

ANNOUNCEMENT

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'), following its previous [Announcement](#) dated 21 February 2018, would like to inform all supervised entities, interested parties and the public of the following regarding «**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](#)'), which was published in the Official Journal of the European Union on 30 June 2017:

On **21st July 2018**, Article 1(3) of the Regulation entered into force and provides for **the non-applicability** of the Regulation to «*an offer of securities to the public with a total consideration in the Union of less than EUR 1 000 000, which shall be calculated over a period of 12 months*».

Furthermore, articles 1(2)(h) and 3(2)(e) of Directive 2003/71/EC (Prospectus Directive) ('the Directive') are repealed as from **21st July 2018** in accordance with Article 46(1)(b) of the Regulation, which are the provisions providing that:

1. The Directive does not apply to securities included in an offer where the total consideration for the offer in the Union is less than EUR 5 000 000, which shall be calculated over a period of 12 months.
2. The obligation to publish a prospectus does not apply to an offer of securities with a total consideration in the Union of less than EUR 100 000, which shall be calculated over a period of 12 months.

As a result of the application of Article 1(3) of the Regulation and of the repeal of articles 1(2)(h) and 3(2)(e) of the Directive, there is an obligation to publish a prospectus for an offer of securities to the public with a total consideration in the Union of equal or more than €1.000.000, which shall be calculated over a period of twelve (12) months, as from 21st July 2018.

Owing to the repeal of articles 1(2)(h) and 3(2)(e) of the Directive, a bill is now being forwarded to repeal sections 3(2)(h) and 4(3)(e) of The Public Offer and Prospectus Laws ('L.114(I)/2005'), which are the relevant provisions harmonising the articles of the Directive. While the repeal of sections 3(2)(h) and 4(3)(e) of L/114(I)/2005 is pending, compliance with the aforementioned obligation to publish a prospectus is expected as this derives from the Regulation which has direct effect to the Member States. Notwithstanding that sections 3(2)(h) and 4(3)(e) will appear in L. 114(I)/2005 until their repeal, they will not be enforced as there are not compatible with the provisions of the Regulation which apply as for 21st July 2018.

Regarding Article 3(2) of the Regulation, which is also applicable as from **21st July 2018**, in accordance to which the Republic may decide to **exempt** offers of securities to the public in the Republic from the obligation to publish a prospectus where the total consideration of each such offer in the Union is less than €8.000.000, CySEC informs that this discretion has not been exercised by the Republic for now, hence no exemption is applicable. If a change to this occurs, CySEC will proceed with an announcement in its website.

Nicosia, 10 August 2018

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