



ANNOUNCEMENT

Recent court decision which concerns the Cyprus Securities and Exchange Commission (the 'Commission'):

- On 2.6.2006 in Judicial Review Appeal No.3721 (**Exelixis Ependitiki Limited v Cyprus Securities and Exchange Commission**) the Supreme Court set aside the decision of the Supreme Court sitting at first instance in which the administrative fine of C£5,000 which was imposed on the company was declared void. The ruling of the court sitting at first instance was that the Commission should have justified the amount of the administrative fine imposed as well as it should have given the opportunity to the company to be heard after it was judged as guilty (for the purpose of determining the amount of the fine imposed).

During the Judicial Review Appeal, the Supreme Court decided that from the wording of the Commission's decision, it was evident that it was sufficiently justified. Furthermore, regarding the determination of the amount of the fine, the Supreme Court decided that the procedure followed by the Commission is provided by section 39 of the Cyprus Securities and Exchange Commission (Establishment and Responsibilities) Law which clearly provides how the procedure is carried out. This procedure *«is different from the criminal procedure where the strict adherence of the predetermined norms results in most of the cases to a prerequisite of the procedure's legality»*. The persons' representations before the Commission are submitted in their entirety and broadly cover all the subjects under investigation. *«The slicing of the procedure and carrying it out in several stages will serve no purpose since the fair conduct is achieved in a way determined by the law which is what the Commission followed without resulting in an unfair effect to the defendants»*.

Nicosia, 5 June 2006