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DIRECTIVE DI 144-2007-09 OF 2012  
OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ON THE GENERAL MEETING OF THE  
MEMBERS OF THE ICF FOR CLIENTS OF IFS

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Directive on the General Meeting of the members of the ICF for Clients of IFS

The Cyprus Securities and Exchange Commission, in accordance with the power vested in it by virtue of section 64 of the Investment Services and Activities and Regulated Markets Law of 2007, as in force, and by virtue of Regulation 47(4) of the Establishment and Operation of an Investor Compensation Fund of Clients of CIFs Regulations, issues the following Directive:

PART I – INTRODUCTORY PROVISIONS

Short title	1.	This Directive will be cited as the Directive DI144-2007-09 of 2012 in relation to the General Meeting of the members of the ICF for Clients of IFS.
Definitions	2.	For the purposes of this Directive, unless the context shall prescribe otherwise:  'General Meeting' means the annual regular General Meeting or the extraordinary General Meeting of the members of the Fund;  'Administrative Committee' means the five-member Administrative Committee of the Fund, according to the provisions of section 61 of the Law;
73(l)/2009		'Commission' means the Cyprus Securities and Exchange Commission according to the provisions of section 4(1) of the Cyprus Securities and Exchange Commission Law of 2009;

K.Δ.Π. 531-2004  
 K.Δ.Π. 594-2004  
 K.Δ.Π. 359-2005  
 148(I)/2002  
 214(I)/2002  
 86(I)/2003  
 194(I)/2003  
 195(I)/2003  
 145(I)/2004  
 238(I)/2004  
 98(I)/2005

'Regulations' means the Establishment and Operation of an Investor Compensation Fund of Clients of CIFs Regulations, which were issued by virtue of the Investment Firms (IF) Law of 2002 and continue to be in force by virtue of section 115(1) of the Law;

'members of the Fund' means the CIFs and the third country IFs which are obliged, pursuant to the provisions of the Law, to participate in the Fund;

144(I)/2007  
 106(I)/2009

'Law' means the Investment Services and Activities and Regulated Markets Law of 2007, as in force;

'persons who effectively direct the business' has the meaning attributed to this term by section 2 of the Law;

'ICF for Clients of IFs' or 'Fund' means the Investor Compensation Fund for Clients of IFs pursuant to the provisions of Part VIII of the Law.

Terms used in the present Directive which are not interpreted differently shall have the meaning given to them by the Law.

Where in the present Directive reference is made to the Law, this includes the Regulatory Administrative Decision issued thereof.

Purpose

3. This Directive regulates matters of administration and organisation of the Fund and specifically defines and specifies aspects of the General Meeting of the members of the Fund.

#### PART II – PROCEDURES FOR GENERAL MEETING

Convening of  
 annual regular  
 General Meeting

4. The Administrative Committee sends an invitation in writing for the convening of the annual regular General Meeting to all members of the Fund, twenty one days prior to the day of the annual regular General Meeting. The day on which the invitation is sent and the day on which the annual regular General Meeting is set to be held, are not taken into account.

Issues for annual  
 regular General  
 Meeting

5. (1) An issue may come before the annual regular General Meeting either at the recommendation of the Administrative Committee or on a proposal by a member of the Fund. The proposal by a member of the Fund is supported in writing by at least two other members of the Fund, through the Form 144-09-01, which is sent to the Administrative Committee, by facsimile or electronic mail, at least fourteen days prior to the annual regular General Meeting.
- (2) In the event of receipt of a proposal by a member of the Fund, pursuant to the provisions of subparagraph (1), the Administrative Committee sends a relevant notice in writing, by facsimile or electronic mail, to all members of the Fund, informing them about any issues added to the agenda of the annual regular General Meeting, at least six days prior to the annual regular General Meeting.

Convening of  
 extraordinary  
 General Meeting

6. (1) An extraordinary General Meeting is convened by the Administrative Committee whenever it deems appropriate, by sending an invitation in writing, by facsimile or electronic mail, to all members of the Fund, at least fourteen days prior to the day of the extraordinary General Meeting. The day on which the invitation is sent and the day on which the extraordinary General Meeting is set to be held, are not taken into account.

Convening of

7. (1) An extraordinary General Meeting may also be convened upon written

- extraordinary General Meeting on request of Fund members
- application signed by at least four members of the Fund, through the Form 144-09-01, which is sent to the Administrative Committee by post, facsimile or electronic mail, simultaneously defining the issues for discussion.
- (2) The Administrative Committee sends an invitation in writing, by facsimile or electronic mail, to all members of the Fund for the convening of the extraordinary General Meeting, within five days of receipt of the application of subparagraph 1 and at least fourteen days prior to the day of the extraordinary General Meeting. The day on which the invitation is sent and the day on which the extraordinary General Meeting is set to be held, are not taken into account.
- (3) In the event that the Administrative Committee fails to convene an extraordinary General Meeting, the applicants for the convening of the extraordinary General Meeting can themselves convene the extraordinary General Meeting after twenty eight days from the date of the submission of the application of subparagraph 1, by sending an invitation in writing, by post, facsimile or electronic mail, to all members of the Fund, at least fourteen days prior to the day of the extraordinary General Meeting. The day on which the invitation is being sent and the day on which the extraordinary General Meeting is set to be held, are not taken into account.  
*Provided that, in case of convening an extraordinary General Meeting, as specified in this subparagraph, the Administrative Committee shall be able to provide secretarial support to the members of the Fund.*
- Authorised representative
8. Subject to the provisions of Regulation 48(2), the authorised representative of the member of the Fund is appointed in writing, through the Form 144-09-02. The Form 144-09-02 is sent to the Administrative Committee by post, facsimile or electronic mail, no later than forty eight hours before the specified date of the General Meeting.  
*Provided that, where a member of the Fund has appointed an authorised representative, as specified in this paragraph, yet the latter is unable to attend the General Meeting, the member of the Fund re-appoints an authorised representative and the new Form 144-09-02 is given to the Administrative Committee during the General Meeting.*
- Proxy
9. Subject to the provisions of Regulation 47(2), a member of the Fund appoints in writing a proxy for the General Meeting through the Form 144-09-03, which is signed by the member of the Fund that is represented by the proxy. The Form 144-09-03 is sent to the Administrative Committee by post, facsimile or electronic mail, no later than forty eight hours before the specified date of the General Meeting.
- Record of attendances
10. (1) At any General Meeting, there is a record of attendances, stating:
- The name of the member of the Fund
  - When necessary, the name of the proxy of the member of the Fund
  - The name of the authorised representative of the member of Fund
- (2) The record of attendances is signed by the authorised representative of the member of the Fund or when necessary, the authorised representative of the proxy of the member of the Fund.
- Acting President of General Meeting
11. (1) The General Meeting is chaired by the President of the Administrative Committee and, in case of his absence or other temporary impediment of him, by the Vice-President of the Administrative Committee. In case of absence or other temporary impediment of both, the General Meeting is chaired by one of the remaining members of the Administrative Committee. In case of absence or other temporary impediment of all members of the Administrative Committee (and their alternates), the General Meeting is chaired by an attending authorised representative of a member of the Fund, to be appointed by the General Meeting.
- (2) Subject to the provisions of section 61(3) of the Law, the General Meeting, at which elections will be held for the election of two members of the Administrative Committee, is chaired by the oldest of the three members of the Administrative Committee nominated by the Minister.

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| Minutes   | 12. | (1) | The minutes of the General Meeting are kept by a person designated by the Administrative Committee and, in the absence of all members of the Administrative Committee (and their alternates), are kept by a person appointed by the General Meeting. The minutes are kept confidential, unless otherwise decided by the Administrative Committee, a competent court or competent disciplinary body or where requested by the Commission, within the framework of its responsibilities.   |
|   |     | (2) | Each entry in the minute book of the proceedings of the General Meeting, which is signed by the acting president of the General Meeting, is presumed, until proven otherwise, good entry and therefore as authentic record of the work done by the General Meeting.  |
| Voting  | 13. | (1) | At any General Meeting, except where voting by ballot is requested by the acting president of the General Meeting or by at least three of the attending authorised representatives of the members of the Fund, a statement of the acting president that any decision has been approved or rejected by a show of hands and that the decision has been recorded in the minute book of the General Meeting, constitutes irrefutable evidence of the fact.   |
|   |     | (2) | Voting by ballot, which has been requested appropriately, pursuant to the provisions of subparagraph (1), is conducted in a manner recommended by the acting president of the General Meeting. The outcome of the vote is considered a decision of the General Meeting for which the voting was requested and is recorded in the minute book.  |
| Written decision                                      | 14. |     | A written decision, which is signed by all members of the Fund, is as strong and valid and has the same legal effect as if this decision was voted at a General Meeting which was duly convened and held. This decision may consist of several documents of the same type, each of which bears the signature of all members of the Fund.   |
| Elections for members of the Administrative Committee | 15. | (1) | Two months before the end of term of the two members of the Administrative Committee who are nominated by the bodies representing interested parties, pursuant to the provisions of section 61(1)(c) of the Law, the remaining three members of the Administrative Committee, appointed by the Minister, send a notice to all members of the Fund that elections will be held in order for the General Meeting of members of the Fund to elect the two abovementioned members, pursuant to the provisions of section 61(3) of the Law. |
|   |     | (2) | Right to stand for election of a representative nominated by the bodies representing interested parties, as a member of the Administrative Committee, have only the persons who effectively direct the business of the members of the Fund.  |
|   |     | (3) | Nominations of subparagraph 2 are submitted by post, facsimile or electronic mail, to the Administrative Committee, through the Form 144-09-04, within twenty eight days from the date the notice of subparagraph 1 was sent. The candidate is proposed by a member of the Fund.   |

## PART III –FINAL PROVISIONS

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| Repeal of Directive DI144-2007-09 of 2011<br><br>Official Gazette of the Republic, Annex III (I): 17.10.2011 | 16. |  | The Commission's Directive on the General Meeting of the members of the ICF for clients of IFS, with reference Regulatory Administrative Decision (K.Δ.Π.) 392/2011, is hereby repealed and substituted with the present Directive. |
| Entry into force   | 17. |  | The present Directive shall enter into force on the day of its publication in the official Gazette of the Republic.   |