Cyprus

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Transparency rules

In April 2016, four months after the required date, Cyprus implemented Directive 2013/50/EU of October 22 2013 (the Amending Directive). The Transparency Requirements (Transferable Securities Trading on Regulated Market) (Amendment) Law of 2016 amends the Transparency Requirements (Traded Securities in Regulated Market) Laws of 2007 to 2014 to transpose the Amending Directive into domestic law.

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The definition of issuer has been modified to include natural persons and to make clear that issuers of depositary receipts fall within the scope of the definition, whether or not the underlying securities are admitted to trading on a regulated market.

The provisions regarding the choice of the home member state and notification requirements have been aligned with the Amending Directive. An issuer must notify the competent authorities in the member state in which its registered office is located and in each host member state, as well as the competent authority in its home member state.

The provisions regarding publication of financial information have also been changed. Annual financial reports must be available to the public for at least 10 years instead of five years. The time allowed for publication of half-yearly financial reports (which must also remain available to the public for 10 years) has been extended by a month to three months after the end of the relevant period. The obligation for issuers having shares admitted to trading on a regulated market to publish quarterly financial reports or interim management statements has been abolished.

Issuers involved in the extractive or logging industries must publish their reports in accordance with Directive 2013/34/ on payments made to governments.

There have been significant changes to the notification obligation in respect of substantial holdings. These include: a new safe harbour provision for share stabilisation and buy-back programmes; extension of the scope of the financial instruments that are subject to the notification requirement, together with detailed calculation rules to determine the voting rights attached to them; and, new rules for the aggregation of voting rights attached to shares and other financial instruments.

The extent and size of the sanctions that the Cyprus Securities and Exchange Commission (CySEC) can impose in the event of a breach of the law has been substantially increased. CySEC can now impose administrative fines of up to €10 million (approximately $11 million) or twice the benefit earned from the breach, whichever is higher. It can also publish decisions taken in connection with sanctions on its website. Sanctions must be effective, proportionate and dissuasive.

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