

ANNOUNCEMENT

Application 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') informs all supervised entities, market participants and the public that as from **21st July 2019** the «**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’](#)) is fully applied.

The Regulation lays down requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market situated or operating within a Member State.

Regarding the above, on **5th July 2019** a [Notification by the Minister of Finance](#) (R.A.A. 227/2019), was published in the Cyprus Government Gazette, with which **CySEC** is designated **as the competent authority** responsible for carrying out the duties resulting from the Regulation and for ensuring that the provisions of the Regulation are applied.

As a result of the Regulation's full applicability, as from 21st July 2019, a prospectus must be drawn up in accordance with the Regulation for the offer of securities to the public or the admission of securities to trading on a regulated market situated or operating within a Member State, which, provided that the Republic is the home member state, will be approved by CySEC.

The cases where the Regulation does not apply are set out in Article 1, paragraphs (2) and (3) thereof.

It is noted that the following regulations have been published supplementing Regulation (EU) 2017/1129, which apply as from 21st July 2019, and should be taken into account:

- [Regulation \(EU\) 2019/980](#) as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, and
- [Regulation \(EU\) 2019/979](#) with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301.

In view of the Regulation's full applicability, it is expected within the year, the drafting of a new law for the Republic's compliance with Article 49(3) of the Regulation and for regulating other matters that need to be determined and for repealing the Public Offer and Prospectus Laws of 2005 to 2019 ('L.114(I)/2005').

Until the enactment of the new law, in respect of the discretionary powers that the Regulation provides to the Member States with regard to the requirements for the drawing up of a prospectus, the provisions of L.114(I)/2005 shall apply, as follows:

1. With regard to Article 3(2) of the Regulation relating to the obligation to publish a prospectus, section 4(3)(e) of L.114(I)/2005 shall apply, according to which public offers of securities in the Republic whose total consideration for such offer in the European Union is less than €5.000.000, which limit shall be calculated over a period of 12 months, provided that such offer is not subject to notification in accordance with Article 25 of the Regulation, shall be exempted from the obligation to publish a prospectus.
2. With regard to Article 11 of the Regulation relating to the responsibility attaching to the prospectus, sections 20 to 24 of L.114(I)/2005 shall apply.
3. With regard to Article 20(10) of the Regulation relating to the fees charged by the competent authority of the home Member State, section 43 and Annex Four of L.114(I)/2005 shall apply.
4. With regard to Article 27, paragraphs (1), (2) and (3) of the Regulation relating to the language of a prospectus, the CySEC Directive DI114-2005-01 of 2016 on the language of a Prospectus that was issued pursuant to section 34 of L.114(I)/2005 shall apply.

Finally, CySEC would like to note that the publication of further delegated acts, regulatory technical standards and implementing technical standards for the regulation of any special issues, as required by the Regulation, are still pending at a European level. All relevant information will be published on the website of CySEC.

Nicosia, 19 August 2019

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