

23 December 2021

CYSEC Board Decision

Announcement date:	23.12.2021	Board decision date:	19.07.2021
Regarding:	AFX Capital Markets Ltd, Board of Directors, Auditors		
Legislation:	The Investment Services and Activities and Regulated Markets Law		
Subject:	Withdrawal of CIF licence and imposition of administrative sanctions and measures		
Judicial Review:	Press here	Judicial Review Ruling:	Press here

The Cyprus Securities Exchange Commission ('CySEC') would like to inform the public that it has investigated CIF's **AFX Capital Markets Ltd** ('the Company') compliance with The Investment Services and Activities and Regulated Markets Law and, at its meeting of 19th July 2021, decided:

1. To **withdraw** the Cyprus Investment Firm (CIF) authorisation of **AFX Capital Markets Ltd, Number 119/10**, pursuant to sections 76(1)(c), 8(1)(c) και 8(1)(d) of The Investment Services and Activities and Regulated Markets Law of 2017 ('L. 87(I)/2017'), as the Company:
 - 1.1. No longer meets the conditions under which the authorisation was granted, and particularly is in violation of section 22(1) of L. 87(I)/2017 as it does not comply at all times with the conditions for authorisation established in:
 - section 9, paragraphs (3), (9) and (16), of L. 87(I)/2017, regarding the Board of Directors,
 - section 11(1)(b) of L. 87(I)/2017, regarding the suitability of shareholders, and
 - section 17, paragraphs (2), (5)(a), (5)(b) and (9), regarding the organisational requirements.
 - 1.2. Has seriously infringed provisions of L. 87(I)/2017 and particularly section 25(3)(a) of the said law, as to the information that the Company addressed to its clients.
2. That the Company's Members of the Board of Directors, **Messrs. Manuela Mazzacco, Andreas Lianos, Costas Georgiades, Elena Economides Demetriou and Andreas Papagapiou**, have not complied with section 10(1)(a) of L. 87(I)/2017, as, while acting as Members of the Board of Directors of the Company, they did not define, and in effect did not oversee the implementation of, governance arrangements that ensure the effective and prudent management of the Company, in a manner that promotes the integrity of the market and the interest of clients. At the material time, there was no compliance with the principles mentioned in section 10(1)(b), points (i), (ii) και (iv), of L. 87(I)/2017.

For non compliance with section 10(1)(a) of the L. 87(I)2017 by the Company's Member of Board of Directors, CySEC decided:

- 2.1. Pursuant to section 71(6), paragraphs (d) and (g), of L. 87(I)/2017, to impose to **Mrs. Manuela Mazzacco**, Executive Director of the Company, an **administrative fine of €100.000** and a **ban for a period of five (5) years** to exercise management functions in CIFs.
 - 2.2. Pursuant to section 71(6), paragraphs (d) and (g), of L. 87(I)/2017, to impose to **Mr. Andreas Lianos**, Executive Director of the Company, an **administrative fine of €50.000** and a **ban for a period of three (3) years** to exercise management functions in CIFs.
 - 2.3. Not to impose to **Messrs. Costas Georgiades, Elena Economides Demetriou and Andrea Papagapiou**, non Executive Directors of the Company, an administrative fine or measure, taking into account various factors relating to their capacity in the Company.
3. To impose to the Company's auditors, namely to:
- 3.1. **BDO Ltd an administrative fine of €100.000, and**
 - 3.2. **Anthimos, Leonidou and Partners Ltd an administrative fine of €100.000,**

for the violation of section 139(1) of the Investment Services and Activities and Regulated Markets Law of 2007 (L. 144(I)/2007), pursuant to section 141(1) of the said law, as they did not ensure or secure the correctness, completeness and accuracy of the report submitted to CySEC, pursuant to section 116 of L. 144(I)/2007, regarding the suitability of the measures taken by the Company for the protection of clients' money, and specifically,

- (a) For **BDO Ltd**, concerning the report submitted to CySEC for the years ending 31.12.2014, 31.12.2015 και 31.12.2016,
- (b) For **Anthimos, Leonidou and Partners Ltd** concerning the report submitted to CySEC for the year ending 31.12.2017.

Full details/justification of the CySEC's decision are/is available in the Greek text of the announcement.

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