No.F09222/6040

LAW 3283, GOVERNMENT GAZETTE A 210, 2 November 2004

Mutual fund management companies, undertakings for the collective investment in transferable securities, mutual funds and other provisions

THE PRESIDENT OF THE HELLENIC REPUBLIC

We issue the following law passed by Parliament:

Article 1

Purpose

The provisions of articles 2 to 46 of this law mainly aim at incorporating into Greek legislation the Directive 2001/107/EC of the European Parliament and of the Council of 21 January 2002 amending Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) with a view to regulating management companies and simplified prospectuses (L 41/13.2.2002, p.20), the Directive 2001/108/EC of the European Parliament and of the Council of 21 January 2002 amending Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), with regard to investments of UCITS (L 41/ 13.2.2002, p.35), the Directive 2000/64/EC of the European Parliament and of the Council of 7 November 2000 amending Council Directives 85/611/EEC, 92/49/EEC, 92/96/EEC and 93/22/EEC as regards exchange of information with third countries (L 290/17.11.2000, p.27), as well as the regulation of pertinent matters. For this purpose, articles 17 to 49f of Law 1969/1991 (Government Gazette 167 A), as currently in force, shall be abrogated. The provisions of articles 48 and 49 of this law regulate matters relating to the operation of securities companies (AXEs) and investment firms (AEPEYs) under Laws 1806/1988 (Government Gazette 207 A) and 2396/1996 (Government Gazette 73 A), as

currently in force. The provisions of article 50 of this law regulate matters relating to the operation of portfolio investment firms (AEEXs) under Law 1969/1991, as currently in force, and the certification of capital market officials under article 4 of Law 2836/2000 (Government Gazette 168 A), as currently in force.

Article 2

Scope

1. The provisions of this law concern the undertakings for the collective investment in transferable securities (hereinafter referred to as "UCITS") based in Greece. These undertakings shall take the form of mutual fund, as determined in article 12.

2. For the purposes of this law, UCITS shall be undertakings:

a) the sole object of which is the collective investment in transferable securities and/or other liquid financial instruments referred to in article 21 of capital raised from the public and which operate on the principle of risk-spreading, and

b) the units of which are, at the request of holders, re-purchased or redeemed, directly or indirectly, out of those undertakings' assets. Action taken by a UCITS to ensure that the stock exchange value of its units does not significantly vary from their net asset value shall be regarded as equivalent to such re-purchase or redemption.

3. Unless otherwise stipulated, the provisions of this law shall not apply to:

a) UCITS of the closed-ended type, including portfolio investment firms and emerging markets portfolio investment firms under Law 1969/1991, as currently in force;

b) UCITS which raise capital without promoting the sale of their units to the public within the Community or any part of it;

c) UCITS the units of which, under the fund rules or the investment company's instruments of incorporation, may be sold only to the public in non-member countries;

d) categories of UCITS for which the rules laid down in articles 21 to 27 are inappropriate in view of their investment and borrowing policies. The Capital Market Commission may decide to lay down rules for the determination of such categories.

e) investment funds of emerging markets under Law 2533/1997 (Government Gazette 228 A), as currently in force.

4. UCITS subject to Directive 85/611/EEC, as currently in force, may take the contractual form of mutual fund managed by a management company or, where so provided for the legislation of Member States, unit trust or investment company.

5. UCITS subject to this law cannot change into undertakings for collective investment not subject hereto.

Article 3

Definitions

For the purposes of this law:

1) "Transferable securities" shall mean:

a) The shares of listed companies and other instruments equivalent to corporate shares (hereinafter referred to as "shares");

b) Bonds, treasury bills and other types of securities. The Capital Market Commission may decide to determine the other types of securities referred to in the preceding paragraph;

c) Any other negotiable instrument entitling the holder to acquire transferable securities by subscription or exchange, excluding the techniques and methods referred to in article 25;

2) "Money market instruments" shall mean the sufficiently liquid instruments which, as a rule, are traded in the money market and whose value may be accurately determined at any time. The Capital Market Commission may decide to specify the money market instruments referred to in the preceding sentence.

3) “Depositary” shall mean the credit institution registered in Greece or established in Greece in the form of branch, provided that it is registered in another Member State, entrusted with the duties mentioned in Article 8.

4) “Management company” shall mean any company, the regular business of which is the management of UCITS, which may also provide the services mentioned in article 4.

5) "Mutual Fund Management Company" (hereinafter referred to as "AEDAK") shall mean the management company authorised in Greece pursuant to the provisions of this law.

6) A “management company's home Member State” shall mean the Member State, in which the management company's registered office is situated.

7) A “management company's host Member State” shall mean the Member State within the territory of which a management company has a branch or provides services.

8) A “UCITS home Member State” shall mean:

a) with regard to a UCITS constituted as mutual fund or unit trust, the Member State in which the management company's registered office is situated,

b) with regard to a UCITS constituted as investment company, the Member State in which the investment company's registered office is situated;

9) A "UCITS host Member State" shall mean the Member State in which the units of the common fund/unit trust or of the investment company are marketed;

10) "Branch" shall mean a place of business which is a part of the management company, which has no legal personality and which provides the services for which the management company has been authorised; all the places of business set up in the same Member State by a management company with headquarters in another Member State shall be regarded as a single branch;

11) "Competent authorities" shall mean the authorities which each Member State designates under Article 49 of Directive 85/611/EEC, as currently in force; for Greece, the competent authority is the Capital Market Commission.

12) "Close links" shall mean a situation as defined in article 2(f) of Law 2396/1996, as currently in force.

13) "Qualifying holdings" shall mean any direct or indirect holding in a management company which represents 10 % or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the management company in which that holding subsists. For the purpose of this definition, the voting rights referred to in Article 7 of Presidential Decree 51/1992 (Government Gazette 22 A), as currently in force, shall be taken into account.

14) "Parent undertaking" shall mean a parent undertaking as defined in articles 42e, para.5, and 96, para.1, of Codified Law 2190/1920, as currently in force.

15) "Subsidiary" shall mean a subsidiary undertaking as defined in articles 42e, para.5, and 96, para.1, of Codified Law 2190/1920, as currently in force; any subsidiary of a subsidiary undertaking shall also be regarded as

a subsidiary of the parent undertaking which is the ultimate parent of those undertakings.

16) "Own funds" shall mean own funds as defined by decision of the Capital Market Commission pursuant to article 38 of Law 2396/1996, as currently in force.

Article 4

AEDAK purpose and services

1. a) The sole purpose of the AEDAK is to engage in the management of mutual funds authorised according to the provisions of this law, as well as the management of UCITS authorised according to Directive 85/611/EEC, as currently in force, and other collective investment undertakings for which it is subject to prudential supervision but which cannot be marketed in other Member States under the provisions of this law. The Capital Market Commission may decide to determine the categories of other collective investment undertakings, as well as the terms and conditions for the implementation of this paragraph (a).

b) The management of mutual funds shall include the following services:

i) the management of investment;

ii) the management of the mutual fund: legal services, mutual fund accounting management services, customer service, valuation of the mutual fund assets and determination of the value of its units (including any tax burden), monitoring of compliance with regulatory provisions, keeping of unit-holder register, distribution of proceeds, issue and redemption of mutual fund units, preparation of documents and dispatch of brochures and certificates, record keeping; and

iii) advertising of the mutual fund and promotion of its units.

2. By way of derogation from paragraph 1 of this article, the Capital Market Commission may authorise AEDAKs to provide the following additional services:

a) management of portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more of the instruments listed in paragraph 1a of article 2 of Law 2396/1996, as currently in force;

b) non-core services:

i) investment advice concerning one or more of the financial instruments listed paragraph 1a of article 2 of Law 2396/1996, as currently in force;

ii) safekeeping and administration in relation to units of collective investment undertakings.

AEDAKs may in no case be authorised by the Capital Market Commission to provide only the services mentioned in points (a) and (b) of this paragraph or to provide the non-core services mentioned in point (b) without being authorised for the service referred to in point (a) of this paragraph.

3. The Capital Market Commission shall respond to the AEDAK that applied for authorisation to provide the services mentioned in paragraph 2 of this article within six (6) months of the submission thereto of all information required for such authorisation.

4. Paragraph 2 of article 3 and articles 6, 7, 8, 9 and 11 of Law 2396/ 1996, as currently in force, shall also apply to the provision of services under para.2 of this article by AEDAKs. The Capital Market Commission may decide to arrange the details and technical matter relating to the preceding sentence.

Article 5

AEDAK funds

1. The shares of the AEDAK shall be registered and cannot be traded in a regulated market as defined in para.14 of article 2 of Law 2396/1996, as currently in force. The share capital of the AEDAK shall be fully paid up in cash and shall be at least one million two hundred thousand euro (€1,200,000). Any existing AEDAKs whose own funds are lower than the above sum shall increase their own funds within one (1) year of the date of promulgation hereof in the Government Gazette. The Capital Market Commission may decide to increase the sum of this paragraph. In such case, own funds shall be taken into account for the calculation of the minimum level of the share capital of AEDAKs operating at the time of adjustment.

2. a) When the value of the portfolios of the AEDAK, exceeds two hundred and fifty million euro (€250,000,000), the AEDAK shall be required to provide an additional amount of own funds. This additional amount of own funds shall be equal to 0.02 % of the amount by which the value of the portfolios of the AEDAK exceeds two hundred and fifty million euro (€250,000,000). The AEDAK shall not be obliged to provide any additional amount when the total of its initial capital and the additional amount exceeds ten million euro (€10,000,000)

b) The AEDAK may be authorised not to provide up to fifty percent (50%) of the additional amount of own funds referred to in point (a) of this paragraph if they submit to the Capital Market Commission a guarantee of the same amount given by a bank, stating that the said amount shall be deposited into an AEDAK account at first demand in order to increase the share capital. The letter of guarantee may be issued by a credit institution registered in another Member State. The principals of the letter of guarantee shall be the shareholders of the AEDAK subject to the obligation referred to in point (a) of this paragraph.

c) The following portfolios shall be deemed to be the portfolios of the AEDAK:

i) mutual funds managed by the AEDAK, including portfolios for which it has delegated the management function to third parties but excluding portfolios that it is managing under delegation;

ii) other UCITS managed by the AEDAK, including portfolios for which it has delegated the management function to third parties but excluding portfolios that it is managing under delegation.

3. In any event, the own funds of the AEDAK shall never be less than the amount prescribed in para.2 of article 32 of Law 2396/1996, as currently in force.

4. The own funds of AEDAKs shall not be less than the amounts mentioned in paragraphs 1 and 2 of this article. If, however, they are less, the Capital Market Commission may decide, when the circumstances so warrant, to provide the AEDAK with a small time limit to improve its situation or cease its activities.

5. At least fifty-one percent (51%) of the share capital of the AEDAK must belong to:

a) one or more credit institutions or credit associations referred to in Law 1667/1986 (Government Gazette 196 A), provided that each one's minimum fully paid up share capital is at least equal to the minimum credit institution capital, as determined from time to time, or one or more AEPEYs or insurance companies, provided that each AEPEY or insurance company's minimum fully paid up share capital is at least equal to the half the minimum credit institution capital, as determined from time to time; or

b) one or more holding companies, whose minimum fully paid up share capital is at least equal to the minimum credit institution capital, as determined from time to time, and whose main activity is to invest at least fifty-one percent of own funds in credit institutions or insurance companies or AEPEYs or AEDAKs; or

c) one or more insurance funds with minimum reserves of three million euro (€3,000,000). The Minister of Economy and Finance may, by decision, adjust the minimum reserves of the insurance funds. AEDAKs that do not meet the requirements of this paragraph shall adjust within one (1) year of the date of promulgation hereof in the Government Gazette.

*** Paragraph 5 was replaced as above by article 47, paragraph 1, of Law 3371/2005 (Government Gazette A 178/14 July 2005).

6. AEDAKs shall comply with the provisions of this article throughout their operation.

7. The Capital Market Commission may decide to arrange for details or technical matters relating to the implementation of this article.

Article 6

Establishment, branches and supervision of AEDAKs

1. AEDAKs shall be governed by the provisions of this law and, additionally, by the provisions of Codified Law 2190/1920, as currently in force. The Capital Market Commission must grant authorisation in order for an AEDAK to be established, pursuant to the provisions of Codified Law 2190/1920, as currently in force. This authorisation shall also be required to convert an existing company into an AEDAK. The Capital Market Commission shall grant authorisation to an AEDAK, provided that its registered offices and central management are located in Greece. The AEDAK may start business as soon as authorisation has been granted. The authorisation issued to an AEDAK pursuant to the provisions of this law shall be valid for all Member States.

2. The application for authorisation shall be accompanied by a business plan and a report on the AEDAK's organisational structure and technical and financial means. In particular, the Capital Market Commission, having regard also to the nature of the mutual fund managed by an AEDAK, shall require that each such company:

a) has sound 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 financial instruments in order to invest own funds and ensuring, *inter alia*, that each transaction involving the fund 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 mutual funds managed by the AEDAK are invested according to the fund rules or the instruments of incorporation and the legal provisions in force, and

b) is structured and organised in such a way as to minimise the risk of mutual funds' or clients' interests being prejudiced by conflicts of interest between the company and its clients, between one of its clients and another, between one of its clients and a mutual fund or between two mutual funds.

The AEDAK shall comply with the provisions of this paragraph throughout its operation. The Capital Market Commission may determine by decision any detail or technical matter relating to the implementation of this paragraph.

3. The Capital Market Commission shall not grant authorisation to take up the business of AEDAK until it has been informed of the identities of the shareholders, whether direct or indirect, that have qualifying holdings and of the amounts of those holdings. The Capital Market Commission shall refuse authorisation if, taking into account the need to ensure the sound and prudent management of an AEDAK, it is not satisfied as to the suitability of the aforementioned shareholders.

4. Where close links exist between the AEDAK and other natural or legal persons, the Capital Market Commission shall grant authorisation only if those do not prevent the effective exercise of its supervisory functions. The Capital Market Commission shall also refuse authorisation if the laws, regulations or administrative provisions of a non-member country governing

one or more natural or legal persons with which the AEDAK has close links, or difficulties involved in their enforcement, prevent the effective exercise of its supervisory functions. The Capital Market Commission shall require AEDAKs to provide it with the information it requires to monitor compliance with the conditions referred to in this paragraph on a continuous basis.

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

6. a) Any amendment to the statutes of an AEDAK, any change in its share capital and any transfer of shares resulting in the acquisition of qualified holdings shall be subject to the authorisation of the Capital Market Commission. The contractual transfer of shares without the authorisation of the Capital Market Commission shall be null and void if the transferee acquires shares representing at least ten percent (10%) of the share capital of the AEDAK. To grant the authorisation, account shall be taken of the suitability of the acquirer to ensure the sound management of the AEDAK and the mutual funds. Any transfer of AEDAK shares not subject to the above authorisation shall be promptly communicated to the Capital Market Commission, which shall be entitled to seek any necessary information about the shareholders, if it considers that such shareholders may exert direct or indirect influence on the management of the AEDAK.

b) Qualifying holdings in AEDAKs shall be governed by the provisions of the third sentence of paragraph 7 and paragraphs 8 to 10 of article 3 of Law 1806/1988 (Government Gazette 207 A), as currently in force, which shall be applied accordingly for the purposes of this law.

c) The AEDAK shall communicate forthwith to the Capital Market Commission the names of the members of its Board of Directors, the names of the persons who directs its business and any change in such persons. If the Capital Market Commission considers that such persons do not have the

necessary reliability and professional experience to perform their duties, it shall require the AEDAK to remove them from office. In any event, the conduct of an AEDAK's business must be decided by at least two persons meeting such conditions. The Capital Market Commission may determine by decision any matter relating to the implementation of points (b) and (c) of this paragraph.

7. The Capital Market Commission shall consult the competent authorities of the other Member State involved beforehand on the authorisation of any AEDAK which is:

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

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

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

8. The Capital Market Commission shall supervise the AEDAK irrespective of whether it establishes or not a branch or provides services in another Member State, without prejudice to the provisions of this law assigning powers to the supervisory authorities of the host Member State.

9. Each AEDAK the authorisation of which also covers the discretionary portfolio management service mentioned in article 4(2)(a):

a) shall not be permitted to invest all or a part of the investor's portfolio in mutual funds or investment companies or other collective investment management undertakings it manages, pursuant to article 4(1), unless it receives prior general approval from the client,

b) shall be subject with regard to the services referred to in article 4(2) to the provisions laid down in Law 2533/1997 (Government Gazette 228 A), as currently in force, on investor-compensation schemes.

10. An AEDAK wishing to establish a branch in Greece shall communicate such intention and the following information to the Capital Market Commission, in order for the latter to grant authorisation:

a) the address of the branch,

b) a programme of operations setting out the activities and services according to article 4(1) and (2) envisaged and the organisational structure of the branch, and

c) the names of those responsible for the management of the branch, as determined by decision of the Capital Market Commission, which shall also set out the qualifications of such persons.

In the event of change of such any particulars, the AEDAK shall give written notice of that change to the Capital Market Commission authorities before implementing the change, so that the Capital Market Commission may check whether the change affects the sound and smooth operation of the branch.

Article 7

Delegation of AEDAK activities

1. AEDAKs shall be allowed to withdraw from the management of a mutual fund only when the Capital Market Commission has approved the undertaking of the mutual fund's management by another AEDAK. The Capital Market Commission shall take the interests of unit holders into account when granting such authorisation.

2. The new AEDAK shall substitute the withdrawing AEDAK in all its rights and obligations. The withdrawing and the new AEDAK shall be fully

liable as regards the obligations of the withdrawing AEDAK towards the mutual fund until the new AEDAK takes up such duties.

3. AEDAKs may delegate by written contract to another company for the purpose of a more efficient conduct of the companies' business to carry out on their behalf one or more of their own functions the following preconditions have to be complied with:

a) The Capital Market Commission must be informed,

b) the mandate shall not prevent the effectiveness of supervision over the AEDAK, and in particular it must not prevent the AEDAK from acting in the best interests of its investors,

c) when the delegation concerns the investment management and given to a Member State undertaking, such undertaking must be authorised or registered for the purpose of asset management by the competent supervisory authority of the home Member State and subject to prudential supervision; the delegation must be in accordance with investment-allocation criteria periodically laid down by the AEDAK,

d) where the mandate concerns the investment management and is given to a third-country undertaking, it must be ensured that such undertaking is subject to supervisory rules being at least equivalent to those applicable in Greece and that the Capital Market Commission has signed an agreement of cooperation and exchange of confidential information with the corresponding supervisory authority of such third country,

e) a mandate with regard to the core function of investment management shall not be given to the depositary or to any other undertaking whose interests may conflict with those of the AEDAK or the unit-holders of the delegated mutual fund or the investors,

f) the AEDAK shall take measures which enable the persons who conduct its business to monitor effectively at any time the activity of the undertaking to which the mandate is given,

g) the mandate shall not prevent the persons who conduct the business of the AEDAK to give at any time further instructions to the undertaking to which functions are delegated and to withdraw the mandate with immediate effect when this is in the interest of investors,

h) the undertaking to which functions will be delegated must be qualified and capable of undertaking the functions in question,

i) the mutual funds' prospectuses, pursuant to the provisions of articles 30, 31 and 32, shall list the functions which the AEDAK has been permitted to delegate.

4. In no case shall the AEDAK's and the depositary's liability be affected by the fact that the AEDAK delegated any functions to third parties, nor shall the AEDAK delegate its functions to the extent that it becomes a letter box entity.

5. The Capital Market Commission may determine by decisions details or technical matters relating to the implementation of this article.

Article 8

Depositary

1. The safekeeping of a mutual fund's assets shall be entrusted by the AEDAK, with the authorisation of the Capital Market Commission, to a depositary. The depositary shall act as the mutual fund's treasurer and shall carry out the instructions of the AEDAK, unless they conflict with the law and the fund rules. The AEDAK must monitor the proper execution of its instructions by the depositary.

2. The depositary shall subscribe the fund rules, the reports and statements under article 28 and shall ensure that:

a) the sale, issue, re-purchase, redemption and cancellation of units effected are carried out in accordance with the provisions of this law, the decisions implementing this law and the fund rules,

b) the valuation of the mutual fund's assets, the calculation of the net value of mutual fund units and the distribution of profits to unit holders are carried out in accordance with the provisions of this law, the decisions implementing this law and the fund rules,

c) in transactions involving a mutual fund's assets, any consideration is remitted to it within the usual time limits,

3. The depositary may delegate, with prior notification to the Capital Market Commission and with the consent of the AEDAK, the safekeeping of all or part of the mutual fund's assets to third parties, on condition that the fund rules comprise such a provision. Third parties shall mean credit institutions or other organisations providing depositary services that are subject to supervisory rules being at least equivalent to those applicable in Greece. The depositary shall be fully liable for such delegation towards the mutual fund's unit holders and the AEDAK.

4. a) A depositary wishing to resign from his duties shall notify the AEDAK at least three (3) months before. The new depositary shall be approved by the Capital Market Commission at the request of the AEDAK. The depositary may be replaced at the request of the AEDAK, with the approval of the Capital Market Commission.

b) Following the approval of the new depositary, the resigned or replaced depositary shall hand over the mutual fund's asset and a protocol shall be prepared for this purpose. The resigned or replaced depositary shall continue to discharge his duties until the new depositary has fully assumed his duties.

c) In the event of resignation or replacement of depositary, the AEDAK shall forthwith notify the mutual fund's unit holders about the assumption of duties of the new depositary through two (2) widely sold daily newspapers or any other manner determined by the Capital Market Commission.

Article 9

Liability of the AEDAK and the depositary

1. In the discharge of their duties, the depositary and the AEDAK shall act independently, to the best interests of the mutual fund's unit holders.

2. The AEDAK, without prejudice to the provisions of article 46, shall be liable towards the mutual fund's unit holders for any negligence in the fund's management.

3. The depositary shall be liable towards the mutual fund's unit holders and the AEDAK for any negligence in the fulfilment of his obligations.

Article 10

Loans, credits, guarantees

1. Neither the AEDAK nor the depositary acting on behalf of a mutual fund can borrow. AEDAKs may, however, acquire foreign currency by means of a 'back-to-back' loan.

2. By way of derogation from paragraph 1 of this article, an AEDAK may borrow on behalf of a mutual fund, solely from a credit institution, up to ten percent (10%) of the mutual fund's net assets, and solely for granting unit redemption applications, provided that the liquidation of its assets is considered inexpedient. To secure such loans, pledges may be established over the transferable securities of the mutual fund.

3. a) Without prejudice to the application of articles 21 to 25, neither the AEDAK nor the depositary, acting on behalf of a mutual fund, may grant credits or act as a guarantor on behalf of third parties.

b) The provision of point (a) of this paragraph shall not prevent the AEDAK or the depositary from acquiring transferable securities, money market instruments or other financial instruments, referred to in points (e), (g) and (h) of paragraph 1 of article 21, which are not fully paid.

4. Neither an AEDAK nor a depositary acting on behalf of a mutual fund may carry out uncovered sales of transferable securities, money market

instruments or other financial instruments, referred to in points (e), (g) and (h) of paragraph 1 of article 21.

Article 11

Rules of conduct

1. The Capital Market Commission shall draw up, by decision, rules of conduct which shall be observed at all times by AEDAKs and covered persons, as defined in such decision.

2. Such rules must implement at least the principles set out in the following indents, which shall ensure that the above natural and legal persons:

a) act honestly and fairly in conducting their business activities in the best interests of the collective or individual portfolios they manage and the integrity of the market;

b) act with due skill, care and diligence, in the best interests of the UCITS 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 measures to avoid conflicts of interests and, when they cannot be avoided, ensure that the collective and individual portfolio they manage are fairly treated, and

e) comply with all regulatory requirements applicable to the conduct of their business activities so as to promote the best interests of their investors and the integrity of the market.

3. The provisions of paragraphs 1 and 2 of this article shall apply pro rata to portfolio investment firms under Law 1969/1991, as currently in force.

Article 12

Establishment of mutual fund

1. The mutual fund is a set of assets comprising transferable securities, money market instruments and cash, whose items belong ab indiviso to more than one unit holders. The mutual fund is not a legal person and its unit holders are represented in and out of court by the AEDAK as regards legal relations arising from the fund's management and their rights on the fund's assets. The mutual fund's unit holders shall not be liable for actions or omissions of the AEDAK or the depositary in the discharge of their duties.

2. A mutual fund managed by an AEDAK whose registered offices and central management are located in Greece shall be established with the authorisation of the Capital Market Commission and shall be governed by the provisions of this law.

3. To receive authorisation to establish a mutual fund, an AEDAK shall submit the following information to the Capital Market Commission:

a) A detailed list of the mutual fund's assets, whose total value shall be at least one million two hundred thousand euro (€1,200,000). The value of the mutual fund's assets shall be determined according to article 20. The Capital Market Commission may adjust the above amount,

b) A statement by a credit institution operating in Greece that it agrees to receive deposits of the mutual fund's assets and act as depositary, pursuant to the provisions of this law,

c) Fund rules, signed by the AEDAK and the depositary.

4. The Capital Market Commission shall grant authorisation for the establishment of the mutual fund if it approves the AEDAK, the depositary and the fund rules, pursuant to the provisions of this law. To authorise the establishment of the mutual fund, verification shall be made of the legality of its rules, the legitimate composition of its assets and presence of adequate provisions to safeguard the interests of the fund's unit holders.

5. No authorisation shall be granted for the establishment of a mutual fund if the directors of the AEDAK and of the depositary are not of sufficiently good repute or lack the experience required for the performance of their duties. To that end, the names of the directors of the AEDAK and of the depositary and of every person succeeding them in office must be communicated forthwith to the Capital Market Commission. Directors shall mean those persons who, under the law or the instruments of incorporation, represent the AEDAK or the depositary.

6. The Capital Market Commission shall not authorise the establishment of a mutual fund whose rules do not allow the sale of units in Greece.

7. Within one (1) month of the granting of authorisation to establish a mutual fund, the AEDAK shall submit to the Capital Market Commission a certificate of the depositary relating to the deposit of its initial assets; otherwise, the Capital Market Commission shall withdraw the authorisation.

"8. The mutual fund may advertise to the public and market its units after its authorisation is granted, provided that the depositary's certificate referred to in paragraph 7 of this article was submitted to the Capital Market Commission. Any mutual fund shall also mention its authorisation number."

*** Paragraphs 8 and 9 were combined into one paragraph and were replaced as above by paragraph 1 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

Article 13

Fund rules

1. The fund rules shall comprise the following minimum information:

a) The name and term of the mutual fund and the name of the AEDAK and the depositary,

b) The fund's investment purpose, investment policy, investment restrictions and portfolio management methods, the degree of investment risks of its portfolio and the characteristics of the average investor to whom the fund is addressed,

c) Any collateral on the assets of the mutual fund by a credit institution, pursuant to the provisions of article 22(9),

d) The type of investment in which the mutual fund's assets may be invested,

e) The price of mutual fund's units at the time of establishment,

f) Commissions, fees and expenses, distinguishing between those to be paid by the unit-holders and those to be paid out of the mutual fund, as well as the method of calculation of such commissions, fees and expenses,

g) The time and procedure of distribution of the mutual fund's profits to unit holders,

h) The terms of participation in the mutual fund and of redemption of its units,

i) Reference pursuant to the contents of the provisions of articles 12(1), 14, 19, 20 and 29.

2. The fund rules may be amended jointly by the AEDAK and the depositary.

"The Capital Market Commission must authorise any amendments to the fund rules".

To grant authorisation, the Capital Market Commission shall check whether the amendments are legitimate and whether adequate provision was made by the AEDAK for the protection of unit holders. Any amendments to the fund rules shall be forthwith notified to the unit holders and shall be binding for them. Unit holders shall be entitled, within three (3) months of the notification of the amendment to the fund rules, to request the redemption of

their units on the basis of the provisions of the rules applicable before the amendment. The Capital Market Commission may determine further manners of notification of amendments to the fund rules to the unit holders.

*** The second sentence of paragraph 2 was replaced as above by paragraph 2 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

Article 14

Mutual fund units

"1. The assets of the mutual fund shall be divided into units of equal value or, if the fund units are not listed in a regulated market pursuant to article 24a of this law, into fractional units.

2. The participation in the mutual fund shall be evidenced by the entry of the relevant units and the particulars of their beneficiary or beneficiaries in a special electronic file of the AEDAK or, if the fund units are listed in a regulated market pursuant to paragraph 1 of article 24a, by the entry of the units and the particulars of the beneficiaries in the Dematerialised Securities System, according to the Dematerialised Securities System Regulations of the Athens Central Depository. The keeping of the special electronic file referred to in the preceding sentence may be delegated by the AEDAK to a third party, provided that the units are not listed in a regulated market, in conformity with the provisions of article 7.

3. Without prejudice to article 24a, paragraph 1, on units of mutual funds listed in a regulated market, the contractual transfer of units shall only be allowed between spouses and first- and second-degree relatives. The transfer shall be entered in the special file referred to in paragraph 2, kept by the AEDAK or the Athens Central Depository, as the case may be.

4. The units of the mutual fund may be pledged by the entry thereof in the special file referred to in paragraph 2, kept by the AEDAK or the Athens Central Depository, as the case may be. Creditors' claims shall be satisfied

either by filing a request to the AEDAK for the redemption of units, in which case the provisions of paragraphs 1 and 2 of article 3 of Law 1818/1951 (Government Gazette 149 A), as currently in force, and articles 1244 et seq. of the Civil Code shall apply, or, for mutual funds referred to in article 24a, paragraph 3, pursuant to the provisions on mandatory enforcement applicable to shares listed in a regulated market.

5. The Capital Market Commission may specify the information to be comprised in the entries referred to in paragraphs 2 and 3 of this article.

6. The provisions of Law 5838/1932, "deposits in joint accounts" shall apply to mutual fund units."

*** Article 14 was replaced as above by paragraph 3 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

Article 15

Marketing of units

1. To purchase mutual fund units, interested parties shall:

a) submit a written application to the AEDAK,

b) accept the fund rules, and

c) fully pay up to the depositary the value of the units in cash and/or, subject to the consent of the AEDAK, in transferable securities, as referred to in paragraph 1(a) and (b) of article 3, listed in a regulated market, as referred to in paragraph 14 of article 2 of Law 2396/1996, as currently in force. The Capital Market Commission may regulate any detail or technical matter concerning the implementation of this point (c).

2. The AEDAK may distribute bonus units to the unit holders, with the authorisation of the Capital Market Commission. This authorisation shall not be required where the AEDAK decides to reinvest the dividend in mutual fund units.

3. The purchase price of the mutual fund units shall be the price applicable on the date of submission of the application to purchase units and shall be determined on the basis of the value of the mutual fund unit on the same date, pursuant to article 20, provided that full payment of the value of the units to the depositary has been ensured.

4. The AEDAK may also sell fund units through agents. Only credit institutions, AEDAKs, insurance companies and AEPEYs may act as fund agents. The Capital Market Commission may regulate any detail or technical matter concerning the implementation of this paragraph.

5. The AEDAK shall decide on the acceptance of the applications to participate in the mutual fund in accordance with the fund rules.

Article 16

Redemption of fund units

1. The redemption of the fund units shall be mandatory when so requested by the unit holder.

"2. To this end, the unit holder shall submit a written application to the AEDAK".

*** Paragraph 2 was replaced as above by paragraph 4 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

3. The fund units shall be redeemed at the price of unit redemption on the date of submission of the unit holder's application for redemption.

"This price shall be determined, according to article 20, on the basis of the value of the fund unit on the date referred to in the preceding sentence. The value of the redeemed fund units shall be paid within five (5) days of the submission of the application for unit redemption in cash, or, in case of mutual funds referred to in paragraph 1 of article 24a), in transferable securities, according to the index or indices replicated or followed by the mutual fund or in cash. The Capital Market Commission may regulate any

detail or technical matter relating to transfers of transferable securities provided for in the preceding sentence."

*** The second and third sentences of paragraph 3 were replaced as above by paragraph 5 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

4. In exceptional cases, where circumstances so warrant and where the best interests of the unit holders so dictate, the redemption of the fund units may be suspended for up to three (3) months, at the request of the AEDAK and with the authorisation of the Capital Market Commission. Such suspension may be extended for three (3) more months at maximum. The suspension of redemption and the expiry or revocation thereof shall be published in two daily political and two daily financial newspapers of Athens. The notice of suspension of redemption shall also determine the expiry thereof. No application for redemption may be submitted by unit holders during the suspension of redemption of fund units.

5. The Capital Market Commission may, on the basis of the best interests of unit holders and/or investors and by justified decision, suspend the redemption of units, in which case unit holders may not submit any application for redemption.

6. In the event that fund units are sold in other Member States, the AEDAK shall forthwith inform the competent authorities of such Member States of the decision on suspension of the redemption of fund units or the expiry or revocation thereof.

"When the absorbing or the new mutual fund is referred to in paragraph 1 of article 24a, any excess of investment limits applicable to such mutual fund shall be settled by the date when the mutual fund units will be traded in the regulated market".

*** The last sentence of paragraph 6 was added by paragraph 6 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

Article 17

Merger of mutual funds

1. With the authorisation of the Capital Marker Commission, two or more mutual funds managed by the same or different AEDAKs may be merged, either by absorption or by establishment of a new mutual fund.

2. The merger shall be decided by the AEDAK(s) managing the funds to be merged, with the consent of their depositary(ies). The AEDAK(s) may decide to suspend the redemption of the units of the merged funds and prohibit the issue of new ones for a period up to fifteen (15) days from the date of merger.

3. The AEDAK(s) shall prepare, with the consent of the depositary, the fund merger contract, which shall be signed by the chartered accountant. The merger contract shall be submitted for approval to the Capital Market Commission and shall comprise the reasons for which the funds are merged and the purposes served thereby, the name of the merged funds and the particulars of their authorisation, the name of their AEDAK and depositary, the terms and the date of the merger, any decision to suspend the redemption of their units and prohibit the issue of new ones, as well as any other useful information in order for their unit holders to form a documented opinion about the merger. Following the approval by the Capital Market Commission and at least thirty (30) days before the date of the merger, the merger contract shall be made available to the unit holders, at the points of sale of the units of the merged funds. A summary of the merger contract shall be published, within the said time limit, in two daily political and two daily financial newspapers of Athens. The same procedure shall be observed in case of amendment to the merger contract.

4. The assets of the merged funds shall be valued pursuant to article 20. Such valuation shall be audited by a chartered auditor, who shall prepare a report on the merger of the funds. This report shall comprise, inter alia, the

method(s) followed for the determination of the exchange ratio of the units of the merged funds and shall be published in accordance with the provisions of paragraph 3 of this article. The report shall be forthwith forwarded to the Capital Market Commission and shall be made available to the unit holders, at the points of sale of the fund units.

5. The merger of mutual funds entails their dissolution, which shall not be followed by distribution of their assets. The unit holders of the merged funds shall receive units of the absorbing or the new fund, as the case may be, according to the ratio of their participation in the former fund. If the participation of unit holders is not sufficient to receive a full unit of the new fund, they may pay cash for the remaining part, as a supplement to acquire a whole unit, or receive the amount falling short from the formation of units. Any amount so received by unit holders shall be exempt from any tax, duty or other charges in favour of the State. The remaining amount may, however, also correspond to a fractional unit.

6. The assets of the merged funds shall be transferred in their entirety to the unit holders of the absorbing or the new fund, as the case may be, who shall become ab indiviso co-owners thereof. The AEDAK shall settle any excess of the investment limits of the fund, pursuant to articles 22 to 27, within six (6) months of the merger at the latest.

7. The creditors of each fund participating in the merger, the claims of whom were created before such merger and have either become or not become due and payable at the time of publication of the merger contract under paragraph 3 of this article, may oppose to the merger by submitting written objections within fifteen (15) days of the date of the merger at the latest, provided that they have not received adequate security and the state of the merged funds necessitates the provision of such security. Written objections to the merger shall be forwarded to the AEDAK(s) managing the merged funds, as well as to the Capital Market Commission.

8. The AEDAK shall be obliged, on behalf of the absorbing or the new fund it manages, for a period of three (3) months of the notification, pursuant to the publications referred to in paragraph 3 of this article, of the merger contract to the unit holders of the merged funds, to accept any applications for redemption of the latter's units according to their rules.

9. The exchange of units of the merged funds does not constitute a transfer in the sense of paragraph 5 of article 14.

10. The transfer of the assets of the mutual funds, pursuant to paragraph 6 of this article, shall be exempt from any tax, duty or other charge in favour of the State or third parties. The provisions of paragraphs 1 and 4 of article 33, relating to the exemption from taxation of the deed establishing the mutual fund, purchasing or redeeming its units and to the value added from the redemption of units at a price higher than the purchase price, shall also apply to the merger of mutual funds.

11. Any costs and expenses made because of or for the merger of mutual fund shall be solely incurred by the involved AEDAK(s) and shall not encumber the merged funds or their unit holders.

Article 18

Split of a mutual fund

1. A mutual fund may be split (hereinafter referred to as "split fund") in two or more new funds (hereinafter referred to as "availing funds"). The AEDAK and/or the depositary of one or more availing funds may be replaced at the same time.

2. On the split of a fund, the split fund shall dissolve without any consequences relating to dissolution. Its total assets shall be divided into parts corresponding to the availing funds, which parts shall become the assets of each availing fund. The unit holders of the split fund shall become unit holders of one or more availing funds.

3. The split shall be made with the authorisation of the Capital Market Commission. To receive such authorisation, the AEDAK of the split fund shall submit:

a) An application comprising the terms of the split, pursuant to paragraph 4 of this article.

b) In case of replacement of the AEDAK, it shall also submit the contract between two or more AEDAKs involved in the split (hereinafter referred to as "split contract"), which shall be dependent on the said authorisation by the Capital Market Commission. The terms of the split, pursuant to paragraph 4 of this article, shall be included in the split contract.

c) The rules of the availing funds, the content of which shall be identical to the content of the rules of the split fund, with the necessary amendments as to the names of the availing funds, their AEDAK and depositary, the history of their establishment and their relevant authorisations, as well as amendments required either for adapting to applicable legislation or for practical reasons. These rules shall be signed by the involved AEDAKs and depositaries.

d) A statement by the depositary(ies) of the availing funds to the effect that they accept such duties.

e) A chartered auditor's report to the effect that, in his view, the method of division of the assets of the split fund, pursuant to paragraph 4(c) of this article, in conjunction with the method of allocation of unit holders comprised in the terms of the split, according to paragraph 4(d) of this article, ensures that the financial position of the unit holders of the split fund at the date of the split shall not change because of the split.

4. The terms of the split shall comprise, as a minimum:

a) The name, purpose and particulars of authorisation of the split fund, the name of the AEDAK and its depositary.

b) The name of each availing fund, the name of their AEDAK and depositary.

c) The method by which, on the date of the split, the assets of the split fund shall be divided in equal parts, the number of which shall be equal to the number of availing funds, in conjunction with the method of allocation of the unit holders of the split fund in each availing fund, according to point (d) below. It shall also be ensured that the composition of the part of the assets corresponding to each availing fund shall be the same as the composition of the assets of the split fund, with the exception of deviations reasonably considered negligible.

d) The allocation of unit holder among the availing funds or the method of such allocation. Specifically, provision shall be made for whether all unit holders of the split fund shall become unit holders of each availing fund or whether the unit holders shall be divided into groups corresponding to the availing funds and the percentage of the assets of the split fund corresponding to each availing fund shall be determined on the basis of such groups or whether the allocation shall be made otherwise.

e) The method for determining the number of units into which each availing fund shall be divided on the date of split and the number of units of the availing fund coming to each unit holder.

f) The time limit, from the issuance of the authorisation by the Capital Market Commission under paragraph 3, within which the split will be made. This time limit may not exceed two (2) months of the issuance of such authorisation, but may be extended by decisions of the Capital Market Commission.

g) The period of suspension of the right to redeem units of the split fund or the period of non-issue of new units, provided that such suspension is considered necessary by the AEDAK. Such period cannot be more than

(5) business days before the date of split. Relevant information shall be included in the notification pursuant to paragraph 5 of this article.

h) Any other useful information in order for the unit holders to form a documented opinion about the split.

5. a) At least thirty (3) days before the date of the split, a notification by the AEDAKs involved in the split shall be published in two daily political and two daily financial newspapers of Athens, which shall comprise the following information:

i) a summary of the terms of the split,

ii) the date of the split, and

iii) the particulars of the authorisation by the Capital Market Commission.

Along with the publication of such notification, the terms of the split or the split contract, as the case may be, as well as the chartered auditor's report referred to in paragraph 3(e) of this article shall be made available to the unit holders, at the points of sale of units of the split fund.

b) Within fifteen (15) days of the publication referred to in point (a) above, the creditors of the split fund, whose claims were created before such publication but had not become due and payable at the time of publication, shall be entitled to seek and receive adequate security, if the financial state of the split fund makes such protection necessary.

6. The following effects shall occur on the date of the split towards all parties, ipso facto and at the same time, without the need for any other formality:

a) The split fund shall dissolve without any legitimate effects.

b) Each of the availing funds shall be established and shall consist of the part of the split fund corresponding to it pursuant to the terms of the split

and, therefore, the assets of each availing fund shall have separate management and separate depositary, pursuant to the provisions of this law.

c) The unit holders of the split fund shall become unit holders of the availing fund(s) according to the allocation set out in the terms of the split and the part of the assets of the split fund corresponding to the availing fund shall be transferred ab indiviso, in compliance with article 14(1), to the unit holders of the availing fund.

d) The AEDAK of each availing fund shall assume its duties on execution of the statements referred to in paragraph 7 of this article. The AEDAK of each availing fund shall replace the AEDAK of the split fund in its rights and obligations that correspond to the assets transferred to the unit holders of the said availing fund. The AEDAK of the split fund and the AEDAK of the availing fund shall be fully liable for the obligations of the AEDAK of the split fund towards the availing fund until the AEDAK of the availing fund fully assumes its duties. In addition, the depositary of each availing fund shall assume duties on execution of the statements referred to in paragraph 7 of this article and the simultaneous delivery, on the basis of a protocol between the old and the new depositary, of the transferable securities and other assets of the availing fund. The depositary of the availing fund shall continue to perform his duties until the depositary of the availing fund fully assumes his duties.

7. The following documents shall be prepared on the date of the split:

a) A statement of assets of the split fund and their valuation on the basis of applicable rules.

b) A statement for each availing fund, comprising the assets coming to the unit holders of the availing fund, the value of such assets, on the basis of applicable valuation rules, and the value of the net assets of the availing fund. This statement shall also include the number of units of the availing

fund and the relation between the unit holders of the split fund and of the availing fund.

8. The statements referred to in paragraph 7 shall be signed by:

a) the AEDAK of the split fund,

b) the AEDAK of the availing fund, if different from the aforesaid AEDAK,

c) the depositary of the split fund, and

d) the depositary of the availing fund, if different from the aforesaid depositary.

9. Within five (5) business days of the split of a mutual fund, a report shall be prepared by a chartered auditor to the effect that the split was made pursuant to the terms of the split.

10. The statements referred to in paragraph 7 of this article shall be forthwith submitted to the Capital Market Commission. The first statement shall be submitted by the AEDAK of the split fund and the other statements by the AEDAK of the relevant availing fund. The AEDAK of the split fund shall also submit forthwith to the Capital Market Commission the audit report referred to in paragraph 9 of this article.

11. Within ten (10) business days of the date of the split, the AEDAK of the split fund shall publish a notification in the press about the occurrence of the split, including a summary of the audit report referred to in paragraph 9 of this article.

12. The AEDAK of each availing fund shall forthwith inform in writing each unit holder of the availing fund about the exact number of units in the availing fund that belong to such unit holder at the date of the split.

13. Any unit holder wishing to transfer to an availing fund other than that in which he was allocated at the time of the split may, within one (1)

month of the date of the split, transfer to another availing fund without paying any purchase and sale commission respectively.

14. a) The transfer of the assets of the split fund under paragraph 6 of this article, as well as any entry, deed or action required to conclude the allocation of the assets of the split fund among availing funds shall be exempt from any tax, duty or charge in favour of the State, the Athens Exchange, the Central Depositary of Athens and, generally, any organisation, legal person or third party. The provisions of paragraphs 1 and 4 of article 33 shall also apply to the split of the mutual fund.

b) Any costs and expenses made because of or for the split of a mutual fund shall be solely incurred by the involved AEDAK(s) and shall not encumber the split fund or the availing funds or their unit holders.

15. The Capital Market Commission may regulate any details or technical matters relating to the implementation of this article.

Article 19

Dissolution of a mutual fund, meeting of unit holders

1. In the event of dissolution of a mutual fund, the distribution of the fund's assets shall be made by the AEDAK, under the inspection of the depositary. On conclusion of the distribution of the fund's assets, a special report shall be prepared, which shall also be signed by a chartered auditor. The report shall be forthwith forwarded to the Capital Market Commission and shall be made available to the unit holders, at the points of sale of its units.

2. Unit holders representing at least one-tenth (1/10) of the fund's units shall be entitled to ask the AEDAK to convene a meeting of unit holders. The AEDAK shall convene such meeting of unit holders within thirty (30) days of the delivery of the aforesaid request. The request shall comprise the agenda, with regard to the provision of information on any matter relating, directly or indirectly, with the management of the mutual fund.

3. If the value of the net assets of the mutual fund, in comparison to the reference value determined pursuant to the following paragraphs, is reduced by six-tenths (6/10), the Capital Market Commission may convene a meeting of unit holders with the purpose of dissolution of the mutual fund. The reference value shall be calculated on the first day of each calendar quarter as the numerical average of the value of the net assets of the mutual fund in the past four (4) quarters. On expiry of each new quarter, the value of the net assets of the fund in this quarter shall replace, according to the said calculation of the reference value, the relevant value of the previous quarter. The provisions of articles 789 to 804 of the Civil Code shall apply to the dissolution of a mutual fund. Where the Capital Market Commission decides to convene a meeting of unit holders, the redemption of the fund's units shall be suspended until the conclusion of the distribution process.

Article 20

Fund assets valuation rules

1. The net assets of the mutual fund, the number of its units, the net price of each unit and the purchase and redemption price shall be calculated every business day. The AEDAK shall procure the publication of the above information in the daily press two days later.

2. a) The value of the net assets of the mutual fund shall be determined pursuant to the rules of this article. To determine the value of the net assets of the mutual fund, the fees and commissions of the AEDAK, the depositary and the members of regulated markets, the expenses incurred by the mutual fund under its fund rules and the profits distributed to unit holders at the valuation of 31 December of each year shall be deducted.

b) To determine the net price of the fund's unit, the total value of its net assets shall be divided by the number of units. The purchase and redemption price of the fund's unit may exceed or fall short, respectively, of the net price of the unit by the amount of the relevant commission of the AEDAK.

"3. The AEDAK shall valuate the assets of the mutual fund pursuant to the following rules:

a) The value of transferable securities and money market instruments listed in a regulated market shall be calculated on the basis of the closing price of stock exchange transactions in cash on the same day. In regulated markets operating outside the European Union, when the valuation on the basis of the price referred to in the previous sentence is not possible due to time differences, the value shall be calculated on the basis of the closing price of such regulated markets on the previous business day.

b) The value of derivative financial instruments listed in a regulated market shall be calculated on the basis of the closing price or, where such price is not determined, on the basis of the price of the last operation published by the stock exchange for same-day transactions. In regulated markets operating outside the European Union, when the valuation on the basis of the price referred to in the previous sentence is not possible due to time differences, the value shall be calculated on the basis of the closing price of such regulated markets on the previous business day.

c) If no transaction was made on the date of valuation, account shall be taken of the price of the previous day when the regulated market was in session and, if no transaction was made on that day either, account shall be taken of the last bid or ask price.

d) If the regulated market, in which the transferable securities and money market instruments are listed, applies the system of single price, such single price shall be taken into account for the determination of their value.

e) The Capital Market Commission may determine rules, pursuant to which the value of the fund's assets that are not traded and/or not listed in a regulated market shall be determined."

*** Paragraph 3 was replaced as above by article 47, paragraph 2, of Law 3371/2005 (Government Gazette A 178/14 July 2005).

4. Except publications that are mandatory pursuant to this law, any publication relating to the mutual fund shall be paid by the AEDAK.

Article 21

Permitted investments of the mutual fund

1. The investments of a mutual fund must consist solely of:

a) Transferable securities admitted to official listing and/or are traded on a regulated market, as referred to in article 2(14) of Law 2396/1996, as currently in force, as well as in the relevant provisions of Member States' national legislation, by which they harmonised with the provision of article 1(13) of Directive 93/6/EEC, as currently in force.

b) Transferable securities dealt in on another regulated market in a Member State which is supervised, operates regularly and is recognized and open to the public.

c) Transferable securities admitted to official listing and/or are traded on a stock exchange in a non-member State or dealt in on another regulated market in a non-member State which is supervised, operates regularly and is recognized and open to the public. The stock exchanges and markets referred to in this point shall be determined by decision of the Capital Market Commission.

d) Recently issued transferable securities, with the authorisation of the Capital Market Commission, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to in points (a), (b) and (c) of this paragraph 1, and that such admission is secured within one (1) year of issue.

e) Units of UCITS authorised according to national laws which transposed Directive 85/611/EEC, as currently in force, and/or other collective investment undertakings, should they be situated in a Member State or not, provided that:

i) such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered to be at least equivalent to that laid down in Community law, and that the Capital Market Commission has concluded cooperation agreements with the corresponding supervisory authority for the exchange of confidential information,

ii) the level of protection for unit-holders in the other collective investment undertakings is at least equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 85/611/EEC, as currently in force,

iii) the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period,

iv) no more than ten percent (10%) of the UCITS' or the other collective investment undertakings' assets, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other collective investment undertakings,

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the UCITS' competent authorities as equivalent to those laid down in Community law. Third countries, as referred herein, shall be determined from time to time by decision of the Capital Market Commission, following consultations with the Bank of Greece.

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in items (a), (b) and (c), and/or financial derivative instruments dealt in over-the-counter ('OTC derivatives'), provided that:

i) the underlying consists of instruments covered by this paragraph, financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its investment objectives as stated in the UCITS' fund rules,

ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Capital Market Commission, and

iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the UCITS' initiative,

h) money market instruments other than those dealt in on a regulated market, which fall under items (a), (b) and (c) of this paragraph 1, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

i) issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in items (a), (b) or (c) of this paragraph, or

iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules

considered by the competent authorities to be at least as stringent as those laid down by Community law; or

iv) issued by other bodies belonging to the categories approved by the Capital Market Commission provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is

I) a company whose capital and reserves amount to at least EUR ten (10) million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, as currently in force,

II) an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group

III) an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. The Capital Market Commission may regulate details or technical matters relating to the implementation of items (d), (e) and (h) of paragraph 1 of this article.

3. With the authorisation of the Capital Market Commission, a mutual fund may invest no more than ten percent (10%) of its net assets in transferable securities and money market instruments, other than those referred to in paragraph 1 of this article.

4. A mutual fund may not acquire either precious metals or certificates representing them.

5. The Capital Market Commission shall define mutual fund categories, so that there is correspondence between the name of the fund, the objective referred to in the fund rules and its investment policy.

Article 22

Investment limits of the mutual fund

1. a) A mutual fund may invest no more than ten percent (10%) of its net assets in transferable securities and money market instruments issued by the same body.

b) A mutual fund may invest no more than forty percent (40%) of its net assets in transferable securities and money market instruments of issuers in each of which it invests more than five percent (5%) of its net assets. This limitation shall not apply to deposits and OTC derivatives conducted pursuant article 21(1)(g). The transferable securities and money market instruments referred to in paragraph 4(a) and (b) of this article shall not be taken into account for the application of the 40% limit provided for herein.

"2. Without prejudice to article 23, a mutual fund's investment under article 21(1)(e) may be no more than ten percent (10%) of its net assets. To calculate the investment limits under this article, account shall not be taken of investment made by the mutual fund pursuant this paragraph."

*** Paragraph 2 was replaced as above by article 47, paragraph 4, of Law 3371/2005 (Government Gazette A 178/14 July 2005).

3. The mutual fund may invest no more than twenty percent (20%) of its net assets in deposits with the same credit institution.

4. a) Notwithstanding paragraph 1 of this article, a mutual fund may invest no more than thirty-five percent (35%) of its net assets in transferable securities and money market instruments of the same issuer, if the transferable securities or money market instruments are issued or guaranteed by a Member State or third countries, as defined in article 21(1)(f), or by public international bodies of which one or more Member States are members.

b) Notwithstanding paragraph 1 of this article, a mutual fund may invest no more than twenty-five percent (25%) of its net assets bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-

holders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

When a mutual fund invests more than five percent (5%) of its net assets in the bonds referred to in this item (b), issued by the same issuer, the total value of these investments may not exceed eighty percent (80%) of its net assets.

The Capital Market Commission shall send the European Commission a list of the aforementioned categories of bonds together with the categories of issuers authorised, in accordance with the Greek legislation, to issue bonds complying with the criteria set out above. A notice specifying the status of the guarantees offered shall be attached to these lists.

5. Without prejudice to paragraphs 1 and 3 and to item (b) of paragraph 6 of this article, a mutual fund may not combine:

a) investments in transferable securities or money market instruments issued by the same body,

b) deposits made with such body, and/or

c) exposures arising from OTC derivative transactions undertaken with such body in excess of twenty percent (20%) of its assets.

6. a) Investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with paragraphs 1, 2, 3, 4 and 5 of this article and item (b) of this paragraph 6 shall under no circumstances exceed in total thirty-five percent (35%) of the fund's net assets.

b) The risk exposure to a counterparty of the mutual fund in an OTC derivative transaction may not exceed:

i) ten percent (10%) of its net assets when the counterparty is a credit institution referred to in article 21(1)(f), and

ii) five percent (5%) of its net assets, when the counterparty is not a credit institution referred to in item (b)(i) above.

7. Aggregate investment in transferable securities and money market instruments, as referred to in paragraph 4(a) of this article, may increase up to one hundred percent (100%) of the fund's net assets, provided that:

a) each mutual fund holds transferable securities and money market instruments from at least six (6) different issues, but securities from any one issue may not account for more than thirty percent (30%) of its total net assets and

b) the mutual fund makes express mention in the fund rules of the States or public international bodies referred to in paragraph 4(a) of this article issuing or guaranteeing securities and money market instruments in which they intend to invest more than thirty0five percent (35%) of its net assets.

The mutual fund must include a prominent statement in its prospectus and any promotional literature drawing attention to its authorization by the Capital Market Commission and indicating the States and public international bodies in the securities of which it intends to invest or has invested more than thirty-five percent (35%) of its net assets.

8. Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC, as currently in force, or in accordance with recognised international accounting rules, are regarded as a single body. The mutual fund may invest no more than twenty percent (20%) of its net assets in transferable securities and money market instruments of the companies of the same group. The

AEDAK must include in the fund's complete prospectus and its annual and half-yearly reports a special reference to its investment in companies of the same group.

9. Without prejudice to article 18 of Law 2076/1992 (Government Gazette 130 A), "Taking-up and pursuit of business of credit institutions and other relevant provisions", as currently in force, all or part of a mutual fund's assets may be guaranteed by a credit institution registered in a Member State, if there is such a provision in the fund rules. Such guarantee may not be given by the fund's depositary or a third person providing depositary services to the mutual fund. Moreover, no guarantee may be given on the return of the mutual fund.

Article 23

Mutual funds investing in other mutual funds

1. Notwithstanding article 22(2) and without prejudice to the provisions of article 26, when the investment policy of the mutual fund, pursuant to its fund rules, is to invest in the units of mutual funds or other collective investment undertakings referred to in article 21(1)(e), the mutual fund acquire such units up to twenty percent (20%) of its net assets per mutual fund or collective investment undertaking. Investments made in units of collective investment undertakings other than those defined in article 2(2) may not exceed, in aggregate, thirty percent (30%) of its net assets. Investment made by the mutual fund pursuant to this paragraph do not have to be combined for the purposes of the investment limits laid down in Article 22.

2. When a mutual fund invests in the units of other mutual funds or other collective investment undertakings that are managed, directly or by delegation, by the same AEDAK or by any other company with which the AEDAK is linked by common management or control, or by a substantial direct or indirect holding, that AEDAK or other company may not charge

subscription or redemption fees on account of the mutual fund's investment in the units of such other mutual funds or collective investment undertakings.

3. The Capital Market Commission may regulate any detail or technical matter relating to the implementation of this article.

Article 24

Mutual funds replicating a stock market index

1. Notwithstanding article 22(1) and without prejudice to the provisions of article 26, when, according to the fund rules, the aim of the mutual fund's investment policy is to replicate the composition of a certain stock or bond index, the fund may invest no more than twenty percent (20%) of its net assets in shares and/or bonds issued by the same body on the following basis:

a) the composition of the index is sufficiently diversified,

b) the index represents an adequate benchmark for the market to which it refers, and

c) the index is published in an appropriate manner.

2. The Capital Market Commission may raise the limit laid down in paragraph 1 to a maximum of thirty-five percent (35%) where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

3. The Capital Market Commission may specify the criteria laid down in paragraph 1 and determine any detail or technical matter relating to the implementation of this article.

"Article 24a

1. An AEDAK may, on request, list for trading in a regulated market operating in Greece the units of mutual funds referred to in article 24(1), as well as the units of mutual funds replicating a stock market index and authorised pursuant to the provisions of Directive 85/611/EEC. The decision to list the units shall require the appointment of at least one special trader and the commencement of trading shall require the deposit of the mutual fund's assets in transferable securities, according to the composition of the index, to the depositary.

2. The actions of the AEDAK shall be considered as redemption of the mutual fund units under paragraph 1, so that the stock market price of the units does not deviate from the value of its net assets, at a percentage to be decided by the Capital Market Commission.

3. The Capital Market Commission may determine the particulars submitted for the authorisation of mutual funds referred to in paragraph 1 of article 24, whose units are listed for trading in a regulated market, in addition to those mentioned in paragraph 3 of article 12.

4. The Capital Market Commission may determine by decision: a) the terms and conditions for the admitting, listing and trading of units in the regulated market, the clearing of transactions in such units and the conditions for suspending and removing them, b) the obligations of the AEDAK arising from the listing and trading of the units, including the appointment of at least one special trader and the terms of the contract between them, c) additional information to be comprised in the fund rules, the full and simplified prospectus, their reports and statements, d) technical matters or details for the implementation of paragraph 2, regarding the actions made so that the stock market price of the fund units will not deviate from the net value of its assets over the prescribed limit, particularly for the purpose of informing investors, and e) any other relevant matter or necessary detail regarding the operation of such mutual funds.

5. The regulated market rules, issued pursuant to article 3 of Law 3152/2003, shall deal with matters relating to the admission and trading of the units of mutual funds referred to in paragraph 1 of this article, including the obligations of the special trader. The stock market transactions clearing rules shall deal with matters relating to the clearing of transactions in units of mutual funds referred to in paragraph 1 of this article."

*** Article 24a was added by paragraph 7 of article 28 of Law 3556/2007 (Government Gazette A 91/30 April 2007).

Article 25

Risk management and financial derivative instruments

1. The AEDAK must 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.

2. The AEDAK must employ a process for accurate and independent assessment of the value of OTC derivative instruments in which it invests on behalf of the mutual funds it manages.

3. The AEDAK must communicate to the Capital Market Commission regularly and in accordance with the detailed rules it shall define, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments regarding each managed mutual fund.

4. The Capital Market Commission may authorise mutual funds to employ techniques and instruments relating to transferable securities, money market instruments and derivative instruments, provided that such techniques and instruments are used for the purpose of efficient portfolio management and/or compensating for the fund's net assets. Under no circumstances shall these operations cause the mutual fund to diverge from its investment objectives as laid down in the fund rules and prospectus.

"5. The AEDAK shall ensure that the total risk in derivative financial instruments to which the fund's portfolio is exposed does not exceed its net assets. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions."

*** Paragraph 5 was replaced as above by article 47, paragraph 5, of Law 3371/2005 (Government Gazette A 178/14 July 2005).

6. A mutual fund may invest, as a part of its investment policy and pursuant to its fund rules and the relevant provisions of this law, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in article 22. The Capital Market Commission may allow that, when a mutual fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in article 22.

7. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account with the investment limits for financial derivative instruments laid down in this article.

8. The Capital Market Commission shall send the European Commission full information and any subsequent changes in its regulation concerning the methods used to calculate the risk exposures mentioned in paragraphs 5 and 6 of this article, including the risk exposure to a counterparty in OTC derivative transactions.

9. The Capital Market Commission may regulate any detail or technical matter relating to the implementation of this article.

Article 26

Prohibition to acquire control

1. a) The AEDAK acting in connection with all of the mutual funds which it manages may not acquire any shares of a company registered in Greece or a non-Member State, with or without voting rights, representing

more than ten percent (10%) of the aggregate of the corresponding category of shares.

b) The AEDAK acting in connection with all of the mutual funds which it manages may not acquire any shares of a company registered in another Member State, with or without voting rights, representing more than ten percent (10%) of the aggregate of the corresponding category of shares, unless the national legislation of such other Member State has laid down other restrictions.

2. The mutual fund may acquire no more than:

a) ten percent (10%) of the non-voting shares of any single issuing body,

b) ten percent (10%) of the voting shares of any single issuing body,

c) ten percent (10%) of the total bonds of any single issuing body,

d) ten percent (10%) of the money market instruments of any single issuing body,

e) twenty-five percent (25%) of the units of any single mutual fund or other collective investment undertaking within the meaning of article 2(2).

The limits laid down in the third, fourth and fifth items of this paragraph may be disregarded at the time of acquisition if at that time the gross value of the bonds or money market instruments or the net value of the units of mutual funds or other collective investment undertakings cannot be calculated.

3. The restrictions laid down in paragraphs 1 and 2 of this article shall not apply to transferable securities and money market instruments referred to in paragraphs 4 and 7 of article 22, as well as to shares in a company registered in a non-Member State, where under the legislation of that State such a holding represents the only way to invest in the securities of issuing bodies of that State, provided that in its investment policy the company from

the non-member State complies with the limits laid down in articles 21, 22, 27 and this article.

Article 27

Effects of violation of investment limits

1. Contracts made in violation of the provisions of articles 21 to 26 shall be valid.

"2. Mutual funds need not comply with the limits laid down in articles 22, 23, 24 and 26 when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets or when the limits were exceeded as a result of the merger of companies.

The mutual fund shall sell anything it acquired in excess of the limits laid down in articles 22, 23, 24 and 26 within three (3) months of the acquisition based on the best interests of the unit holders."

*** Paragraph 2 was replaced as above by article 47, paragraph 6, of Law 3371/2005 (Government Gazette A 178/14 July 2005).

3. The Capital Market Commission, while ensuring observance of the principle of risk-spreading, may authorise recently established mutual funds to derogate from the investment limits laid down in articles 22, 23 and 24 for six (6) months following the date of their authorisation.

4. If the mutual fund exceeds the limits referred to in articles 22, 23, 24 and 26 on the basis of paragraphs 2 and 3 of this article or for reasons beyond the its control, that mutual fund must sell anything it acquired in excess of the limits based on the best interests of the unit holders. The mutual fund shall sell anything it acquired in excess of the limits laid down in articles 22, 23, 24 and 26 for reasons beyond its control within five (50 business days of acquisition.

5. The Capital Market Commission may regulate any detail or technical matter relating to the implementation of this article.

Article 28

Mutual Fund Management period – Reports – Statements

1. The management period of the mutual fund shall be the calendar year. By way of derogation, the first management period may be less than one year, ending on 31 December.

2. The AEDAK shall prepare the annual report of the mutual fund for each management period.

3. The annual report of the mutual fund shall comprise as a minimum:

a) the financial state of the mutual fund, including details of its asset by type and quantity, with reference to the regulated markets in which they are admitted and/or traded, their current unit price, their total value, available assets in deposits, claims, obligations and the net value of the assets,

b) a detailed profit and loss account for the fund's management period, including proceeds by category, profits or losses from the sale of assets and expenditure by category,

c) the distributed and reinvested profits of the mutual fund that are either distributed or reinvested,

d) total inflows and outflows from the sale and redemption of fund's units, the surplus or unrealized value of its investment and any other changes that affected its assets and liabilities during the management period,

e) a statement of the number of fund units sold and redeemed during the management period and of the number of outstanding units at the beginning and at the end of the management period,

f) the net unit price,

g) the fund assets, classified by the categories laid down in article 21 and by the main investment policy criteria, with reference to the share of each category in its total assets,

h) a comparative table of the last three (3) management periods of the fund, showing the value of the net assets and the net unit price at the end of each period,

i) any other information enabling investors to form an opinion about the activities of the fund and its results, and

j) a reference to the level of liabilities resulting from each category of operations in the sense of article 25, made by the mutual fund during the period.

4. At the end of the first half of each calendar year, the AEDAK shall prepare a report on the mutual fund, comprising the information referred to in items (a), (d), (e), (f) and (g) of paragraph 3 above and a detailed profit and loss account for such period, pursuant to paragraph 3(b) above.

5. The reports referred to in this article shall be audited by chartered auditors, shall be submitted to the Capital Market Commission and shall be made available to unit holders within two (2) months of the end of each management period or calendar year, respectively. Such reports shall be made available to any interested party.

6. At the end of each management period of the mutual fund, a concise statement of its assets, the profit and loss account and the method of profit distribution shall be published in a daily political and a daily financial newspaper of Athens.

7. The Capital Market Commission may determine: (a) additional information to be included in the annual and the half-yearly report of the mutual fund, (b) a single form for mutual fund reports, the concise statement of assets and the accounts kept by the AEDAK, so as to clearly show the real picture of its assets and its profits or losses, (c) the contents of quarterly

tables showing the fund's investment, which are made available to the public, and the method and time of notification and publication thereof, and (d) any details or technical matters relating to the implementation of this article.

Article 29

Distribution of mutual fund's profits

The proceeds of the mutual fund from interest, dividends and premium profits may be distributed annually to unit holders, after deducting the total expenditure of the management period, as determined in article 28(3). Profits from the sale of fund assets shall be distributed to unit holders at the discretion of the AEDAK, to the extent that they are not compensated by capital losses incurred by the end of the management period.

Article 30

Prospectuses

1. The AEDAK shall publish a simplified and a full prospectus for each managed mutual fund. The essential elements of the full and the simplified prospectuses must be kept up to date.

2. The AEDAK shall deliver the simplified prospectus and, on request, the full prospectus, the fund rules and the latest published annual or half-yearly report of the mutual fund to prospective unit holders free of charge before the conclusion of a contract. The AEDAK shall inform prospective unit holders of such right.

3. Both the simplified and the full prospectuses must include the information necessary for investors to be able to make an informed judgement of the investment proposed to them, and, in particular, of the risks attached thereto.

4. Both the full and the simplified prospectus may be incorporated in a written document or in any durable medium having an equivalent legal status approved by the Capital Market Commission.

5. The AEDAK shall send the Capital Market Commission the simplified and the full prospectuses of the managed mutual funds, as well as any amendments thereto, with the time limit and pursuant to the procedure determined by decision of the Capital Market Commission.

6. All publicity comprising a direct or indirect invitation to purchase the units of a mutual fund must indicate the places where its prospectuses may be obtained by the public and/or how the public may have access to them, as well as the following warning in capital letters: "Mutual funds do not have guaranteed performance and past performances does not ensure future ones". Moreover, this statement shall be included in any informative leaflet of the mutual fund.

7. All publications of the mutual fund and the AEDAK and all informative or publicity material shall be submitted to the Capital Market Commission with the time limit and pursuant to the procedure determined by decision of the latter.

8. The AEDAK shall, at the request of the Capital Market Commission, make clarifying or corrective publications at its own cost, if previous publications or notifications risk to mislead or provide wrong information to investors.

Article 31

Full prospectus

1. The fund rules and the latest half-yearly or annual report shall form an integral part of the full prospectus and must be annexed thereto.

2. The full prospectus shall contain at least the following information, in so far as that such information does not already appear in the fund rules:

a. Information concerning the mutual fund:

a) name, details of authorisation and date of establishment,

b) the legal nature of the right (real, personal or other) represented by the units, original securities or certificates providing evidence of title, the type of title and nominal value,

c) investment objective, investment policy, investment limitations and methods of portfolio management, degree of the portfolio's investment risks, historical performance of the portfolio and profile of the typical investor for whom the mutual fund is designed,

d) the place where the fund rules, the prospectuses and the half-yearly and annual reports are available to the public,

e) procedures and conditions for repurchase or redemption of units, the settlement of payments, the issue of units, the circumstances in which redemption may be suspended and voting rights, if these exist,

f) rules for the valuation of assets, calculation of the unit value (sales price, redemption price and net unit price) and the means of publication of those prices,

g) commissions, costs and fees, distinguishing between to be paid by unit holders and those to be paid out of the mutual fund and manner of calculation of such commissions, costs and fees,

h) the fund's borrowing rules, and

g) the tax system applicable to the mutual fund and its unit holders, as well as details of whether deductions are made at source from the income and capital gains paid by the fund to unit holders.

b. Information concerning the AEDAK:

a) the content of the disclosure of operations and information of the AEDAK pursuant to article 7a of Codified Law 2190/1920, as currently in force,

b) the names of the members of the board of directors and officers of the AEDAK and details of their main activities outside the company, where these affect the smooth operation of the AEDAK,

c) the names of chartered auditors who audit the half-yearly and annual reports of the mutual fund,

d) the name or style of the mutual fund's investment adviser and/or manager, who act under contract, as well as the material provisions of the contract between the AEDAK and such persons. If the remuneration of the investment advisor and/or the manager is payable by the mutual fund, the level of such remuneration and the method of calculation shall be stated,

e) reference to other UCITS managed or represented by the AEDAK.

c. Information concerning the depositary:

Name or style, form in law, registered office and head office if different from the registered office. Similar information shall be provided for any third party acting as depositary of the mutual fund following the assignment of such duties by the depositary.

3. The full prospectus of the mutual fund shall indicate in which categories of assets it is authorised to invest. It shall mention if transactions in financial derivative instruments are authorised; in this event, it must include a prominent statement indicating if these operations may be carried out for the purpose of hedging and/or with the aim of meeting investment goals, and the possible outcome of the use of financial derivative instruments on the risk profile.

4. When an AEDAK invests principally in any category of assets defined in article 21 other than transferable securities and money market instruments or replicates a stock or bond index in accordance with article 24, its full prospectus, its simplified prospectus and any other promotional literature must include a prominent statement drawing the attention of investors to the investment policy.

5. When the net asset value of a mutual fund is likely to have a high volatility due to its portfolio composition or the portfolio management techniques that may be used, full prospectus, its simplified prospectus any other promotional literature must include a prominent statement drawing attention to this characteristic.

6. Upon request of a unit holder, the AEDAK must also provide supplementary information relating to the quantitative limits that apply in the risk management of the mutual fund, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields pursuant to article 21.

7. The Capital Market Commission may determine additional information to be included in the full prospectus and regulate details or technical matters relating to the implementation of this article.

Article 32

Simplified prospectus

1. The simplified prospectus shall contain the following key information:

a) Brief presentation of the mutual fund:

When the mutual fund was created and expected period of existence (when applicable), the AEDAK, the depositary, the chartered auditors, any investment adviser and manager, as well as financial group to which the AEDAK belongs.

b) Investment information:

Investment objective, investment policy, including an assessment of the fund's risk profile, pursuant to paragraphs 3 to 6 of article 25, historical performance of the fund with a prominent warning in capital letters: "Mutual funds do not have guaranteed performance and past performances

does not ensure future ones" and a profile of the typical investor the fund is designed for.

c) Economic information:

Entry and exit commissions, other possible expenses or fees to be paid by unit holders and out of the fund's assets and the tax regime governing the operation of the mutual fund and its unit holders.

d) Commercial information:

How to buy and sell the units, frequency and where/how prices are published, as well as when and how dividends on units are distributed.

e) Additional information:

A statement that, on request, the full prospectus, the annual and half-yearly reports may be obtained free of charge before the conclusion of the contract and afterwards, indication of a contact point in the AEDAK (person/department, timing, etc.) where additional explanations may be obtained if needed, the competent authority and publishing date of the prospectus.

2. The simplified prospectus shall be structured and written in such a way that it can be easily understood by the average investor. The simplified prospectus may be attached to the full prospectus as a removable part of it.

3. The Capital Market Commission may determine additional information to be included in the simplified prospectus and regulate details or technical matters relating to the implementation of this article.

Article 33

Tax provisions

1. The instrument establishing a mutual fund, the purchase and redemption of its units shall be exempt from any tax, fee, stamp duty, contribution, royalty or other charge in favour of the State, legal persons in public law or third parties in general.

"2. Income from transferable securities acquired by mutual funds in Greece or abroad shall be exempt from income tax and shall not be subject to any tax withholding. Particularly for interest on bond loans, the exemption shall apply on condition that the securities on which such interest is paid have been acquired at least thirty (30) days before the date set for the cashing of coupons. Otherwise, tax will be withheld pursuant to the provisions of articles 12 and 54 of the Income Tax Code, ratified by Law 2238/1994 (Government Gazette 151 A). This withholding shall be the sole tax liability of the mutual fund and of unit holders for such income."

*** Paragraph 2 was replaced as above by paragraph 1 of article 15 of Law 3522/2006 (Government Gazette A 276/22 Dec 2006), Application for income acquired from 1 January 2007 on.

"3. The AEDAK shall pay tax, whose rate shall be ten percent (10%) of the intervention rate of the European Central Bank (benchmark rate) from time to time, increased as follows, depending on the category of each mutual fund on the basis of decision 1/317/11 Nov 2004 of the Board of Directors of the Capital Market Commission (Government Gazette 1746 B 726.11.2004), as in force from time to time:

a) money market funds: no increase,

b) bond funds: twenty-five percentage points (0.25),

c) mixed funds: five percentage points (0.5),

d) bond funds and any other type of funds except the above: one (1) percentage point.

The tax shall be calculated on the half-yearly average net assets of the mutual fund, shall be called daily and shall be paid to the competent public financial service within the first fifteen days of July and January of the half-year following its calculation. The tax shall be paid in the name and on behalf of the mutual fund.

In case of mutual fund investing its assets in other funds' units (article 23 of Law 3283/2004), the tax due shall be calculated according to the category of such fund on the basis of the aforesaid decision of the Board of Directors of the Capital Market Commission. The tax corresponding to and paid by the various funds shall be deducted up to the amount of tax due by the mutual fund referred to in this sentence.

*** ATTENTION: paragraph 1 of article 20 of Law 3697/2008 (Government Gazette A 194/25 Sep 2008) stipulates that:

"1. A new sentence shall be added at the end of the third sentence of paragraph 3 of article 33 of Law 3283/2004 (Government Gazette 210 A) as follows:

"In case of tax withholding on acquired dividends, as well as the ten percent tax on the surplus value on the sale of listed shares of any management period, such tax shall be offset with the tax resulting from the return submitted by the AEDAK within the month of July. Any credit balance shall be carried over for offsetting with subsequent returns."

In the event of change in the benchmark rate or in the classification of the mutual fund, the new basis for calculation of the tax shall be valid from the first day of the month following the change.

The payment of the tax shall be the sole tax liability of the mutual fund and its unit holders. The provisions of articles 113 and 116 of the Income Tax Code shall also apply to the tax due on the basis of the provisions of this paragraph."

*** Paragraph 3 was replaced as above by paragraph 2 of article 15 of Law 3522/2006 (Government Gazette A 276/22 Dec 2006), Application for income acquired from 1 January 2007 on.

4. The value added resulting to the benefit of unit holders from the redemption of units at a price higher than the purchase price shall be exempt

from any tax, fee, stamp duty, contribution, royalty or other charge in favour of the State, legal persons in public law or third parties in general.

Article 34

Sale of units in other countries

1. If an AEDAK proposes to market its mutual fund units in another Member State, it must first inform the Capital Market Commission.

2. An AEDAK proposing to market its mutual fund units in a third country must first inform the Capital Market Commission and ensure that the legislation of such third country comprises prudential rules at least equivalent to those applicable in Greece.

Article 35

Marketing of UCITS shares/units in Greece

1. A UCITS registered in another Member State and authorised by the competent authorities of that state, pursuant to the provisions of Directive 85/611/EEC, as currently in force, may market its units/shares in Greece, also complying with the provisions of the Greek legislation which do not fall within the field governed by such Directive.

2. a) If a UCITS proposes to market its units/shares in Greece, it must first inform the Capital Market Commission accordingly. It must simultaneously send the latter:

i) an attestation by the competent authorities of the Member State where it is registered, to the effect that the UCITS fulfils the conditions imposed by Directive 85/611/EEC, as currently in force,

ii) its fund rules or its instruments of incorporation, in case of an investment company,

iii) its full and simplified prospectuses, its latest annual and half-yearly reports, and

iv) details of the arrangements made for the marketing of its units/shares in Greece.

b) A UCITS may begin to market and advertise its units/shares in Greece two (2) months after the communication of such documents to the Capital Market Commission, unless the Capital Market Commission establishes, in a reasoned decision taken and notified to the UCITS before the expiry of that period of two (2) months, that the provisions of paragraphs 1 and 3(b) are not complied with.

3. a) A UCITS may advertise its units in Greece and must comply with the provisions of the Greek legislation governing advertising, particularly the provisions of article 30(6) and article 46(6).

b) The UCITS must take the measures necessary to ensure that facilities are available to its unit-holders or shareholders in Greece for making payments to unit-holders, re-purchasing or redeeming units/shares, pursuant to the applicable provisions of its rules (in case of mutual fund) or its instruments of incorporation (in case of investment companies) and that the information referred to in paragraph 4 of this article are published.

4. a) A UCITS that markets its units/shares in Greece must provide and/or publish in Greek the full and simplified prospectuses, the latest annual and half-yearly reports and any other documents and information which must be published in the Member State in which it is situated, in accordance with the same procedures as those provided for in the latter State.

b) For the purpose of carrying on its activities, a UCITS may use the same generic name (such as "investment company" or "mutual fund") as it uses in the Member State in which it is situated. In the event of any danger of confusion, the Capital Market Commission may, for the purpose of clarification, require that the name be accompanied by certain explanatory particulars.

Article 36

Marketing of units/shares of other collective investment undertakings in Greece

1. The Capital Market Commission shall determine the terms, conditions, required documents and any necessary detail for the authorisation of collective investment undertakings registered in another Member State that are not subject to Directive 85/611/EEC, as currently in force, or registered in a third country and intend to market their shares/units in Greece.

2. The Capital Market Commission's authorisation shall be required for the marketing of shares/units pursuant to paragraph 1 of this article; such Commission may set additional appropriate requirements on a case by case basis.

3. The provisions of paragraphs 3 and 4 of article 35 shall also apply to the marketing of shares/units of the undertakings referred to in paragraph 1 of this article.

Article 37

Provision of services by an AEDAK in another Member State

1. An AEDAK wishing to carry on business within the territory of another Member State for the first time under the freedom to provide services shall communicate the following information to the Capital Market Commission:

a) the Member State within the territory of which it intends to operate,

b) a programme of operations stating the activities and services referred to in article 4(1) and (2) envisaged.

2. The Capital Market Commission shall, within one (1) month of receiving the information referred to in paragraph 1, forward it to the competent authorities of the host Member State. It shall also communicate details of

any applicable compensation scheme intended to protect investors in Greece.

3. An AEDAK shall also be subject to the notification procedure laid down in this article in cases where it entrusts a third party with the marketing of the units in another Member State.

Article 38

Establishment of AEDAK in another Member State

1. An AEDAK wishing to establish and operate a branch within the territory of another Member State shall notify the Capital Market Commission accordingly and shall provide the following information and documents:

a) the Member State within the territory of which it plans to establish a branch,

b) a programme of operations setting out the activities and services according to Article 4(1) and (2) envisaged and the organisational structure of the branch,

c) the address in the host Member State from which documents may be obtained, and

d) the names of those responsible for the management of the branch, as determined by decision of the Capital Market Commission.

2. In case of a branch to be established in another Member State, unless the Capital Market Commission has reason to doubt the adequacy of the administrative structure or the financial situation of an AEDAK, it shall, within three (3) months of receiving all the information referred to in paragraph 1, communicate that information to the competent authorities of the host Member State and shall inform the AEDAK accordingly. The Capital Market Commission shall also communicate details of any compensation scheme intended to protect investors in Greece. Where the

Capital Market Commission refuses to communicate the information referred to in paragraph 1 to the competent authorities of the host Member State, it shall give reasons for its refusal to the AEDAK concerned within two (2) months of receiving all the information.

3. In the event of change of any particulars communicated in accordance with paragraph 1(b) and (c) of this article, the AEDAK shall give written notice of that change to the Capital Market Commission and the competent authorities of the host Member States at least one (1) month before implementing the change so that the Capital Market Commission may take a decision on the change under paragraph 2. In the event of change of any particulars communicated in accordance with paragraph 1(d) of this article, the AEDAK shall forthwith give written notice of that change to the Capital Market Commission and the competent authorities of the host Member States so that the Capital Market Commission may take a decision on the change under paragraph 2 of this article.

4. In the event of a change in the particulars communicated in accordance with paragraph 2 of this article, the Capital Market Commission shall inform the authorities of the host Member State accordingly.

5. The provisions of paragraphs 6 and 7 of article 41 shall also apply to the Capital Market Commission, in the context of its supervisory tasks on the branches of AEDAKs established in another Member State.

6. In the event of establishment of a branch in another Member State, the organisational arrangements may not conflict with the rules of conduct laid down by the host Member State to cover conflicts of interest.

Article 39

Operation of a management company of another Member State in Greece

A management company, authorised in accordance with Directive 85/611/EEC by the competent authorities of another Member State, may carry on within Greece the activity for which it has been authorised, either

by the establishment of a branch or under the freedom to provide services, without any requirements for additional authorisation, provision of endowment capital or any other measure having equivalent effect.

Article 40

1. A management company, authorised in accordance with Directive 85/611/EEC by the competent authorities of another Member State, may carry on within Greece the activity for which it has been authorised under the freedom to provide services, provided that the competent authorities of the home Member State have communicated the following information and documents to the Capital Market Commission:

a) the intention of the management company to provide services, and

b) a programme of operations setting out the specific services it intends to provide.

2. When appropriate, the Capital Market Commission shall, on receipt of the information referred to in paragraph 1, indicate to the management company the conditions, including the rules of conduct to be respected in the case of provision of the portfolio management service mentioned in Article 5(3) and of investment advisory services and custody, with which, in the interest of the general good, the management company must comply in Greece.

3. Management companies, carrying on business within Greece under the freedom to provide services, shall provide the Capital Market Commission with the information necessary for the monitoring of their compliance with the provisions of the Greek legislation.

4. Should the content of the information communicated in accordance with paragraph 1(b) of this article be amended, the management company shall give notice of the amendment in writing to the competent authorities of the home Member State and the Capital Market Commission before implementing the change, so that the competent authorities of the home

Member State and the Capital Market Commission may, if necessary, inform the company of any change or addition to be made to such information.

5. A management company shall also be subject to the notification procedure laid down in paragraph 1 of this article in cases where it entrusts a third party with the marketing of its shares/units in Greece.

Article 41

Establishment of a management company of another Member State in Greece

1. A management company, authorised in accordance with Directive 85/611/EEC, as currently in force, by the competent authorities of another Member State, may carry establish and operate in Greece and provide the services for which it has been authorised two (2) months after the competent authorities of the home Member State have communicated the following information and documents to the Capital Market Commission:

a) the intention of the company to establish and operate a branch in Greece,

b) a programme of operations setting out the activities and services according to Article 4(1) and (2) envisaged to be provided in Greece and the organisational structure of the branch,

c) the address of the company in Greece from which documents may be obtained and the address of its branch, and

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

2. Before the branch of a management company starts business, the Capital Market Commission shall, within two (2) months of receiving the information referred to in paragraph 1 of this article, prepare for the supervision of the management company and, if necessary, indicate the conditions, including the rules mentioned in article 35 and the rules of

conduct to be respected in the case of provision of the portfolio management service mentioned in article 4(2), under which, in the interest of the general good, that business must be carried on in Greece.

3. The management company that establishes and operates a branch in Greece may begin distributing its shares/units of the mutual funds subject to the provisions of this law which it manages, unless the Capital Market Commission establishes, in a reasoned decision taken two (2) months of the submission of a relevant request by the management company –to be communicated to the competent authorities of the home Member State – that the arrangements made for the marketing of the units do not comply with the provisions referred to in article 35.

4. The Capital Market Commission may, for statistical purposes, require all management companies with branches within Greece to report periodically on their activities in Greece. In discharging its supervisory, the Capital Market Commission may require branches of management companies in Greece to provide the same particulars as AEDAKs for that purpose.

5. In the event of change of any particulars communicated in accordance with paragraph 1(b), (c) and (d) of this article, a management company shall give written notice of that change to the competent authorities of the home Member State and the Capital Market Commission within the period laid down in the legislation of the home Member State so that the Capital Market Commission may take a decision on the change under paragraph 2 of this article.

6. Where a management company authorised in another Member State in accordance with Directive 85/611/EEC, as currently in force, carries on business in Greece through a branch, the competent authorities of the management company's home Member State may, after informing the Capital Market Commission, themselves or through the intermediary of

persons they instruct for the purpose, carry out on-the-spot verification of the information referred to in article 43 (10).

7. The competent authorities of the management company's home Member State may also ask the Capital Market Commission to have such verification carried out. The Capital Market Commission may, within the framework of its powers, act upon them by carrying out the verifications itself, or by allowing auditors or experts to do so.

8. Paragraphs 6 and 7 of this Article shall not affect the right of the Capital Market Commission, in discharging its responsibilities under this law, to carry out on-the-spot verifications of branches of management companies established in Greece.

Article 42

Obligations of management companies of another Member State operating in Greece

1. Where the Capital Market Commission ascertains that a management company registered in another Member State and has a branch or provides services in Greece is in breach of the legal or regulatory provisions of this law, it shall require the management company concerned to put an end to its irregular situation.

2. If the management company concerned fails to comply with the recommendations of the Capital Market Commission, the latter shall inform the competent authorities of the home Member State accordingly. The latter shall, at the earliest opportunity, take all appropriate measures to ensure that the management company concerned puts an end to its irregular situation. The nature of those measures shall be communicated to the Capital Market Commission.

3. If, despite the measures taken by the home Member State or because such measures prove inadequate or are not available in the Member State in question, the management company persists in breaching the legal or

regulatory provisions referred to in paragraph 1 of this article, the Capital Market Commission may, after informing the competent authorities of the home Member State, take appropriate measures to prevent or to penalise further irregularities and, insofar as necessary, to prevent that management company from initiating any further transaction and providing services in Greece. The legal documents necessary for those measures shall be served on the management company.

4. In the event that the management company infringes in Greece legal or regulatory provisions adopted in the interest of the general good, the Capital Market Commission may take appropriate measures and prevent, either on a temporary or a permanent basis, the offending management company from initiating any further transactions in Greece.

5. Before following the procedure laid down in paragraphs 1, 2 or 3 of this article, the Capital Market Commission may, in emergencies, take any precautionary measures necessary to protect the interests of the persons for whom services are provided. The European Commission and the competent authorities of the home Member State must be informed of such measures and of the relevant reasons at the earliest opportunity.

6. In the event of the withdrawal of authorisation of a management company by the home Member State, the Capital Market Commission shall be informed and shall take appropriate measures to prevent the management company concerned from initiating any further transactions within Greece and to safeguard investors' interests.

7. The Capital Market Commission shall inform the European Commission of the number and type of cases in which there have been refusals pursuant to articles 40 and 41 or measures have been taken in accordance with paragraphs 1, 2 and 3 of this article.

Article 43

Obligation to maintain confidentiality and cooperation between competent authorities

1. The Capital Market Commission shall collaborate closely with the supervisory authorities of the other Member States in order to carry out its task and must for that purpose exchange all information required.

2. All persons employed or formerly employed by the Capital Market Commission, as well as auditors and experts authorised thereby shall be bound by professional secrecy. This means that any confidential information received in the course of their duties may not be divulged to any person or public authority except in a concise or consolidated form, so that the identity of the AEDAK or the mutual fund or the depositary is not disclosed, without prejudice to compliance with the provisions of paragraphs 13 and 14 of article 76 of Law 1969/1991, as currently in force. In the event of bankruptcy or mandatory administration of a UCITS or AEDAK or depositary by virtue of a court order, the aforesaid persons may disclose confidential information that does not concern any third parties involved in the efforts to salvage the above, in the context of procedures under civil or commercial law.

3. The provisions of paragraph 2 of this article shall not, however, preclude communications between the authorities of the various Member States on the basis of this law and the other legal provisions that govern the operation of AEDAKs, mutual funds and their depositaries. Information thus exchanged shall be covered by the obligation of professional secrecy pursuant to paragraph 2 of this article.

4. The Capital Market Commission may conclude cooperation agreements providing for exchange of information with the competent authorities of third countries or with authorities or bodies of third countries as defined in paragraphs 6 of this article, only if the information disclosed is subject to guarantees of professional secrecy at least equivalent to those referred to in paragraph 2 of this article. Such exchange of information must

be intended for the performance of the supervisory task of the authorities or bodies mentioned. Where the information originates in another Member State's competent authority, it may not be disclosed without the express agreement of the competent authorities which have disclosed it and, where appropriate, solely for the purposes for which those authorities gave their agreement.

5. The Capital Market Commission receiving information pursuant to the provisions of this article may use it only for the performance of its duties, in accordance with the provisions of article 78 of Law 1969/1991, as currently in force, and in particular:

a) to ascertain whether the requirements are met for UCITS or their management companies or their depositaries to take up business and facilitate the inspection of the terms under which their activities are carried out, especially with regard to administrative and accounting organisation and internal control mechanisms, or

b) to impose sanctions, or

c) in the context of administrative appeals against a decision of the Capital Market Commission, or

d) in the context of legal proceedings.

6. Provided that the conditions laid down in paragraph 2 of this article are met, the Capital Market Commission may exchange information with the Minister of Economy and Finance, in the discharge of his duties pursuant to article 76 of Law 1969/1991, as currently in force, and article 4(2) of presidential decree 437/1985 (Government Gazette 157 A), as currently in force, with the Minister of Development, in the discharge of his duties relating to the supervision of societes anonymes and insurance undertakings, with the Bank of Greece, in the discharge of its duties under applicable legislation, as well as with the special inquiry committees of Parliament, in the discharge of their duties pursuant to the Parliament

Regulations. The Capital Market Commission may also exchange information with persons legitimately taking part in liquidation or bankruptcy proceedings of AEDAKs, UCITS, their managers or depositaries, with the recognised auditors who have been entrusted with the audit of the accounts of such establishments and with the authorities referred to in the preceding sentence.

7. The Capital Market Commission may exchange with the authorities of other Member States, similar to those referred to in paragraph 6 of this article, information necessary for the performance of their supervisory duties.

8. The possibility to exchange information under this article may be extended to persons not belonging to public administration, but are authorised by the competent authorities referred to in paragraph 6 of this article to audit or examine infringements by supervised undertakings. The provisions of paragraph 2 of this article concerning professional secrecy shall apply in this case.

9. Subject to compliance with professional secrecy, the Capital Market Commission may communicate the information referred to in this article to settlement offices or undertakings recognised by national law as transaction clearing or settlement service providers, if it considers that such communication is necessary to ensure the smooth operation of such office or undertaking in relation to infringements or serious indications of infringement by market participants.

10. Where, by the establishment of branches or in the context of the freedom to provide services, a management company of another Member State, authorised by competent authorities pursuant to Directive 85/611/EEC, as currently in force, provides services in Greece and in one or more Member States, the Capital Market Commission and the competent authorities of all the Member States concerned shall collaborate closely. They shall supply one another on request with all the information

concerning the management and ownership of such management companies that is likely to facilitate their supervision and all information likely to facilitate the monitoring of such companies. This shall also apply to AEDAKs operating in other Member States. The authorities of the home Member State shall cooperate to ensure that the authorities of the host Member State collect the particulars referred to in article 40(3) and article 41(4).

11. Insofar as it is necessary for the purpose of exercising their powers of supervision, the competent authorities of the home Member State shall be informed by the competent authorities of the host Member State of any measures taken by the host Member State which involve penalties imposed on a management company or restrictions on a management company's activities.

12. The decisions of the Capital Market Commission on the withdrawal of the authorisation of a mutual fund or the suspension of redemption or repayment of its units, as well as any other serious measure taken against such fund shall be forthwith communicated to the authorities of the other Member States in which its units are marketed.

Article 44

Relations with third countries

1. The Capital Market Commission shall inform the European Commission of:

a) any authorisation granted to a direct or indirect subsidiary of one or more parent undertakings governed by the laws of a third country,

b) when one of such parent undertakings acquires holdings in an AEDAK which thus becomes its subsidiary.

2. The Capital Market Commission shall inform the European Commission of any general difficulties encountered by AEDAKs when they establish or provide services in third countries.

Article 45

Matters relating to insurance companies, other social security undertakings and credit institutions

1. In case of life insurance, it may be agreed that the insurance compensation shall not be paid in cash, but by the transfer to the beneficiary of mutual fund units or shares of portfolio investment companies under Law 1969/1991, as currently in force.

2. Credit institutions, insurance companies, insurance funds and social security undertakings under article 12 of Law 1902/1990 (Government Gazette 138 A), as currently in force, and credit associations under Law 1667/1986, as currently in force, may acquire mutual fund units or shares of portfolio investment companies under Law 1969/1991, as currently in force, in order to form legal or contingency reserves. This shall also apply to other legal persons obliged to form legal or contingency reserves.

Article 46

Supervision, penalties

1. The Capital Market Commission may instruct chartered auditors to audit the proper operation and the legitimate exercise of activities of AEDAKs. AEDAKs shall make available to the Capital Market Commission and such chartered auditors all information required for such audits.

2. a) Chartered auditors who audit the reports, the statements and other accounting documents of UCITS and/or AEDAKs or perform any other statutory task, shall have a duty to report promptly to the Capital Market Commission any fact of which they have become aware while carrying out that task which is liable to:

i) constitute a material breach of the laws, regulations or administrative provisions which lay down the conditions governing authorisation or which specifically govern pursuit of the activities of UCITS and/or AEDAKs, or

ii) affect the continuous functioning of the UCITS and/or the AEDAK or lead to refusal to certify the reports, statements or other accounting documents or to the expression of reservations.

b) Those persons shall likewise have a duty to report any facts of which they become aware in the course of carrying out a task as described in (a) in an undertaking having close links resulting from a control relationship with the UCITS and/or the AEDAK.

c) The disclosure in good faith to the Capital Market Commission, by the persons referred to in this paragraph, of any fact referred to in items (a) and (b) shall not constitute a breach of any restriction on disclosure of information imposed by contract of by any legislative, regulatory or administrative provision and shall not involve such persons in liability of any kind.

3. In the event of infringement of the provisions of this law or the decisions implementing this law, the Capital Market Commission shall impose upon AEDAK, depositaries, AEDAK agents, UCITS registered in a Member State or a third country and markets its shares/units in Greece and upon management companies registered in a Member State and operating in Greece a reprehension or a monetary fine of up to six hundred thousand euro (€600,000) and, in case of recurrence, up to one million two hundred thousand euro (€1,200,000).

4. In the event of infringement of the provisions of this law or the decisions implementing this law, the Capital Market Commission shall impose upon members of the board of directors, managers and employees of the AEDAK, the depositary, the AEDAK agent, any person holding mutual fund units or UCITS or other collective investment undertakings and any person providing services on behalf of a management company operating in Greece, either through a branch or in the context of the freedom to provide services, a reprehension or a monetary fine of up to one hundred thousand

euro (€100,000) and, in case of recurrence, up to two hundred thousand euro (€200,000).

5. Any person referred to in paragraph 4 who knowingly infringes the provisions of paragraph 2 of article 4 and articles 10, 21 to 26 of this law or the decisions implementing this law shall be punished, following charges brought by the Capital Market Commission, by imprisonment of at least three (3) months and a monetary fine amounting from fifty thousand euro (€50,000) to three hundred thousand euro (€300,000).

6. Any person who knowingly makes false statements or announcements to the public concerning the financial information of a mutual fund with the purpose of attracting investors shall be published by imprisonment of at least three (3) months and a monetary fine amounting from fifty thousand euro (€50,000) to three hundred thousand euro (€300,000).

7. The Capital Market Commission shall withdraw the authorisation issued to an AEDAK where that company:

a) does not make use of the authorisation within twelve (12) months or expressly renounces the authorisation or has ceased the activity covered by the provisions of article 4 more than six (6) months previously, or

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

c) no longer fulfils the conditions under which authorisation was granted, or

d) no longer fulfils the requirements of articles 32 et seq. of Law 2396/1996, as currently in force, where the authorisation also covers the portfolio management service pursuant to article 4(2)(a), or

e) has seriously and/or systematically infringed the provisions of applicable legislation.

Article 47

Transitional and abrogating provisions

1. Mutual funds that were already established on publication of the provisions of this law in the Government Gazette shall comply with the provisions of paragraphs 3, 5, 6 and 8 of article 22 within one (1) year of the entry of the provisions hereof into force.

2. As regards the legislative provisions on the capital market that refer to provisions of articles 17 to 49(f) of Law 1969/1991, as currently in force, which are abrogated according to paragraph 3 of this article, the provisions of this law corresponding to their content shall apply.

3. On entry hereof into force, there shall be abrogated the title of Chapter B, articles 17 to 49f (inclusive) and items (j) and (k) of paragraph 1 of article 78 of Law 1969/1991, as currently in force, as well as any other provision of law or regulatory act being contrary to the provisions of this law.

Athens, 1 December 2008
True translation from Greek
The translator Eleni Dimitriou