

ANNOUNCEMENT

**Publication of
REGULATION (EU) 2017/1129 on the prospectus to be published
when securities are offered to the public or admitted to trading on a regulated market
and repealing Directive 2003/71/EC**

The Cyprus Securities and Exchange Commission («CySEC») would like to inform all supervised entities, interested parties and the public of the publication on 30 June 2017 of «**REGULATION (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC**» ([‘the Regulation’](#)) in the Official Journal of the European Union.

The Regulation shall apply from **21st July 2019**, with the exception of:

1. points (a), (b) and (c) of the first subparagraph of Article 1(5) and the second subparagraph of Article 1(5) of the Regulation, which apply from **20 July 2017**,
2. Article 1(3) of the Regulation, which shall apply from **21 July 2018**, and
3. Article 3(2) of the Regulation, which shall apply from **21 July 2018**.

The Regulation shall repeal Directive 2003/71/EC (Prospectus Directive) which was transposed in Cyprus legislation in The Public Offer and Prospectus Laws (‘L.114(I)/2005’). Hence, on the application of the Regulation from 21st July 2019, L.114 (I)/2015 shall be repealed.

Due to the application of points (a), (b) and (c) of the first subparagraph of Article 1(5) and of the second subparagraph of Article 1(5) of the Regulation, as from 20 July 2017 and according to those provisions, there is no obligation to publish a prospectus for the admission to trading on a regulated market for the following types of securities:

- (a) Securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than 20 % of the number of securities already admitted to trading on the same regulated market.
- (b) Shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than 20 % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the second subparagraph of Article 1(5).

According to the second subparagraph of Article 1(5) of the Regulation, the aforementioned proviso shall not apply where:

- (i) a prospectus was drawn up in accordance with either the Regulation or Directive 2003/71/EC upon the offer to the public or admission to trading on a regulated market of the securities giving access to the shares·
 - (ii) the securities giving access to the shares were issued before 20 July 2017·
 - (iii) the shares qualify as Common Equity Tier 1 items, as laid down in Article 26 of Regulation (EU) No 575/2013, of an institution as defined in point (3) of Article 4(1) of that Regulation and result from the conversion of Additional Tier 1 instruments issued by that institution due to the occurrence of a trigger event, as laid down in point (a) of Article 54(1) of that Regulation·
 - (iv) the shares qualify as eligible own funds or eligible basic own funds, as defined in Section 3 of Chapter VI of Title I of Directive 2009/138/EC, and result from the conversion of other securities which was triggered for the purposes of fulfilling the obligations to comply with the Solvency Capital Requirement or Minimum Capital Requirement as laid down in Sections 4 and 5 of Chapter VI of Title I of Directive 2009/138/EC or the group solvency requirement as laid down in Title III of Directive 2009/138/EC.
- (c) Securities resulting from the conversion or exchange of other securities, own funds or eligible liabilities by a resolution authority due to the exercise of a power referred to in Article 53(2), Article 59(2) or Article 63,(1) or (2), of Directive 2014/59/ EU.

CySEC, following the application of points (a) and (b) of the first subparagraph of Article 1(5) and of the second subparagraph of Article 1(5) of the Regulation from 20 July 2017, suggested the amendment of L.114(I)/2005 to repeal paragraphs (a) and (g) of section 7(1) with immediate effect. CySEC also suggested to repeal section 3(2)(h) and section 4(3)(e) of L.114(I)/2005 as from 21 July 2018, for the application of Article 46(1) of the Regulation.

In exercising the discretionary powers provided to the Member States in Article 1(3) and Article 3(2) of the Regulation, relevant legislation is to be introduced following a consultation with all interested parties.

Nicosia, 21 February 2018

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