

8 November 2018

## Decisions of the Board of Directors of ATHEXCSD

The Board of Directors of Hellenic Central Securities Depository S.A. (ATHEXCSD), as Administrator of the Dematerialised Securities System (DSS), at its meeting on 7/11/2018, resolved on the technical and procedural issues concerning the application of the provisions of par. 7, 8 and 9, article 29 ("*Transitional and repealed provisions*") of Law 4569/2018 (Government Gazette A' 179), **and issued a relevant Resolution (No. 7) on the "Technical and procedural issues concerning the application of the provisions of par. 7, 8 and 9, article 29, Law 4569/2018"**. The aforesaid resolution has been posted on the company's website ([here](#)) and, in implementation of par.9, article 29, Law 4569/2018, it will also be published in the newspapers "TA NEA" and "NAFTEMPORIKI" in the edition of Monday 12/11/2018.

The above-mentioned resolution regulates the technical and procedural issues relating to the following:

- the **transfer of balances of available transferable securities** (free of encumbrances or attachments) **from the special account to an operator account of beneficiaries in the Dematerialised Securities System (DSS)**, in accordance with par. 7a, article 29, Law 4569/2018;
- the **new framework for placement and registration of encumbrances** (pledges, usufructs and attachments) **on an operator account, instead of the special account, of beneficiaries** in the Dematerialised Securities System (DSS), in accordance with par. 8c, article 29, Law 4569/2018;
- the **transfer of encumbrances** (pledges, usufructs and other charges apart from attachments) **from the special account to an operator account of beneficiaries** in the Dematerialised Securities System (DSS), in accordance with par. 8c, article 29, Law 4569/2018;
- the **compulsory sale of balances of transferable securities in the special account of beneficiaries in the Dematerialised Securities System (DSS)**, in accordance with par. 7b, c, d and 8b, article 29, Law 4569/2018, i.e. of securities that are attached, available (free of encumbrance or attachments) and encumbered (with pledges, usufructs and other charges apart from attachments), **except those kept in the special account of the Share of a deceased person or in the Deposit Share of the Consignment Deposits & Loans Fund (CDLF) in the DSS**, under the conditions and subject to the time limits stipulated in par. 7 and 8 of article 29, Law 4569/2018, in cases where their timely transfer to an operator account is not possible.

In particular, the aforesaid resolution stipulates the following:

- 1. Transfer of available transferable securities, free of encumbrances or attachments, from the special account to an operator account of beneficiaries**

According to the provisions of Law 4569/2018 (par. 7a, article 29), the transfer of the above securities from the special account to an operator account of beneficiaries must be completed **within a period of three months after two months have elapsed from the entry into force of the law, i.e. up until 13/3/2019.**

The aforesaid transfer of securities is carried out after submission of a relevant request to ATHEXCSD from the beneficiaries or competent operators, in accordance with existing procedures.

Securities in the Share of a deceased person whose death has been notified to ATHEXCSD, as well as securities in the CDF Deposit Share in the DSS, and any securities that are blocked due to attachment are excluded and cannot be transferred.

## **2. New framework for placement of encumbrances (pledges and other charges) on an operator account of beneficiaries**

**As of 17/12/2018**, pledges and other charges will be placed not on the special account, but on an operator account of beneficiaries:

√ either by the operator, only in the case of *in rem* financial collateral,

√ or by the DSS Administrator, in accordance with articles 48, 48<sup>A</sup> and 49 of the DSS Operating Rules.

In the new framework, the DSS Administrator is required to have access to the securities to be pledged/encumbered through the blocking of securities by means of a statement of intent to place an encumbrance by the Operator (article 45 of the DSS Operating Rules), but now without the securities being transferred to the special account.

Subsequently, on the basis of the documents furnished by the transacting parties, the DSS Administrator will carry out a confirmation and final registration of the encumbrance on the Operator account, without the Operator being able to make any modification to the said encumbrance. Similarly, the encumbrance will be removed by the DSS Administrator upon application by the creditor.

## **3. Transfer of encumbrances from the special account to an operator account**

Within the period from **13/12/2018 to 15/4/2019**, the encumbrances (pledges, usufructs and other charges) registered in the DSS must be transferred from the special account to an operator account of beneficiaries. The transfer procedure is as follows:

1) The encumbrances registered in the special account, for which the transacting parties have appointed a joint Operator (for the return/receipt of benefits), will be transferred by ATHEXCSD on **Monday 17/12/2018**, en masse and automatically from the special account to the operator account of the beneficiary under the care of the joint Operator, without the transacting parties being required to undertake any action.

2) If the beneficiaries do not wish the above automatic transfer to take place, they must designate a different Operator to the one provided in the terms of the pledge or other

charge, by submitting a **declaration of amendment to the terms of the pledge or other charge** to ATHEXCSD **by no later than 12/12/2018**.

3) In the period **from 18/12/2018 to 13/3/2019**, transfers of any remaining encumbrances (without a joint Operator) can be made through the actions of beneficiaries, but only if a joint Operator is designated by the transacting parties.

4) To prevent the forced sale of encumbrances that have not been transferred by 13/3/2019, the person in whose favour the encumbrance has been established (creditor) is entitled to appoint an Operator of its choice to the Securities Account of the Share of the beneficiary in the DSS within one month from the end of the above time limit, i.e. **up to 15/4/2019**. The aforesaid persons will be notified in this regard by ATHEXCSD after **13/3/2019**.

5) At all events, in cases of pledges or charges with multiple rankings, upon transfer the respective persons in favour of whom the pledge or encumbrance of the next rankings has been established shall be notified accordingly through the DSS.

#### **4. Compulsory sale of securities in the special account of beneficiaries**

Under the conditions and subject to the time limits stipulated in par. 7 and 8 of Article 29, Law 4569/2018, a compulsory sale is held of attached, available and encumbered transferable securities which continue to be kept in the special account of beneficiaries, in cases where their timely transfer to an Operator account is not possible. Specifically:

1. The compulsory sale is conducted after an announcement by the DSS Administrator which, pursuant to par. 9 of the same article, must be posted on the website of the DSS Administrator, and published in one (1) daily political and one (1) financial newspaper, which are published in Athens and widely circulated throughout the country, three (3) business days prior to the sale, by a trading member of the Securities Markets of Athens Exchange and by means of the available methods of that venue.

2. The trading member is selected per sale by the DSS Administrator from a list of members in alphabetical order.

3. The proceeds of the sale, after deduction of all kinds of sale-related duties or expenses, are deposited in the Consignment Deposits & Loans Fund in the name of the beneficiary. All expenses for such deposit are borne by the beneficiary.

4. In the event of suspension of trading in the transferable securities to be sold or the inability to sell all or part of them within the time limit set for each sale, the transferable securities that are not sold will be deposited in the Consignment Deposits & Loans Fund, in a special account of the latter in the DSS, in the name of the beneficiary. All expenses for such deposit are borne by the beneficiary.

5. The above actions are carried out in accordance with the relevant procedures of the companies of Athens Exchange Group and the relevant Regulations that govern their operation and are announced to Members accordingly.

More specifically:

#### **4.1 Schedule of tasks for the compulsory sale of securities in the special account of beneficiaries**

By category of securities to be sold, the relevant tasks are scheduled to be carried out as follows:

##### **4.1.1 Forced sale of attached securities**

1. **Declaration of participation of Members in the sale:** from Wednesday 12/12/2018 to Friday 14/12/2018
2. **Assignment of portfolios for sale to Members:** Monday 17/12/2018
3. **Publication of sale program in the media:** Wednesday 19/12/2018
4. **Commencement of sale:** Thursday 27/12/2018
5. **Completion of sale:** up until Wednesday 13/3/2019
6. **Deposit of sale proceeds in CDLF or establishment of an 'as is' consignment for unsold securities:** Tuesday 19/3/2019

##### **4.1.2 Forced sale of available securities**

1. **Declaration of participation of Members in the sale:** from Thursday 14/3/2019 to Monday 18/3/2019
2. **Assignment of portfolios for sale to Members:** Tuesday 19/3/2019
3. **Publication of sale program in the media:** Thursday 21/3/2019
4. **Commencement of sale:** Wednesday 27/3/2019
5. **Completion of sale:** up until Friday 14/6/2019 if there are unsold quantities
6. **Deposit of sale proceeds in CDLF or establishment of an 'as is' consignment for unsold securities:** Friday 21/6/2019

In the event that new available securities appear in the special account as a result of corporate actions, within the above sale period for available securities, it is proposed that they are sold by means of an additional sale assignment to Members, continuing in alphabetical order from the existing list of participating Members in the procedure.

##### **4.1.3 Forced sale of securities encumbered by pledge or usufruct**

1. **Declaration of participation of Members in the sale:** from Tuesday 16/4/2019 to Thursday 18/4/2019
2. **Assignment of portfolios for sale to Members:** Tuesday 23/4/2019
3. **Publication of sale program in the media:** Thursday 25/4/2019
4. **Commencement of sale:** Friday 3/5/2019

5. **Completion of sale:** up until Tuesday 16/7/2019 if there are unsold quantities

6. **Deposit of sale proceeds in CDLF or establishment of an 'as is' consignment for unsold securities:** Monday 22/7/2019

In the event that new securities, encumbered or not, appear in the special account as a result of corporate actions, within the above sale period for encumbered securities, they will be sold by means of an additional sale assignment to Members, continuing in alphabetical order from the existing list of participating Members in the procedure.

Moreover, beneficiaries will be notified by ATHEXCSD regarding **portfolios that have been blocked for a different reason other than attachment (inheritance, by order of an investigating magistrate, etc.)** so that they can arrange for their **transfer to an Operator account by 15/4/2019**. If the beneficiaries fail to act within the prescribed time limit, the blocked securities in question will be sold by means of an additional sale assignment to Members, continuing in alphabetical order from the existing list of participating Members in the procedure.

#### **4.2 Trading and execution of transactions in forced sale securities**

The sale procedure will be conducted by a method of Athens Exchange which ensures it is carried out on the basis of sell orders at the close (ATC) price in accordance with the provisions of article 2.3.4.2 of the Athens Exchange Rulebook.

#### **4.3 Clearing and settlement of transactions in forced sale securities**

The clearing of sale transactions conducted in accordance with the preceding paragraphs is carried out through ATHEXClear in accordance with the provisions of the Rulebook for Clearing Transactions in Book-Entry Securities.

For the settlement of the respective sale transactions, ATHEXCSD acts as exclusive Operator in the Securities Accounts of the Shares of beneficiaries, in respect of those transferable securities for which the sale is being conducted in accordance with its procedures.

The establishment of a cash deposit (consignment) for the sold securities of beneficiaries, as well as the establishment of an 'as is' consignment for the securities of beneficiaries which were not sold, will be arranged by ATHEXCSD at the end of each sale period. Specifically in the case of a cash deposit (consignment), after deducting from the net proceeds of the sale any amounts owed by beneficiaries as fees for keeping securities in the special account and the fees of the CDLF for establishing the cash deposit, ATHEXCSD will deposit the balance in the CDLF on behalf of beneficiaries.

#### **5. Charges of ATHEXCSD**

In implementation of the above and in order for ATHEXCSD to facilitate the necessary transfers and sales of portfolios of securities of beneficiaries, the following charges apply in accordance with articles 1, 10 and 13 of Resolution No. 1 of ATHEXCSD.

1. For facilitating the sales of article 29 (par. 7, 8 and 9) of Law 4569/2018, the charges that correspond to the forced sale transactions per beneficiary's Special Account cannot exceed the total proceeds of such sale.

2. In cases where, for the transfer of securities, blocked due to a pledge or other encumbrance, from the Special Account of a Securities Account of the Share of a beneficiary to an Operator Account of the beneficiary's Share, the transacting parties jointly declare to ATHEXCSD a different Operator to the Operator declared by the parties in the pledge or other encumbrance and provided the latter Operator was not ATHEXCSD itself, a charge of twenty euros (€20) per declaration of the relevant contractual amendment is payable.

3. For the needs of implementing par. 7 (b) of article 29, Law 4569/2018, the collection by ATHEXCSD for the beneficiary of the sale proceeds for their deposit in the CDLF relates to the cash amount after deduction of all charges that are withheld in accordance with the cash settlement procedures of Resolution No. 4 of ATHEXCSD. The aforesaid charges, collected by means of the cash settlement procedures for which provision is made, include any amounts owed by the beneficiary for the fees of par. 1-3 of article 13 ("Fees for holding securities in the Special Account") of Resolution No. 1 of ATHEXCSD from balances of its respective Special Account which have not been paid by the day of settlement of the sale.

For more information:

1. Beneficiaries of securities held in the Special Account of their Share in the DSS may contact the Investor Services Desk:

- Tel.: (+30) 210 336 6776 (09:00-17:00 Monday to Friday)
- E-mail: [ISD@athexgroup.gr](mailto:ISD@athexgroup.gr)

2. Members of Athens Exchange and DSS Operators may contact the Members Support & Network Management Unit:

- Tel.: (+30) 210 336 6393/6385
- E-mail: [Members-Support@athexgroup.gr](mailto:Members-Support@athexgroup.gr)
- Service Desk: [Members-Support/servicedesk](mailto:Members-Support/servicedesk)

### **About the Hellenic Central Securities Depository S.A. (ATHEXCSD)**

ATHEXCSD administers the Dematerialised Securities System (DSS), which operates in accordance with the DSS Operating Rules issued by the Hellenic Capital Market Commission. It functions as a Central Securities Depository pursuant to the authorization conferred by Laws 3606/2007 and 3756/2009. Through the DSS, ATHEXCSD provides Operators with services pertaining to transaction settlement, securities registration, corporate actions, tax support for domestic and foreign securities, as well as investor services. ATHEXCSD is a member of the European Central Securities Depositories Association (ECSDA).

## **About Athens Exchange Group**

Since its establishment in 1876, **Athens Exchange** has consistently participated in the country's financial and business developments.

Athens Exchange Group supports the development and organization of the Greek capital market. It operates the securities and derivatives markets, as well as the alternative market, while at the same time conducting the clearing and settlement of transactions.

Through its markets, Athens Exchange offers solutions and financing tools to businesses, and expands investor choice by providing a safe, stable and easily accessible environment that is fully in line with international practices and the European regulatory framework. The Group is also ISO 22301:2012 Certified for Business Continuity, for all its companies, including all its operations as well as the products and services it provides.

At a time when the role of stock markets in finding alternative ways of financing businesses, at a Europe-wide level, has become significantly enhanced, Athens Exchange Group has undertaken a series of initiatives to highlight the attractiveness of the Greek capital market and promote Greek companies among the international investment community.

The Group's shares are traded on the Main Market of Athens Exchange (Symbol: EXAE).

Summary information about ATHEX Group and its markets can be obtained by following this [link](#) or visiting the website at [www.athexgroup.gr](http://www.athexgroup.gr).