LAW NUMBER 4209 (GOVERNMENT GAZETTE A 253/21.11.2013)

Implementation of Directive 2011/61/EU into National Law on Alternative Investment Fund Managers and Directive 2011/89/EU on the supplementary supervision on financial entities in a financial conglomerate, measures for the implementation of Regulation (EU) 648/2012/EU on over the counter derivatives, central counterparties and trade repositories, and other provisions.

THE PRESIDENT OF THE HELLENIC REPUBLIC

We adopt the following law voted by the Greek Parliament:

PART A

TRANSPOSITION OF DIRECTIVE 2011/61/EU

CHAPTER A

GENERAL PROVISIONS

Article 1

Purpose

With the provisions of articles 1 to 53 of Part A of this Law, Directive 2011/61/EU of the European Parliament and of the Council of June 8 2011 (EU L 174/1.7.2011), is implemented to national law "on Alternative Investment Fund Managers (AIFM) who manage or market such funds, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) 1060/2009 and (EU) No 1095/2010", as amended by Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013 (EU L 145/31.5.2013).

Article 2

Scope
(Article 2 of Directive 2011/61/EU)

1. Subject to paragraph 3 of this article and to article 3, the provisions of Part A (articles 1-53) shall apply to:

a) managers of alternative investment funds (AIFMs) with registered office in Greece, which manage one or more alternative investment funds (AIFs), irrespective of whether such AIFs are AIFs with registered office in Greece, AIFs with registered office in another member state of the EU or AIFs with registered office outside the EU,

b) AIFMs with registered office outside the EU, which manage one or more AIFs with registered office in Greece, and

c) AIFMs with registered office outside the EU, which market one or more AIFs in Greece or more AIFs, irrespective of whether such AIFs are AIFs with registered office in Greece, AIFs with registered office in another member state or AIFs with registered office outside of the EU.

2. The application of the provisions of Part A (Articles 1-53) shall not be affected:

a) whether the AIF is open-ended or closed-ended, b) whether the AIF is constituted under the law of contract, under trust law, under statute, or has any other legal form, c) from the legal structure of the AIFM.

3. The provisions of Part A (articles 1-3) shall not apply to the following entities:

a) holding companies,

b) occupational insurance funds of Greek law 3029/2002 or institutions for occupational retirement provision which are covered by Directive 2003/41/EC, including, where applicable, the authorised entities responsible for managing such institutions and acting on their behalf referred to in article 2(1) of that Directive or the investment managers appointed pursuant to article 19(1) of that Directive, in so far as they do not manage AIFs,

c) supranational institutions, such as the European Central Bank, the European Investment Bank, the European Investment Fund, the European Development Finance Institutions and bilateral development banks, the World Bank, the International Monetary Fund, and other supranational institutions and similar international organizations, in the event that such institutions or organizations manage AIFs and in so far as those AIFs act in the public interest,

d) national central banks,

e) national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems,

f) employee participation schemes or employee savings schemes,

g) securitisation special purpose entities.

4. The AIFMs referred to in paragraph 1 shall comply with the provisions of Part A (articles 1-53) on an ongoing basis.

Article 3

Exemptions
(Article 3 of Directive 2011/61/EU)

1. The provisions of Part A shall not apply to AIFMs if they manage one or more AIFs whose only investors are the AIFM or the parent undertakings or the subsidiaries of the AIFM or other subsidiaries of those parent undertakings of those AIFMs, provided that none of those investors is itself an AIF.

2. Without prejudice to article 44, only paragraphs 3 and 4 of this article shall apply to the following AIFMs with registered office in Greece:

a) AIFMs which either directly or indirectly, through a company with which the AIFM is linked by common management or control, or by a substantive direct or indirect holding, manage portfolios of AIFs whose assets under management, including any assets acquired through use of leverage, in total do not exceed a threshold of one hundred million euros (€100,000,000), or

b) AIFMs which either directly or indirectly, through a company with which the AIFM is linked by common management or control, or by a substantive direct or indirect holding, manage portfolios of AIFs whose assets under management in total do not exceed a threshold of five hundred million euros (€500,000,000), when the portfolios of AIFs consist of AIFs that are unleveraged and have no redemption rights exercisable during a period of five years following the date of initial investment in each AIF.

3. AIFMs referred to in paragraph 2 shall at least:

a) must be registered by the Hellenic Capital Market Commission,

b) at the time of the above registration, notify to the HCMC, information of themeselves as well as the AIFs under management,

c) provide information on the investment strategies of the AIFs that they manage to the Hellenic Capital Market Commission at the time of registration,

d) regularly provide to the Hellenic Capital Market Commission with information on the main instruments in which they are trading and on the principal risk exposures, and most important concentrations of the AIFs that they manage in order to enable the Hellenic Capital Market Commission to monitor systemic risk effectively, and

e) notify the Hellenic Capital Market Commission in the event that they no longer meet the conditions referred to in paragraph 2.

If the conditions set out in paragraph 2 are no longer met, the AIFMs concerned applies for authorization within thirty (30) calendar days in accordance with the relevant procedures laid down in Chapter B (articles 6-11) of Part A (Articles 1-53).

4. AIFMs referred to in paragraph 2 shall not benefit from any of the rights granted under the Part A (articles 1-53), unless they opt to fall into the scoop of this law, by being granted an authorization according to the procedure provided for in Chapter B of Part A. Where AIFMs opt in, the Part A shall become applicable in its entirety.

5. Based on the implementing measures referred to in paragraphs 5 and 6 of article 3 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) specifying the procedures for AIFMs which choose to opt in under the Part A (articles 1-53) in accordance with paragraph 4,

b) how the thresholds referred to in paragraph 2 are to be calculated and the treatment of AIFMs which manage AIFs whose assets under management, including any assets acquired through the use of leverage, occasionally exceed and/or fall below the relevant threshold in the same calendar year,

c) the obligation to register and to provide information in order to allow effective monitoring of systemic risk as set out in paragraph 3, and

d) the obligation to notify the Hellenic Capital Market Commission as set out in paragraph 3.

Article 4

Definitions
(Article 4 of Directive 2011/61/EU)

For the purposes of Part A (articles 1-53), the following definitions shall apply:
a) "AIFs" means collective investment undertakings, including investment compartments thereof, which:

aa) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors, and

bb) do not require authorization pursuant to article 4 of Greek law (4099/2012 (A 250) or the article 5 of Directive 2009/65/EC.

b) aa) "AIFMs" means legal persons whose regular business is managing one or more AIFs.

bb) "Alternative Investment Fund Management Societe Anomyne (AIFM SA) " means an AIFM which is societe anonyme, has its registered office in Greece and is authorized by the Hellenic Capital Market Commission.

c) "branch" when relating to an AIFM means a place of business which is a part of an AIFM, which has no legal personality and which provides the services for which the AIFM has been authorized. All the places of business established in the same Member State by an AIFM with its registered office in another Member State or in a third country shall be regarded as a single branch.

d) "carried interest" means a share in the profits of the AIF accrued to the AIFM as compensation for the management of the AIF and excluding any share in the profits of the AIF accrued to the AIFM as a return on any investment by the AIFM into the AIF.

e) "close links" means a situation in which two or more natural or legal persons are linked by:

aa) participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking,

bb) Control which means the relationship between a parent undertaking and a subsidiary, as referred to in paragraphs 5 of article 42e and in paragraphs 1 of article 106 of Greek law 2190/1920 or a similar relationship between any natural or legal person and an undertaking.
For the purposes of this point a subsidiary undertaking of a subsidiary undertaking shall also be considered to be a subsidiary of the parent undertaking of those subsidiaries.

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

f) "competent authorities" means the national authorities of Member States which are empowered by law or regulation to supervise AIFMs. The competent authority for Greece is the Hellenic Capital Market Commission.

g) "competent authorities" in relation to a depositary means:

aa) If the depositary is a credit institution authorized under the Greek law 3601/2007 (A 178), the competent authority is the Bank of Greece. If the depositary is a credit institution authorized under Directive 2006/48/EC, the competent authority is that of home Member State.

bb) If the depositary is Investment Firm (IF) authorized under the Greek law 3606/2007 (A 195), the competent authority is the Hellenic Capital Market Commission. If the depositary is Investment Firm (IF) authorized under the Directive 2004/39/EC, competent authority is that of home Member State.

cc) If the depositary falls within a category of institution referred to in point (c) of the first subparagraph of article 21(3) of this Law, competent authority is that of home Member State.
dd) If the depositary is an entity referred to in the third subparagraph of article 21(3) of Directive 2011/61/EU, competent authority is that of home Member State.

ee) If the depositary is appointed as depositary for a non-EU AIF in accordance with point (b) of article 21(5) of Part A (articles 1-53) and is not one of the entities mentioned above, the relevant national authorities of the third country where the depositary has its registered office are the competent authorities.

h) "competent authorities of the EU AIF" means the national authorities of a Member State which are empowered by law or regulation to supervise the AIF.

i) "Control" means the fulfillment of one at least of the conditions referred to in paragraph 5 of article 42e and in paragraph 1 of article 106 of Greek law 2190/1920 or article 1 of Directive 83/349/EEC of 13 June 1983 on consolidated accounts or a similar relationship between a natural or legal person and an undertaking.

j) "Established" means:

aa) for AIFMs, the country "having its registered office in":

bb) for AIFs, the country "being authorized or registered in", or, if the AIF is not authorized or registered, the country "having its registered office in",

cc) for depositaries, the country "having its registered office or branch in",

dd) for legal representatives being legal entities, the country "having its registered office or branch in",

ee) for legal representatives being natural persons, the place "domiciled in".

ja) "EU AIF" means:

aa) an AIF which is authorized or registered in a Member State under the applicable national law, or

bb) an AIF which is not authorized or registered in a Member State, but has its registered office and/or head office in a Member State.

jb) "EU AIFM'" means an AIFM which has its registered office in a Member State.

jc) "feeder AIF" means an AIF which:

aa) Invests at least eighty five percent (85%) of its assets in units or shares of another AIF (the "master AIF") or

bb) invests at least eighty five percent (85%) of its assets in more than one master AIFs, if those master AIFs have identical investment strategies or

cc) has otherwise an exposure of at least eighty five percent (85%) of its assets to a master AIF.

jd) "financial instrument" means an instrument as specified in article 5 of Greek law 3606/2007.

je) "holding company" means a company with shareholdings in one or more other companies, the commercial purpose of which is to carry out a business strategy or strategies through its subsidiaries, associated companies or participations in order to contribute to their long-term value, and which is a company:

aa) Operating on its own account and whose shares are admitted to trading on a regulated market in the EU or
bb) not established for the main purpose of generating returns for its investors by means of divestment of its subsidiaries or associated companies, as evidenced in its annual report or other official documents.

jf) "home Member State of the AIF" means:

aa) The Member State in which the AIF is authorized or registered under applicable national law, or in case of multiple authorizations or registrations, the Member State in which the AIF has been authorized or registered for the first time or

bb) if the AIF is neither authorized nor registered in a Member State, the Member State in which the AIF has its registered office and/or head office.

jg) "home Member State of the AIFM" means the Member State in which the AIFM has its registered office. For non-EU AIFMs, all references to "home Member State of the AIFM" in the Part A (articles 1-53) shall be read as the "Member State of reference", as provided for in Chapter G (articles 34-40).

jh) "host Member State of the AIFM" means any of the following:

aa) A Member State, other than the home Member State, in which an EU AIFM manages EU AIFs,

bb) a Member State, other than the home Member State, in which an EU AIFM markets units or shares of an EU AIF,

cc) a Member State, other than the home Member State, in which an EU AIFM markets units or shares of a non-EU AIF,

dd) a Member State, other than the Member State of reference, in which a non-EU AIFM manages EU AIFs,

ee) a Member State, other than the Member State of reference, in which a non-EU AIFM markets units or shares of an EU AIF, or

ff) a Member State, other than the Member State of reference, in which a non-EU AIFM markets units or shares of a non-EU AIF.

"gg) a Member State, other than the home Member State, in which an EU AIFM provides the services referred to in paragraph 4 of article 6,".

*** Sub-point (gg) was added by article 104(1) of Greek law 4514/2018, Government Gazette A 14/30.1.2018.

ji) "initial capital" means funds as referred to in paragraph 4 of article 2 of Greek law 3601/2007.

k) "issuer" means an issuer within the meaning of point (b) of article 3(1) of Greek law 3556/2007 (A 91) where that issuer has its registered office in European Union, and where its shares are admitted to trading on a regulated market within the meaning of paragraph 10 of article 2 of Greek law 3606/2007.

ka) "legal representative" means a natural person domiciled or any legal entity with its registered office in the European Union, and which, expressly designated by a non-EU AIFM, acts on behalf

of such non-EU AIFM vis-à-vis the authorities, clients, bodies and counterparties to the non-EU AIFM in European Union with regard to the non-EU AIFM's obligations under the Part A (articles 1-53).

kb) "leverage" means any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

kc) "managing AIFs" means performing at least investment management functions referred to in point (b) of the first subparagraph of article 6(2) of this Law.

kd) "marketing'' means a direct or indirect offering or placement at the initiative of the AIFM or on behalf of the AIFM of units or shares of an AIF it manages to or with investors domiciled or with a registered office in European Union.

ke) "master AIF" means an AIF in which another AIF invests or has an exposure in accordance with point (jc).

kf) "Member State of reference" means the Member State determined in accordance with the subparagraph A of paragraph 2 of article 37.

kg) non-EU AIF' means an AIF which is not an EU AIF.

kh) non-EU AIFM' means an AIFM which is not an EU AIFM.

ki) "non-listed company" means a company which has its registered office in European Union and the shares of which are not admitted to trading on a regulated market within the meaning of paragraph 10 of article 2 of Greek law 3606/2007.

l) "own funds" means own capital as defined in the relevant decision of the Hellenic Capital Market Commission in accordance with article 72 of Greek law 3601/2007, title V, Chapter 2, Part 1 of Directive 2006/48/EU and the articles 13 up to 16 of Directive 2006/49/EU.

la) "parent undertaking" means a parent undertaking within the meaning of article 42e(5) or paragraph 1 of article 106 of Greek law 2190/1920 or for parent undertakings having their registered office outside Greece, within the meaning of articles 1 and 2 of Directive 83/349/EEC.

lb) "prime broker" means a credit institution, an investment firm or another entity subject to prudential regulation and ongoing supervision, offering services to professional investors primarily to finance or execute transactions in financial instruments as counterparty and which may also provide other services such as clearing and settlement of trades, custodial services, securities lending, customised technology and operational support facilities.

lc) "professional investor" means an investor which is considered to be a professional client or may, on request, be treated as a professional client within the meaning of paragraph 7 of article 2 of Greek law 3606/2007.

ld) “qualifying holding”means a direct or indirect holding in an AIFM which represents ten percent (10%) or more of the capital or of the voting rights, in accordance with articles 9 and 10 of Directive 2004/109/EC, taking into account the conditions regarding aggregation of the holding laid down in article 9 and 10 of Greek law 3554/2007 and in article 12(4) and (5) of Directive 2004/109/EC, or holding which makes it possible to exercise a significant influence over the management of the AIFM in which that holding subsists.

le) "employees" representatives" means employees’ representatives as defined in article 2 of Presidential Decree 240/2006 (A 252) or in point (e) of article 2 of Directive 2002/14/EC.

lf) "retail investor" means an investor who is not a professional investor.

lg) "subsidiary" means a subsidiary undertaking within the meaning of article 42e(5) or paragraph 1 of article 106 of Greek law 2190/1920 or for subsidiary undertakings having their registered office outside Greece, within the meaning of articles 1 and 2 of Directive 83/349/EEC.

lh) "supervisory authorities" in relation to non-EU AIFs means the national authorities of a third country which are empowered by law or regulation to supervise the AIF.

li) "supervisory authorities" in relation to non-EU AIFMs means the national authorities of a third country which are empowered by law or regulation to supervise the AIFM.

m) "securitisation special purpose entity" means, for the purpose of point (g) of paragraph 3 of article 2, an entity whose sole purpose is to carry on a securitisation or securitisations within the meaning of article 10 of Greek law 3156/2003 and of article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions and other activities which are appropriate to accomplish that purpose.

ma) "UCITS" means an undertaking for collective investment in transferable securities authorized in accordance with article 4 of Greek law 4099/2012 or of article 5 of Directive 2009/65/EC.

mb) "Overlying AIF" means an AIF that invests in other AIFs

mc) "Underlying AIFs" means the AIFs in which the overlying AIF invests.

2. On the basis of the implementing measures referred to in paragraphs 3 of article 4 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the methods of leverage, as defined in point (v) of paragraph 1, including any financial and/or legal structures involving third parties controlled by the relevant AIF, and

b) how leverage is to be calculated.

Article 5

Determination of the AIFM
(Article 5 of Directive 2011/61/EU)

1. Each AIF managed within the scope of the Part A (articles 1-53) shall have a single AIFM, which shall be responsible for ensuring compliance with above provisions.

The AIFM shall be either:

a) an external manager (external AIFM), which is the legal person appointed by the AIF or on behalf of the AIF and which through this appointment is responsible for managing the AIF or

b) the AIF itself, which shall be authorized as AIFM, where the legal form of the AIF permits an internal management and if the AIF's governing body chooses not to appoint an external AIFM,

2. In cases where an external AIFM does not ensure compliance with requirements of the provisions of Part A (articles 1-53) of an AIF or other entity on its behalf is responsible, AIFM shall immediately inform the Hellenic Capital Market Commission and, if the AIF has registered office in another Member State of EU, the competent authority of the relevant AIF.
The Hellenic Capital Market Commission requires the AIFM to take the necessary steps to remedy the situation.

3. If, notwithstanding the steps referred to in paragraph 2 being taken, the non-compliance persists, and in so far as it concerns an EU AIFM or an EU AIF, the Hellenic Capital Market Commission requires that it resign as AIFM of that AIF. In that case, the AIF is no longer allowed to be marketed in the European Union. If the non-compliance concerns an AIFM with registered office outside the European Union managing an AIF with registered office outside the European Union, the AIF shall no longer be marketed in the European Union. The Hellenic Capital Market Commission immediately informs the competent authorities of the host Member States of the AIFM.

CHAPTER B

AUTHORISATION OF AIFMs SA

Article 6

Conditions for taking up activities as AIFM SA
(Article 6 of Annex I of Directive 2011/61/EU)

1. The AIFM-SA is subject to the provisions of Part A (Articles 1-53) and additionally by the provisions of Presidential Decree 2190/1920. The shares of an AIFM SA must be registered shares. In order to grant an authorization for an AIFM SA in accordance with the provisions of Presidential Decree 2190/1920, it is required that an AIFM SA has been previously granted an authorization by the Hellenic Capital Market Commission. An authorization by the HCMC is also required for the conversion of an existing company into an AIFM SA. Once authorized, both in

accordance with the provisions of Presidential Decree 2190/1920 and by the HCMC, AIFM SA may manage AIFs.

An AIFM SA authorized under the provisions of Part A (articles 1-53) shall comply throughout its operation with the conditions for authorization laid down in the above provisions.

2. a) The main purpose of an external AIFM SA is the management of AIFs and additionally, the management of UCITS, if it is granted an authorization pursuant to Greek law 4099/2012.

b) The management of AIFs includes, for the purpose of Part A (articles 1-53), at least the management of investments, where management of investment means the portfolio management and the risk management, and additionally, the following functions:

aa) the administration of AIFs: legal services, management accounting services, customer services, valuation and pricing of the portfolio of units/shares (including the tax statements),monitoring regulatory compliance, maintenance of unit-/shareholder register, distribution of income, unit/shares issues and redemptions, processing transactions on shares/units, dispatch of documents and certificates and record keeping,

bb) the advertising and the marketing of AIFs and

cc) activities related to the assets of AIFs, namely services necessary to meet the fiduciary duties of the AIFM, facilities and infrastructure management, real estate administration activities, advice to undertakings on capital structure, industrial strategy and related matters, advice and services relating to mergers and the purchase of undertakings and other services connected to the management of the AIF and the companies and other assets in which it has invested.

3. Internally managed AIF shall not engage in activities other than the internal management of that AIF in accordance with the point (b) of paragraph 2 of this article.

4. By way of derogation from paragraph 2 and after granted an authorization by the Hellenic Capital Market Commission, an external AIFM may provide additionally the following services:

a) Investment portfolio management, including those owned by pension funds and institutions offering occupational pension services in accordance with the decision 16/9.4.2003 "Terms of operation of the Occupational Insurance Funds" of the Deputy Minister of Labour and Social Insurance (B 462), in accordance with mandates given by investors on a discretionary, client-by-client basis and

b) non-core services comprising:

i) Provision of investment advice,

ii) safe-keeping and administration in relation to shares or units of collective investment undertakings and

iii) reception and transmission of orders in relation to financial instruments.

***Note: See also article 95 of Greek law 4514/2018, Governement Gazette A 14, on the transfer of investment services agreements, paragraph 6 of which states that:
"The provisions of this article apply to MFMC which provides the services of paragraph 2 of article 12 of Greek law 4099/2012, to AIFM SA which provide the services of paragraph 4 of article 6 of Greek law 4209/2013, as well as to Investment Intermediaries (of law 4515/2018) AEEDs".

5. AIFM shall not be authorized by the Hellenic Capital Market Commission under the Part A (articles 1-53), for:

a) only the provision of the services referred to in paragraph 4,

b) the provision of non-core services referred to in point (b) of paragraph 4 without also being authorized to provide the service referred to in point (a) of paragraph 4,

c) to exercise only the activities referred to in sub-points i), ii) and iii) of point (b) of paragraph 2 of this article,

d) the provision of the service of portfolio management without the service of risk management, which referred to in point b of paragraph 2 of this article, and vice versa.

«6. The AIFM SA shall apply paragraph 2 of article 3, paragraphs 5, 6 and 7 of article 5 and articles 14, 16, 24, 25, 29 and 93 of Greek law 4514/2018 in the provision of the services referred to in paragraph 4 of this article. Any special issue, as well as technical issues related to the implementation of this Law is regulated in a relevant decision of the Hellenic Capital Market Commission.»

***Paragraph 1 was replaced as above with article 72(1) of Greek law 4706/2020, Government Gazette A 136/17.7.2020.

7. AIFMs SA provide the Hellenic Capital Market Commission with the information they require to monitor compliance with the conditions referred to in the Part A (articles 1-53).

8. Investment firms (AEPEYs) authorized under Greek law 3606/2007, investment firms (EPEYs) authorized by another Member State under Directive 2004/39/EC and credit institutions authorized in Greece under the Greek law 3601/2007 or in another Member State under Directive 2006/48/EC shall not be required to obtain an authorization under this Law in order to provide investment services such as individual portfolio management in respect of AIFs. The abovementioned investment firms shall, directly or indirectly, offer units or shares of AIFs to, or place such units or shares with, investors in Greece, only to the extent the units or shares can be marketed in accordance with the provisions of Part A (articles 1-53).

Article 7

Application for authorization of AIFM SA
(Article 7 of Directive 2011/61/EU)

1. An AIFM SA must apply for authorization from the Hellenic Capital Market Commission.

2. An AIFM SA applying for an authorization must provide to the Hellenic Capital Market Commission the following information relating to the AIFM, on:

a) the natural persons effectively conducting the business of the AIFM,

b) the identities of the natural or legal persons, that directly or indirectly have qualifying holdings and on the amounts of those holdings,

c) a programme of activity setting out also the organisational structure of the AIFM SA, including information on how the AIFM intends to comply with its obligations under Chapters B (articles 6-11), C (articles 12-21), D (articles 22-24) and, where applicable, Chapters E (articles 25-30), F (articles 31-33), G (articles 34-40) and H (article 41) of Part A (articles 1-53),

d) information on the remuneration policies and practices pursuant to article 13,

e) information on arrangements made for the delegation and sub-delegation to third parties of functions as referred to in article 20.

3. An AIFM SA applying for authorization will further provide to the Hellenic Capital Market Commission the following information on the AIF it intends to manage, regarding:

a) the investment strategies, including the types of underlying investment funds in the case that the AIF is an investment fund investing in other investment funds, and the AIFM SA's policy as regards to the use of leverage, and the risk profiles and other characteristics of the AIFs it manages or intends to manage, including information about the Member States or third countries in which such AIFs are established or are expected to be established,

b) where the master AIF is established if the AIF is a feeder AIF,

c) the rule or instruments of incorporation of each AIF the AIFM intends to manage,

d) the arrangements made for the appointment of the depositary in accordance with Article 21 for each AIF the AIFM intends to manage and

e) any additional information referred to in article 23(1) for each AIF the AIFM SA manages or intends to manage.

4. The Hellenic Capital Market Commission does not require the MFMC of Greek law 4099/2012, which applies for AIFM SA authorization in accordance with the provisions of Part A (articles 1-53) of this Law, to provide information or documents which the MFMC had already provided when applying for authorization under the Greek law 4099/2012, provided that such information or documents remain up-to-date.

5. The Hellenic Capital Market Commission, on a quarterly basis, informs the European Securities and Markets Authority (ESMA) of authorizations granted or withdrawn in accordance with this Chapter (articles 6-11).

Article 8

Conditions for granting authorization of AIFM SA
(Article 8 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission grants authorization, only if:

a) is satisfied that the AIFM SA will be able to meet the conditions of the provisions of Part A (articles 1-53),

b) the AIFM SA has sufficient initial share capital and own funds in accordance with article 9,

c) the persons who effectively conduct the business of the AIFM SA are of sufficiently good repute and are sufficiently experienced also in relation to the investment strategies pursued by the AIFs managed by the AIFM SA. The AIFM SA must communicate forthwith to the Hellenic Capital Market Commission the names of those persons and of every person succeeding them in office. If the Hellenic Capital Market Commission considers that the above persons are not of sufficiently good repute and have not appropriate experience, requests their removal. In any case, the operations of the AIFM SA shall be managed by at least two (2) persons meeting the above conditions. The Hellenic Capital Market Commission may regulate any matter relating to the application of this case, as well as to the suitability criteria of the members of the board of directors of the AIFM SA and other persons who actually carry out its operations,

d) the shareholders of the AIFM SA that have qualifying holdings are suitable taking into account the need to ensure the sound and prudent management of the AIFM SA and

e) the registered office and the head office of the AIFM SA are located in Greece.

2. The Hellenic Capital Market Commission consults the competent authorities of the other Member States involved before authorization is granted to AIFM SA, which is:

a) a subsidiary of another AIFM, of a UCITS management company, of an investment firm, of a credit institution or of an insurance undertaking authorized in another Member State or

b) a subsidiary of the parent undertaking of another AIFM, of a UCITS management company, of an investment firm, of a credit institution or of an insurance undertaking authorized in another Member State or

c) a company controlled by the same natural or legal persons as those that control another AIFM, a UCITS management company, an investment firm, a credit institution or an insurance undertaking authorized in another Member State.

3. The Hellenic Capital Market Commission consults the Bank of Greece before authorization is granted to AIFM SA, which:

a) is a subsidiary of a credit institution or insurance undertaking with registered office in Greece,

b) is a subsidiary of the parent undertaking of a credit institution or of an insurance undertaking with registered office in Greece or

c) is controlled by the same natural or legal persons, who control a credit institution or insurance undertaking with registered office in Greece.

4. The Hellenic Capital Market Commission does not grant authorization to an AIFM SA if the effective exercise of its supervisory functions is prevented by any of the following:

a) close links between the AIFM SA and other natural or legal persons,

b) the laws, regulations or administrative provisions of a third country governing natural or legal persons with which the AIFM SA has close links,

c) difficulties involved in the enforcement of those laws, regulations and administrative provisions.

5. The Hellenic Capital Market Commission may restrict the scope of the authorization, in particular as regards the investment strategies of AIFs the AIFM SA is allowed to manage.

6. The Hellenic Capital Market Commission informs the applicant in writing within three (3) months of the submission of a complete application, whether or not authorization has been granted. The Hellenic Capital Market Commission may prolong this period for up to three additional months, if they consider it necessary due to the specific circumstances of the case and after having notified the AIFM SA accordingly.

For the purpose of this paragraph an application is deemed complete if the AIFM SA has at least submitted the information referred to in points (a) to (d) of article 7(2) and points (a) and (b) of article 7(3).

The AIFM SA may start managing in Greece AIFs which have the investment strategies described in the application in accordance with point (a) of article 7(3) in the application for the authorization as soon as the authorization is granted, but not earlier than one (1) month after having submitted any missing information referred to in point (e) of article 7(2) and points (c), (d) and (e) of article 7(3).

Article 9

Share capital and own funds of AIFM SA
(Article 9 of Directive 2011/61/EU)

1. An AIFM SA which is an internally managed AIF has a share capital of at least three hundred thousand (300,000) euros.

2. An AIFM SA which is appointed as an external manager of AIFs, the AIFM shall have a share capital of at least one hundred and twenty-five thousand (125,000) euros.

3. Exceptionally, the minimum share capital of paragraphs 1 and 2 applies for the own funds of existing companies managing AIFs. The thresholds of paragraphs 1 and 2 may be modified by a decision of the Minister of Finance, following a relevant recommendation by the Hellenic Capital Market Commission. In this case, for the purpose of calculating the minimum share capital of AIFMs SA operating at the time of the modification, their own funds shall be taken into account.

4. Where the value of the portfolios of AIFs managed by the AIFM SA exceeds two hundred and fifty million (250,000,000) euros, the AIFM SA must increase their own share capital by 0.02% of the amount by which the value of the portfolios of the AIFM SA exceeds two hundred and fifty million (250,000,000) euros. The abovementioned share capital increase referred to in the above subparagraph is not required if both the share capital of the AIFM SA and the amount of capital increase exceeds ten million (10,000,000) euros.

5. For the purpose of paragraph 4, the AIFs shall be deemed as the AIFM SA's portfolios. These AIFs are managed by the AIFM SA, including AIFs for which the AIFM SA has delegated functions in accordance with article 20 but excluding AIF portfolios that the AIFM SA is managing under delegation, shall be deemed to be the portfolios of the AIFM SA.

6. Notwithstanding of paragraph 4, the own funds of the AIFM SA shall never be less than the amount required under decision 1/459/27.12.2007 of Board of Directors of the Hellenic Capital Market Commission, which has implemented article 21 of Directive 2006/49/EC.

7. The own funds of the AIFM SA shall not be less than the amount required under the paragraphs 1,2, 4 and 6 of this article. For this reason, the AIFM SA shall submit its financial reports to the Hellenic Capital Market Commission immediately after their publication.
If the AIFM SA's own funds are less than the amounts under the first subparagraph, the Hellenic Capital Market Commission may, by its decision, whenever circumstances justify it, set a deadline for the AIFM SA to adjust its own funds, and if not, to cease all or part of its activities.

8. The AIFM SA is allowed not to provide up to 50% of the additional amount of own funds referred to in paragraph 4, if AIFM SA submits to the Hellenic Capital Market Commission an equivalent guarantee stating that on first demand AIFM SA will deposit the above amount of its own fund increase in an account of the AIFM SA. Issuer of the guarantee may be a credit institution or insurance undertaking with their registered office in a Member State or in third country, if they are subject to prudential rules considered by the Hellenic Capital Market Commission as equivalent to those laid down in Union law. The issuance of the abovementioned guarantee must be requested by the AIFM SA or its shareholders.

9. For the coverage of potential professional liability risks arising from the activities of the AIFM SA pursuant to the provisions of this Law or delegated decisions pursuant to this law, as well as the implementing measures of Directive 2011/61/EU, both internal managed AIFs and external AIFMs SA shall either:

a) have additional own funds which are appropriate to cover potential liability risks arising from professional negligence or

b) hold a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

10. Own funds, including any additional own funds as referred to in point (a) of paragraph 9, shall be invested in liquid assets or in assets readily convertible to cash and shall not include speculative positions.

11. On the basis of the implementing measures referred to in paragraph 9 of article 9 of Directive 2011/61/EU, on the basis of which Regulation (EU) 231/2013 was adopted, the Hellenic Capital Market Commission specify by decision any detail or technical matter relating to paragraph 9 of this article which they lay down:

a) the risks the additional own funds or the professional indemnity insurance must cover,

b) the conditions for determining the appropriateness of additional own funds or the coverage of the professional indemnity insurance and

c) the manner of determining ongoing adjustments of the additional own funds or of the coverage of the professional indemnity insurance.

12. With the exception of paragraphs 9 and 10 and of the delegated acts adopted pursuant to paragraph 11, this article shall not apply to AIFMs SA which are also MFMC under Greek law 4099/2012 or UCITS management companies.

"Article 9A

Financial statements, regular and interim audit of AIFM SA

1. AIFMs SA must prepare financial statements in accordance with the International Accounting Standards adopted by the European Union, as provided for by Regulation (EU) 1606/2002 (EU L 243).

2. The annual financial statements are audited by a Certified Public Accountant and submitted to the Hellenic Capital Market Commission within two months from the end of each financial period.

3. AIFMs SA must prepare semi-annual financial statements which are audited by a Certified Public Accountant and submitted to the Hellenic Capital Market Commission within two months from the end of each administrative period.

4. The Real Estate Investment Companies (REICs), prior to their admission in Athens Exchange, must submit to the Hellenic Capital Market Commission annual financial statements, audited by a Certified Public Accountant, no later than four (4) months after the end of each financial year.

5. The REICs, prior to their admission in Athens Exchange, must submit to the Hellenic Capital Market Commission semi-annual financial statements, audited by a Certified Public Accountant, within three (3) months after the end of each half calendar year.»

*** Article 9A was added by article 72 paragraph 2 of Greek law 4706/2020, Governement Gazette A 136/17.7.2020.

Article 10

Changes in the scope of the authorization of AIFM SA
(Article 10 of Directive 2011/61/EU)

1. The AIFM SA before implementation, notifies the Hellenic Capital Market Commission of any material changes to the conditions for initial authorization, in particular material changes to the information provided in accordance with article 7.

2. If the Hellenic Capital Market Commission decides to impose restrictions or reject those changes, within one (1) month of receipt of that notification, it informs the AIFM.
The Hellenic Capital Market Commission may prolong this period for up to one (1) additional months, if they consider it necessary due to the specific circumstances of the case and after having notified the AIFM SA accordingly. These changes shall enter into force if the Hellenic Capital Market Commission does not object to them within the relevant period for the evaluation as referred to in the preceding subparagraphs.

Article 11

Withdrawal of the authorization of AIFMs SA
(Article 11 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission may withdraw the authorization granted to an AIFM where:

a) the AIFM SA does not make use of the authorization within twelve (12) months, or expressly renounces the authorization or has ceased the activities more than six months previously,

b) the AIFM SA has obtained the authorization by making false statements, or by any other irregular means,

c) the AIFM SA no longer meets the conditions under which authorization was granted,

d) the AIFM SA no longer complies with the provisions of Greek law 3606/2007, if its authorization also covers the portfolio management service or clients referred to in point (a) of article 6(4) of this law,

e) the AIFM SA has seriously and systematically infringed the provisions adopted pursuant to Part A (articles 1-53) or

f) there are other grounds for the withdrawal of its authorization under the legislation in force.

2. Before withdrawing the authorization, the Hellenic Capital Market Commission notifies the AIFM SA the identified deficiencies or infringements, and its intention to withdraw the authorization, at the same time setting a deadline which may not be less than ten (10) days from the above notification. The AIFM SA shall within the deadline submit its views and, where applicable, take appropriate measures to put an end to the infringements or to remedy their consequences. After the expiry of the deadline and having taken into account the views of the AIFM SA and assessed the measures it has taken, the Hellenic Capital Market Commission takes a final decision.

CHAPTER C

OPERATING CONDITIONS FOR AIFMs SA

SECTION 1

GENERAL REQUIREMENTS

Article 12

General principles
(Article 12 of Directive 2011/61/EU)

1. AIFMs SA must comply with the following rules at all times:

a) act honestly, with due skill, care and diligence and fairly in conducting their activities,

b) act in the best interests of the AIFs or the investors of the AIFs they manage and the integrity of the market,

c) have and employ effectively the resources and procedures that are necessary for the proper performance of their business activities,

d) take all reasonable steps to avoid conflicts of interest and, if they cannot be avoided, to identify, manage and monitor and, where applicable, disclose, those conflicts of interest in order to prevent them from adversely affecting the interests of the AIFs and their investors and to ensure that the AIFs they manage are fairly treated,

e) comply with all provisions laid down by legislation in force applicable to the conduct of their business activities so as to promote the best interests of the AIFs they manage or their investors and ensuring the integrity of the market and

f) treat all AIF investors fairly.

No investor in an AIF shall obtain preferential treatment, unless such preferential treatment is disclosed in the relevant AIF’s rules or instruments of incorporation.

2. The AIFM SA, which has been granted authorization to provide the service of client portfolio management under point (a) of paragraph 4 of article 6:

a) not be permitted to invest all or part of the client's portfolio in units or shares of the AIFs it manages, unless it receives prior general approval from the client and

b) with regard to the services referred to in article 6(4), be subject to provisions of articles 61 to 78 of Greek law 2533/1997 (A 228) on investor-compensation schemes.

3. On the basis of the implementing measures referred to in paragraph 3 of article 12 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any details or technical issues relating to the criteria used for the supervision of the compliance of AIFMs with their obligations under paragraph 1.

Article 13

Remuneration policy
(Article 13 and Annex II of Directive 2011/61/EU)

1. AIFMs SA must have remuneration policies and practices for those categories of staff, whose professional activities have a material impact on the risk profiles of the AIFMs SA or of the AIFs they manage, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers. The remuneration policies and practices must be consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIFs they manage.

The AIFMs shall determine the remuneration policies and practices in accordance with paragraphs 2,3 and 4.

2. When establishing and applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for those categories of staff under the paragraph 1, AIFMs SA shall comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:

a) The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIFs they manage.

b) The remuneration policy is in line with the business strategy, objectives, values and interests of the AIFM SA and the AIFs it manages or the investors of such AIFs, and includes measures to avoid conflicts of interest.

c) The board of directors of the AIFM SA, in its supervisory function, adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation.

d) The implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the board of directors in its supervisory function.

e) Staff engaged in control functions are compensated in accordance with the achievement or not of the objectives linked to their functions, independent of the performance of the business areas they control.

f) The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee, if it has been set up in accordance with paragraph 4.

g) Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or AIF concerned and of the overall results of the AIFM SA. When assessing individual performance, financial as well as non-financial criteria are taken into account.

h) The assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIFs managed by the AIFM SA in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the units or shares redemption policy of the AIFs which AIFM SA manages and their investment risks.

i) Guaranteed variable remuneration is exceptional, occur only in the context of hiring new staff and is limited to the first year.

j) Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component.

ja) Payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

jb) The measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

jc) Subject to the legal structure of the AIF and its rules or instruments of incorporation, a substantial portion, and in any event at least 50% of any variable remuneration consists of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments. In case that the value of portfolio AIFs under the management is less than fifty percent (50%) of the total value of the portfolio managed by the AIFM SA, the threshold of fifty percent (50%) does not apply.

The instruments referred to in this point shall be subject to an appropriate retention policy designed to align incentives with the interests of the AIFM SA and the AIFs it manages and the investors of such AIFs. This paragraph shall be applied to both the portion of the variable

remuneration whose payment is deferred in line with point (jd) below and the portion of the variable remuneration which is not suspended. The Hellenic Capital Market Commission may place by decision restrictions on the types and designs of those instruments or ban certain instruments as appropriate.

jd) A substantial portion, and in any event at least forty percent (40%), of the variable remuneration, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the AIF concerned and is correctly aligned with the nature of the risks of the AIF in question.

The period referred to in this point shall be at least three (3) to five (5) years unless the life cycle of the AIF concerned is shorter. Remuneration payable under deferral arrangements shall vest in proportion to the time remaining until the end of the period of deferral.
In the case of a variable remuneration of a particularly high amount, at least 60 % of the amount is deferred.

je) The variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the AIFM SA as a whole, and justified according to the performance of the business unit, the AIF and the individual concerned.
Without prejudice to the general principles of national labour law, including the provisions on employment contracts, the total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the AIFM SA or of the AIF concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

jf) The pension policy is in line with the business strategy, objectives, values and long-term interests of the AIFM SA and the AIFs it manages.

If the employee leaves the AIFM SA before retirement, discretionary pension benefits shall be held by the AIFM SA for a period of five (5) years in the form of instruments defined in point (jc). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point (jc), subject to a five (5) year retention period.

jg) Staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements

jh) Variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of this Law.

3. The principles set out in paragraph 2 shall apply to remuneration of any type paid by the AIFM SA, to any amount paid directly by the AIF itself, including the participation in the additional return, and to any transfer of units or shares of the AIF, made to the benefits of those categories of staff as referred to in paragraph 1.

4. AIFMs SA that are significant in terms of their size or the size of the AIFs they manage, their internal organisation and the nature, the scope and the complexity of their activities shall establish

a remuneration committee. The remuneration committee shall be constituted in a way that enables it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk.

The remuneration committee shall be responsible for the preparation of decisions regarding remuneration, including those which have implications for the risk and risk management of the AIFM SA or the AIF concerned and which are to be taken by the board of directors in its supervisory function. The president and the members of the remuneration committee are non-executive members of the board of directors of AIFM SA.

«5. The criteria for determining the persons who constitute "senior management" for the purposes of paragraph 1, in accordance with the guidelines of ESMA, may be specified by decision of the Board of Directors of the Hellenic Capital Market Commission.

6. The criteria of the first subparagraph of paragraph 4 or the quantitative limits on the basis of which AIFMs SA are not required to establish a remuneration committee may be specified by decision of the Board of Directors of the Hellenic Capital Market Commission, in accordance with ESMA's guidelines.»
*** Paragraphs 5 and 6 were added by article 18 of Greek law 4416/2016, Government Gazette A 160/6.9.2016.

Article 14

Conflicts of interest
(Article 14 of Directive 2011/61/EU)

1. AIFMs SA must take all reasonable steps to identify conflicts of interest that arise in the course of managing AIFs between:

a) the AIFM SA, including its managers, employees or any person directly or indirectly linked to the AIFM SA by control, and the AIF managed by the AIFM SA or the investors in that AIF,

b) the AIF or the investors in that AIF, and another AIF or the investors in that AIF,

c) the AIF or the investors in that AIF, and another client of the AIFM SA,

d) the AIF or the investors in that AIF, and a UCITS managed by the AIFM SA or the investors in that UCITS or

e) two (2) clients of the AIFM SA.

AIFMs SA shall establish and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the AIFs and their investors.

AIFMs SA shall segregate, within their own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. AIFMs SA shall assess whether their operating conditions may involve any other material conflicts of interest and disclose them to the investors of the AIFs.

2. Where organisational arrangements made by the AIFM SA to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented, the AIFM SA shall clearly disclose the general nature or sources of conflicts of interest to the investors before undertaking business on their behalf, and develop appropriate policies and procedures.

3. Where the AIFM SA on behalf of an AIF uses the services of a prime broker, the terms shall be set out in a written contract. In particular any possibility of transfer and reuse of AIF assets shall be provided for in that contract and shall comply with the AIF rules or instruments of incorporation. That contract shall provide that the depositary be informed of the contract.

AIFMs SA shall exercise due skill, care and diligence in the selection and appointment of prime brokers with whom a contract is to be concluded.

4. On the basis of the implementing measures referred to in paragraph 4 of article 4 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the types of conflicts of interest as referred to in paragraph 1 and

b) the reasonable steps AIFMs are expected to take in terms of structures and organisational and administrative procedures in order to identify, prevent, manage, monitor and disclose conflicts of interest.

Article 15

Risk management
(Article 15 of Directive 2011/61/EU and article 3 of Directive 2013/14/EU)

1. AIFMs SA shall functionally and hierarchically separate the functions of risk management from the operating units, including from the functions of portfolio management.

The functional and hierarchical separation of the functions of risk management in accordance with the first subparagraph shall be reviewed by the Hellenic Capital Market Commission in accordance with the principle of proportionality, on the understanding that the AIFM SA shall, in any event, be able to demonstrate that specific safeguards against conflicts of interest allow for the independent performance of risk management activities and that the risk management process satisfies the requirements of this article and is consistently effective.

2. AIFMs SA shall implement adequate risk management systems in order to identify, measure, manage and monitor appropriately all risks relevant to each AIF investment strategy and to which each AIF is or may be exposed. In particular, when assessing the credit rating of the assets of

AIFs, AIFMs SA shall not solely or mechanistically rely on credit ratings issued by credit rating agencies as defined in point (b) of article 3(1)(b) of Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

AIFMs SA shall review the risk management systems with appropriate frequency at least once a year and adapt them whenever necessary.

3. AIFMs SA shall at least:

a) implement an appropriate, documented and regularly updated due diligence process when investing on behalf of the AIF, according to the investment strategy, the objectives and risk profile of the AIF,

b) ensure that the risks associated with each investment position of the AIF and their overall effect on the AIF's portfolio can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures and

c) ensure that the risk profile of the AIF shall correspond to the size, portfolio structure and investment strategies and objectives of the AIF as laid down in the AIF rules or instruments of incorporation, prospectus and offering documents.

4. Taking into account the nature, scale and complexity of the activities of AIFs, the Hellenic Capital Market Commission monitors the adequacy of the credit rating procedures applied by AIFMs SA, assesses the use of references to credit ratings, as provided for in the second subparagraph of paragraph 2, in the context of the investment policies of AIFs and, where appropriate, encourage the mitigation of the impact of such references in order to reduce the exclusive and mechanistic reliance on such assessments of credit rating.

5. AIFMs SA shall set a maximum level of leverage which they may employ on behalf of each AIF they manage as well as the extent of the right to reuse of each additional collateral or guarantee that could be granted under the leveraging arrangement, taking into account, inter alia:

a) the type of the AIF,

b) the investment strategy of the AIF,

c) the sources of leverage of the AIF,

d) any other interlinkage or relevant relationships with other financial services institutions, which could pose systemic risk,

e) the need to limit the exposure to any single counterparty,

f) the extent to which the leverage is collateralised,

g) the asset-liability ratio and

h) the scale, nature and extent of the activity of the AIFM SA on the markets concerned.

6. On the basis of the implementing measures referred to in paragraph 4 of article 4 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the risk management systems to be employed by AIFMs SA in relation to the risks which they incur on behalf of the AIFs that they manage,

b) the appropriate frequency of review of the risk management system,

c) how the risk management function is to be functionally and hierarchically separated from the operating units, including the portfolio management function,

d) specific safeguards against conflicts of interest referred to in the second subparagraph of paragraph 1 and

e) the requirements referred to in paragraph 3.

The measures specifying the risk management systems referred to in point (a) of this paragraph shall ensure that AIFMs SA are prevented from relying exclusively or mechanistically on credit ratings when assessing the credit rating of the assets of AIFs, as provided for in the second subparagraph of paragraph 2.

Article 16

Liquidity management
(Article 16 of Directive 2011/61/EU)

1. The AIFM SA shall, for each AIF that it manages which is not an unleveraged closed-ended AIF, employ an appropriate liquidity management system and adopt procedures which enable them to monitor the liquidity risk of the AIF and to ensure that the liquidity profile of the investments of the AIF complies with its underlying obligations.

The AIFM SA shall regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable them to assess the liquidity risk of the AIFs and monitor the liquidity risk of the AIFs that it manages.

2. The AIFM SA shall ensure that, for each AIF that it manages, the investment strategy, the liquidity profile and the redemption policy are consistent.

3. On the basis of the implementing measures referred to in paragraph 3 of article 16 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the liquidity management systems and procedures and

b) the alignment of the investment strategy, liquidity profile and redemption policy set out in paragraph 2.

Article 17

Investment in securitisation positions
(Article 17 of Directive 2011/61/EU)

“Where AIFMs SA are exposed to a securitisation that no longer meets the requirements provided for in Regulation (EU) 2017/2402, they shall, in the best interest of the investors in the relevant AIFs, act and take corrective action, if deemed necessary.”

*** Article 17 has been replaced by article 72 paragraph 3 of Greek law 4706/2020, Governement Gazette A 136/17.7.2020.

SECTION 2

ORGANISATIONAL REQUIREMENTS

Article 18

General principles
(Article 18 of Directive 2011/61/EU)

1. The AIFM SA must use, at all times, adequate and appropriate human and technical resources that are necessary for the proper management of AIFs.

In particular, the AIFM SA, taking into account the nature of the AIFs that it manages, must have appropriate and sufficient administrative and accounting procedures, control and safeguard arrangements for electronic data processing and adequate internal control mechanisms including, in particular, rules for personal transactions by its employees or for the holding or management of investments in order to invest on its own account. Those procedures and mechanisms shall at least ensure, that each transaction involving the AIFs may be reconstructed according to its origin, the parties to it, its nature, and the time and place at which it was effected and that the assets of the AIFs managed by the AIFM SA are invested in accordance with the AIF rules or instruments of incorporation and the legal provisions in force.

2. On the basis of the implementing measures referred to in paragraph 2 of article 18 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any details or technical issues relating to the procedures and arrangements referred to in paragraph 1.

Article 19

Valuation

(Article 19 of Directive 2011/61/EU)

1. The AIFM SA shall adopt that, for each AIF that it manages, appropriate and consistent procedures are established so that a proper and independent valuation of the assets of the AIF can be performed in accordance with this article, the applicable national law or the AIF rules or instruments of incorporation.

2. a) The AIFM shall value the assets of the AIF in accordance with accounting rules adopted by decision of the Hellenic Capital Market Commission, following the opinion of the Hellenic Accounting and Auditing Standards Oversight Board.
b) For the purpose of determining the net asset value of the AIF, the expenses borne by the AIF in accordance with the regulations or instruments of incorporation and the profits distributed to its unit-holders or shareholders shall be deducted. The net asset value of the AIF shall be determined by dividing the net asset value of the AIF by the number of its units or shares.

c) The net asset value of the AIF, the number of units or shares of the AIF and the net asset value of the unit or share of the AIF shall be disclosed to its unit-holders.

d) The AIF rules or instruments of incorporation shall make explicit reference to the manner of valuation of the assets of the AIF and the determination of the total net asset value of the AIF as well as the net asset value of the AIF per unit or share, and to the manner of disclosure of the information referred to in point (c) of this paragraph.

3. The valuation procedures applied by the AIFM SA shall ensure that the assets are valued and the net asset value per unit or share is calculated at least once a year.

If the AIF is of the open-ended type, such valuations and calculations shall also be carried out at a frequency which is both appropriate to the assets held by the AIF and to the frequency of shares/units issuance and redemption.

If the AIF is of the closed-ended type, such valuations and calculations shall also be carried out in case of an increase or decrease of the capital by the relevant AIF.

4. AIFMs SA shall ensure that the valuation function is either performed by:

a) an external valuer, being a legal or natural person independent from the AIF, the AIFM SA and any other persons with close links to the AIF or the AIFM SA or

b) the AIFM itself, provided that the valuation function is independent from portfolio management and the remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees is prevented.

The depositary appointed for an AIF shall not be appointed as external valuer of that AIF, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as external valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF.

5. Where an external valuer performs the valuation function, the AIFM SA shall demonstrate that:

a) the external valuer is subject to mandatory professional registration recognised by law or to legal or regulatory provisions or rules of professional conduct,

b) the external valuer can provide sufficient professional guarantees to be able to perform effectively the relevant valuation function in accordance with paragraphs 1, 2 and 3 and

c) the appointment of the external valuer complies with the requirements of article 20(1) and (2) and the delegated measures adopted pursuant to article 20(7).

6. The appointed external valuer shall not delegate the valuation function to a third party.

7. AIFMs SA shall notify the appointment of the external valuer to the Hellenic Capital Market Commission, which may require that another external valuer be appointed instead, where the conditions laid down in paragraph 5 are not met.

8. The valuation shall be performed impartially and with all due skill, care and diligence.

9. Where the valuation function is not performed by an independent external valuer, the Hellenic Capital Market Commission may require the AIFM SA to have its valuation procedures and/or valuations verified by an external valuer or, where appropriate, by an auditor or auditing firm under Greek law 3693/2008 (A 174).

10. AIFMs SA are responsible for the proper valuation of AIF assets, the calculation of the net asset value of the AIF and the publication of that net asset value. The AIFM SA's liability towards the AIF and its investors shall, not be affected by the fact that the AIFM has appointed an external valuer.

Notwithstanding the first subparagraph and irrespective of any contractual arrangements providing otherwise, the external valuer shall be liable to the AIFM SA for any losses suffered by the AIFM SA as a result of the external valuer's negligence or intentional failure to perform its tasks.

11. On the basis of the implementing measures referred to in paragraph 19 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the criteria concerning the procedures for the proper valuation of the assets and the calculation of the net asset value per unit or share,

b) the professional guarantees the external valuer must be able to provide to effectively perform the valuation function and

c) the frequency of valuation carried out by open-ended AIFs which is both appropriate to the assets held by the AIF and to the policy of issuance and repurchase or redemption of units or shares.

SECTION 3

DELEGATION OF AIFM SA FUNCTIONS

Article 20

Delegation of functions
(Article 20 of Directive 2011/61/EU)

1.AIFMs SA which intend to delegate to third parties the task of carrying out functions on their behalf shall notify the Hellenic Capital Market Commission before the delegation arrangements become effective. In order to implement the delegation, the following conditions shall be met:

a) The AIFM SA must be able to justify its entire delegation structure on objective reasons.

b) The third part must dispose of sufficient resources to perform the respective tasks and the persons who effectively conduct the business of the delegate must be of sufficiently good repute and sufficiently experienced.

c) If the delegation concerns portfolio management or risk management, it must be conferred only on entities which are authorised or registered for the purpose of asset management and subject to supervision or, if that condition cannot be met, only subject to prior approval by the Hellenic Capital Market Commission.

d) If the delegation concerns portfolio management or risk management and is conferred on a third-country undertaking, in addition to the requirements in point (c), it must be ensured that the Hellenic Capital Market Commission has signed a cooperation and exchange of information agreement with the corresponding competent authority of the third country.

e) The delegation must not prevent the effectiveness of supervision of the AIFM, and, in particular, must not prevent the AIFM SA from acting, or the AIF from being managed, in the best interests of its investors and

f) the AIFM SA must be able to demonstrate that the delegate is qualified and capable of undertaking the functions in question, that it was selected with all due care and that the AIFM is in a position to monitor effectively at any time the delegated activity, to give at any time further instructions to the delegate and to withdraw the delegation with immediate effect when this is in the interest of investors.

The AIFM SA shall review the services provided by each delegate on an ongoing basis.

2. No delegation of portfolio management or risk management shall be conferred on:

a) the depositary or a sub-depositary or b) any other entity whose interests may conflict with those of the AIFM SA or the investors of the AIF, unless such entity has functionally and hierarchically separated the performance of its portfolio management or risk management tasks from its other

potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF.

3. The AIFM SA's liability towards the AIF and its investors shall not be affected by the fact that the AIFM SA has delegated functions to a third party, or by any further sub-delegation, nor shall the AIFM SA delegate its functions to the extent that, in essence, it can no longer be considered to be the manager of the AIF and to the extent that it becomes a letter-box entity.

4. The third party may sub-delegate any of the functions delegated to it, if the following conditions are met:

a) the AIFM SA consented prior to the sub-delegation,

b) the AIFM SA notified the Hellenic Capital Market Commission before the sub-delegation arrangements become effective and

c) the conditions set out in paragraph 1, on the understanding that all references to the 'third party' are read as references to the 'sub-delegate'.

5. No sub-delegation of portfolio management or risk management shall be conferred on:

a) the depositary or a sub-depositary or b) any other entity whose interests may conflict with those of the AIFM SA or the investors of the AIF, unless such entity has functionally and hierarchically separated the performance of its portfolio management or risk management tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF.

The third party shall review on ongoing basis the services provided by each sub-delegate.

6. Where the sub-delegate further delegates any of the functions delegated to it, the conditions set out in paragraph 4 shall apply mutatis mutandis.

7. On the basis of the implementing measures referred to in paragraph 7 of article 20 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the conditions for fulfilling the requirements set out in paragraphs 1, 2, 4 and 5 and

b) the conditions under which the AIFM SA shall be deemed to have delegated its functions to the extent that it becomes a letter-box entity and can no longer be considered to be the manager of the AIF as set out in paragraph 3.

SECTION 4

DEPOSITORY

Article 21

Depositary
(Article 21 of Directive 2011/61/EU)

1. For each AIF it manages, the AIFM SA shall ensure that a single depositary is appointed in accordance with this article.

2. The appointment of the depositary shall be evidenced by written contract. The contract shall, inter alia, regulate the flow of information deemed necessary to allow the depositary to perform its functions for the AIF for which it has been appointed as depositary, as set out in the provisions of Part A (articles 1-53) and in other relevant laws, regulations or administrative provisions.

3. The depositary shall be:

a) a credit institution having its registered office in Greece or in other Member State of the European Union and authorized in accordance with Greek law 3601/2007 or Directive 2006/48/EC or

b) an investment firm having its registered office in Greece or in other Member State of the European Union, subject to capital adequacy requirements in accordance with article 72 of Greek law 3601/2007 or article 20(1) of Directive 2006/49/EC including capital requirements for operational risks and authorized in accordance with Greek law 3606/2007 or Directive 2004/39/EC and which also provides the ancillary service of safe-keeping and administration of financial instruments for the account of clients in accordance with point (a) of paragraph 2 of article 4 of Greek law 3606/2007 or point (1) of Section B of Annex I to Directive 2004/39/EC. The investment firms shall in any case have own funds greater than the amount of initial capital referred to in paragraph 2 of article 10 of Greek law 3606/2007 or article 9 of Directive 2006/49/EC respectively,

c) another category of institution that is subject to prudential regulation and ongoing supervision and which falls within the categories of institution determined by Member States to be eligible to be a depositary under article 23(3) of Directive 2009/65/EC.

For non-EU AIFs only, and without prejudice to point (b) of paragraph 5, the depositary may also be a credit institution or any other entity of the same nature as the entities referred to in points (a) and (b) of the first subparagraph of this paragraph provided that the conditions in point (b) of paragraph 6 are met.

4. In order to avoid conflicts of interest between the depositary, the AIFM SA and/or the AIF and/or its investors, it is not allowed:

a) an AIFM SA to act as depositary, b) a prime broker acting as counterparty to an AIF to act as depositary for that AIF, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as prime broker and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF. Delegation by the depositary to such prime broker of its custody tasks in accordance with paragraph 11 is allowed if the relevant conditions are met.

5. The depositary shall be established:

a) for EU AIFs, in the home Member State of the AIF,
b) for non-EU AIFs, in the third country where the AIF is established or in Greece or in the Member State of reference of the AIFM managing the AIF.

6. Without prejudice to the requirements set out in paragraph 3, the appointment of a depositary established in a third country shall, at all times, be subject to the following conditions:

a) the competent authorities of the Member States in which the units of the non-EU AIF are intended to be marketed, and of the Hellenic Capital Market Commission, have signed cooperation and exchange of information arrangements with the competent authorities of the depositary,

b) the depositary is subject to effective prudential regulation in the third country which is established, including minimum capital requirements, and (effective) supervision which have the same effect as Union law and are effectively enforced,

c) the third country where the depositary is established is not listed as a Non-Cooperative Country and Territory by the Financial Action Task Force on Money Laundering (FATF),

d) the Member State in which the units of the non-EU AIF are intended to be marketed and Greece, have signed an agreement with the third country where the depositary is established which fully complies with the standards laid down in Article 26 of the Organisation for Economic Cooperation and Development (OECD) Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters including any multilateral tax agreements and

e) the depositary shall by contract be liable to the AIF or to the investors of the AIF, consistently with paragraphs 12 and 13, and shall expressly agree to comply with paragraph 11.

If the Hellenic Capital Market Commission disagrees with the assessment made on the application of points (a), (c) or (e) of the first subparagraph by the competent authorities of the home Member State of the AIFM, the HCMC may refer the matter to the European Securities and Markets Authority (ESMA).

On the basis of the implementing measures referred to in last subparagraph of paragraph 6 of article 21 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any details or technical issues regarding whether prudential regulation and supervision of a third country have the same effect as Union law and are effectively enforced.

7. The depositary shall in general ensure that the AIF's cash flows are properly monitored, and shall in particular ensure that all payments made by or on behalf of investors upon the subscription of units or shares of an AIF have been received. The depositary shall also ensure that all cash of the AIF has been booked in cash accounts opened in the name of the AIF or in the name of the AIFM SA acting on behalf of the AIF or in the name of the depositary acting on behalf of the AIF at an entity referred to in points (a), (b) and (c) of article 18(1) of the decision 2/452/1.11.2007 of

the Board of Directors of the Hellenic Capital Market Commission (B` 2137/1.11.2007), or another entity of the same nature, in the relevant market where cash accounts are required provided that such entity is subject to effective prudential regulation and supervision which have the same effect as Union law and are effectively enforced and in accordance with the principles set out in Article 16 of the decision 2/452/1.11.2007 of the Board of Directors of the Hellenic Capital Market Commission.

Where the cash accounts are opened in the name of the depositary acting on behalf of the AIF, no cash of the entity referred to in the first subparagraph and none of the depositary's own cash shall be booked in such accounts.

8. The assets of the AIF or the AIFM SA acting on behalf of the AIF shall be entrusted to the depositary for safe-keeping, as follows:

a) For financial instruments that can be held in custody:

aa) the depositary shall hold in custody all financial instruments that can be registered in a financial instruments account opened in the depositary's books and all financial instruments that can be physically delivered to the depositary,

bb) for that purpose, the depositary shall ensure that all those financial instruments that can be registered in a financial instruments account opened in the depositary's books are registered in the depositary's books within segregated accounts in accordance with the principles set out in Article 16 of the decision 2/452/1.11.2007 of the Board of Directors of the Hellenic Capital Market Commission, opened in the name of the AIF or the AIFM acting on behalf of the AIF, so that they can be clearly identified as belonging to the AIF in accordance with the applicable law at all times.

b) for other assets:

aa) the depositary shall verify the ownership of the AIF or the AIFM SA acting on behalf of the AIF of such assets and shall maintain a record of those assets for which it is satisfied that the AIF or the AIFM SA acting on behalf of the AIF holds the ownership of such assets,

bb) the assessment whether the AIF or the AIFM SA acting on behalf of the AIF holds the ownership shall be based on information or documents provided by the AIF or the AIFM SA and, where available, on external evidence,

cc) the depositary shall keep its record up-to-date.

9. In addition to the tasks referred to in paragraphs 7 and 8, the depositary shall ensure that:

a) the sale, issue, re-purchase, redemption and cancellation of units or shares of the AIF are carried out in accordance with the provisions of this Law or instruments of incorporation of the AIF,

b) the value of the units or shares of the AIF is calculated in accordance with the provisions of this Law, the rules or instruments of incorporation of the AIF and the procedures laid down in article 19,

c) the instructions of the AIFM SA are carried out, unless they conflict with the provisions of this Law or the rules or instruments of incorporation of the AIF,

d) in transactions involving the AIF's assets any consideration is remitted to the AIF within the usual time limits and

e) an AIF's income is applied in accordance with the provisions of this Law and the rules or instruments of incorporation of the AIF.

10. The AIFM SA and the depositary shall act in the exercise of their duties with impartiality, honesty, professionalism, independence and in the interests of the AIF and the investors of the AIF.

A depositary shall not carry out activities with regard to the AIF or the AIFM SA on behalf of the AIF that may create conflicts of interest between the AIF, the investors in the AIF, the AIFM SA and itself, unless the depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF.

The assets referred to in paragraph 8 shall not be reused by the depositary without the prior consent of the AIF or the AIFM SA acting on behalf of the AIF.

11. A. The depositary shall not delegate to third parties its functions as described in this Article, save for those referred to in paragraph 8.

The depositary may delegate to third parties the functions referred to in paragraph 8 subject to the following conditions:

a) the tasks are not delegated with the intention of avoiding the requirements of Part A (articles 1-53),

b) the depositary can demonstrate that there is an objective reason for the delegation,

c) the depositary has exercised all due skill, care and diligence in the selection and the appointment of any third party to whom it wants to delegate parts of its tasks, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its tasks and of the arrangements of the third party in respect of the matters delegated to it and

d) the depositary ensures that the third party meets the following conditions at all times during the performance of the tasks delegated to it:

i) has the structures and the expertise that are adequate and proportionate to the nature and complexity of the assets of the AIF or the AIFM SA acting on behalf of the AIF which have been entrusted to it,

ii) is subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction concerned and the third party is subject to an external periodic audit to ensure that the financial instruments are in its possession, in the case of delegation of custody tasks under point (a) of paragraph 8,

iii) segregates the assets of the depositary's clients from its own assets and from the assets of the depositary in such a way that they can at any time be clearly identified as belonging to clients of a particular depositary,

iv) does not make use of the assets without the prior consent of the AIF or the AIFM SA acting on behalf of the AIF and prior notification to the depositary and

v) complies with the general obligations and prohibitions set out in paragraphs 8 and 10.

B. Notwithstanding point (d)(ii) of the second subparagraph, if the law of a third country requires that certain financial instruments be held in custody by a local entity and no local entities satisfy the delegation requirements laid down in that point, the depositary may delegate its functions to such a local entity. Such delegation shall occur only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements, subject to the following requirements:

a) the investors of the relevant AIF must be duly informed that such delegation is required due to legal constraints in the law of the third country and of the circumstances justifying the delegation, prior to their investment, and

b) the AIF, or the AIFM SA on behalf of the AIF, must instruct the depositary to delegate the custody of such financial instruments to such local entity.

C. The third party may, in turn, sub-delegate those functions, provided that the same requirements are met. In such a case, paragraph 13 shall apply mutatis mutandis to the relevant parties.

For the purposes of this paragraph, the provision of services as specified by Greek law 2789/2000 by securities settlement systems as designated for the purposes of that Law or the provision of similar services by third-country securities settlement systems shall not be considered a delegation of its custody functions.

12. The depositary shall be liable to the AIF or to the investors of the AIF, for the loss by the depositary or a third party to whom the custody of financial instruments held in custody in accordance with point (a) of paragraph 8 has been delegated.

In the case of such a loss of a financial instrument held in custody, the depositary shall return a financial instrument of identical type or the corresponding amount to the AIF or the AIFM SA acting on behalf of the AIF without undue delay. The depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The depositary shall also be liable to the AIF, or to the investors of the AIF, for all other losses suffered by them as a result of the depositary's negligent or intentional failure to properly fulfil its obligations pursuant to Part A (articles 1-53).

13. The depositary's liability shall not be affected by any delegation made under paragraph 11.

Without prejudice to the first subparagraph of this paragraph, in case of a loss of financial instruments held in custody by a third party pursuant to paragraph 11, the depositary may discharge itself of liability if it can prove that:

a) all conditions for the delegation of its custody tasks set out in the second subparagraph of paragraph 11 are met,

b) a written contract between the depositary and the third party expressly transfers the liability of the depositary to that third party and makes it possible for the AIF or the AIFM SA acting on behalf of the AIF to make a claim against the third party in respect of the loss of financial instruments or for the depositary to make such a claim on their behalf and

c) a written contract between the depositary and the AIF or the AIFM SA acting on behalf of the AIF, which expressly allows a discharge of the depositary's liability and establishes the objective reason to contract such a discharge.

14. Further, if the law of a third country requires that certain financial instruments are held in custody by a local entity and there are no local entities that satisfy the delegation conditions laid down in point (d)(ii) of paragraph 11, the depositary can discharge itself of liability provided that the following conditions are met:

a) the rules or instruments of incorporation of the AIF concerned expressly allow for such a discharge under the conditions set out in this paragraph,

b) the investors of the relevant AIF have been duly informed of that discharge and of the circumstances justifying the discharge prior to their investment,

c) the AIF or the AIFM SA on behalf of the AIF instructed the depositary to delegate the custody of such financial instruments to a local entity,

d) there is a written contract between the depositary and the AIF or the AIFM acting on behalf of the AIF, which expressly allows such a discharge and

e) there is a written contract between the depositary and the third party that expressly transfers the liability of the depositary to that local entity and makes it possible for the AIF or the AIFM SA acting on behalf of the AIF to make a claim against that local entity in respect of the loss of financial instruments or for the depositary to make such a claim on their behalf.

15. Liability to the investors of the AIF may be invoked directly or indirectly through the AIFM SA, depending on the legal nature of the relationship between the depositary, the AIFM SA and the investors.

16. The depositary shall make available to the Hellenic Capital Market Commission, on request, all information which it has obtained while performing its duties and that may be necessary for the Hellenic Capital Market Commission or the competent authorities of the AIF or of the AIFM if they are different. If the competent authorities of the AIF or the AIFM are different from the Hellenic Capital Market Commission as competent authority of the depositary, the Hellenic Capital Market Commission shall share the information received without delay with the competent authorities of the AIF and the AIFM.

17. A depositary wishing to resign from its tasks shall notify the AIFM SA at least three (3) months in advance, continuing to perform its tasks until a new depositary takes over the full performance of its duties. The Hellenic Capital Market Commission may, also, request the AIFM SA to replace the depositary if the latter fails to perform its obligations in accordance with the provisions of the legislation. The departing depositary shall, on the basis of a protocol, deliver the assets of the AIF to the new depositary. In the case of resignation or replacement of the depositary, the AIFM SA shall forthwith inform the unit-holders or shareholders of the AIF of the undertaking of tasks by the new depositary.

18. On the basis of the implementing measures referred to in paragraph 17 of article 21 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) the particulars that need to be included in the written contract referred to in paragraph 2,

b) general criteria for assessing whether the prudential regulation and supervision of third countries as referred to in point (b) of paragraph 6 have the same effect as Union law and are effectively enforced,

c) the conditions for performing the depositary functions pursuant to paragraphs 7, 8 and 9, including:

i) the type of financial instruments to be included in the scope of the depositary's custody duties in accordance with point (a) of paragraph 8,

ii) the conditions subject to which the depositary is able to exercise its custody duties over financial instruments registered with a central depositary and

iii) the conditions subject to which the depositary is to safe keep the financial instruments issued in a nominative form and registered with an issuer or a registrar, in accordance with point (b) of paragraph 8,

d) the due diligence duties of depositaries pursuant to point (c) of paragraph 11,

e) the obligation to segregate the assets pursuant to point (d)(iii) of paragraph 11,

f) the conditions subject to which and circumstances in which financial instruments held in custody are to be considered as lost,

g) what is to be understood by external events beyond reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to paragraph 12, and

h) the conditions subject to which and circumstances in which there is an objective reason to contract a discharge pursuant to paragraph 13.

CHAPTER D

TRANSPARENCY REQUIREMENTS

Article 22

Annual report
(Article 22 of Directive 2011/61/EU)

1. An AIFM SA shall, for each of the EU AIFs it manages and for each of the AIFs it markets its units or shares in the European Union, make available an annual report for each financial year no later than six (6) months following the end of the financial year. The annual report shall be provided to investors on request. The annual report shall be made available to the Hellenic Capital Market Commission, and, where applicable, to the competent authorities of the home Member State of the AIF, if the AIF is established in another Member State.

If the AIF is required to make public an annual financial report in accordance with article 4 of Greek law 3556/2007 or in the case of an AIF with its registered office in the EU, in accordance with the national provisions transposing Directive 2004/109/EC in the home country of that AIF, only such additional information referred to in paragraph 2 needs to be provided to investors on request, either separately or as an additional part of the annual financial report. In the latter case the annual financial report shall be made public no later than four (4) months following the end of the financial year.

2. The annual report shall at least contain the following:

a) a balance-sheet or a statement of assets and liabilities,

b) an income and expenditure account for the financial year,
c) a report on the activities of the financial year,

d) any material changes in the information listed in Article 23 during the financial year covered by the report,

e) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM SA to its staff, and number of beneficiaries, as well as the carried interest paid by the AIF,

f) the aggregate amount of remuneration of senior management and the total amount of remuneration of the staff members whose actions have a material impact on the risk profile of the AIF.

3. The accounting information given in the annual report shall be prepared in accordance with the accounting standards of the home Member State of the AIF or in accordance with the accounting standards of the third country where the AIF is established and with the accounting rules laid down in rules or instruments of incorporation of the AIF.

The accounting information given in the annual report shall be audited by one or more persons empowered by law to audit accounts in accordance with Greek law 3693/2008 (A 174) or in the case of AIF with its registered office in the EU, in accordance with the national provisions transposing in the home country of that AIF the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts. The auditor's report, including any qualifications, shall be included in full in the annual report.

By way of derogation from the second and third subparagraph, it may permitted to AIFM SA marketing non-EU AIFs to subject the annual reports of those AIFs to an audit meeting international auditing standards in force in the country where the AIF has its registered office.

4. On the basis of the implementing measures referred to in paragraph 4 of article 22 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any details or technical issues relating to the measures determining the content and format of the annual report. Those measures shall be adapted to the type of AIF to which they apply.

Article 23

Disclosure to investors
(Article 23 of Directive 2011/61/EU)

1. AIFM SA shall for each of the EU AIFs that they manage and for each of the AIFs that they market in the European Union make available to AIF investors, in accordance with t rules or instruments of incorporation of the AIF, the following information before they invest in the AIF, as well as any material changes thereof:

a) a description of the investment strategy and objectives of the AIF, information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds, a description of the types of assets in which the AIF may invest, the techniques it may employ and all associated risks, any applicable investment restrictions, the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM SA is entitled to employ on behalf of the AIF,

b) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both,

c) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established,

d) the identity of the AIFM SA, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights,

e) a description of how the AIFM SA is complying with the requirements of Article 9(7),

f) a description of any delegated management function as referred to in point (b) of paragraph 2 of article 6 by the AIFM SA and of any safe-keeping function delegated by the depositary, the third party of the delegate and any conflicts of interest that may arise from such delegations,

g) a description of the AIF's valuation procedure and of the pricing methodology for valuing assets in accordance with Article 19, including the methods used in valuing hard-to-value assets,

h) a description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors,

i) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors,

j) a description of how the AIFM SA ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM,

ja) the latest annual report referred to in article 22,

jb) the procedure and conditions for the issue and sale of units or shares,

jc) the latest net asset value of the AIF or the latest market price of the unit or share of the AIF, in accordance with Article 19,

jd) if available, the historical performance of the AIF,

je) the identity of the prime intermediary and a description of any material arrangements of the AIF with its prime intermediaries and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime intermediary that may exist,

jf) a description of how and when the information required under paragraphs 4 and 5 will be disclosed.

2. The AIFM SA shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13). The AIFM SA shall also inform investors of any changes with respect to depositary liability without delay.

3. If the AIF is required to publish a prospectus in accordance with Greek law 3401/2005 (A 257) or in accordance with national law of another Member State transposing Directive 2003/71/EC, only such information referred to in paragraphs 1 and 2 which is in addition to that contained in the prospectus needs to be disclosed separately or as additional information in the prospectus.

4. AIFMs SA shall, for each of the EU AIFs that they manage and for each of the AIFs units of shares that they market in the European Union, periodically disclose to investors:

a) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature,

b) any new arrangements for managing the liquidity of the AIF,

c) the current risk profile of the AIF and the risk management systems employed by the AIFM SA to manage those risks.

5. AIFMs SA managing EU AIFs employing leverage or marketing in the European Union AIFs employing leverage shall, for each such AIF disclose, on a regular basis:

a) any changes to the maximum level of leverage which the AIFM SA may employ on behalf of the AIF as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement,

b) the total amount of leverage employed by that AIF.

6. On the basis of the implementing measures referred to in paragraph 6 of article 23 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any details or technical issues relating to the disclosure obligations of AIFMs SA referred to in paragraphs 4 and 5, including the frequency of the disclosure referred to in paragraph 5. Those measures shall be adapted to the type of AIFMs SA to which they apply.

Article 24

Reporting obligations to the Hellenic Capital Market Commission
(Article 24 of Directive 2011/61/EU)

1. An AIFM SA shall regularly report to the Hellenic Capital Market Commission on the principal markets in which it operates and instruments in which it trades on behalf of the AIFs it manages.

An AIFM SA shall provide information on the main instruments in which it is trading, on markets of which it is a member or where it actively trades, and on the principal exposures and most important concentrations of each of the AIFs it manages.

2. An AIFM SA shall, for each of the EU AIFs it manages and for each of the AIFs it markets in the Union, provide the following to the Hellenic Capital Market Commission:

a) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature,

b) any new arrangements for managing the liquidity of the AIF,

c) the current risk characteristics of the AIF and the risk management systems employed by the AIFM to manage the market risk, liquidity risk, counterparty risk and other risks including operational risk,

d) information on the main categories of assets in which the AIF invested and

e) the results of the stress tests performed in accordance with point (b) of article 15(3) and the second subparagraph of article 16(1).

3. The AIFM SA shall, on request, provide the following documents to the Hellenic Capital Market Commission:

a) an annual report of each EU AIF managed by the AIFM SA and of each AIF marketed by it in the European Union, for each financial year, in accordance with Article 22(1),

b) for the end of each quarter a detailed list of all AIFs which the AIFM SA manages.

4. An AIFM SA managing AIFs employing leverage on a substantial basis shall make available information about the overall level of leverage employed by each AIF it manages, a break-down between leverage arising from borrowing of cash or securities and leverage embedded in financial derivatives and the extent to which the AIF's assets have been reused under leveraging arrangements to the Hellenic Capital Market Commission.

That information shall include the identity of the five (5) largest sources of borrowed cash or securities for each of the AIFs managed by the AIFM, and the amounts of leverage received from each of those sources for each of those AIFs.

For third country AIFMs SA for which Greece is a reporting Member State, the reporting obligations referred to in this paragraph are limited to AIFs with registered office in the European Union managed by them and third country AIFs that they market in the European Union.

5. If necessary for the effective monitoring of systemic risk, the Hellenic Capital Market Commission may require information in addition to that described in this article, on a periodic as well as on an ad-hoc basis. The Hellenic Capital Market Commission shall inform European Securities and Markets Authority (ESMA) about the additional information requirements.

6. On the basis of the implementing measures referred to in paragraph 6 of article 24 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to:

a) when leverage is to be considered to be employed on a substantial basis for the purposes of paragraph 4 and

b) the obligations to report and provide information provided for in this article.

In those measures, the Hellenic Capital Market Commission shall take into account the need to avoid an excessive administrative burden.

CHAPTER E

AIFMs SA MANAGING SPECIFIC TYPES OF AIF

SECTION 1

AIFMs SA MANAGING LEVERAGED AIFs

Article 25
Use of information by the
Hellenic Capital Market Commission,
supervisory cooperation and limits to leverage
(Article 25 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission uses the information to be gathered under article 24 for the purposes of identifying the extent to which the use of leverage contributes to the build-up of systemic risk in the financial system, risks of disorderly markets or risks to the long-term growth of the economy.

2. The Hellenic Capital Market Commission makes available to the competent authorities of the other Member States concerned, the European Securities and Markets Authority and the European Systemic Risk Board, through the procedures described in article 46 on supervisory cooperation, all the information gathered in accordance with article 24 concerning all the AIFMs SA it supervises, as well as the information gathered in accordance with article 7. The Hellenic Capital Market Commission, without delay, also provides information by means of those procedures, and bilaterally to the competent authorities of other Member States directly concerned, if an AIFM SA under their responsibility, or AIF managed by that AIFM SA could potentially constitute an important source of counterparty risk to a credit institution or other systemically relevant institutions in other Member States.

3. The AIFM SA shall demonstrate that the leverage limits set by it for each AIF it manages are reasonable and that it complies with those limits at all times. The Hellenic Capital Market Commission assesses the risks that the use of leverage by an AIFM SA with respect to the AIFs it manages could entail, and, if deemed necessary in order to ensure the stability and integrity of the financial system, after having notified European Securities and Markets Authority (ESMA), the European Systemic Risk Board (ESRB) and the competent authorities of the relevant AIF, if its

home Member State is not Greece, it imposes thresholds to the level of leverage that an AIFM SA is entitled to employ or other restrictions on the management of the AIF to limit the extent to which the use of leverage contributes to the build up of systemic risk in the financial system or risks of disorderly markets. The Hellenic Capital Market Commission informs European Securities and Markets Authority (ESMA), the European Systemic Risk Board (ESRB) and the competent authorities of the home Member State of the AIF, if the home Member State is not Greece, of actions taken in this respect, through the procedures set out in article 46.

4. The notification referred to in paragraph 3 shall be made not less than ten (10) working days before the proposed measure is intended to take effect or to be renewed. The notification shall include details of the proposed measure, the reasons for the measure and when the measure is intended to take effect. In exceptional circumstances, the Hellenic Capital Market Commission may decide that the proposed measure takes effect within ten (10) working days of the notification referred to in the first subparagraph.

5. On the basis of the implementing measures referred to in article 25(9) of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical matter relating to the provisions of paragraph 3, taking into account different strategies of AIFs, different market conditions in which AIFs operate and possible pro-cyclical effects of applying those provisions.

SECTION 2

OBLIGATIONS FOR AIFMs SA MANAGING AIFS WHICH ACQUIRE CONTROL OF NON-LISTED COMPANIES AND ISSUERS

Article 26

Scope
(Article 26 of Directive 2011/61/EU)

1. This Section (articles26-30) shall apply to the following:

a) AIFMs SA managing one or more AIFs which either individually or jointly on the basis of an agreement aimed at acquiring control, acquire control of a non-listed company in accordance with paragraph 5,

b) AIFMs SA cooperating with one or more other AIFMs SA on the basis of an agreement pursuant to which the AIFs managed by those AIFMs SA jointly, acquire control of a non-listed company in accordance with paragraph 5.

2. This Section shall not apply where the non-listed companies concerned are:

a) small and medium-sized enterprises within the meaning of article 2(1) of the Annex to European Commission Recommendation 2003/361/EC of 6 May 2003 or

b) special purpose vehicles with the purpose of purchasing, holding or administrating real estate.

3. Without prejudice to paragraphs 1 and 2 of this article, article 27(1) shall also apply to AIFMs SA managing AIFs that acquire a non-controlling participation in a non-listed company within the meaning of paragraph 5.

4. Article 28(1), (2) and (3) and article 30 shall apply also to AIFMs SA managing AIFs that acquire control over issuers. For the purposes of those articles, paragraphs 1 and 2 of this Article shall apply mutatis mutandis.

5. For the purpose of this Section, for non-listed companies, control shall mean more than fifty percent (50%) of the voting rights of the companies.

When calculating the percentage of voting rights held by the AIF, the voting rights of the following persons shall also be taken into account, provided that those persons are controlled by the AIF within the meaning of the first subparagraph:

a) an undertaking controlled by the AIF and

b) a natural or legal person acting in its own name but on behalf of the AIF or on behalf of an undertaking controlled by the AIF.

The percentage of voting rights shall be calculated on the basis of all the shares to which voting rights are attached even if the exercise thereof is suspended.

Notwithstanding point (i) of article 4(1), for the purpose of article 28(1), (2) and (3) and article 30, the control shall be determined in accordance with the provisions of article 7 of Greek law 3461/2006 (AI 06).

6. This Section shall apply without prejudice to the conditions and restrictions concerning the right to information of employees set out in article 6 of Presidential Decree 240/2006 (A 252).

Article 27

Notification of the acquisition of major
holdings and control of non-listed companies
(Article 27 of Directive 2011/61/EU)

1. An AIFM SA managing an AIF, which acquires, disposes of or holds shares of a non-listed company, notify the Hellenic Capital Market Commission of the proportion of voting rights of the non-listed company held by the AIF, when that proportion reaches, exceeds or falls below the thresholds of 10%, 20%, 30%, 50% and 75%.

2. If an AIF acquires, individually or jointly, control over a non-listed company pursuant to article 26(1), in conjunction with paragraph 5 of this article, the AIFM SA managing such an AIF must notify the acquisition of control by the AIF to the following:

a) the non-listed company,

b) any shareholder whose the identity and address are available to the AIFM SA or can be made available by the non-listed company or through a register to which the AIFM SA has or can obtain access and

c) the Hellenic Capital Market Commission.

3. The notification under paragraph 2 shall contain the following additional information:

a) the resulting situation in terms of voting rights,

b) the conditions subject to which control was acquired, including information about the identity of the different shareholders involved, any natural person or legal entity entitled to exercise voting rights on their behalf and, if applicable, the chain of undertakings through which voting rights are effectively held,

c) the date on which control was acquired.

4. In its notification to the non-listed company, the AIFM SA shall request the board of directors of the company to inform the employees' representatives or, where there are none, the employees themselves, without undue delay of the acquisition of control by the AIF managed by the AIFM SA and of the information referred to in paragraph 3. The AIFM SA shall use its best efforts to ensure that the employees' representatives or, where there are none, the employees themselves, are duly informed by the board of directors in accordance with this article.

5. The notifications referred to in paragraphs 1, 2 and 3 shall be made as soon as possible, but no later than ten (10) working days after the date on which the AIF has reached, exceeded or fallen below the relevant threshold or has acquired control over the non-listed company.

Article 28

Disclosure in case of
acquisition of control
(Article 28 of Directive 2011/61/EU)

1. If an AIF acquires, individually or jointly, control of a non-listed company or an issuer pursuant to article 26(1), in conjunction with paragraph 5 of article 26, the AIFM SA managing such AIF shall make the information referred to in paragraph 2 available to:

a) the company concerned

b) any shareholder whose the identity and address are available to the AIFM SA or can be made available by the company or through a register to which the AIFM SA has or can obtain access and

c) the Hellenic Capital Market Commission.

2. The AIFM SA shall make available:

a) the identity of the AIFM SA which either individually or in agreement with other AIFMs SA manage the AIF that have acquired control,

b) the policy for preventing and managing conflicts of interest, in particular between the AIFM SA, the AIF and the company, including information about the specific safeguards established to ensure that any agreement between the AIFM SA and/or the AIF and the company is concluded at arm's length and

c) the policy for external and internal communication relating to the company in particular as regards its employees.

3. In its notification to the company pursuant to point (a) of paragraph 1, the AIFM SA shall request the board of directors of the company to inform the employees' representatives or, where there are none, the employees themselves, without undue delay of the information referred to in paragraph 2. The AIFM SA shall use its best efforts to ensure that the employees' representatives or, where there are none, the employees themselves, are duly informed by the board of directors in accordance with this article.

4. If an AIF acquires, individually or jointly, control of a non-listed company pursuant to paragraph 1, in conjunction with paragraph 5 of that article 26, the AIFM SA managing such AIF ensures that the AIF, or the AIFM SA acting on behalf of the AIF, disclose its intentions with regard to the future business of the non-listed company and the likely repercussions on employment, including any material change in the conditions of employment, to:

a) the non-listed company and

b) any shareholder whose the identity and address are available to the AIFM SA or can be made available by the non-listed company or through a register to which the AIFM SA has or can obtain access.

The AIFM SA managing the AIF shall request the competent management body of the non-listed company to make available the information set out in the first subparagraph to the representatives of the employees of the non-listed company or, where there are none, the employees themselves. The AIFM SA shall take appropriate measures to ensure that the employees' representatives or, where there are none, the employees themselves, are duly informed by the competent management body.

5. If an AIF acquires control of a non-listed company pursuant to article 26(1), in conjunction with paragraph 5 of that article, the AIFM SA managing such an AIF provides the Hellenic Capital Market Commission and the AIF's investors with information on the financing of the acquisition.

Article 29

Specific provisions regarding the annual report
of AIFs exercising control of non-listed companies
(Article 29 of Directive 2011/61/EU)

1. If an AIF acquires, individually or jointly, control over a non-listed company pursuant to article 26(1), in conjunction with paragraph 5 of that article, the AIFM SA managing such an AIF shall:

a) request from the management body of the non-listed company and use its best efforts to ensure that the annual report of the non-listed company drawn up in accordance with paragraph 2 is made available to the employees' representatives or, where there are none, to the employees themselves within the period such annual report has to be drawn up in accordance with the national applicable law or

b) for each such AIF include in the annual report provided for in article 22 the information referred to in paragraph 2 relating to the relevant non-listed company.

2. The additional information to be included in the annual report of the company or the AIF, in accordance with paragraph 1, shall include at least a fair review of the development of the company's business representing the situation at the end of the period covered by the annual report. The report must also give an indication of:

a) any important events that have occurred since the end of the financial year, b) the company's likely future development, and

c) the information concerning acquisitions of own shares prescribed by article 16(9) of Greek law 2190/1920 (A 37) or, in the case of a company within the EU, in the national provisions transposing article 22(2) of Council Directive 77/91/EEC into the national legislation of the home country of that company.

3. The AIFM SA managing the relevant AIF shall:

a) request and use its best efforts to ensure that the competent management body of the non-listed company makes available the information referred to in point (b) of paragraph 1 relating to the company concerned to the employees' representatives of the company concerned or, where there are none, to the employees themselves within the period referred to in article 22(1) or

b) make available the information referred to in point (a) of paragraph 1 to the investors of the AIF, in so far as already available, within the period referred to in article 22(1) and, in any event, no later than the date on which the annual report of the non-listed company is drawn up in accordance with the national applicable law.

Article 30

Asset stripping
(Article 30 of Directive 2011/61/EU)

1. If an AIF, individually or jointly, acquires control of a non-listed company or an issuer pursuant to article 26(1), in conjunction with paragraph 5 of that article, the AIFM SA managing such an AIF shall for a period of 24 months following the acquisition of control of the company by the AIF:

a) not be allowed to facilitate, support or instruct any distribution, capital reduction, share redemption or acquisition of own shares by the company as described in paragraph 2,

b) not be allowed to vote in favour of a distribution, capital reduction, share redemption or acquisition of own shares by the company as described in paragraph 2, in so far as the AIFM is authorised to vote on behalf of the AIF at the meetings of the governing bodies of the company,

c) in any event use its best efforts to prevent distributions, capital reductions, share redemptions or the acquisition of own shares by the company as described in paragraph 2.

2. The obligations imposed on AIFMs SA pursuant to paragraph 1 shall relate to the following:

a) any distribution to shareholders made when on the closing date of the last financial year the net assets as set out in the company's annual accounts are lower than the amount of the subscribed capital plus those reserves which are not allowed to be distributed under the law or the statutes. If the uncalled part of the subscribed capital is not included in the assets shown in the balance sheet, this amount shall be deducted from the amount of subscribed capital.

b) any distribution to shareholders the amount of which would exceed the amount of the profits at the end of the last financial year plus any profits brought forward and sums drawn from reserves available for this purpose, less any losses brought forward and sums placed to reserve in accordance with the law or the statutes

c) to the extent that acquisitions of own shares are permitted, the acquisitions by the company, including shares previously acquired by the company and held by it, and shares acquired by a person acting in his own name but on the company's behalf, that would have the effect of reducing the net assets below the amount mentioned in point (a).

3. For the purposes of paragraph 2:

a) the term 'distribution' referred to in points (a) and (b) of paragraph 2 shall include, in particular, the payment of dividends and of interest relating to shares,

b) the provisions on capital reductions shall not apply on a reduction in the subscribed capital, the purpose of which is to offset losses incurred or to include sums of money in a non-distributable reserve provided that, following that operation, the amount of such reserve is not more than ten percent (10%) of the reduced subscribed capital and

c) the restriction set out in point (c) of paragraph 2 shall be subject, in the case of company with registered office in Greece, to points (b) to (e) of paragraph 4 of article 16 of Greek law 2190/1920 and in the case of company with registered office in the European Union, to the national provisions

transposing into the national legislation of the home country of that company the points (b) to (h) of article 20(1) of Directive 77/91/EEC.

CHAPTER F

RIGHTS OF EU AIFMs IN THE UNION TO MARKET AND MANAGE EU AIFs IN THE EUROPEAN UNION

Article 31

Marketing in Greece of units of EU AIFs managed by AIMFs SA
(Article 31 and Annex III of Directive 2011/61/EU)

1. Authorised EU AIFM SA may market units of any EU AIF that they manage to professional investors in Greece if the conditions laid down in this article are met.

If the EU AIF is a feeder AIF the right to market referred to in the first subparagraph is subject to the condition that the master AIF is also an EU AIF which is managed by an authorised EU AIFM.

2.The AIFM SA shall submit a notification to the Hellenic Capital Market Commission in respect of each EU AIF's units or shares that it intends to market in Greece, the following information:

a) a notification letter, including a programme of operations identifying the AIF the AIFM SA intends to market and information on where the AIF is established,

b) the AIF rules or instruments of incorporation of the AIF,

c) identification of the depositary of the AIF,

d) a description of, or any information on, the AIF available to investors,

e) information on where the master AIF is established if the AIF is a feeder AIF,

f) any additional information referred to in article 23(1) for each AIF the AIFM SA intends to market,

g) where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the AIFM SA relies on activities of independent entities to provide investment services in respect of the AIF.

3. Within twenty (20) working days following receipt of a complete notification file pursuant to paragraph 2, the Hellenic Capital Market Commission shall inform the AIFM whether it may start marketing the AIF identified in the notification referred to in paragraph 2. The Hellenic Capital Market Commission shall prevent the marketing of the AIF only if the AIFM’s management of the AIF does not or will not comply with the provisions of Part A (article 1-53) or the AIFM SA

otherwise does not or will not comply with this Directive. In the case of a positive decision, the AIFM SA may start marketing the AIF from the date of the notification by the Hellenic Capital Market Commission to that effect.

If the AIF has its registered office in another Member State, the Hellenic Capital Market Commission shall also inform the competent authorities of the AIF that the AIFM SA may start marketing units or shares of the AIF.

4. In the event of a material change to any of the particulars communicated in accordance with paragraph 2, the AIFM SA shall give written notice of that change to the Hellenic Capital Market Commission at least one (1) month before implementing the change as regards any changes planned by the AIFM SA, or immediately after an unplanned change has occurred.

If, pursuant to a planned change, the AIFM SA's management of the AIF would no longer comply with the provisions Part A (articles 1-53) or the AIFM SA would otherwise no longer comply with these provisions, the Hellenic Capital Market Commission shall inform the AIFM SA without undue delay that it is not to implement the change.

If a planned change is implemented notwithstanding the first and second subparagraphs or if an unplanned change has taken place pursuant to which the AIFM SA's management of the AIF no longer complies with the provisions of Part A of this Law or the AIFM SA otherwise no longer complies with these provisions, the Hellenic Capital Market Commission shall take all due measures in accordance with article 46, including, if necessary, the express prohibition of marketing of the AIF.

5. Without prejudice to article 41(1) and (20), AIFs managed and marketed by AIFMs SA with their home country in Greece are allowed to be marketed only to professional investors.

Article 32

Marketing in other Member States of units
of EU AIFs managed by AIFMs SA
(Article 32 and Annex IV of Directive 2011/61/EU)

1. An AIFM SA may market units or shares of an AIF that it manages to professional investors in another Member State as soon as the conditions laid down in this article are met.

If the EU AIF is a feeder AIF the right to market referred to in the first subparagraph is subject to the condition that the master AIF is also an EU AIF which is managed by an authorised EU AIFM.

2.The AIFM SA shall submit a notification to the Hellenic Capital Market Commission in respect of each EU AIF's units or shares that it intends to market in another Member State, the following information:

a) a notification letter, including a programme of operations identifying the AIF the AIFM SA intends to market and information on where the AIF is established,

b) the AIF rules or instruments of incorporation of the AIF,

c) identification of the depositary of the AIF,

d) a description of, or any information on, the AIF available to investors,

e) information on where the master AIF is established if the AIF is a feeder AIF,

f) any additional information referred to in article 23(1) for each AIF the AIFM SA intends to market,

g) the Member States in which it intends to market the units or shares of the AIF to professional investors,

h) information about arrangements made for the marketing of AIFs and, where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including the case where the marketing is carried out through investment service providers.

3. The Hellenic Capital Market Commission shall, no later than 20 working days after the date of receipt of the complete notification file referred to in paragraph 2, transmit the complete notification file to the competent authorities of the Member States where it is intended that the AIF be marketed. Such transmission shall occur only if the AIFM SA's management of the AIF complies with and will continue to comply with the provisions of Part A (articles 1-53) and if the AIFM SA otherwise complies with these provisions.

The Hellenic Capital Market Commission encloses a statement to the effect that the AIFM SA concerned is authorised to manage AIFs with a particular investment strategy.

4. The Hellenic Capital Market Commission, without delay, notifies the AIFM SA about the transmission of paragraph 3. The AIFM SA may start marketing the AIF in the host Member State of the AIFM SA as of the date of that notification by the Hellenic Capital Market Commission

If the AIF has its registered office in another Member State, the Hellenic Capital Market Commission also informs the competent authorities of the AIF that the AIFM SA may start marketing units of the AIF in the host Member State of the AIFM SA.

5.The notification letter referred to in paragraph 2 and the statement referred to in paragraph 3 are provided in a language customary in the sphere of international finance.

The Hellenic Capital Market Commission may transmit in electronic form the documents and information referred to in paragraph 3, and the authorities of other member States may transmit to the HCMC the documents and information referred to in paragraph 3 also in electronic form.

6. In the event of a material change to any of the particulars communicated in accordance with paragraph 2, the AIFM SA shall give written notice of that change to the Hellenic Capital Market Commission at least one (1) month before implementing a planned change, or immediately after an unplanned change has occurred.

If, pursuant to a planned change, the AIFM SA's management of the AIF would no longer comply with the provisions of Part A (articles 1-53) or the AIFM SA would otherwise no longer comply with these provisions, the Hellenic Capital Market Commission informs the AIFM SA without undue delay that it is not allowed to implement the change.

If a planned change is implemented notwithstanding the first and second subparagraphs or if an unplanned change has taken place pursuant to which the AIFM SA's management of the AIF would no longer comply with this Law or the AIFM SA otherwise would no longer comply with this Law, the Hellenic Capital Market Commission takes all due measures in accordance with article 44, including, if necessary, the express prohibition of marketing of the AIF.

If the changes are acceptable because they do not affect the compliance of the AIFM SA's management of the AIF with this Law, or the compliance by the AIFM SA with this Law otherwise, the Hellenic Capital Market Commission, without delay, informs the competent authorities of the host Member State of the AIFM SA of those changes.

7. If Greece is the host Member State, an authorized AIFM of another Member State may start marketing the EU AIF in Greece, only if the Hellenic Capital Market Commission receives from the competent authorities of another Member State an equivalent notification with the content of paragraph 3 of this article as of the date of that notification. Without prejudice to article 41(1) and (2), those AIFs shall be marketed only to professional investors. In that case, the arrangements laid down for the marketing of the AIF and, where applicable, for the non-marketing of units of the AIF to retail investors, including the case where the marketing is carried out through undertakings providing investment services, shall be governed by the rules laid down in Part A (Articles 1 to 53) and shall be subject to the supervision of the Hellenic Capital Market Commission.

"Article 33

Conditions for managing EU AIFs established in other Member States and for providing services in other Member States
(Article 33 of Directive 2011/61/EU)

1. An AIFM SA may, without establishment or by establishing a branch:

a) manage EU AIFs established in another Member State, provided that the AIFM SA is authorised by the Hellenic Capital Market Commission to manage that type of AIF,

b) provide in another Member State the services referred to in paragraph 4 of article 6 for which it has been authorised.

2. An AIFM SA intending to commence its operations and provide the services referred to in paragraph 1 shall communicate the following information to the Hellenic Capital Market Commission:

a) the Member State in which AIFM SA intends to manage AIFs without establishment or with establishment of a branch or provide services referred to in paragraph 4 of article 6,

b) a programme of operations stating in particular the services which it intends to perform and identifying the AIFs it intends to manage.".

*** The title and paragraphs 1 and 2 of article 33 were replaced as above
by article 104 paragraph 2 of Greek law 4514/2018, Government Gazette A 14/30.1.2018.

3. If the AIFM SA intends to establish a branch, it shall provide to the Hellenic Capital Market Commission the following information in addition to that referred to in paragraph 2:

a) the organisational structure of the branch,

b) the address in the home Member State of the AIF from which documents may be obtained,

c) the names and contact details of persons responsible for the management of the branch.

4. The Hellenic Capital Market Commission, within 1 month of receiving the complete documentation in accordance with paragraph 2 or within two (2) months of receiving the complete documentation in accordance with paragraph 3, transmits the complete documentation to the competent authorities of the host Member State of the AIFM SA. Such transmission shall occur only if the AIFM SA's management of the AIF complies, and will continue to comply, with the provisions of Part A (Articles 1-53) and the AIFM SA otherwise complies with these provisions.

The Hellenic Capital Market Commission encloses a statement to the effect that the AIFM SA concerned is authorised by it.

The Hellenic Capital Market Commission immediately notifies the AIFM SA about the transmission of this paragraph.

Upon receipt of the transmission notification of the previous subparagraph the AIFM SA may start to provide its services in its host Member State.

5. In the event of a change to any of the information submitted with the notification in accordance with paragraph 2, and, where relevant, paragraph 3, an AIFM SA shall give written notice of that change to the Hellenic Capital Market Commission at least one (1) month before implementing planned changes, or immediately after an unplanned change has occurred.

If, pursuant to a planned change, the AIFM SA's management of the AIF would no longer comply with the provisions of Part A or the AIFM SA would otherwise no longer comply with these provisions, the Hellenic Capital Market Commission informs the AIFM SA without undue delay that it is not to implement the change.

If a planned change is implemented notwithstanding the first and second subparagraphs or if an unplanned change has taken place pursuant to which the AIFM SA's management of the AIF would no longer comply with the provisions of Part A of this Law, or the AIFM SA otherwise would no longer comply with this Directive, the Hellenic Capital Market Commission takes all due measures in accordance with article 44.

If the changes are acceptable because they do not affect the compliance of the AIFM SA's management of the AIF with the provisions of Part A (articles 1-53), or the compliance by the AIFM SA with these provisions otherwise, the Hellenic Capital Market Commission, without undue delay, informs the competent authorities of the host Member States of the AIFM SA of those changes.

6. If Greece is the host Member State of an AIFM of another Member State wishing to manage AIFs established in Greece, no additional requirements shall be imposed on the AIFM concerned in respect of the matters covered by the provisions of Part A (Articles 1-53) and covered by Directive 2011/61/EU.

CHAPTER G

SPECIFIC RULES IN RELATION TO THIRD COUNTRIES

Article 34

Conditions for AIFMs SA which manage
non-EU AIFs which are not marketed in Member States
(Article 34 of Directive 2011/61/EU)

1. AIFM SA may manage non-EU AIFs which are not marketed in the European Union, if:

a) the AIFM SA complies with all the requirements established in this Law except for article 21 and 22 in respect of those AIFs and

b) appropriate cooperation arrangements are in place between the Hellenic Capital Market Commission and the supervisory authorities of the third country where the non-EU AIF is established in order to ensure at least an efficient exchange of information that allows the Hellenic Capital Market Commission to carry out its duties in accordance with this Law.

2. On the basis of the implementing measures referred to in article 34(2) of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any details or technical issues relating to the facilitation of the establishment of cooperation arrangements with third countries.

Article 35

Conditions for the marketing
in the European Union with a passport of non-EU AIFs managed by EU AIFM
(Article 35 of Directive 2011/61/EU)

1. An AIFM SA may market to professional investors in the European Union units or shares of non-EU AIFs it manages and of EU feeder AIFs that do not fulfil the requirements referred to in the second subparagraph of article 31(1) if the conditions laid down in this Article are met.

2. With the exception of the provisions of Chapter F (articles 31-33), the AIFM SA referred to in paragraph 1 shall comply with all other requirements established in the provisions of Part A (articles 1-53) and, in addition, the following conditions shall be met:

a) appropriate cooperation arrangements must be in place between the Hellenic Capital Market Commission and the supervisory authorities of the third country where the non-EU AIF is established in order to ensure at least an efficient exchange of information, taking into account article 46(3), that allows the Hellenic Capital Market Commission to carry out their duties in accordance with these provisions,

b) the third country where the non-EU AIF is established is not listed as a Non-Cooperative Country and Territory by FATF.

c) the third country where the non-EU AIF is established has signed an agreement with Greece and with each other Member State in which the units or shares of the non-EU AIF are intended to be marketed which fully complies with the standards laid down in article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters including any multilateral tax agreements.

Where a competent authority of another Member State disagrees with the assessment made on the application of conditions of points (a) and (b) of this paragraph by the Hellenic Capital Market Commission, the Hellenic Capital Market Commission may refer the matter to the ESMA.

3. If an AIFM SA intends to market units or shares of non-EU AIFs in Greek territory, the AIFM SA shall submit a notification to the Hellenic Capital Market Commission in respect of each non-EU AIF that it intends to market. The notification shall comprise the documentation and information set out in paragraph 2 of article 31.

4. No later than twenty (20) working days after receipt of a complete notification pursuant to paragraph 3, the Hellenic Capital Market Commission informs the AIFM SA whether it may start marketing the AIF identified in the notification referred to in paragraph 3 in Greek territory.
The Hellenic Capital Market Commission prevents the marketing of the AIF only if the AIFM's management of the AIF does not or will not comply with the provisions of Part A (articles 1-53) or the AIFM SA otherwise does not or will not comply with these provisions. In the case of a positive decision, the AIFM SA may start marketing the AIF as of the date of the notification by the Hellenic Capital Market Commission to that effect.

The Hellenic Capital Market Commission also informs ESMA that the AIFM SA may start marketing the units or shares of the AIF in Greece.

5. If an AIFM SA intends to market units or shares of non-EU AIFs in other Member States, the AIFM SA shall submit a notification to the Hellenic Capital Market Commission in respect of each non-EU AIF that it intends to market. This notification shall comprise the documentation and information set out in paragraph 2 of article 32.

6. The Hellenic Capital Market Commission, no later than twenty (20) working days after the date of receipt of the complete notification file referred to in paragraph 5, transmits that complete

notification file to the competent authorities of the Member State where the AIFM SA intends to market the non-EU AIF. The Hellenic Capital Market Commission transmits the notification file only if the AIFM's management of the AIF complies, and will continue to comply, with the provisions of Part A (Articles 1-53) and the AIFM SA otherwise complies with these provisions. The Hellenic Capital Market Commission encloses a statement to the effect that the AIFM SA is authorized to manage AIFs with a particular investment strategy.

7. Upon transmission of the notification file, the Hellenic Capital Market Commission, without delay, notifies the AIFM SA about the transmission. The AIFM SA may start marketing the AIF in the relevant host Member States as of the date of that notification by the Hellenic Capital Market Commission to the competent authorities of the host Member State. The Hellenic Capital Market Commission also informs ESMA that the AIFM SA may start marketing the units or shares of the AIF in the host Member States of the AIFM.

8. The notification letter referred to in paragraph 5 and the statement referred to in paragraph 6 are provided in a language customary in the sphere of international finance. Electronic transmission of the documents referred to in paragraph 6 may accepted by the Hellenic Capital Market Commission.

9. In the event of a material change to any of the particulars communicated in accordance with paragraph 3 or 5, the AIFM SA shall give written notice of that change to the Hellenic Capital Market Commission, at least one month before implementing a planned change, or immediately after an unplanned change has occurred.

If, pursuant to a planned change, the AIFM's management of the AIF would no longer comply with the provisions of Part A (articles 1-53) or the AIFM SA would otherwise no longer comply with these provisions, the Hellenic Capital Market Commission informs the AIFM SA without undue delay that it is not to implement the change.

If a planned change is implemented without taking into account the first and second subparagraphs of this paragraph or if an unplanned change has taken place pursuant to which the AIFM's management of the AIF would no longer comply with the provisions of Part A (articles 1-53) or, the AIFM SA otherwise would no longer comply with these provisions, the Hellenic Capital Market Commission takes all due measures in accordance with article 46, including, if necessary, the express prohibition of marketing of the AIF.

If the changes are acceptable because they do not affect the compliance of the AIFM's management of the AIF with the Law, or the compliance by the AIFM SA with the Law otherwise, the Hellenic Capital Market Commission informs, without delay, a) ESMA if the changes concern the termination of the marketing of certain AIFs or additional AIFs marketed and, b) the competent authorities of the host Member States.

10. AIFMs established in another Member State of the European Union may market in Greece to professional investors units or shares of non-EU AIFs managed by them and of EU feeder AIFs that do not fulfil the requirements referred to in the second subparagraph of paragraph 1 of article 31, if the competent authority of the home Member State, following an assessment carried out in accordance with the provisions of paragraph 2 and in accordance with the provisions of national law, which incorporated into national law the provisions of article 35 of the Directive 2011/61/EU,

submits to the Hellenic Capital Market Commission a notification of the AIFM to that competent authority stating that AIFM's intention to market units or shares of specific non-EU AIFs in Greece also providing the documents and information set out in paragraph 2 of article 32. The marketing is allowed once the HCMC receives the complete file sent by the competent authority of the home Member State.

11. When marketing non-EU AIFs in Greece, the AIFM complies with the provisions of Greek law regarding the marketing of units and shares of the AIF to retail investors, including the case where the marketing is carried out through companies providing investment services.

12. Without prejudice to article 41(1) and (2), the AIFs managed and marketed by the AIFM are marketed only to professional investors.

13. If the competent authorities of another Member State reject a request by the Hellenic Capital Market Commission for the exchange of information, the Hellenic Capital Market Commission may refer the matter to the ESMA.

14. On the basis of the implementing measures referred to in paragraph 11 of article 35 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detail or technical issue relating to the cooperation arrangements referred to in point (a) of paragraph 2.

Article 36

Conditions for the marketing
(Article 36 of Directive 2011/61/EU)

1. Without prejudice to article 35, AIFM SA may market in Greece to professional investors units or shares of non-EU AIFs it manages and of EU feeder AIFs that do not fulfil the requirements referred to in the second subparagraph of article 31(1), provided that:

a) the AIFM SA complies with all the requirements established in the Part A (articles 1-53) with the exception of article 21. The AIFM SA shall ensure that one or more persons, except the AIFM SA, are appointed to carry out the duties referred to in article 21(7), (8) and (9). The AIFM SA shall provide the Hellenic Capital Market Commission with information about the identity of those persons responsible for carrying out the duties referred to in article 21(7), (8) and (9),

b) appropriate cooperation arrangements for the purpose of systemic risk oversight and in line with international standards are in place between the Hellenic Capital Market Commission and the supervisory authorities of the third country where the non-EU AIF is established in order to ensure at least an efficient exchange of information that allows Hellenic Capital Market Commission to carry out its duties in accordance with this Law,

c) the third country where the non-EU AIF is established is not listed as a Non-Cooperative Country and Territory by FATF.

2. On the basis of the implementing measures referred to in paragraph 3 of article 36 of Directive 2011/61/EU, the Hellenic Capital Market Commissionspecifies by decision any detail or technical issue relating to the cooperation arrangements referred to in paragraph 1.

***ATTENTION: Pursuant to Article 109(3) of this Law, article 36 shall apply until the entry into force of the act of the European Commission referred to in paragraph 6 of article 68 of Directive 2011/61/EU.

Article 37
Authorization of non-EU AIFMs intending to manage EU AIFs or market AIFs managed by them in the European Union in accordance with article 38 or 39
(Article 37 of Directive 2011/61/EU)

1. Non-EU AIFMs intending to manage EU AIFs or to market AIFs managed by them in the European Union in accordance with article 38 or 39 must acquire prior authorization by the Hellenic Capital Market Commission, if the Member State of reference is Greece

2. A. Greece is the Member State of reference of non-EU AIFM in the following cases:

a) If the non-EU AIFM intends to manage only one AIF, or several AIFs established in Greece, and does not intend to market any AIF in accordance with article 38 or 39 in the European Union. The Hellenic Capital Market Commission is competent for the authorization procedure and for the supervision of the AIFM.

b) If the non-EU AIFM intends to manage several EU AIFs established in different Member States, including Greece, and does not intend to market any AIF in accordance with article 38 or 39 in the European Union, if:

i) most of the AIFs that the non-EU AIFM intends to manage are established in Greece or

ii) the largest amount of assets is being managed in Greece.

c) If the non-EU AIFM intends to market only one EU AIF in only one Member State:

ii) if the AIF is authorized by the Hellenic Capital Market Commission or Greece is the Member State where the AIFM intends to market the AIF,

ii) if the AIF is not authorized by the Hellenic Capital Market Commission or registered in the Hellenic Capital Market Commission, if Greece is the Member State where the AIFM intends to market the AIF.

d) If the non-EU AIFM intends to market only one non-EU AIF only in Greece.

e) If the non-EU AIFM intends to market only one EU AIF, but in different/several Member States and:

i) the AIF is authorized by the Hellenic Capital Market Commission or registered by the Hellenic Capital Market Commission or Greece is one of the Member States where the AIFM intends to develop effective marketing or

ii) the AIF is not authorized by the Hellenic Capital Market Commission or registered in the Hellenic Capital Market Commission, but Greece is one of the Member States where the AIFM intends to develop effective marketing.

f) If the non-EU AIFM intends to market only one non-EU AIF in several Member States, including Greece.

g) If the non-EU AIFM intends to market several EU AIFs in the European Union:

i) in so far as those AIFs are all authorized by the Hellenic Capital Market Commission or registered in the Hellenic Capital Market Commission or Greece is the Member State where the AIFM intends to develop effective marketing for most of those AIFs,

ii) in so far as those AIFs are not all authorized by the Hellenic Capital Market Commission or registered in the Hellenic Capital Market Commission, but Greece is the Member State where the AIFM intends to develop effective marketing for most of those AIFs.

h) If the non-EU AIFM intends to market several EU and non-EU AIFs, or several non-EU AIFs in the European Union, if Greece is the Member State where it intends to develop effective marketing for most of those AIFs.

B. a) In accordance with the criteria set out in points A. (b), (c)(i), (e), (f), and (g)(i), more than one Member State of reference is possible, including Greece. In such cases, the non-EU AIFM intending to manage EU AIFs without marketing them or market AIFs managed by it in the European Union in accordance with article 38 or 39, submits a request to the Hellenic Capital Market Commission, and to competent authorities of all of the Member States that are possible Member States of reference in accordance with the criteria set out in those points, to determine its Member State of reference. The Hellenic Capital Market Commission and the competent authorities of the other Member States shall consult each other and jointly decide within one (1) month the Member State of reference for the non-EU AIFM. If the Hellenic Capital Market Commission is appointed as Member State of reference shall, without undue delay, inform the non-EU AIFM of that appointment.

b) If the non-EU AIFM is not duly informed of the decision made by the relevant competent authorities as provided for in point B. (a) within seven (7) days of the decision or if the relevant competent authorities have not made a decision within the one (1) month period, the non-EU AIFM may itself choose Greece as reference Member State, based on the abovementioned criteria.

c) The AIFM shall be able to prove its intention to develop effective marketing in a particular Member State it has chosen by disclosure of its marketing strategy to the competent authorities of the Member State it has chosen.
If that Member State is Greece, the above notification is made to the Hellenic Capital Market Commission.

3. The non-EU AIFM authorized in accordance with paragraph 1should comply with the provisions of Part A (articles 1-53), with the exception of Chapter F (articles 31-33). If and to the extent compliance with a provision of the Law is incompatible with compliance with the law to which the non-EU AIFM or the non-EU AIF marketed in Greece is subject, the non-EU AIFM is not obliged to comply with the relevant provisions, if it can demonstrate that:

a) the provisions of Part A (articles 1-53) are contrary to a mandatory provision in the law to which the non-EU AIFM or the non-EU AIF marketed in Greece is subject,

b) the law to which the non-EU AIFM and/or the non-EU AIF is subject provides for an equivalent rule having the same regulatory purpose and content, offering the same level of protection to the investors of the relevant AIF and

c) the non-EU AIFM and/or the non-EU AIF complies with the equivalent rule referred to in point (b).

4. A non-EU AIFM authorized under paragraph 1 must have a legal representative established in Greece. The legal representative is the point of contact of the AIFM in Greece and any official correspondence between the Hellenic Capital Market Commission and the AIFM and between the EU investors of the relevant AIF and the AIFM, as set out in the provisions of Part A (articles 1-53), shall be take place through that legal representative. The legal representative shall perform the compliance function relating to the management and marketing activities performed by the AIFM under the provisions of Part A of this Law together with the AIFM.

5. A. The non-EU AIFM intending to manage an AIF established in Greece without marketing it and/or to market AIFs managed by it in Greece in accordance with article 38 or 39 must be authorized by the Hellenic Capital Market Commission, following a request submitted by the non-EU AIFM. In order to grant the authorization, the Hellenic Capital Market Commission shall first assess whether the determination by the AIFM of Greece as a Member State of reference complies with the criteria of paragraph 2.

B. If the Hellenic Capital Market Commission considers that the criteria have not been complied with, it shall refuse the authorization request of the non-EU AIFM explaining the reasons for its refusal. The Hellenic Capital Market Commission is entitled, in particular in cases of doubt, to request the advice of ESMA before issuing its decision, and makes a final decision after receiving it.

C. If the Hellenic Capital Market Commission considers that the criteria set out in paragraph 2 have been complied with, HCMC notifies this fact to ESMA, requesting its advice. This notification of the Hellenic Capital Market Commission to ESMA shall include the justification by the AIFM of its assessment regarding the designating Greece as the Member State of reference, as well as information on the marketing strategy of the AIFM. If ESMA issues a negative advice because it considers that the criteria set out in paragraph 2 have not been complied with, the Hellenic Capital Market Commission may state the reasons why it considers that the criteria set out in paragraph 2 have been complied with, refuting ESMA's reasoning and informing ESMA that it intends to grant an authorization to the AIFM. If the AIFM intends to market AIFs in other EU Member States, the Hellenic Capital Market Commission shall communicate its views on the compliance with the

criteria set out in paragraph 2 both to the competent supervisory authorities of the Member States in which the AIFM intends to market units or shares of AIFs and to the competent supervisory authorities of the home Member States of the AIFs.

6. Without prejudice to the preceding paragraphs, as well as to paragraph 7, the Hellenic Capital Market Commission grants an authorization only if the following conditions are also met:

a) Greece has been indicated by the AIFM as the Member State of reference in accordance with the criteria set out in paragraph 2 and the disclosure of the marketing strategy, and the procedure set out in paragraph 5 has been followed by the Hellenic Capital Market Commission,

b) the AIFM has appointed a legal representative established Greece,

c) the legal representative shall, together with the AIFM, be the contact person of the non-EU AIFM for the investors of the relevant AIFs, for ESMA and for the Hellenic Capital Market Commission as regards the activities for which the AIFM is authorized in Greece and shall at least be sufficiently equipped to perform the compliance function pursuant to the provisions of Part A (article 1-53),

d) appropriate cooperation arrangements are in place between the Hellenic Capital Market Commission, the competent authorities of the home Member State of the EU AIFs concerned and the supervisory authorities of the third country where the non-EU AIFM is established in order to ensure at least an efficient exchange of information that allows the competent authorities to carry out their duties in accordance with the provisions of Part A (article 1-53). If a competent authority of an EU AIF does not enter into the required cooperation arrangements within a reasonable period of time, the Hellenic Capital Market Commission may refer the matter to the ESMA,

e) the third country where the non-EU AIFM is established is not listed as a Non-Cooperative Country and Territory by FATF,

f) the third country where the non-EU AIFM is established has signed an agreement with Greece, which fully complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements,

g) the effective exercise by the Hellenic Capital Market Commission and competent supervisory authorities of other Member States of their supervisory functions under the provisions of Part A (article 1-53), of national legislation of the relevant home Member States implementing Directive 2011/66/EU, as well as the directly applicable provisions of its implementing acts, is neither prevented by the laws, regulations or administrative provisions of a third country governing the AIFM, nor by limitations in the supervisory and investigatory powers of that third country's supervisory authorities.

7. If the Hellenic Capital Market Commission receives any notification of a non-EU AIFM that has been authorized or is under authorization by a supervisory authority of another Member State, as reference Member State, and that AIFM intends to market AIFs in Greece, if the Hellenic Capital Market Commission disagrees with the assessment made by the competent supervisory authority

of the reference Member State on the application of points (a) to (e) and (g) of paragraph 6, it may refer the matter to the ESMA.

8. A. The authorization shall be given by the Hellenic Capital Market Commission in accordance with Chapter B (articles 6-11), which shall apply mutatis mutandis subject to the following criteria:

a) the information referred to in article 7(2) shall be supplemented by:

i) a justification by the AIFM of its assessment regarding Greece in accordance with the criteria set out in paragraph 2 of this article with information on the marketing strategy,

ii) a list of the provisions of this Law with which the AIFM may not comply because, as defined in paragraph 2, compliance is not possible due to mandatory provisions in the law to which the non-EU AIFM and/or, the non-EU AIF marketed in Greece is subject,

iii) written evidence based on the regulatory technical standards developed by ESMA that the relevant third country provisions contain rules equivalent to the provisions for which compliance is impossible, which has the same regulatory purpose and offers the same level of protection to the investors of the relevant AIFs and, in addition, the AIFM complies with that equivalent provisions. Such written evidence being supported by a legal opinion on the existence of the relevant incompatible mandatory provision in the law of the third country and including a description of the regulatory purpose and the nature of the investor protection pursued by it and

iv) the name of the legal representative of the AIFM and the place where it is established.

b) the information referred to in Article 7(3) may be limited to the EU AIFs the AIFM intends to manage and to those AIFs managed by the AIFM that it intends to market in Greece with a passport.

c) Point (a) of article 8(1) shall be without prejudice to paragraph 3 of this article.

d) Point (e) of article 8(1) shall not apply.

e) the second subparagraph of Article 8(5) shall be read as including a reference to ‘the information referred to in point (a) of Article 37(8).

B. If the Hellenic Capital Market Commission, as the competent authorities of the host Member State, disagrees with the authorization granted by the competent supervisory authority of another Member State in respect of a non-EU AIFM which intends to manage AIFs established in Greece and/or to operate in Greece by marketing EU AIFs, HCMC may refer the matter to the ESMA.

9. A. If the Hellenic Capital Market Commission considers that the AIFM may rely on paragraph 3 to be exempted from compliance with certain provisions of the Part A (article 1-53), without undue delay, it notifies ESMA thereof. HCMC makes this assessment on the basis of the information provided by the AIFM in accordance with points (a)(ii) and (iii) of paragraph 8, and shall consult ESMA accordingly.

The deadline referred to in paragraph 8 for the granting of the authorization to the non-EU AIFM by the Hellenic Capital Market Commission is suspended for a period of up to one (1) month, until ESMA's decision on the application of the exemption for compliance with the provisions of Part A (articles 1-53) resulting from the incompatibility in accordance with the criteria of paragraph 3 is sent to the Hellenic Capital Market Commission.
The Hellenic Capital Market Commission takes into account and assess the advice, including ESMA's views on whether the conditions for such exemption are met on the basis of the information provided by the AIFM in accordance with points (a)(ii) and (iii) of paragraph 8 and the regulatory technical standards on equivalence and the need to develop a common European supervisory culture and consistent supervisory practices.

If the Hellenic Capital Market Commission considers that authorization should be granted contrary to ESMA's advice, it informw ESMA accordingly, stating the reasons for the deviation. In this case, if the AIFM intends to market units or shares of the AIF managed by it in Member States other than Greece, the Hellenic Capital Market Commission also informs the competent authorities of those Member States thereof, stating the reasons why it deviates from ESMA's advice.

B. If the Hellenic Capital Market Commission as a competent authority of the host Member State disagrees with the assessment made by the competent supervisory authority of the other Member State on the application of this paragraph regarding the AIFM intending to market units or shares of the AIF it manages in Greece, the HCMC may refer the matter to ESMA.

10. The Hellenic Capital Market Commission, without undue delay, informs ESMA of the outcome of the initial authorization process, about any changes in the authorization of the AIFM and any withdrawal of authorization. The HCMC also informs ESMA about the applications for authorization that it has rejected, providing data about the AIFM having asked for authorization and the reasons for the rejection. The Hellenic Capital Market Commission treats the information received from ESMA's central registry as confidential.

11. The designation of Greece as a Member State of reference shall not be affected by the further business development of the AIFM in the European Union. However, if the AIFM changes its marketing strategy within 2 years of its initial authorization, and that change would have affected the determination of Greece as a Member State of reference if the modified marketing strategy had been the initial marketing strategy, the AIFM shall notify the Hellenic Capital Market Commission of the change before implementing it and indicate its Member State of reference in accordance with the criteria set out in paragraph 2 and based on the new strategy.

The AIFM shall justify its assessment by disclosing its new marketing strategy to Hellenic Capital Market Commission. At the same time the AIFM shall provide information on its legal representative after the change, including its name and the place where it is established. The legal representative must be established in the new Member State of reference.

The Hellenic Capital Market Commission, if Greece is the original Member State of reference, assesses whether the determination of the AIFM in accordance with all the above is correct and notifies ESMA of its assessment in order for ESMA to give its advice. In its notification to ESMA, the Hellenic Capital Market Commission provides the AIFM’s justification of its assessment regarding the Member State of reference and information on the AIFM’s new marketing strategy.

After receipt of ESMA's advice, the Hellenic Capital Market Commission informs the non-EU AIFM, its original legal representative and ESMA of its decision.

If the Hellenic Capital Market Commission agree with the assessment made by the AIFM, it also informs the competent authorities of the new Member State of reference of the change.
The Hellenic Capital Market Commission, without undue delay, transfers a copy of the authorization and the supervision file relating to the AIFM to the new Member State of reference. From the date of transmission of the authorization and supervision file, the responsibilities for the authorization process and for the supervision of the AIFM shall be transferred to the competent authorities of the new Member State of reference.

If the Hellenic Capital Market Commission' decision is contrary to ESMA's advice:

a) informs ESMA thereof, stating reasons.

b) if the AIFM markets units or shares of AIFs managed by it in Member States other than Greece, the Hellenic Capital Market Commission also informs the competent authorities of those other Member States thereof, stating reasons of its decision. Where applicable, the Hellenic Capital Market Commission also informs the competent authorities of the home Member States of the AIFs managed by the AIFM thereof, stating reasons of its decision.

12. If it appears from the actual course of the business development of the AIFM in the European Union within two (2) years after its authorization that the marketing strategy as presented by the AIFM at the time of its authorization was not followed or the AIFM made false statements in relation thereto or the AIFM has failed to comply with paragraph 11 if changes its marketing strategy, the Hellenic Capital Market Commission requests that the AIFM indicate the Member State of reference based on its actual marketing strategy. The procedure set out in paragraph 11 shall apply mutatis mutandis. If the AIFM does not comply with the Hellenic Capital Market Commission's request, it withdraws its authorization.

If the AIFM changes its marketing strategy after the period referred to in paragraph 11 and intends to change its Member State of reference on the basis of its new marketing strategy, it may submit a request to change its Member State of reference to the Hellenic Capital Market Commission. The procedure referred to in paragraph 11 shall apply mutatis mutandis.

If Hellenic Capital Market Commission disagrees with the AIFM's assessment made on the determination of the Member State of reference under paragraph 11 or under this paragraph, the Hellenic Capital Market Commission may refer the matter to the ESMA.

13. Issues concerning the relationship between the Hellenic Capital Market Commission and the AIFM shall be subject to Greek law and any disputes shall be settled before the competent Greek courts.

The relations between the AIFM or the AIF and the EU investors of the relevant AIF are subject to Greek law.

14. On the basis of the implementing measures referred to in paragraphs 14 and 15 of article 37 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any

details or technical issues relating to the application of points B (a), (b) and (c) of paragraph 2 and point (d) of paragraph 6.

Article 38

Conditions for the marketing
in the European Union with a passport of EU AIFs
managed by a non-EU AIFM
(Article 39 of Directive 2011/61/EU)

1. If the Member State of reference is Greece, non-EU AIFM authorized by the Hellenic Capital Market Commission, may market the units or shares of EU AIFs it manages to professional investors in the European Union with a passport in accordance with the conditions laid down in this article.

2. If the Member State of reference of an non-EU AIFM is Greece and this AIFM intends to market in Greece units or shares of EU AIF it manages, the AIFM notifies to the Hellenic Capital Market Commission this intention stating each EU AIF that it intends to market in Greece.
This notification shall comprise the documentation and information set out in paragraph 2 of article 31.

3. No later than twenty (20) working days after receipt of a complete notification pursuant to paragraph 2, the Hellenic Capital Market Commission informs the AIFM whether it may start marketing the AIF identified in the notification referred to in paragraph 2 in Greek territory.
The Hellenic Capital Market Commission prevents the marketing of the AIF only if the AIFM's management of the AIF does not comply with the provisions of Part A (articles 1-53) or, if the AIFM otherwise does not comply with these provisions. The AIFM may start marketing the AIF in Greece as of the date of the notification received by the HCMC in accordance with the first subparagraph.

The Hellenic Capital Market Commission also informs ESMA and the competent authorities of the AIF.

4. If the AIFM intends to market units or shares of the EU AIF in Member States other than its Member State of reference, the AIFM shall submit a notification to the Hellenic Capital Market Commission in respect of each EU AIF that it intends to market in other Member State.
This notification shall comprise the documentation and information set out in paragraph 2 of article 32.

5. The Hellenic Capital Market Commission, no later than twenty (20) working days after the date of receipt of the complete notification file referred to in paragraph 4, transmits this notification file to the competent authorities of the Member State where the units or shares of the AIF are intended to be marketed. The Hellenic Capital Market Commission does not transmit the notification file if the management of the AIF by the AIFM does not comply with the provisions of Part A (articles 1-53) or, if the AIFM otherwise does not comply with these provisions. The Hellenic Capital Market Commission encloses a statement to the effect that the AIFM concerned is authorized to manage AIFs with a particular investment strategy.

6. Upon transmission of the notification file, the Hellenic Capital Market Commission, without delay, notifies the AIFM about the transmission. The AIFM may start marketing the AIF in the relevant host Member States of AIFM as of the date of that notification.

The Hellenic Capital Market Commission also informs ESMA and the competent authorities of the AIF that the AIFM may start marketing the units or shares of the AIF in the host Member States of the AIFM.

7. The notification letter sent by the AIFM referred to in paragraph 4 and the statement referred to in paragraph 5 are provided in a language customary in the sphere of international finance.
The correspondence and submission of the documents referred to in paragraph 6 may also be carried out electronically.

8. In the event of a material change to any of the particulars communicated in accordance with paragraph 3 or 5, the AIFM shall give written notice of that change to the Hellenic Capital Market Commission, at least one month before implementing a planned change, or immediately after an unplanned change has occurred.

If, following that change, the management of the AIF will no longer comply with this law or the AIFM will no longer comply with this law, the Hellenic Capital Market Commission without undue delay notifies the AIFM that it is not allowed to carry out the change.

If the planned change takes place without taking into account the first and second subparagraphs of this paragraph or if a change occurs which was not planned and as a result the management of the AIF by the AIFM no longer complies with this Law or the AIFM otherwise no longer complies with this law, the Hellenic Capital Market Commission takes appropriate measures in accordance with article 44, including, if necessary, expressly prohibiting the marketing of the AIF.

If the changes are acceptable insofar as they do not affect the AIFM's management of the AIF in accordance with the provisions of this Law or, the AIFM's compliance with this Law otherwise, the Hellenic Capital Market Commission, if the changes concern the termination of the marketing of certain AIFs or additional AIFs being marketed, informs without undue delay ESMA and, in so far as applicable, the competent authorities of the host Member States of those changes.

9. Without prejudice to article 41(1) and (2), the AIFs managed and marketed by the AIFM in accordance with this article may be marketed only to professional investors.

10. Non-EU AIFMs authorized by the competent supervisory authorities of another Member State, as the Member State of reference, may market, with a passport, to professional investors in Greece, units or shares of EU AIFs which they manage, if the Hellenic Capital Market Commission has received duly complete notifications in accordance with the relevant provisions of the national legislation of the Member State of reference, transposing article 39 of Directive 2011/61/EU into national law.

The correspondence and submission of the documents referred to in paragraph 6 of Article 39 of Directive 2011/61/EU may also be carried out electronically.

11. When marketing EU AIFs in Greece, the non-EU AIFM must comply with the provisions of Greek law regarding the marketing of units and shares of the AIF to retail investors, including the case where the marketing is carried out through undertakings providing investment services.

Article 39

Conditions for the marketing
in the European Union with a passport of non-EU AIFs
Managed by a non-EU AIF
(Article 40 of Directive 2011/61/EU)

1. The non-EU AIFM authorized by the Hellenic Capital Market Commission, if the Member State of reference is Greece, may market units or shares of a non-EU AIF it manages to professional investors in the European Union with a passport in accordance with the conditions laid down in this article.

2. In addition to the requirements in the Part A (articles 1-53) in relation to EU-AIFMs, for non-EU AIFMs the following conditions shall be met:

a) appropriate cooperation arrangements are in place between the Hellenic Capital Market Commission and the supervisory authority of the third country where the non-EU AIF is established in order to ensure at least an efficient exchange of information that allows the Hellenic Capital Market Commission to carry out their duties in accordance with the provisions of Part A (articles 1-53),
53),

b) the third country where the non-EU AIF is established is not listed as a Non-Cooperative Country and Territory by FATF,

c) the third country where the non-EU AIF is established has an agreement with Greece and with each other Member State in which the units or shares of the non-EU AIF are intended to be marketed by the AIFM, fully complies with the standards laid down in article 26 of the OECD Model Tax Convention on Income and on Capital, and ensures an effective exchange of information in tax matters including any multilateral tax agreements.

3. The AIFM shall submit a notification to the Hellenic Capital Market Commission in respect of each non-EU AIF that it intends to market in Greece as the Member State of reference.
This notification shall comprise the documentation and information set out in paragraph 2 of article 31.

4. No later than twenty (20) working days after receipt of a complete notification pursuant to paragraph 3, the Hellenic Capital Market Commission informs the AIFM whether it may start marketing the AIF identified in the notification referred to in paragraph 3 in Greek territory. The Hellenic Capital Market Commission may prevent the marketing of the AIF only if the AIFM's management of the AIF does not comply with the provisions of Part A (1-53) or the AIFM otherwise does not comply with the abovementioned provisions. The AIFM may start marketing the AIF in

Greece from the date of the notification by the HCMC in accordance with the first subparagraph. The Hellenic Capital Market Commission also informs ESMA thereof.

5. If the AIFM intends to market units or shares of the non-EU AIF in a Member State other than Greece, the AIFM shall submit a notification to the Hellenic Capital Market Commission in respect of each non-EU AIF that it intends to market in other Member State.

This notification shall comprise the documentation and information set out in paragraph 2 of article 32.

6. The Hellenic Capital Market Commission, no later than 20 working days after the date of receipt of the complete notification file referred to in paragraph 5, transmits the complete notification file to the Hellenic Capital Market Commission where the units or shares of the AIF are intended to be marketed. The Hellenic Capital Market Commission does not transmit the notification file if the management of the AIF by the AIFM does not comply with the provisions of Part A (articles 1-53) or, if the AIFM otherwise does not comply with these provisions. The Hellenic Capital Market Commission encloses a statement to the effect that the AIFM concerned is authorized to manage AIFs with a particular investment strategy.

7. Upon transmission of the notification file, the Hellenic Capital Market Commission, without delay, notifies the AIFM about the transmission.
The AIFM may start marketing the AIF in the relevant host Member States of AIFM as of the date of that notification. The Hellenic Capital Market Commission also informs ESMA thereof.

8. The notification letter sent by the AIFM referred to in paragraph 5 and the statement referred to in paragraph 6 are provided in a language customary in the sphere of international finance.
The correspondence and submission of the documents referred to in paragraph 6 may also be carried out electronically.

9. In the event of a material change to any of the particulars communicated in accordance with paragraph 3 or 5, the AIFM shall give written notice of that change to the Hellenic Capital Market Commission, at least one (1) month before implementing a planned change, or immediately after an unplanned change has occurred.

If, following such change, the management of the AIF by the AIFM will no longer comply with this law or the AIFM will no longer comply with the provisions of Part A (articles 1-53), the Hellenic Capital Market Commission without undue delay notifies the AIFM that it is not allowed to carry out the change.

If a planned change is implemented notwithstanding the above subparagraphs or if an unplanned change has taken place, and as a result the AIFM's management of the AIF would no longer comply with the provisions of Part A or, the AIFM otherwise would no longer comply with these provisions, the Hellenic Capital Market Commission shall take all due measures in accordance with article 44, including, if necessary, the express prohibition of marketing of the AIF.

If the changes are acceptable insofar as they do not affect the AIFM's management of the AIF in accordance with the provisions of this Law or, the AIFM's compliance with the provisions of Part A (artcles 1-53) otherwise, the Hellenic Capital Market Commission, if the changes concern the

termination of the marketing of certain AIFs or additional AIFs being marketed, informs without undue delay ESMA and, in so far as applicable, the competent authorities of the host Member States of those changes.

10. Without prejudice to article 41(1) and (2), the AIFs managed and marketed by the AIFM in accordance with this article may be marketed only to professional investors.

11. Non-EU AIFMs authorized by the competent supervisory authorities of another Member State, as the Member State of reference, may market, with a passport, to professional investors in Greece, units or shares of the non-EU AIFs they manage, provided that the Hellenic Capital Market Commission has received complete notifications in accordance with the relevant provisions of the national law of the Member State of reference, transposing article 40 of Directive 2011/61/EU into national law. The correspondence and submission of the documents referred to in paragraph 6 of article 40 of Directive 2011/61/EU may also be carried out electronically.

12. When marketing non-EU AIFs in Greece, the non-EU AIFM shall comply with the provisions of Greek law regarding the marketing of units and shares of the AIF to retail investors, including where the marketing is carried out through undertakings providing investment services.

13. On the basis of the implementing measures referred to in paragraph 11 of article 40 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detail or technical issue relating to the cooperation arrangements referred to in point (a) of paragraph 2.

Article 40

Conditions for managing AIFs established in Member States
other than Greece, as the Member State of reference by non-EU AIFMs
(Article 41 of Directive 2011/61/EU)

1. Non-EU AIFM authorized by the Hellenic Capital Market Commission may manage EU AIFs established in a Member State other than Greece either directly or via the establishment of a branch, provided that the AIFM is authorized to manage that type of AIF.

2. Any non-EU AIFM with Greece as the Member State of reference, intending to manage EU AIFs established in another Member State than Greece for the first time shall communicate, seperately for each new Member State, the following information to the Hellenic Capital Market Commission:

a) the Member State in which it intends to manage AIFs directly or establish a branch,

b) a programme of operations including the particular the services which it intends to perform and identifying the AIFs it intends to manage.

3. If the non-EU AIFM intends to establish a branch, it shall provide, in addition to the information requested in paragraph 2, the following information:

a) the organisational structure of the branch,

b) the address in the home Member State of the AIF from which documents may be obtained,

c) the names and contact details of persons responsible for the management of the branch.

4. The Hellenic Capital Market Commission, within one (1) month of receiving the complete documentation in accordance with paragraph 2 or within two (2) months of receiving the complete documentation in accordance with paragraph 3, transmits the complete documentation to the competent authorities of the host Member State of the AIFM. The file shall only be transmitted if the AIFM's management of the AIF complies and will continue to comply with this Law and the AIFM otherwise complies with this Law.

The Hellenic Capital Market Commission encloses a statement to the effect that the AIFM concerned is authorized by it.

The Hellenic Capital Market Commission immediately notifies the AIFM about the transmission of the file. Upon receipt of the transmission notification the AIFM may start to provide its services in the host Member States of the AIFM.

The Hellenic Capital Market Commission also informs ESMA that the AIFM may start marketing the units or shares of the AIF in the host Member States of the AIFM.

5. In the event of a material change to any of the particulars communicated in accordance with paragraph 2 and, where relevant, paragraph 3, the AIFM shall give written notice of that change to the Hellenic Capital Market Commission, at least one (1) month before implementing a planned change, or immediately after an unplanned change has occurred.

If as a result of the intended change, the management of the AIF by the AIFM will no longer comply with this law or the AIFM will no longer comply with this Law, the Hellenic Capital Market Commission without undue delay notifies the AIFM that it cannot carry out the change.

If a planned change is implemented notwithstanding the above subparagraphs or if an unplanned change has taken place, and as a result the AIFM's management of the AIF would no longer comply with the provisions of Part A or, the AIFM otherwise would no longer comply with these provisions, the Hellenic Capital Market Commission takes all due measures in accordance with article 44, including, if necessary, the express prohibition of marketing of the AIF.

If the changes are acceptable because they do not affect the compliance of the AIFM's management of the AIF with the provisions of Part A (articles 1-53), or the compliance by the AIFM with these provisions otherwise, the Hellenic Capital Market Commission, without undue delay, informs the competent authorities of the host Member States of those changes.

6. If the host Member State is Greece, the Hellenic Capital Market Commission may not impose additional requirements on the AIFMs concerned that will provide services in Greece in respect of the matters covered by this Law.

CHAPTER H

Article 41
Marketing of AIFs by AIFMs to retail investors
(Article 43 of Directive 2011/61/EU)

"1. Only AIFMs SA authorized in Greece by the HCMC or AIFMs authorized by the competent authority in another Member State and operating in Greece according to the passporting regime of this Part (Articles 1-53) are allowed to market to retail investors in Greece units of AIFs they manage, provided that the following cumulative conditions are met:

a) those AIFMs SA market AIF units either directly or through credit institutions, Investment Firms (EPEYs) and Investment Intermediation Firms (AEED),

b) the AIF is authorized and supervised by the Hellenic Capital Market Commission or by the competent supervisory authority of its home Member State,

c) the marketing of units of the AIFs to retail investors is provided for by the regulatory framework governing the operation of the AIF and by the AIF's instruments of incorporation and/or the AIF's Rules of Procedures,

d) the amount of the investment per investor and per AIF or per AIF investment compartment, if applicable, may not be less than one hundred thousand (100,000) euro,

e) the AIFMs SA ask the potential unit-holder for information on the knowledge, experience and risk he is willing to take in relation to his investment in a particular AIF in order to assess whether that AIF is suitable for the potential unit-holder. Where they consider, on the basis of the information collected in accordance with the previous subparagraph, that the AIF in question is not suitable for the potential unit-holder, they shall warn him/her accordingly. This warning may be provided in a standardised form. If the potential unit-holder does not provide the above information or provides insufficient information, the AIFMs must warn him/her that for this reason they cannot judge whether the AIF in question is suitable for him/her. This warning may be provided in a standardised form. The above also applies to existing AIF unit-holders who wish to make new investments if any of the information they have already provided has changed.

2. The conditions of points (b) to (e) of paragraph 1 are not required to be met in the case of AIFs authorized to operate as AIFMs SA either by the HCMC, in accordance with article 6, or by the competent authority of another Member State under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011, operating in Greece according to the passporting regime, and which have issued securities that have been or are expected to be admitted to trading on a regulated market or an MTF or have applied for admission to trading on a regulated market or an MTF in accordance with the applicable legislation.

3. Any issue related to the application of paragraph 1 in order to protect investors and the proper functioning of the market may be regulated by a decision of the Hellenic Capital Market Commission.".

*** Paragraphs 1-3 were replaced as above by article 64 of Greek Law 4607/2019,

Government Gazette A 65/24.4.2019.

4. The Hellenic Capital Market Commission informs by 22 July 2014, the Commission and ESMA of:

a) the types of AIFs which AIFMs authorized by the competent authority of another Member State may market to retail investors in Greece and

b) any additional requirements that the HCMC imposes for the marketing of AIFs to retail investors in Greece. The Hellenic Capital Market Commission informs the Commission and ESMA of any changes with regard to points (a) and (b) of this paragraph.

CHAPTER I

COMPETENT AUTHORITY

SECTION 1

DESIGNATION, POWERS AND PENALTIES

Article 42
Designation of competent authority
(Article 44 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission is the competent authority for supervising the application of the provisions of Part A (Articles 1-53).

2. In the context of its supervision, the Hellenic Capital Market Commission may carry out general or specific, on-site or off-site, inspections of the supervised entities and monitor the compliance of AIFMs with their obligations, in accordance with guidelines developed by ESMA. The abovementioned inspections are made on the basis of a sample.

Article 43

Powers of the Hellenic Capital Market Commission
(Articles 45 and 49 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission is responsible for the prudential supervision of the AIFM, whether the AIFM manages and/or markets AIFs in another Member State or not, without prejudice to the provisions of Part A (articles 1-53) which confer the responsibility for supervision on the competent authorities of the host Member State of the AIFM.

2. The Hellenic Capital Market Commission as the competent authority of the host Member State of the AIFM shall supervise the compliance of the AIFM with articles 12 and 14 if the AIFM manages and/or markets AIFs through a branch in Greece.

3. The Hellenic Capital Market Commission may, as the competent authority of the host Member State, require an AIFM managing or marketing AIFs in Greece, whether or not through a branch to provide the information necessary for the supervision of the AIFMs compliance with the applicable rules for which the Hellenic Capital Market Commission is responsible.

4. If Hellenic Capital Market Commission ascertains that an AIFM managing and/or marketing AIFs in Greece, whether or not through a branch, is in breach of one of the rules in relation to which they have responsibility for supervising compliance, HCMC requires the AIFM concerned to put an end to that breach and inform the competent authorities of the home Member State thereof.

5. If the AIFM concerned refuses to provide the Hellenic Capital Market Commission as the competent authority of the host Member State with information referred to in paragraph 3 or fails to take the necessary steps to put an end to the breach referred to in paragraph 4, the Hellenic Capital Market Commission informs the competent authorities of its home Member State thereof. If an AIFM refuses to provide the competent authority of the host Member State with the information falling under its responsibility or fails to take the necessary steps in the event that the competent authority of the host Member State finds a breach, the Hellenic Capital Market Commission, as soon as possible:

a) takes all appropriate measures to ensure that the AIFM concerned provides the information requested by the competent authorities of its host Member State pursuant to paragraph 3, or puts an end to the breach referred to in paragraph 4,

b) requests the necessary information from the relevant supervisory authorities in third countries.

The nature of the measures referred to in point (a) shall be communicated to the competent authorities of the host Member State of the AIFM.

6. If, despite the measures taken by the competent authorities of the home Member State of the AIFM pursuant to paragraph 5 or because such measures prove to be inadequate or are not available in the Member State in question, the AIFM continues to refuse to provide the information requested by the Hellenic Capital Market Commission as its host Member State pursuant to paragraph 3, or persists in breaching the legal or regulatory provisions of Greek law, referred to in paragraph 4, the Hellenic Capital Market Commission may, after informing the competent authorities of the home Member State of the AIFM, take appropriate measures, including those laid down in articles 44 and 45, to prevent or impose penalties and, in so far as necessary, to prevent that AIFM from initiating any further transactions in Greece. If the function carried out in Greece is the management of AIFs, the Hellenic Capital Market Commission may require the AIFM to cease managing those AIFs.

7. If the Hellenic Capital Market Commission as the host Member State of the AIFM has clear and demonstrable grounds for believing that the AIFM is in breach of the obligations arising from rules

in relation to which HCMC has no responsibility for supervising compliance, it refers those findings to the competent authorities of the home Member State of the AIFM.

8. If the competent authorities of the home Member State of the AIFM fail to act within a reasonable timeframe or despite the measures taken by the competent authorities of the home Member State of the AIFM or because such measures prove to be inadequate, the AIFM persists in acting in a manner that is clearly prejudicial to the interests of the investors of the relevant AIF, the financial stability or the integrity of the market in Greece, the Hellenic Capital Market Commission may, after informing the competent authorities of the home Member State of the AIFM, take all appropriate measures needed in order to protect the investors of the relevant AIF, the financial stability or the integrity of the market. These measures include the possibility of preventing the AIFM concerned to further market the units or shares of the relevant AIF within the Greek territory.

9. The procedure laid down in paragraphs 7 and 8 shall also apply in the event that the Hellenic Capital Market Commission as the host Member State has clear and demonstrable grounds for disagreement with the authorization of a non-EU AIFM by the Member State of reference.

10. If the Hellenic Capital Market Commission disagrees on any of the measures taken by a competent authority pursuant to paragraphs 4 to 9, it may bring the matter to the attention of ESMA.

Article 44

Powers of the Hellenic Capital Market Commission
(Article 46 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission is given all supervisory and investigatory powers that are necessary for the exercise of its functions. Such powers shall be exercised in any of the following ways:

a) directly,

b) in collaboration with other authorities,

c) by application to the competent judicial authorities.

2. The Hellenic Capital Market Commission has the power to:

a) have access to any document in any form and to receive a copy of it,

b) require information from any person related to the activities of the AIFM or the AIF and if necessary to summon and question a person with a view to obtaining information,

c) carry out on-site inspections with or without prior announcements,

d) request existing telephone and existing data traffic records,

e) require the cessation of any practice that is contrary to the provisions adopted in the implementation of this Law,

f) request the freezing or the sequestration of assets,

g) request the temporary prohibition of professional activity,

h) require authorized AIFM, depositaries or auditors to provide information,

i) adopt any type of measure to ensure that AIFMs or depositaries continue to comply with the requirements of this Directive applicable to them;

j) require the suspension of the issue, repurchase or redemption of units in the interest of the unit-holders or of the public,

ja) withdraw the authorization granted to an AIFM or a AIFM,

jb) refer matters for criminal prosecution,

jc) request that auditors or experts carry out investigations.

3. If the Hellenic Capital Market Commission as the Member State of reference considers that an authorized non-EU AIFM is in breach of its obligations under this Law, it notifies ESMA, setting out full reasons as soon as possible.

Article 45

Administrative penalties
(Article 48 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission may impose on any natural or legal person who violates the provisions of this Law, the regulatory acts issued pursuant to it, as well as the implementing measures of Directive 2011/61/EU, a reprimand or a fine ranging from one thousand (1,000) euros to three million (3,000,000) euros or twice the amount of any profit gained by the offender. The impact of the infringement on the proper functioning of the market, the risk of damage to the interests of investors, the amount of loss suffered by investors and its possible remedy, the measures taken to remedy the violation in the future, the level of cooperation with the Hellenic Capital Market Commission during the investigation, the need for specific and general prevention and the possible recurrence of violations of Part A (Articles 1-53) or other legislation on the capital market, shall be taken into account in determining the sanctions.

2. The Hellenic Capital Market Commission imposes a fine from one thousand (1,000) euros to three hundred thousand (300,000) euros in case of non-cooperation in an investigation conducted in accordance with the provisions of article 44.

3. The Hellenic Capital Market Commission may disclose to the public any measure or penalty that will be imposed for infringement of the provisions of this Law, the regulatory acts pursuant to

it, as well as the implementing measures of Directive 2011/61/EU, unless such disclosure would seriously jeopardise the financial markets, be detrimental to the interests of the investors or cause disproportionate damage to the parties involved.

"Article 45A

Administrative penalties for AIFs authorized as
MMFs by the Hellenic Capital Market Commission

1. Without prejudice to the provisions of article 45, the Hellenic Capital Market Commission may take the measures referred to in paragraph 2, where the MMF or the AIFM managing the MMF:

a) fails to comply with any of the requirements regarding asset composition, infringing articles 9 to 16 of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds,

b) fails to comply with any of the portfolio requirements, in infringement of articles 17, 18, 24 and/or 25 of Regulation (EU) 2017/1131,

c) has obtained authorization through false statements or any other irregular means, in infringement of article 5 of Regulation (EU) 2017/1131,

d) uses the designation "money market fund", "MMF" or of another designation that suggests that an AIF is an MMF, in infringement of article 6 of Regulation (EU) 2017/1131,

e) fails to comply with any of the requirements regarding the internal credit quality assessment, in infringement of articles 19 or 20 of Regulation (EU) 2017/1131,

f) fails to comply with any of the governance, documentation or transparency requirements, in infringement of article 21, 23, 26, 27, 28 and/or 36 of Regulation (EU) 2017/1131,

g) fails to comply with any of the requirements regarding valuation, in infringement of article 29, 30, 31, 32, 33 and/or 34 of Regulation (EU) 2017/1131.

2. In the cases referred to in paragraph 1, the Hellenic Capital Market Commission, as appropriate:

a) imposes penalties provided for in article 45 of this Law,

b) withdraws an authorization granted in accordance with article 5 of Regulation (EU) 2017/1131.

*** Article 45A was added with Article 72 paragraph 4 of Greek Law 4706/2020, Government Gazette A 136/17.7.2020.

SECTION 2

COOPERATION BETWEEN DIFFERENT COMPETENT AUTHORITIES

Article 46

Obligation to cooperate
(Article 50 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission cooperates with competent authorities of Member States and with ESMA and the ESRB whenever necessary for the purpose of carrying out its duties. The Hellenic Capital Market Commission provides assistance to the competent authorities of other Member States, in particular by exchanging information and cooperating in investigations.

2. The Hellenic 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.

3. The Hellenic Capital Market Commission, as the competent authority of the home Member State, transmits a copy of the relevant cooperation arrangements concluded in accordance with articles 35, 37 or 39 to the host Member States of the AIFM concerned. The Hellenic Capital Market Commission as the competent authority of the home Member State, in accordance with procedures relating to the applicable regulatory technical standards referred to in Article 35(14), Article 37(17) or Article 40(14) of Regulation (EU) 2011/61/EU, forwards the information received from third-country supervisory authorities in accordance with cooperation arrangements with such supervisory authorities in respect of an AIFM, or, where relevant, pursuant to article 43(6) or (7), to the competent authorities of host Member State of the AIFM concerned.

If the Hellenic Capital Market Commission as the competent authority of the host Member State considers that the contents of the cooperation arrangement entered into by the home Member State of the AIFM concerned in accordance with article 35, 37 or 39 does not comply with what is required pursuant to the applicable regulatory technical standards, HCMC may refer the matter to the ESMA.

4. If the Hellenic Capital Market Commission has reasonable grounds to suspect that acts contrary to this Law are being or have been carried out in the territory of another Member State by AIFMs not subject to its supervision, it notifies ESMA and the competent authorities of the other Member State so that the latter shall take appropriate action. This paragraph shall be without prejudice to the competences of the Hellenic Capital Market Commission.

5. If the competent authority of another Member State notifies the Hellenic Capital Market Commission that acts contrary to this Law are being or have been carried out on its territory by AIFMs not subject to its supervision, the Hellenic Capital Market Commission takes appropriate action and inform ESMA and that competent authority of the outcome of that action and, to the extent possible, of significant interim developments.

Article 47

Transfer and retention of personal data
(Article 51 of Directive 2011/61/EU)

1. With regard to transfer of personal data from the Hellenic Capital Market Commission to other competent authorities, applies the provisions of Greek law 2472/1997 (A 50).

2. Data shall be retained for a maximum period of five (5) years.

Article 48

Disclosure of information to third countries
(Article 52 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission may transfer to a third country data and the analysis of data on a case-by-case basis if the conditions laid down in article 9 of Greek law 2472/1997, as currently in force, and if the HCMC is satisfied that the transfer is necessary for the purpose of Part A (articles 1-53) of this Law, provided that the third country to which it transfers the data expressly agrees that it will not transfer the data to another third country without the express written authorization of Hellenic Capital Market Commission.

2. The Hellenic Capital Market Commission only discloses information received from a competent authority of another Member State to a supervisory authority of a third country where the competent authority of the Member State concerned has obtained express agreement of the competent authority which transmitted the information and, where applicable, the information is disclosed solely for the purposes for which that competent authority gave its agreement.

Article 49

Exchange of information relating to the potential
systemic consequences of AIFM activity
(Article 53 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission communicates information to the competent authorities of other Member States where this is relevant for monitoring and responding to the potential implications of the activities of individual AIFMs or AIFMs collectively for the stability of systemically relevant financial institutions and the orderly functioning of markets on which AIFMs are active. ESMA and the ESRB shall also be informed and shall forward this information to the competent authorities of the other Member States.

2. On the basis of the implementing measures referred to in paragraphs 3 and 4 of article 53 of Directive 2011/61/EU, the Hellenic Capital Market Commission specifies by decision any detailed or technical issue relating to the content, procedure and frequency of the exchange of information under paragraph 1.

Article 50

Cooperation in supervisory activities
(Article 54 of Directive 2011/61/EU)

1. The Hellenic Capital Market Commission may request the cooperation of the competent authorities of another Member State in a supervisory activity or for an on-the-spot verification or in an investigation in the territory of the latter within the framework of their powers pursuant to Directive 2011/61/EU. If the Hellenic Capital Market Commission receives from the competent authority of other Member State a request with respect to an on-the-spot verification or an investigation:

a) carries out the verification itself or

b) allows the requesting authority to carry out the verification or investigation or

c) allows auditors or experts to carry out this verification or investigation.

2. In the case referred to in point (a) of paragraph 1 the competent authority of the Member State which has requested cooperation may ask that members of its own personnel assist the personnel carrying out the verification or investigation.

The verification or investigation shall, however, be the subject of the overall control of the Hellenic Capital Market Commission.

In the case referred to in point (b) of paragraph 1 the Hellenic Capital Market Commission may request that members of its own personnel assist the personnel carrying out the verification or investigation.

3. The Hellenic Capital Market Commission may refuse to exchange information or to act on a request for cooperation in carrying out an investigation or on-the-spot verification only in the following cases:

a) the investigation, on-the-spot verification or exchange of information might adversely affect the sovereignty, security or public order of Greece,

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

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

The Hellenic Capital Market Commission informs the requesting competent authority of any decision taken under the first subparagraph, stating the reasons therefore.

Article 51

Dispute settlement
(Article 55 of Directive 2011/61/EU)

In case of disagreement between the Hellenic Capital Market Commission and the competent authorities of Member States on an assessment, action or omission of one competent authority in areas where this Law requires cooperation or coordination between competent authorities from more than one Member State, the Hellenic Capital Market Commission may refer the matter to the ESMA.

Article 52

Amendment of the Greek law 4099/2012
(Article 2 of Directive 2013/14/EU)

1. The point (a) of paragraph 1of article 60 of Greek law 4099/2012 (A 250) is amended as follows:

"a) shall employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio of a UCITS. In particular, the management company for the UCITS under management or, where applicable, the Investment Société Anonyme with Variable Capital (ICVC), shall not solely or mechanistically rely on credit ratings issued by credit rating agencies as defined in article 3(1)(b) of Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies for assessing the creditworthiness of the UCITS' assets.

2. In Article 60 of Greek law 4099/2012 after paragraph 3, the following paragraph 3a is inserted:

"3a. The Hellenic Capital Market Commission, taking into account the nature, scale and complexity of the UCITS' activities, monitors the adequacy of the credit assessment processes of the management or investment company or, where applicable, the Investment Société Anonyme with Variable Capital (ICVC), assesses the use of references to credit ratings, as referred to in the point (a) of paragraph 1, in the UCITS' investment policies and, where appropriate, encourages mitigation of the impact of such references, with a view to reducing sole and mechanistic reliance on such credit ratings."

3. In paragraph 4 of article 60 of Greek law 4099/2012, the following subparagraph is added:

"The criteria for assessing the adequacy of the risk-management process shall ensure that the management or investment company or, where applicable, the Investment Société Anonyme with Variable Capital (ICVC) is prevented from relying solely or mechanistically on credit ratings, as referred to in the point (a) of paragraph 1, for assessing the creditworthiness of the UCITS' assets.".

CHAPTER J

Article 53

Transitional provisions
(Article 61 of Directive 2011/61/EU)

1. Companies carrying out activities listed in Part A (articles 1-53), prior the entry into force of this Law, shall take all necessary measures to comply with its provisions, and shall submit an application to the Hellenic Capital Market Commission for authorisation, in accordance with article 6, no later than 22 July 2014.

2. Articles 31-33 shall not apply to the placing of units of AIFs that are, at the entry into force of the law, the subject to a current offer to the public under a prospectus that has been drawn up and published in accordance with Greek law 3401/2005 before 22 July 2013 for the duration of validity of that prospectus.

3. AIFMs managing closed-end AIFs prior to the entry into force of this Law and not making additional investments after the date of entry into force of this Law may, however, continue to manage such AIFs without obtaining an authorisation in accordance with Article 6.

4. AIFMs managing closed-end AIFS, for the units of which the registration period has closed prior the entry into force of this Law and which are constituted for a period of time ending no later than 22 July 2016, may continue to manage such AIFs without complying with the provisions of the law, with the exception of article 22 and, where applicable, articles 26 to 30, or submitting an application for authorisation in accordance with article 6.

5. The Portfolio Investment Companies of Greek law 2778/1999 (A 295), the Real Estate Investment Companies of Greek law 2778/1999, the Mutual Fund Management Companies of Real Estate of Greek law 2992/2002 (A 54) and the managers of the Closed-end Mutual Fund of Greek law 2992/2002 (A 54) and the managers of Closed-end Investment Companies of Greek law 2367/1995 (A 261) are subject to the provisions of Part A (articles 1-53) and without prejudice to article 3, must be adjusted as provided for in paragraph 1.

*** NOTE: According to articles 91 paragraph 2 and 92 paragraph 2 of Greek law 4706/2020, Government Gazette A 136/17.7.2020:
Article 91 "2. From the entry into force of this Law, articles 1 to 26 of Greek law 3401/2005, as well as any other provision of law or regulatory act contrary to the provisions of this Law are repealed, with the exception of acts and omissions committed until the entry into force of this Law, as well as to the relevant pending proceedings where the abovementioned provisions apply.
Article 92. 2. Wherever reference is made in the applicable capital market legislation to Articles 1 to 26 of Greek law 3401/2005, the respective provisions of this Law and Regulation (EU) 2017/1129 shall be understood as appropriate."

PART B

Article 54

Purpose

The provisions of articles 54 to 98 of this Law transpose Directive 2011/89/EU of 16 November 2011 "amending Directives 98/78/EU, 2002/87/EU, 2006/48/EU and 2009/138/EU regarding the supplementary supervision of financial entities in financial conglomerates" (EU L 326/8.12.2011, p. 113).

CHAPTER A
AMENDMENTS OF PRESIDENTIAL DECREE 400/1970

Article 55

Amendment of Articles 2a and 80 of
Greek law 400/1970 (article 1(1) of Directive 2011/89/EU)

1. The point (u) of article 2a of Greek law 400/1970 (A10) is replaced by the following:

"u) "mixed-activity insurance holding company": means a parent undertaking, other than an insurance undertaking, a non-member-country insurance undertaking, a reinsurance undertaking, a non-member-country reinsurance undertaking, an insurance holding company or a mixed financial holding company, if includes at least one insurance undertaking or a reinsurance undertaking among its subsidiary undertakings."

2. At the end of article 2a of Greek law 400/1970, the point (38) is added:

"38) "mixed financial holding company means a mixed financial holding company as defined in article 2(15) of Greek law 3455/2006 (A 84)."

3. The sub-point ii) of point (o) of article 80 of Greek law 400/1970 is replaced by the following:

ii) insurance undertaking, reinsurance undertaking, insurance holding company, mixed financial holding company within the meaning of the relevant provisions of this Decree,".

Article 56

Amendment of article 6a of Greek law 400/1970
(article 1 paragraphs 2, 3, 4, 5, 6
of Directive 2011/89/EU)

1. The point B of paragraph 1 of article 6a of Greek law 400/1970 is replaced by the following:

"b) To any insurance or reinsurance undertaking having its registered office in Greece, the parent undertaking of which is an insurance holding company or mixed financial holding company or an insurance or reinsurance undertaking of a third country."

2. After paragraph 1 of article 6a of Greek law 400/1970, paragraph 1A is added as follows:

"1A. a. If a mixed financial holding company is subject to equivalent provisions under this Law and under Greek law 3455/2006, in particular in terms of risk-based supervision, the competent authority responsible for exercising supplementary supervision may, after consulting the other competent authorities concerned, apply only the relevant provision of Greek law 3455/2006 to that mixed financial holding company.

b) If a mixed financial holding company is subject to equivalent provisions under this Law and under Greek law 3601/2007, in particular in terms of risk-based supervision, the competent authority responsible for exercising supplementary supervision may, in agreement with the consolidating supervisor in the banking and investment services sector, apply only the provision of the Law relating to the most significant sector as determined in accordance with article 3(2) of Greek law 3455/2006 or Directive 2002/87/EU.

c) The competent authority responsible for exercising supplementary supervision shall inform the European Banking Authority established by Regulation (EU) 1093/2010 of the European Parliament and of the Council and the European Insurance and Occupational Pensions Authority established by Regulation (EU) 1094/2010 of the European Parliament and of the Council of the decisions taken under this paragraph.

3. The paragraph 2 of article 6a of Greek law 400/1970 is replaced by the following:

"2. When exercising supplementary supervision in accordance with paragraph 1 of this article, the Bank of Greece may not supervise a third-country insurance undertaking, a third-country reinsurance undertaking, an insurance holding company or mixed financial holding company or a mixed-activity insurance holding company taken individually, without prejudice to articles 62 to 78 of this Decree."

4. The paragraph 5 of article 6a of Greek law 400/1970 is replaced by the following:

"5. Where the parent undertaking of an insurance or reinsurance undertaking having its registered office in Greece is the same with the parent undertaking another or other insurance or reinsurance undertakings having their registered office in the EU and in the EEA, i.e. their parent undertaking is the same insurance holding company, reinsurance or insurance undertaking of a third country or mixed financial holding company or mixed-activity insurance holding company, the Bank of Greece may agree with the competent supervisory authorities of those Member States which of them will carry out the supplementary supervision of the parent undertaking.

5. The points (b) and (c) of paragraph 12 of article 6a of Greek law 400/1970 are replaced by the following:

"b) In the same above case, the relevant calculation shall include all related undertakings of the insurance holding company, mixed financial holding company, reinsurance undertaking or insurance undertaking of a third country, in accordance with the method provided for in article 6c of this Decree.

c) If, on the basis of the calculation referred above, the Bank of Greece concludes that the solvency of an insurance or reinsurance undertaking with registered office in Greece, a subsidiary of an insurance holding company, mixed financial holding company, reinsurance undertaking or insurance undertaking of a third country, is, or may be, jeopardised, it shall take the appropriate measures referred to in paragraphs 4, 5 and 6 of article 17c of the present Law."