

## ANNOUNCEMENT

The Cyprus Securities and Exchange Commission ('CySEC') would like to inform the public in relation to the issuance of a decision, on 29<sup>th</sup> January 2021, by the Administrative Court in the **Application No. 1388/2016**, Efthymios Mpouloutas v. Cyprus Securities and Exchange Commission (the 'Application').

The case concerned CySEC's decision dated 1<sup>st</sup> August 2016 ([CySEC's Announcement dated 21.9.2016](#)), to impose on Mr. Efthymios Mpouloutas, the then Managing Director of the Group, an administrative fine of €70.000, namely:

- (a) €60.000, pursuant to articles 15 and 48(4)(a) of the Insider Dealing and Market Manipulation (Market Abuse) Law ('L. 116(I)/2005'), on the basis that the violation by the company Cyprus Popular Bank Public Co Ltd (the 'Company') of the article 11(1)(a) of the N.116(I)/2005 on 23.11.2011, was due to his own fault and negligence, and
- (b) €10.000, pursuant to articles 23 and 48(4)(a) of L.116(I)/2005, on the basis that, the Company's violation of article 19 of L.116(I)/2005, as was specified in paragraph 4(d)(iv) of DI116-2005-03, during the period 23.11.2011 – 5.12.2011, was due to his own fault and negligence.

The Administrative Court **dismissed** the Application and **endorsed** CySEC's decision dated 1<sup>st</sup> August 2016.

Firstly, the Court rejected Mr. Mpouloutas allegation as to partiality as a result of the participation of CySEC's Chairman in adopting the decision in question.

Subsequently, the Court rejected Mr. Mpouloutas' allegation regarding violation of the principles of natural justice because he was not given a substantive right to be heard as to whether the Company had committed the violations that were attributed to it. Specifically in relation to this allegation, the Court agreed with the interpretation given by CySEC as to the application of article 48(4)(a) of L. 116(I)/2005 emphasising that, the decision for the Company's violation, constituted a distinct administrative act and not an interim or preparatory decision regarding the imposition of the administrative fine pursuant to the said article. Also, the Court noted that the decision with regards to the violation of the Company could only be examined if it constituted a contested matter before the Court, something that did not happen.

In addition, the Administrative Court, rejected the allegations concerning violation of the right of prior hearing of Mr. Mpouloutas in relation to the imposition of an administrative fine, lack of due investigation and justification, not adopting the decision in question within a reasonable time, violation of the principle of equal treatment and sound administration.

The whole decision of the Court is available [here](#).

Nicosia, 14 July 2023

vs