

The present English text is for information purposes only and is not legally binding. The legally binding document is in the Greek language

MARKET ABUSE LAW OF 2016

ORDER OF ARTICLES

Preamble

PART I

INTRODUCTORY PROVISIONS

- Article 1 Short title.
Article 2 Interpretation.
Article 3 Scope of application.

PART II

INSIDER DEALING AND MARKET MANIPULATION

- Article 4 Insider dealing.
Article 5 Market manipulation.

PART III

COMPETENT AUTHORITY

- Article 6 Competent authority and powers.

PART V

ADMINISTRATIVE MEASURES AND SANCTIONS

- Article 7 Administrative measures and sanctions.
Article 8 False statements and withholding of information.
Article 9 Exercise of supervisory powers and imposition of sanctions.
Article 10 Reporting of infringements.
Article 11 Publication of decisions imposing administrative measures and sanctions.

PART VI

FINAL AND TRANSITIONAL PROVISIONS

- Article 12 Issue of directives and circulars and obligation to comply.
Article 13 Repeal of existing law and of the directives issued thereunder.
Article 14 Transitional provision.

The Market Abuse Law of 2016 is issued upon its publication in the Official Gazette of the Republic of Cyprus pursuant to Article 52 of the Constitution

No. 102(I) of 2016
THE MARKET ABUSE LAW OF 2016

Preamble

For purposes of -

Official Journal of
the EU: L173,
12.6.2014
p.1.

(a) effective application of Articles 22, 23, 30, paragraph 1 of Article 31, Article 32 and Article 34 of the act of the European Union entitled "Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, and

(b) exercising the discretion vested in the Republic by Regulation (EU) no. 596/2014,

The House of Representatives votes as follows:

PART I
INTRODUCTORY PROVISIONS

Short title.

1. This Law shall be cited as the Market Abuse Law of 2016.

Interpretation.

2. (1)(a) In this Law, unless the context shall prescribe otherwise -

"Republic" means the Republic of Cyprus;

"circular" means the clarifying circular of the Commission published on the Commission's website;

73(I) of 2009
5(I) of 2012
65(I) of 2014
135(I) of 2015.

"Cyprus Securities and Exchange Commission" or "Commission" means the legal person of public law, incorporated and operating under the provisions of the Cyprus Securities and Exchange Commission Law;

"Regulation" means the act of the European Union entitled "Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC", as amended or replaced at the time;

"directive" means the regulatory directive of the Commission published in the Official Gazette of the Republic;

(b) Terms which are used in this Law and are not otherwise defined, shall have the meaning ascribed to them in the Regulation.

(c) In this Law, any reference made to the Law shall also mean the directives and circulars issued pursuant to this Law.

- (2) In this Law, any reference to the Regulation shall also mean the delegated acts, regulatory technical standards, implementing technical standards and guidelines issued pursuant to the Regulation.
- (3) In this Law and in the clarifying and regulatory acts of content issued thereunder, any reference to a legislative act of the European Union such as, inter alia, a Directive, a Regulation, a Decision or delegated acts, regulatory technical standards, implementing technical standards and guidelines shall mean the said acts, as these are corrected, amended or replaced at the time.

Scope of application. 3. The provisions of this Law shall apply within the scope provided for in Article 2 of the Regulation.

PART II
INSIDER DEALING AND MARKET MANIPULATION

- Insider dealing. 4. Where the person referred to in Article 8 of the Regulation is a legal person, the provisions of that Article shall also apply to the natural persons who participate in the decision to carry out the acquisition, disposal, cancelation or amendment of an order for the account of the legal person concerned.
- Market manipulation. 5. Where the person referred to in Article 12 of the Regulation is a legal person, the provisions of that Article shall also apply to the natural persons who participate in the decision to carry out activities for the account of the legal person concerned.

PART III
COMPETENT AUTHORITY

- Competent authority and powers. 6. (1) The Commission shall be the competent authority responsible to supervise and apply the provisions of this Law and of the Regulation.
- (2) The Commission shall ensure that the provisions of this Law and of the Regulation are applied in the Republic regarding all actions carried out in the Republic, and actions carried out outside the Republic relating to instruments admitted to trading on a regulated market for which a request for admission to trading on such market has been made, auctioned on an auction platform or which are traded on an MTF or an OTF or for which a request for admission to trading has been made on an MTF operating in the Republic.
- (3) The Commission is responsible to impose administrative sanctions and/or take other measures and exercise its powers -
- (a) directly; or
 - (b) in collaboration with other authorities or agencies or bodies or associations or market operators or any other persons; or
 - (c) under its responsibility, by delegation and/or assignment of powers to these authorities or agencies or bodies or associations or market operators or to any other persons; or
 - (d) under its responsibility, by delegation and/or assignment of powers to the Chairman and/or Vice Chairman of the Commission, save where it is strictly prohibited by the Cyprus Securities and Exchange Commission Law or any other Law; or
 - (e) by application to the competent judicial authorities.
- (4) The provisions of the Cyprus Securities and Exchange Commission Law concerning the supervisory competence of the Commission, its power to collect information, conduct investigations and inspections, impose sanctions, subject to the more specific provisions provided for in this Regulation on the imposition of sanctions, and generally all its competences, powers, responsibilities and duties under the provisions of the Cyprus Securities and Exchange Commission Law, shall apply for purposes of application and supervision of this Law and of the Regulation, *mutatis mutandis*.
- (5) Subject to the provisions of paragraph (4), the Commission shall have at least the power:
- (a) to access any document and data in any form, and to receive or take a copy thereof;
 - (b) to require or demand information from any person, including those who are successively involved in the transmission of orders or conduct of the operations concerned, as well as their principals, and if

necessary, to summon and question any such person with a view to obtain information;

- (c) in relation to commodity derivatives, to request information from market participants on related spot markets according to standardised formats, obtain reports on transactions, and have direct access to traders' systems;
- (d) to carry out on-site inspections and investigations at sites other than at the private residences of natural persons;
- (e) to enter the premises of natural and legal persons in order to seize documents and data in any form where a reasonable suspicion exists that documents or data relating to the subject matter of the inspection or investigation may be relevant to prove a case of insider dealing or market manipulation infringing this Law and the Regulation;

Provided that the entry into premises of natural persons used as a residence shall not be allowed for the purposes of this Law;

- (f) to refer matters for criminal investigation to the competent authority;
 - (g) to require existing recordings of telephone conversations, electronic communications or data traffic records held by investment firms, credit institutions or financial institutions;
 - (h) to require existing data traffic records held by a telecommunications operator, where there is a reasonable suspicion of an infringement and where such records may be relevant to the investigation of an infringement of point (a) or (b) of Article 14 or Article 15 of the Regulation;
 - (i) to request the freezing or sequestration of assets, or both;
 - (j) to suspend trading of the financial instrument concerned;
 - (k) to require the temporary cessation of any practice that it considers contrary to the provisions of this Law and of the Regulation;
 - (l) to impose a temporary prohibition on the exercise of professional activity; and
 - (m) to take all necessary measures to ensure that the public is correctly informed, inter alia, by correcting false or misleading disclosed information, including by requiring an issuer or other person who has published or disseminated false or misleading information to publish a corrective statement.
- (6) A person providing information to the Commission in accordance with the provisions of this Law and the Regulation shall not be considered to be infringing any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, nor will the said person have liability of any kind related to such notification.

PART IV ADMINISTRATIVE MEASURES AND SANCTIONS

Administrative measures and sanctions.

7. (1)

The Commission shall have power to make decisions and take appropriate administrative sanctions and other administrative measures in relation to at least the infringements of Articles 14 and 15, Article 16(1) and (2), Article 17(1), (2), (4), (5) and (8), Article 18(1), (2), (3), (4), (5) and (6), Article 19(1), (2), (3), (5), (6), (7) and (11), and Article 20(1) of the Regulation, without prejudice to any criminal procedures existing or concluded:

It is provided that the powers of the Commission, as per paragraph (1), do not prejudice its supervisory powers pursuant to Article 23 of the Regulation

and Article 6(3) to 6(5) of this Law.

- (2) The Commission shall have the power to take and/or impose the following administrative measures and sanctions in the event of the infringements provided for in paragraph (1) -
- (a) to demand from person responsible for the infringement to cease the conduct and to desist from a repetition of that conduct;
 - (b) the disgorgement of the profits gained or losses avoided due to the infringement insofar as they can be determined;
 - (c) a public warning which indicates the person responsible for the infringement and the nature of the infringement;
 - (d) withdrawal or suspension of the authorisation of an investment firm;
 - (e) a temporary ban of a person discharging managerial responsibilities within an investment firm or any other natural person, who is held responsible for the infringement, from exercising management functions in investment firms;
 - (f) in the event of repeated infringements of Article 14 or 15 of the Regulation, a permanent ban of any person discharging managerial responsibilities within an investment firm or any other natural person who is held responsible for the infringement, from exercising management functions in investment firms;
 - (g) a temporary ban of a person discharging managerial responsibilities within an investment firm or another natural person who is held responsible for the infringement, from dealing on own account;
 - (h) maximum administrative pecuniary sanctions of at least three times the amount of the profits gained or losses avoided because of the infringement, where those can be determined;
 - (i) in respect of a natural person, maximum administrative pecuniary sanctions of:
 - (i) for infringements of Articles 14 and 15 of the Regulation, five million Euro (€5.000.000);
 - (ii) for infringements of Articles 16 and 17 of the Regulation, one million Euro (€1.000.000);
 - (iii) for infringements of Articles 18, 19 and 20 of the Regulation five hundred thousand Euro (€500.000); and
 - (j) in respect of legal persons, maximum administrative pecuniary sanctions of:
 - (i) for infringements of Articles 14 and 15 of the Regulation, fifteen million Euro (€15.000.000);
 - (ii) for infringements of Articles 16 and 17 of the Regulation, two million five-hundred thousand Euro (€2.500.000); and
 - (iii) for infringements of Articles 18, 19 and 20 of the Regulation,

one million Euro (€1.000.000).

- (3) Irrespective of and in addition to the provisions of this Law and the Regulation, in case an infringement of the provisions of this Law and/or the Regulation by a legal person is established, the Commission may impose an administrative fine:
- (a) to a legal person; and/or
 - (b) to a director, manager or officer or any other person, where it is established that the infringement was a fault, willful omission or negligence on his part;
- (4) In case of infringement of the provisions of this Article and/or the Regulation by any person and for which infringement a special administrative fine is not provided for in this Law or the Regulation, or in case a person does not comply with any order or ban of the Commission under the provisions of paragraph (2), the Commission may impose to the infringer an administrative fine not exceeding three-hundred and fifty thousand Euro (€350.000) and in case of repetition of the infringement, an administrative fine not exceeding seven-hundred thousand Euro (€700.000).
- (5) Where it is established that in the cases referred to in paragraph (4), the infringer obtained a benefit from this infringement exceeding the amounts of the administrative fines set out in this Law or the Regulation, as the case may be, the Commission shall have power to impose an administrative fine two times the amount of the benefit from which the infringer have been proved to have obtained from the infringement.
- False statements and withholding of information. 8. (1) Any person under an obligation, pursuant to the provisions of this Law and/or the Regulation, to submit to or notify the Commission or publish or announce to the public any information, details, documents or forms, must ensure their correctness, completeness and accuracy.
- (2) The provision of false or misleading or inaccurate information or details or documents or forms or the withholding of material information from any notification submitted to the Commission or within any other procedure provided for in this Law and/or the Regulation, shall constitute, in addition to infringement subject to an administrative sanction as per Article 7(4) and (5), a criminal offence punishable pursuant to the provisions of paragraph (3).
- (3) A person infringing or failing to comply with the provisions of paragraph (1) shall be guilty of an offence and, in case of conviction, shall be subject to imprisonment not exceeding five (5) years or to a fine not exceeding seven-hundred thousand Euro (€700.000) or to both such penalties.
- (4) Criminal liability for the offence provided for in this Article committed by a legal person shall be borne, besides the legal person itself, by any members of its administrative, managerial, supervisory or auditory bodies who have been proven to have consented to or collaborated in the commission of the offence.
- (5) Persons who pursuant to paragraph (4) have a criminal liability for the offences committed by a legal person, shall be jointly liable with the legal person and/or severally for each damage caused to third parties as a result of the action or failure which constitutes the offence.
- Exercise of supervisory powers and imposition of sanctions. 9. When determining the type and level of administrative sanctions, the Commission shall take into account all relevant circumstances, including, where appropriate:
- (a) the gravity and duration of the infringement;

The present English text is for information purposes only and is not legally binding. The legally binding document is in the Greek language.

- (b) the degree of responsibility of the person responsible for the infringement;
- (c) the financial strength of the person responsible for the infringement, as indicated, for example, by the total turnover of a legal person or the annual income of a natural person;
- (d) the importance of the profits gained or losses avoided by the person responsible for the infringement, insofar as they can be determined;
- (e) the level of cooperation of the person responsible for the infringement with the Commission, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
- (f) previous infringements by the person responsible for the infringement; and
- (g) measures taken by the person responsible for the infringement to prevent its repetition.

Reporting of infringements.

10. The Commission may, by way of directive, determine, specify or clarify, inter alia, any relevant matter pertaining to the methods of reporting infringements, as per the obligation of Article 32 of the Regulation, the monitoring of reports and the mechanisms for the protection of persons reporting infringements to the Commission.

Publication of decisions imposing administrative measures and sanctions.

11. (1)(a) Subject to the provisions of sub-paragraph (c), the Commission shall publish any decision imposing an administrative sanction or other measure in relation to an infringement of this Law or the Regulation on its website immediately after the person subject to that decision has been informed of that decision. Such publication shall include at least information on the type and nature of the infringement and the identity of the person subject to the decision or measure.
- (b) The provisions of sub-paragraph (a) shall not apply to decisions imposing measures that are of an investigatory nature.
- (c) Where the Commission considers that the publication of the identity of the legal person subject to the decision, or of the personal data of a natural person, would be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardize an ongoing investigation or the stability of the financial markets, it shall do any of the following:
- (i) defer publication of the decision until the reasons for that deferral cease to exist; or
 - (ii) publish the decision on an anonymous basis in accordance with the Cypriot law where such publication ensures the effective protection of the personal data concerned; or
 - (iii) not publish the decision in the event that the Commission is of the opinion that publication in accordance with the provisions of sections (i) and (ii) will be insufficient to ensure:
 - i. that the stability of financial markets is not jeopardized;
 - ii. the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature.
- (d) Where the Commission takes a decision to publish a decision on an anonymous basis as referred to in section (ii) of sub-paragraph (c), it may

postpone the publication of the relevant data for a reasonable period of time where it is foreseeable that the reasons for anonymous publication will cease to exist during that period.

- (2) Where the decision of the Commission is subject to an appeal under the provisions of Article 146 of the Constitution before the competent judicial authorities, the Commission shall publish immediately on its website such information and any subsequent information on the outcome of such an appeal. Moreover, the Commission shall publish any Court decision annulling a decision of the Commission subject to appeal under the provisions of Article 146 of the Constitution.
- (3) The Commission shall ensure that any decision that is published in accordance with this Article shall remain accessible on its website for a period of at least (5) five years after its publication. Personal data contained in such publications shall be kept on the website of the Commission for the period which is necessary in accordance with the applicable data protection rules.

PART V FINAL AND TRANSITIONAL PROVISIONS

- | | | |
|---|-----|---|
| Issue of directives and circulars and obligation to comply. | 12. | (1) The Commission shall have power to issue directives and circulars on the regulation of any other matter provided for in this Law and in the Regulation, which needs to or is susceptible to, determination.. |
| | | (2) The application of any directives and circulars issued by the Commission, by persons to whom they are addressed, shall be obligatory and any failure to comply shall constitute an infringement of the article under which or in relation to which a directive or a circular is issued. |
| Repeal of existing law and of the directives issued thereunder.
116(I) of 2005
191(I) of 2007
142(I) of 2012
61(I) of 2013. | 13. | Upon entry into force of this Law, the Insider Dealing and Market Manipulation (Market Abuse) Law and the Commission directives issued thereunder shall be repealed. |
| Transitional provision. | 14. | (1) Decisions legally taken by the Commission under the provisions of the law repealed pursuant to the provisions of Article 13, shall continue to apply. |
| | | (2) Administrative fines imposed under the repealed law shall continue to apply as if they were imposed pursuant to the provisions of this Law. |

