) on prevention of the use of the financial system for the purpose of money laundering.

2. AEPEYs based in Greece or operate a branch in Greece and execute transactions in any financial instruments admitted to trading on a regulated market shall report details of such transactions to the Capital Market Commission as quickly as possible, and no later than the close of the following working day. This obligation shall apply whether or not such transactions were carried out on a regulated market.

3. The reports shall, in particular, include details of the names and numbers of the instruments bought or sold, the quantity, the dates and times of execution and the transaction prices and means of identifying the AEPEY concerned, according to Annex I, table I, of Commission Regulation (EC) 1287/2006 (L 241/2.9.2006).

4. The reports shall be made to the Capital Market Commission either by the AEPEY itself, a third party acting on its behalf or by a trade-matching or reporting system approved by the Capital Market Commission or by the regulated market or MTF through whose systems the transaction was completed. In cases where transactions are reported directly to the Capital Market Commission by a regulated market, an MTF, or a trade-matching or reporting system approved by the Capital Market Commission, the obligation on the AEPEY laid down in paragraph 2 may be waived.

5. The Capital Market Commission shall transmit the report received by branches of investment firms based in another Member State to the competent authority of the host Member State, unless they decide that they do not want to receive this information.

Article 50

Notification of systematic internaliser

1. AEPEYs shall notify the Capital Market Commission of their intention to act as systematic internalisers and shall state the shares for which they shall act in this capacity. The AEPEYs shall inform the

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Capital Market Commission in case of any changes in the information referred to in the preceding sentence.

2. Credit institutions intending to act as systematic internalisers shall also notify the Bank of Greece. Credit institutions shall also notify the Bank of Greece in case of any changes in the information referred to in the preceding sentence.

Article 51

Pre-trade transparency requirements for systematic internalisers

1. AEPEYs acting as systematic internalisers in shares admitted in a regulated market shall publish a firm quote and shall regularly update such quote.

2. The obligation referred to in the preceding paragraph shall apply to shares for which there is a liquid market. In the case of shares for which there is not a liquid market, AEPEYs acting as systematic internalisers shall disclose quotes to their clients on request.

3. Systematic internalisers shall decide the size or sizes (number of shares) at which they will quote. Such size or sizes shall be up to standard market size for the class of shares to which the share belongs. The price or prices shall also reflect the prevailing market conditions for that share.

4. The obligations referred to in this article shall not apply to transactions whose size is over the standard market size.

Article 52

Classification of shares according to standard market size

1. The Capital Market Commission shall group shares in classes on the basis of the arithmetic average value of the orders executed in the market for that share. The standard market size for each class of shares shall be a size representative of the arithmetic average value of the orders executed in the market for the shares included in each class of shares.

2. The market for each share shall be comprised of all orders executed in the European Union in respect of that share excluding those large in scale compared to normal market size for that share.

3. The Capital Market Commission shall, for each share admitted to trading in a regulated market supervised thereby being is the most relevant market in terms of liquidity, determine at least annually the class of shares to which it belongs. This information shall be made public to all market participants.

4. Systematic internalisers shall make public their quotes on a regular and continuous basis during normal trading hours. They shall be entitled to update their quotes at any time. They shall also be allowed, under exceptional market conditions, to withdraw their quotes. The quote shall be made public in a manner which is easily accessible to other market participants on a reasonable commercial basis.

Article 53

Transactions by systematic internalisers

1. Systematic internalisers shall, while complying with the provisions set down in Article 27, execute the orders they receive from their retail clients in relation to the shares for which they are systematic internalisers at the quoted prices at the time of reception of the order.

2. Systematic internalisers shall execute the orders they receive from their professional clients in relation to the shares for which they are systematic internalisers at the quoted price at the time of reception of the order. However, they may execute those orders at a better price in justified cases provided that

(a) this price falls within a public range close to market conditions; and

(b) the orders are of a size bigger than the size customarily undertaken by a retail investor.

3. Systematic internalisers may execute orders they receive from their professional clients at prices different than their quoted ones without having to comply with the conditions established in paragraph 4 of article 52, in respect of transactions where execution in several securities is part of one transaction or in respect of orders that are subject to conditions other than the current market price.

4. Without prejudice to paragraphs 2 and 3 of this article:

(a) Where (i) a systematic internaliser quotes only one quote or whose highest quote is lower than the standard market size and (ii) a systematic internaliser receives an order from a client of a size bigger than its quotation size, but lower than the standard market size, the systematic internaliser may decide to execute that part of the order which exceeds its quotation size, provided that it is executed at the quoted price.

(b) Where the systematic internaliser is quoting in different sizes and receives an order between those sizes, which it chooses to execute, it shall execute the order at one of the quoted prices in compliance with the provisions of Article 28.

5. Systematic internalisers shall be allowed to decide, on the basis of their commercial policy and in an objective non-discriminatory way, the investors to whom they give access to their quotes. To that end there shall be clear standards for governing access to their quotes. Systematic internalisers may refuse to enter into or discontinue business relationships with investors on the basis of commercial considerations such as the investor credit status, the counterparty risk and the final settlement of the transaction.

6. In order to limit the risk of being exposed to multiple transactions from the same client, systematic internalisers shall be allowed to limit in a non-discriminatory way the number of transactions from the same client which they undertake to enter at the published conditions. They shall also be allowed, in a non-discriminatory way and

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

in accordance with the provisions of Article 28, to limit the total number of transactions from different clients at the same time provided that this is allowable only where the number and/or volume of orders sought by clients considerably exceeds the norm.

Article 54

Post-trade transparency requirements for transactions outside regulated markets or MTFs

1. AEPEYs which, either on own account or on behalf of clients, conclude transactions in shares admitted to trading on a regulated market outside a regulated market or MTF shall, at least, make public the volume and price of those transactions and the time at which they were concluded. This information shall be made public as close to real-time as possible, on a reasonable commercial basis, and in a manner which is easily accessible to other market participants.

2. The information which is made public in accordance with paragraph 1 and the time-limits within which it is published shall comply with the requirements adopted pursuant to Article 57. Where the measures adopted pursuant to Article 57 provide for deferred reporting for certain categories of transaction in shares, this possibility shall apply mutatis mutandis to those transactions when undertaken outside regulated markets or MTFs.

Article 55

Monitoring of compliance with the rules of the MTF or the regulated market

AEPEYs and market operators operating an MTF or a regulated market shall:

(a) establish and maintain effective arrangements and procedures, relevant to the MTF, for the regular monitoring of the compliance by its users with its rules;

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(b) monitor the transactions undertaken by their users under their systems in order to identify breaches of those rules, disorderly trading conditions or conduct that may involve market abuse.

(c) report to the Capital Market Commission significant breaches of its rules or disorderly trading conditions or conduct that may involve market abuse, and

(d) supply the relevant information without delay to the Capital Market Commission for the investigation and prosecution of market abuse and provide full assistance to the latter in investigating and prosecuting market abuse occurring on or through its systems.

Article 56

Pre-trade transparency requirements for MTFs and regulated markets

1. AEPEYs and market operators operating an MTF or a regulated market shall, at least, make public current bid and offer prices and the depth of trading interests at these prices which are advertised through their systems in respect of shares admitted to trading on a regulated market. This information shall be made available to the public on reasonable commercial terms and on a continuous basis during normal trading hours.

3. Operators of a regulated market may, on reasonable commercial terms and in a non-discriminatory manner, allow AEPEYs that are obliged to make public their transactions in shares pursuant to article 51, to have access to the means used for the disclosure of the information referred to in paragraph 1.

4. The Capital Market Commission may, by decision of its Board of Directors, waive the obligation for AEPEYs or market operators operating an MTF or a regulated market to make public the information referred to in paragraph 1 based on the market model or the type and size of orders, especially in respect of transactions that are large

in scale compared with normal market size for the share or type of share in question.

Article 57

Post-trade transparency requirements for MTFs and regulated markets

1. AEPEYs and market operators operating an MTF or a regulated market shall, at least, make public the price, volume and time of the transactions executed under its systems in respect of shares which are admitted to trading on a regulated market. Details of all such transactions shall be made public, on a reasonable commercial basis, as close to real-time as possible.

2. This requirement shall not apply to details of trades executed on an MTF that are made public under the systems of a regulated market.

3. Operators of a regulated market may, on reasonable commercial terms and in a non-discriminatory manner, allow AEPEYs that are obliged to make public their transactions in shares pursuant to article 54, to have access to the means used for the disclosure of the information referred to in paragraph 1.

4. The Board of Directors of the Capital Market Commission may decide to authorise AEPEYs or market operators operating an MTF or a regulated market to provide for deferred publication of the details of transactions based on their type or size, especially in respect of transactions that are large in scale compared with the normal market size for that share or that class of shares. The method of deferred trade publication shall require the prior approval of the Capital Market Commission and shall be disclosed to market participants and the investing public.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Article 58

Provisions regarding central counterparty, clearing and settlement arrangements

1. Investment firms and market operators operating an MTF or a regulated market may enter into appropriate arrangements with a central counterparty or clearing house and a settlement system established in Greece or another Member State with a view to providing for the clearing and/or settlement of some or all trades concluded by market participants under their systems. Trades concluded in an MTF or regulated market shall be cleared within three (3) business days of their conclusion.

2. The Capital Market Commission may not oppose the use of central counterparty, clearing houses and/or settlement systems established in Greece or another Member State except where this is demonstrably necessary in order to maintain the orderly functioning of that MTF or regulated market and taking into account the conditions for settlement systems established in Article 34(2). The Capital Market Commission shall take into account the oversight/supervision of the clearing and settlement system already exercised by the Bank of Greece as overseer of clearing and settlement systems.

CHAPTER H

POWERS OF AND COOPERATION BETWEEN AUTHORITIES

Article 59

Powers

1. The Capital Market Commission shall be responsible for supervising the implementation of the First Part. The Bank of Greece shall be responsible for supervising the implementation of articles 12 to 15, 19 and 29 by credit institutions providing investment services or activities.

2. In the context of its supervisory function, the Capital Market Commission may carry out general or special checks, on-site or not, of undertakings supervised under this law, especially when there is evidence of infringements. These checks shall be made on a sampling basis.

3. The authorised officers of the Capital Market Commission or the Bank of Greece, as the case may be, may:

(a) have access to any document in any form whatsoever and to receive a copy of it;

(b) demand information from any person and if necessary to summon and question a person with a view to obtaining information, pursuant to the provisions of article 22, paragraphs 9 to 13, of Law 3340/2005;

(c) have access to and receive transcripts of existing telephone and existing data traffic records.

4. The Capital Market Commission may also:

(a) require the cessation of any practice that is contrary to this law or the provisions adopted in the implementation hereof;

(b) request temporary prohibition, for a period not exceeding five (5) years, of professional activity for natural persons employed under dependent employment contracts or otherwise providing serviced to supervised undertakings;

(c) require authorised supervised undertakings' auditors to provide information;

(d) require the suspension of trading in a financial instrument;

(e) remove or require the removal of a financial instrument from trading on a regulated market or under other trading arrangements;

(f) allow auditors or experts to carry out verifications or investigations;

(g) carry out inspections according to the procedure laid down in article 22 of Law 3340/2005 to:

(i) supervised undertakings, and

(ii) non-supervised undertakings or persons, only in the context of implementation of this law.

5. The Bank of Greece may inspect credit institutions supervised thereby regarding the implementation of the provisions of this Part. In the context of such supervision, the Bank of Greece has the inspection powers assigned thereto by Law 3601/2007.

6. The Capital Market Commission may, by decision of its Board of Directors, determine the information to be submitted by supervised undertakings, the time and place of submission thereof, as well as any other technical matter and necessary detail.

Article 80

Cooperation between competent authorities

1. The Bank of Greece and the Capital Market Commission shall cooperate for the effective supervision of investment firms and credit institutions and shall provide each other with all necessary assistance for the performance of their duties, pursuant to this law and the provisions of the special Memorandum of Understanding to be prepared within two (2) months from the entry of this law into force. Such Memorandum of Understanding shall provide for, inter alia:

(a) specific obligations of AEPEYs and credit institutions supervised thereby;

(b) procedures that will ensure the exchange of information and coordination between the Capital Market Commission and the Bank of Greece, with the purpose of avoiding, to the extent possible, overlaps or conflicts of powers in the field of supervision and inspection, as well as reducing the administrative costs of supervision;

(c) provision of all necessary assistance for the performance of their duties;

(d) exchange of information between the Capital Market Commission and the Bank of Greece about sanctions imposed or consultations prior to imposing sanctions in case of significant infringements that may affect the smooth operation of supervised institutions;

(e) provision of information by the Bank of Greece to the Capital Market Commission about credit institutions of other Member States that provide, on the date of entry hereof into force, investment services in Greece through a branch or without establishment, and

(f) cooperation procedure between the Capital Market Commission and the Bank of Greece for inspections to verify credit institutions' compliance with the obligations laid down in articles 25, 27, 28, 50 to 54, 56 and 57, and imposing sanctions for infringements.

2. Information about the exercise of their duties may be exchanged between the Bank of Greece, the Capital Market Commission, the Private Insurance Supervision Committee and the authorities responsible for the supervision of social security organisations.

Article 61

Administrative sanctions

1. The Capital Market Commission may impose, against any natural or legal person that infringes the provisions of the First Part of this law, the regulatory acts issued in implementation hereof and the implementing measures referred to in Directive 2004/39/EC, reprehension or monetary fine up to three million euro (EUR 3,000,000) or equal to twice the gain of the infringer. In the calculation of the sanction, account shall be taken of the effects of the infringement on the smooth operation of the market, the risk of causing damage to investor interests, the level of the damage caused to investors and any restitution

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

thereof, measures taken to eliminate the infringement in the future, the degree of cooperation with the Capital Market Commission at the stage of investigation and inspection, the requirements of special and general prevention, any repeated commission of infringements of this law or other laws on the capital market etc.

2. The Capital Market Commission shall impose a monetary fine of up to five hundred thousand euro (EUR 500,000) in case of non-cooperation with an investigation laid down in article 59.

3. The Bank of Greece shall be responsible for imposing sanctions pursuant to paragraph 1 in case of infringements of the provisions of articles 12 to 15, 19 and 29 of this law, the regulatory acts issued in implementation hereof and the implementing measures referred to in Directive 2004/39/EC by credit institutions supervised by the Bank of Greece. The Bank of Greece may also impose the monetary fine referred to in paragraph 2 in the event that a credit institution supervised thereby does not cooperate with an investigation into the infringement of the provisions of articles 12 to 15, 19 and 29.

4. The Capital Market Commission or the Bank of Greece, as the case may be, may disclose to the public any measure or sanction that will be imposed for infringement of the provisions of the First Part, the regulatory acts issued in implementation hereof and the implementing measures referred to in Directive 2004/39/EC, unless such disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.

Article 62

Extra-judicial mechanism for investors' complaints

AEPEYs shall cooperate with bodies responsible for submitting complaints by AEPEY clients with the purpose of out-of-court settlement of disputes concerning the provision of investment and ancillary services.

Article 63

Professional secrecy

1. The Capital Market Commission, all persons who work or who have worked for the Capital Market Commission, as well as auditors and experts instructed thereby, shall be bound by the obligation of professional secrecy. Confidential information to which professional secrecy shall apply includes information they receive pursuant to article 76, paragraph 12, of Law 1969/1991 (Government Gazette 167 A), as well as information they receive from other competent authorities, bodies and natural or legal persons. The obligation of professional secrecy shall not apply to cases laid down in article 76, paragraph 13, of Law 1969/1991 and where the competent authority, body or natural or legal person communicating information to the Capital Market Commission consents thereto.

2. The provisions of paragraph 1 shall also apply accordingly to the Bank of Greece, in the context of its supervisory powers laid down in articles 12 to 15, 19 and 29.

3. Where an investment firm or market operator has been declared bankrupt or is being compulsorily wound up, confidential information which does not concern third parties may be divulged in civil or commercial proceedings if necessary for carrying out the proceeding.

Article 64

Relations with auditors

1. Chartered auditors carrying out, on the basis of presidential decree 226/1992 (Government Gazette 120 A) the statutory audit of annual, consolidated or individual accounts of supervised undertakings or any other legitimate activity in the context of their tasks, shall have a duty to report promptly to the Capital Market Commission any fact or decision concerning that undertaking of which that person has become aware while carrying out that task and which is liable to:

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(a) constitute a material breach of the laws, regulations or administrative provisions which lay down the conditions governing authorisation or which specifically govern pursuit of their activities;

(b) affect their continuous functioning;

(c) lead to refusal to certify the accounts or to the expression of reservations.

2. Chartered auditors shall also have a duty to report any facts and decisions of which they become aware in the course of carrying out one of the tasks referred to in paragraph 1 in an undertaking having close links with the supervised undertaking within which they are carrying out that task.

3. The disclosure in good faith to the Capital Market Commission of any fact or decision referred to above shall not constitute a breach of any contractual or legal restriction on disclosure of information and shall not involve such persons in liability of any kind.

CHAPTER I

INTERNATIONAL COOPERATION

Article 65

Obligation to cooperate

1. The Capital Market Commission shall cooperate with the competent authorities of other Member States whenever necessary for the purpose of carrying out their duties. The Capital Market Commission shall render assistance to competent authorities of the other Member States. In particular, they shall exchange information and cooperate in any investigation or supervisory activities.

2. The Capital Market Commission is designated as contact point to receive requests for exchange of information or cooperation for the purposes of the First Part of this law.

3. When the operations of a regulated market that has established arrangements in Greece have become of substantial

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

importance for the functioning of the securities markets and the protection of the investors, the Capital Market Commission and the host competent authorities of the regulated market shall establish proportionate cooperation arrangements.

4. The Capital Market Commission shall take the necessary administrative and organisational measures to facilitate the assistance provided for in paragraph 1.

5. The Capital Market Commission may use its powers for the purpose of cooperation, even in cases where the conduct under investigation does not constitute an infringement of any regulation in force in Greece.

6. Where the Capital Market Commission has good reasons to suspect that acts contrary to the provisions of this law, carried out by entities not subject to its supervision, are being or have been carried out on the territory of another Member State, it shall notify this in as specific a manner as possible to the competent authority of the other Member State. This paragraph shall be without prejudice to the competences of the Capital Market Commission.

7. If the competent authority of another Member State informs the Capital Market Commission that actions contrary to a law transposing Directive 2004/39/EC are being or have been carried out on its territory by entities not subject to its supervision, the Capital Market Commission shall take appropriate action and shall inform the notifying competent authority of the outcome of the action and, to the extent possible, of significant interim developments.

Article 66

Cooperation in supervisory activities

1. The Capital Market Commission may request the cooperation of the competent authority of another Member State in an investigation.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

2. The Capital Market Commission may demand from investment firms that are remote members of a regulated market for any information considered necessary and shall inform the competent authority of the home Member State of the remote member accordingly.

3. Where the Capital Market Commission receives a request from a competent authority of another Member State with respect to an on-the-spot verification or an investigation, it shall:

(a) carry out the investigation itself; or

(b) allow the requesting authority to carry out the verification or investigation; or

(c) allow auditors or experts to carry out the verification or investigation.

Article 67

Exchange of information

1. The Capital Market Commission shall immediately exchange all the information required for the purposes of carrying out the duties of the competent authorities of the Member States. The Capital Market Commission may, when providing information to other competent authorities, indicate at the time of communication that the information it provides pursuant to the First Part can be disclosed only with its express agreement and solely for the purposes for which it gave its agreement. The Capital Market Commission may transmit the information received under paragraph 1 of Articles 65 to the Bank of Greece.

2. Competent authorities or bodies or natural or legal persons receiving confidential information under paragraph 1 of this Article or under Articles 64 and 70 may use it only in the course of their duties, in particular:

(a) to check that the conditions governing the taking-up of the business of investment firms are met and to facilitate the monitoring, on

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

a non-consolidated or consolidated basis, of the conduct of that business, especially with regard to the capital adequacy requirements, administrative and accounting procedures and internal-control mechanisms;

(b) to monitor the proper functioning of trading venues;

(c) to impose sanctions;

(d) in administrative appeals against decisions by the competent authorities;

(e) in court proceedings under civil, penal or administrative law; or

(f) in the extra-judicial mechanism for investors' complaints provided for in Article 62.

3. Articles 63, 67 and 70 shall not prevent the Capital Market Commission from transmitting to the Bank of Greece, in its capacity as monetary authority, the European System of Central Banks and the European Central Bank and, where appropriate, to other public authorities responsible for overseeing payment and settlement systems, confidential information intended for the performance of their tasks; likewise such authorities or bodies shall not be prevented from communicating to the Capital Market Commission such information as it may need for the purpose of performing its functions provided for in this law.

4. An Act of the Governor of the Bank of Greece may determine the data and information to be submitted thereto by investment firms in order to enable the Bank to effectively exercise the monetary and foreign exchange policy, the procedure for the provision of such information, as well as any other special matter and information considered necessary to facilitate the exercise of its tasks as monetary authority. The Bank of Greece shall maintain professional secrecy

regarding all information received thereby pursuant to this and the preceding paragraphs.

Article 68

Refusal to cooperate

1. The Capital Market Commission may refuse to act on a request for cooperation in carrying out an investigation, on-the-spot verification or supervisory activity as provided for in Article 66 or to exchange information as provided for in Article 67 or refuse to exchange information and carry out any activity provided for in article 66 where:

(a) such an investigation or exchange of information might adversely affect the sovereignty, security or public policy of Greece;

(b) judicial proceedings have already been initiated in respect of the same actions and the same persons before Greek courts;

(c) final judgment has already been delivered by a Greek court in respect of the same persons and the same actions.

2. In the case of such a refusal, the Capital Market Commission shall notify the requesting competent authority accordingly, providing as detailed information as possible.

Article 69

Power of the Capital Market Commission to take precautionary measures

1. Where the Capital Market Commission ascertains that an investment firm acting in Greece under the freedom to provide services or that an investment firm that has a branch in Greece is in breach of the obligations arising from the provisions of this law, which however do not come under the provisions stipulated in article 32, paragraph 2, it shall inform the competent authority of the home Member State. If, despite the measures taken by the host Member State or because such measures prove inadequate, the investment firm persists in acting in a manner that is clearly prejudicial to the interests of investors or the orderly

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

functioning of the markets in Greece, the Capital Market Commission shall, after informing the competent authorities of the home Member State, take appropriate measures needed in order to protect investors and the proper functioning of the markets. This shall include the possibility of prevending the investment firm from initiating any further transactions in Greece.

2. Where the Capital Market Commission ascertains that an investment firm that has a branch in Greece is in breach of the capital market legislation applicable in Greece, it shall require the investment firm to put an end to its regular situation. If the investment firm concerned fails to comply with the recommendations of the Capital Market Commission, the Capital Market Commission shall take all appropriate measures to ensure that the investment firm concerned puts an end to its irregular situation. The nature of those measures shall be communicated to the competent authorities of the home Member State. If, despite the measures taken by the Capital Market Commission, the investment firm persists in breaching the capital market provisions applicable in Greece, the Capital Market Commission may, after informing the competent authorities of the home Member State, take appropriate measures to prevent or to penalise further irregularities and, in so far as necessary, to prevent that investment firm from initiating any further transactions in Greece.

3. Where the Capital Market Commission, as the competent authority of the host Member State of a regulated market or an investment firm operating an MTF ascertains that such regulated market or investment firm is in breach of the obligations arising from this law, it shall refer those findings to the competent authority of the home Member State of the regulated market or the MTF. If, despite the measures taken by the competent authority of the home Member State or because such measures prove inadequate, the said regulated market or the MTF

persists in acting in a manner that is clearly prejudicial to the interests of investors or the orderly functioning of markets in Greece, the Capital Market Commission, after informing the competent authority of the home Member State, shall take all the appropriate measures needed in order to protect investors and the proper functioning of the markets. This shall include the possibility of preventing the said regulated market or the MTF from making their arrangements available to remote members or participants established in Greece.

4. The Capital Market Commission shall inform without delay the European Commission of measures adopted pursuant to this article. The Capital Market Commission shall also communicate to the investment firm or regulated market concerned the measures adopted pursuant to this article involving sanctions or restrictions on their activities.

Article 70

Exchange of information with third countries

1. The Capital Market Commission may conclude cooperation agreements providing for the exchange of information with the competent authorities of third countries only if the information disclosed is subject to guarantees of professional secrecy at least equivalent to those required under Article 63. Such exchange of information must be intended for the performance of the tasks of those competent authorities. The Capital Market Commission may transfer personal data to a third country in accordance to article 9 of Law 2472/1997 (Government Gazette 50 A).

2. The Capital Market Commission may also conclude cooperation agreements providing for the exchange of information with third country authorities, bodies and natural or legal persons responsible for:

(a) the supervision of credit institutions, other financial organisations, insurance undertakings and money markets;

(b) the liquidation and bankruptcy of investment firms and other similar procedures;

(c) carrying out statutory audits of the accounts of investment firms and other financial institutions, credit institutions and insurance undertakings, in the performance of their supervisory functions, or which administer compensation schemes, in the performance of their functions;

(d) overseeing the bodies involved in the liquidation and bankruptcy of investment firms and other similar procedures;

(e) overseeing persons charged with carrying out statutory audits of the accounts of insurance undertakings, credit institutions, investment firms and other financial institutions, only if the information disclosed is subject to guarantees of professional secrecy at least equivalent to those required under Article 63.

Such exchange of information must be intended for the performance of the tasks of those authorities or bodies or natural or legal persons.

3. Where the information originates in another Member State or a non-Member State, the Capital Market Commission may not disclose it without the express agreement of the competent authorities which have transmitted it and, where appropriate, solely for the purposes for which those authorities gave their agreement.

CHAPTER J

TRANSITIONAL PROVISIONS

Article 71

Transitional provisions

1. The provisions abrogated on the basis of article 85, including provisions on competence, shall continue to apply to actions and omissions made until the entry of this law into force.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

2. Broker representatives appointed pursuant to article 6 of Law 1806/1988 (Government Gazette 207 A), which is abrogated by article 85, point (d), paragraph (1), shall be considered to hold the professional competence certification provided for by article 14, (a) for the provision of investment services consisting in taking and transmitting orders, executing orders, providing investment advice and managing portfolios, provided that they have been appointed before 30 June 1998, or (b) for the provision of investment services consisting in taking and transmitting orders, executing orders and providing investment advice, provided that they have been appointed after 30 June 1998.

3. AEPEYs and Securities Societes Anonymes existing at the date of entry hereof into force shall be considered to have been authorised pursuant to article 9 only if they meet the conditions laid down in Chapter B of this Part and, if required, shall submit a request for approval of the amendment to their statutes and their authorisation, along with the required documentation, to the Capital Market Commission and adapt to the provisions hereof within three (3) months of the entry hereof into force.

4. Communications under articles 12 to 16 of Law 2396/1996 made before the entry hereof into force shall be considered as communications under articles 31 to 33.

5. Paragraph 1 of article 18 shall apply to financial years commencing after 31 December 2007.

6. Special liquidation overseers who were subject to article 4a, paragraph 10, of Law 1806/1988, which was added by article 43, paragraph 2, of Law 3371/2005 and which is abrogated by article 85, paragraph 1, item (d), hereof, shall, within one (1) month of the entry hereof into force, submit the request referred to in article 22, paragraph 9, for their substitution and the substitution of liquidators.

7. "Athens Exchange SA" and the regulated markets for securities and derivatives managed by "Athens Exchange SA", which were authorised pursuant to article 21 of Law 3371/2005, shall be relieved of the obligation of authorisation pursuant to article 42, paragraph 1, and article 43, paragraph 2, respectively.

8. "Athens Exchange SA" shall submit a request to the Capital Market Commission for the authorisation provided for in article 15 of the Multilateral Trading Mechanism, which operates under article 29 of Law 3566/2007 (Government Gazette 91 A), within twelve (12) months of the entry hereof into force.

9. The Electronic Secondary Securities Market under article 26 of Law 2515/1997 (Government Gazette 154 A) shall be authorised pursuant to article 43, paragraph 2, within eighteen (18) months of the entry hereof into force. The Bank of Greece shall be relieved of the obligation to receive a market operator authorisation, pursuant to article 42, paragraph 1, item (a).

SECOND PART
CENTRAL COUNTERPARTY, CLEARING AND SETTLEMENT SYSTEMS AND OTHER PROVISIONS
CHAPTER A
AUTHORISATION AND OPERATION OF CENTRAL COUNTERPARTY, CLEARING AND SETTLEMENT SYSTEMS
Article 72
Definitions and scope

1. For the purposes of this Part,

(a) "System" means central counterparty, clearing and settlement system, similar mechanisms with like features and/or combinations thereof, carrying out activities consisting in finalising or arranging the finalisation of transactions in financial instruments;

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(b) "System operator" means a person or persons managing or directing the activities of a System.

2. The provisions of this Part shall apply to Systems and System operators, with the exception of the System for Monitoring Transactions in Book-entry Securities provided for in Chapter B of Law 2198/1994 (Government Gazette 43 A) and the Bank of Greece as operator of such System.

Article 73

System authorisation

1. The operation of a System in Greece must be authorised by the Capital Market Commission. The authorisation is granted at the request of the System operator, provided that the conditions of this Chapter are met.

2. The System shall, at least, have the necessary organisational arrangements to exercise clearing or central counterparty or settlement tasks in the context of its operation, in compliance with the provisions of article 43, paragraph 1, items (a), (b), (c) and (f), and:

(a) have the necessary mechanisms to prevent systemic risks and comply with the provisions of Law 2789/2000 (Government Gazette 21 A) on irrevocable settlement;

(b) operate on the basis of rules ensuring transparent clearing or central counterparty or settlement activities, sufficient and effective terms of access of its members and conditions enabling non-discriminatory access, including remote access;

(c) have System bylaws regulating matters of applicable central counterparty or clearing or settlement procedures, rules of access to the system and members' obligations thereto, risk management rules for ensuring the smooth operation of the system and the presence of a collateral fund or the obligation of its members to provide collateral.

3. The Board of Directors of the Capital Market Commission may authorise a System, having ascertained that the conditions of the preceding paragraph are met. Along with the System authorisation, the Capital Market Commission shall approve the bylaws as to legality. The Board of Directors of the Capital Market Commission shall also approve any amendment to such bylaws. The decisions referred to in this paragraph shall be published in the Government Gazette. The bylaws and the amendments thereto shall be binding, as of the date of entry into force of the approving decision of the Capital Market Commission, for the members of the System, the other persons and bodies involved in clearing and settlement in the context of the operation of the System and all persons concerned.

4. The Capital Market Commission may, by decision of its Board of Directors, determine specific terms and procedures for granting and withdrawing System authorisations. The same decision may specify the content of the System bylaws and determine the procedure for its disclosure.

5. The Capital Market Commission may also, by decision of its Board of Directors, determine the terms and conditions on the basis of which Systems may undertake the clearing or settlement of transactions made in markets of other Member States or third countries.

Article 74

System operator authorisation

1. The System operator shall operate in the form of societe anonyme and shall be authorised by the Capital Market Commission. The purpose of the System operator is to organise and operate systems. The operator shall be responsible for the compliance of the Systems managed thereby with the obligations laid down in applicable laws. The provisions of article 42, paragraphs 2 to 7, shall apply pro rata to the authorisation and operation of the operator.

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

2. The System operator may also manage a register of book-entry or real securities, acting as central securities depository pursuant to article 39 of Law 2396/1996 and article 105, paragraph 3, of Law 2533/1997, on condition that he does not expose the property rights of the holders of securities to risks relating to the clearing of transactions.

3. The Capital Market Commission may, by decision of its Board of Directors, specify the conditions and procedure for granting and withdrawing authorisations to System operators, the terms and conditions for approving suitability under article 42, paragraph 3, of the members of the Board of Directors, the persons who effectively direct its activity and its shareholders, the conditions and criteria for approving the terms of its operation, as well as any other technical matter and necessary detail.

Article 75

Access to the System

1. Systems shall be accessed, as members, by credit institutions and investment firms duly operating in Greece, as well as other Systems or System operators under remote operation, without prejudice to the rights of system operators pursuant to article 34, paragraph 3.

2. Systems and their operators may admit only the persons referred to in paragraph 1 as members, provided that they meet the terms and conditions laid down in the System bylaws.

Article 76

Collateral fund

1. The System operator may manage a Fund with the purpose of protecting the System from its members' credit risks. The fund shall be a set of assets established to serve its purpose out of the contributions of the members of the System.

2. Regarding all legal relations, the fund shall be represented by its operator. The operator may appoint third parties with the purpose

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

of performing depository duties. The operator shall be responsible for the actions or omissions of the depository and its bodies.

3. The participation of a member in the fund shall be determined by its share. The share consists of all contributions of a member in the fund, including any proceeds resulting on the basis of its reserve management and investment rules.

4. The fund may operate as a mutual insurance fund when, in case a member has insufficient funds in its share to cover the loss resulting from default, the balance of the loss is incurred pro rata by the shares of the other members of the fund, reducing their participation therein accordingly.

5. The system operator shall activate the fund in case of a member's default pursuant to the rules stipulated in the System bylaws.

6. A decision of the Capital Market Commission may determine matters relating to the reimbursement of a member's share in the event of dissolution of the member's legal person or withdrawal of its authorisation, especially in case of special liquidation under article 21.

7. In the event that a member is put under special liquidation, the monetary amount of its reimbursed share shall be applied to the satisfaction, in absolute priority, of the claims of its clients for the provision of investment services thereto. The claims of clients shall rank as privileged before the order of claims under article 975, item 3, of the Code of Civil Procedure, and before division under article 977 of the Code of Civil Procedure.

Article 77

Collateral

1. To ensure the smooth fulfilment of their System-related obligations, the members may provide collateral thereto. Collateral may consist in cash and financial instruments, as defined in article 2, paragraph 1, items (d) and (e), of Law 3301/2004 (Government Gazette

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

263 A). The obligations to provide collateral may also be fulfilled by the provision of guarantees, including but not limited to letters of guarantee issued by a credit institution duly operating in Greece.

2. Collateral shall be kept in collateral accounts pursuant to the System bylaws. A legitimate pledge shall be constituted on collateral, according to the provisions of Law 3301/2004 on financial collateral. Collateral may take the form of financial collateral by transfer of title under Law 3301/2004, pursuant to the more specific provisions of the System bylaws.

Article 78

Special provisions on attachment

1. Where book-entry securities are attached in the hands of a member a System or register of book-entry or real securities, which, at the time of attachment, were sold but the relevant transaction was not cleared yet, the subject of the attachment shall be the proceeds of the sale after the deduction of taxes, commissions and other duties and charges and it shall devolve to the member after the offsetting of any contrary monetary claims of the member, at the time of attachment, against the beneficiary of the proceeds of sale after the deduction of taxes, commissions and other duties and charges.

2. If an attachment is imposed on the bank account kept by System members for the needs of settlement, pursuant to the more specific provisions of the System bylaws, such attachment shall not yield any effects and shall be null and void:

(a) towards the System, which shall be entitled to withdraw the funds required to fulfill the monetary obligations of the System members; and

(b) towards System members as to funds belonging to their clients.

Article 79

Member in default

1. In the event of default of a member as to the fulfilment of its clearing or settlement obligations in the context of operation of a System, the System operator shall have any or all of the following special rights:

(a) To make coverage transactions, including taking or giving loans and selling or purchasing under repurchase or resale agreement on transferable securities and apply against the member in default the clearing offset clauses referred to in article 2, paragraph 1(n) of Law 3301/2004;

(b) To proceed to the partial or total forfeiture of the collateral given, apply, sell or acquire the ownership of funds or financial instruments given as collateral, according to articles 4 to 6 of Law 3301/2004 and pursuant to the more specific provisions of the System bylaws and, in case of collateral consisting in securities that became due and payable, collect in its name the claims arising therefrom;

(c) To withdraw from the defaulting member's share in the Fund the amounts required to cover its pending debts and, in case of mutual-insurance fund, withdraw the corresponding amounts from the shares of the other members or participants in the Fund;

(d) To entrust other System members with the management of the accounts of the defaulting member's clients, especially in case of failure to perform due to liquidity, capital adequacy or solvency problems or due to withdrawal of authorisation.

2. In case of insolvency, in the sense of article 1(j) of Law 2789/2000, of a System member, any clearing, settlement, coverage transactions and clearing offset actions, including the provision thereby of collateral in favour of the system, shall be fully legitimate and opposable to any third party if they concern pending matters of the

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

defaulting member in the System from transactions made before the System operator was informed of the commencement of the insolvency procedure under articles 3 to 7 of Law 2789/2000.

4. The System operator shall immediately inform the Capital Market Commission of the default or insolvency, as well as of the measures taken to deal therewith.

Article 80

Powers of the Capital Market Commission and administrative sanctions

1. The Capital Market Commission shall be responsible for supervising the implementation of the provisions of the Second Part of this Law by System operators, systems and their members. The authorised offices of the Capital Market Commission shall have the powers referred to in article 59, paragraph 3 and paragraph 4, items (a) to (e), (f) and (i). Such supervision shall not prejudice the powers of the Bank of Greece as overseer of the payment and settlement systems pursuant to Law 2789/2000.

2. The Capital Market Commission may impose fines to any natural or legal person that infringes the provisions of the Second Part of this law or the decisions issued in implementation hereof, which may amount up to three million euro (EUR 3,000,000), according to article 61, paragraph 1, item (b).

3. The Capital Market Commission may also impose fines up to five hundred thousand euro (EUR 500,000) in case of non-cooperation in investigations covered by paragraph 2. Article 61, paragraph 4, shall apply to the measures or sanctions taken or imposed pursuant to such article.

Article 81

Professional secrecy

1. All information and data kept by the Systems and their operators shall be protected thereby as confidential. The confidentiality of such information and data shall not apply towards the Capital Market Commission, the Bank of Greece and/or other authorities or bodies, as well as System-related market operators in the exercise of their duties according to applicable laws.

2. Systems and their operators shall not be bound by the confidentiality provided for in article 56, paragraph 1, of Law 2396/1996, article 12, paragraph 2, of Law 2198/1994 (Government Gazette 43 A) and article 1 of Law 1059/1971 (Government Gazette 270 A), as currently in force, regarding to the cash or securities account kept with central banks, central securities depositories or institutions referred to in article 1, item (b), of Law 2789/2000 in the context of system operation procedures.

Article 82

Tax provisions

1. Without prejudice to value added tax provisions, the collection of contribution amounts to a Fund for the protection of a System established and operating pursuant to the provisions of the Second Part of this law shall be exempt from any tax, duty or charge in favour of the State or third parties.

2. System funds shall be exempt from any income or property taxes, with the sole exception of revenue taxes, the collection of which is made, pursuant to applicable tax provisions, by withholding at source and reimbursement to the beneficiary.

3. Without prejudice to the income tax and value added tax provisions, no tax, charge, stamp duty and royalty in favour of the State or third parties shall be levied upon the acquisition of derivatives traded

in a regulated market, capital gains from transactions in such derivatives, revenues or profits from transactions in products of lending or borrowing and sale or purchase under repurchase or resale agreement on transferable securities, provision of collateral to ensure the smooth operation of a system, transfer of legitimate interests on derivatives and relevant collateral among system members or participants and any consequent action and agreement.

Article 83

Transitional provisions on transaction clearing and settlement systems of the securities and derivatives markets of the Athex

1. "Hellenic Exchanges SA" (HELEX), in its capacity of operator of the securities and derivatives clearing and settlement System, as provided for in the applicable regulations of article 5 of Law 3152/2003 (Government Gazette 152 A), shall act as system operator in the sense of this law.

2. HELEX must be authorised by the Capital Market Commission as system operator for the clearing and settlement systems in book-entry securities (Securities System) and derivatives (Derivatives System) it manages, within eighteen (18) months of the entry hereof into force. HELEX shall manage, as Securities System operator, the Ancillary Fund under Law 2471/1997 (Government Gazette 46 A) existing on entry hereof into force, according to the terms of this law and the terms of the relevant System bylaws.

3. The Capital Market Commission shall authorise the Securities System and the Derivatives System and shall, at the same time, approve the bylaws of each system.

4. HELEX shall continue to manage the Book-entry Securities System in the capacity of Central Securities Depository, pursuant to the regulation provided for in article 105, paragraph 3, of

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Law 2533/1997 and articles 39 et seq. of Law 2396/1996, subject to article 74 hereof.

5. HELEX may, with the approval of the Capital Market Commission, delegate to third parties its powers relating to the management of the Boon-entry Securities System, exercised in its capacity of Central Securities Depository, pursuant to articles 39 et seq. of Law 2396/1996 and the specific provisions of the applicable regulation referred to in article 105, paragraph 3, of Law 2533/1997. The Capital Market Commission may, in parallel with its approval, set special terms for the delegation of management, determine the conditions to be met by the new manager and stipulate any other relevant matter and necessary detail.

CHAPTER B

OTHER PROVISIONS

Article 84

Amendment and supplementation of provisions on the capital market

1. Article 1 of Law 3371/2005 shall be substituted as follows:

"Article 1

Purpose and scope

1. The purpose of articles 1 to 10 of this law is to transpose into Greek legislation Directive 2001/34/EC of the European Parliament and of the Council (L 184/6.7.2001) on the admission of securities to official stock exchange listing and on information to be published on those securities.

2. Articles 2 to 21 shall apply to securities which are admitted to official listing or are the subject of an application for admission to official listing on a stock exchange operating in Greece.

3. "Securities" shall mean:

(a) shares;

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

(b) bonds and fixed-income instruments in general;

(c) Greek certificates and titles representing shares in general;

(d) certificates representing bonds and other fixed-income instruments;

(e) titles representing rights to acquire shares or bonds;

(f) any other security admitted to trading and entitling the acquisition of another security by listing or exchanging or entitling clearing in cash; and

(g) any other security defined as security by decision of the Capital Market Commission.

4. "Listing of securities on a stock exchange" or "listing of securities on a regulated market" shall mean the listing of securities for trading on a regulated market whose operator is a stock exchange.

5. In this law, "public listing" of securities shall also include public offering of existing securities".

2. (a) Paragraph 1a shall be added after paragraph 1 of article 4 of Law 2225/1994 (Government Gazette 121 A) as follows:

"1a. Confidentiality may also be lifted for the purpose of ascertaining infringements of articles 3 to 7, 29 and 30 of Law 3340/2005 (Government Gazette 112 A)".

(b) A sentence shall be added at the end of paragraph 5 of article 4 of Law 2225/1994 (Government Gazette 121 A) as follows:

"In the cases referred to in paragraph 1a of this article, the lifting of confidentiality may also be requested by the Capital Market Commission, by decision of its Executive Committee, which is submitted to the competent Public Prosecutor for the Court of Appeal or the investigating judge, who shall forward it to the Council of Appeal Judges".

(c) A third sentence shall be added after the second sentence of paragraph 9 of article 5 of Law 2225/1994 as follows:

"In the cases referred to in paragraph 1a of article 4, such information shall also be used in the administrative procedure to ascertain the infringement of articles 3 to 7, 29 and 30 of Law 3340/2005 and shall be attached to the relevant case file in the proceedings before administrative courts".

3. In the second sentence of paragraph 2 of article 28 of Law 2843/2000 (Government Gazette 219 A), the word "innovative" shall be deleted.

Article 85

Abrogated provisions

1. The following provisions shall be abrogated on entry hereof into force:

(a) articles 6a, 12 to 16, 19 to 23, 26, 27, 30 and 31 of Law 3632/1928;

(b) articles 4, 6, 8, 12, 13, 14 and 17 of necessity law 2341/1940;

(c) article 12 of necessity law 148/1967 (Government Gazette 173 A);

(d) articles 1, 3, 4, 4a, 4b, 6 to 11, 13, 18, 20, 21, 22, 22a, 24 to 28, 31, 33a, 36 and 37 of Law 1806/1988;

(e) paragraph 1 of article 61 of Law 1892/1990 (Government Gazette 101 A);

(f) article 2 of Law 1960/1991 (Government Gazette 123 A);

(g) articles 60, 69, 71, 71A of Law 1969/1991;

(h) articles 1 to 5 and 7 to 9, 17 and 29 of Law 2324/1995 (Government Gazette 146 A);

(i) articles 1 to 31 of Law 2396/1996;

(j) articles 1 to 14 and 16 to 32, with the exception of provisions remaining in force and abrogated according to paragraph 6 of this article and article 91 of Law 2533/1997;

(k) paragraphs 2 and 6 of article 29 of Law 2579/1998 (Government Gazette 31 A);

(l) articles 3, 5, 15 and 16 of Law 2651/1998 (Government Gazette 248 A);

(m) article 15, paragraph 2, of law 2733/1999 (Government Gazette 155 A);

(n) articles 1, 2, 4 and 7 of Law 2826/2000 (Government Gazette 168 A);

(o) articles 1 to 4 and 9 of Law 3152/2003 (Government Gazette 152 A);

(p) article 54 of Law 3371/2005;

(q) article 29 of Law 3556/2007.

2. On publication hereof in the Government Gazette, article 15 of Law 2533/1997 shall be abrogated.

3. On entry into force of the decision of the Board of Directors of the Capital Market Commission, as provided for in paragraph 10 of article 25, the Ministry of National Economy Decision 12263/B.500/11 April 1997 (Government Gazette 340 B) shall be abrogated.

4. On entry into force of the decision of the Capital Market Commission approving the Bylaws of the Securities System and, in any event, eighteen (18) months after the entry hereof into force, the provisions of articles 4 to 7 of Law 2471/1997 and paragraphs 1 to 3 of article 5 and article 5a of Law 3152/2003 shall be abrogated.

5. Any decisions of the Capital Market Commission, issued pursuant to the provisions of articles 4 to 7 of Law 2471/1997, shall cease to be applicable on entry into force of the decision of the Capital Market Commission approving the Bylaws of the Securities System and, in any event, they shall cease to be applicable eighteen (18) months after the entry hereof into force.

6. On entry into force of the decision of the Capital Market Commission approving the Bylaws of the Derivatives System and, in any event, eighteen (18) months after the entry hereof into force, the following provisions shall be abrogated:

(a) paragraphs 2 and 20 of article 1, paragraph 2 of article 10, paragraphs 2 and 3 of article 11, article 21, paragraphs 2 and 3 of article 22, paragraph 3 of article 24, articles 25 to 30 of Law 2533/1997, and

(b) paragraphs 4 and 5 of article 5 of Law 3152/2003.

[…]

Article 90

Entry into force

This law shall enter into force on 1 November 2007, with the exception of the provisions of paragraph 3 of article 84 and paragraph 2 of article 85, which will enter into force on publication of the law in the Government Gazette.

We hereby order the publication hereof in the Government Gazette and its implementation as a law of the State.

Athens, 17 August 2007

THE PRESIDENT OF THE REPUBLIC

CAROLOS G. PAPOULIAS

THE MINISTERS OF

INTERIOR, PUBLIC ADMINISTRATION AND DECENTRALISATION

P. PAVLOPOULOS

ECONOMY AND FINANCE

G. ALOGOSKOUFIS

JUSTICE

A. PAPALIGOURAS

CULTURE

G. VOULGARAKIS

DEPUTY MINISTER OF CULTURE

G. ORFANOS

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ, ΥΠΟΥΡΓΕΙΟ ΕΞΩΤΕΡΙΚΩΝ,
ΜΕΤΑΦΡΑΣΤΙΚΗ ΥΠΗΡΕΣΙΑ
REPUBLIQUE HELLÉNIQUE, MINISTÈRE DES AFFAIRES ÉNTRANGÈRES,
SERVICE DE TRADUCTION
HELLENIC REPUBLIC, MINISTRY OF FOREIGN AFFAIRS,
TRANSLATION SERVICE

Attested and vested with the Great Seal of the State.

Athens, 17 August 2007

THE MINISTER OF JUSTICE

A. PAPALIGOURAS

Athens, 8 October 2008
True translation from Greek
The translator Eleni Dimitriou