UNOFFICIAL CONSOLIDATION AND TRANSLATION OF LAWS 66(I) OF 1997, 74(I) OF 1999, 94(I) OF 2000, 119(I) OF 2003, 4(I) OF 2004, 151(I) OF 2004, 231(I) OF 2004, 235(I) OF 2004, 20(I) OF 2005, 80(I)OF 2008, 100(I) OF 2009, 123(I) OF 2009, 27(I) OF 2011, 104(I) OF 2011, 107(I) OF 2012, 14(I) OF 2013, 87(I) OF 2013,102(I) OF 2013, 141(I) OF 2013, 5(I) OF 2015, 26(I) OF 2015, 35(I) OF 2015, 71(I) OF 2015, 93(I) OF 2015,109(I) OF 2015, 152(I) OF 2015, 168(I) OF 2015, 21(I) OF 2016, 5(I) OF 2017, 38(I) OF 2016, 5(I) OF 2017, 38(I) OF 2017, 169(I) OF 2017 28(I) OF 2018, 89(I) OF 2018, 153(I) OF 2018 AND 80(I) OF 2019.

THE BUSINESS OF CREDIT INSITUTIONS LAWS OF 1997 TO 2019

This translation and consolidation of laws is not official. It has been prepared by the Central Bank of Cyprus to assist users and it comprises the grouping of the text of the basic law and of the amendments to the law in one consolidated, but unofficial document and its subsequent translation into the English language, to serve as a reference tool.

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	INTRODUCTORY PROVISIONS
	The House of Representatives votes as follows:
Short title. 66(I) of1997 74(I) of 1999 94(I) of 2000 119(I) of 2003 4(I) of 2004 151(I) of 2004 231(I) of 2004 235(I) of 2004 20(I) of 2005 80(I) of 2008 100(I) of 2009 123(I) of 2009 27(I) of 2011 104(I) of 2011 107(I) of 2012 14(I) of 2013 87(I) of 2013 102(I) of 2013 141(I) of 2013 5(I) of 2015 26(I) of 2015 35(I) of 2015 71(I) of 2015 93(I) of 2015 109(I) of 2015 152(I) of 2015 168(I) of 2015 21(I) of 2016 5(I) of 2017 38(I) of 2017 169(I) of 2017 28(I) of 2018 89(I) of 2018 153(I) of 2018 80(I) of 2019.	1. This Law shall be cited as the Business of Credit Institutions Laws of 1997 to 2019.

Interpretation.	2. (1) In this Law, unless the context otherwise requires -
	“authorised credit institution” or “ACI” means any of the following:
	(a) a credit institution incorporated in the Republic to which a licence has been granted under the provisions of this Law,
	(b) a branch of third country institution,
	(c) the Housing Finance Corporation which is governed by the Housing Finance Corporation Law;
	“exposure” or “financial exposure” for the purposes of section 11, means an asset item or an off-balance sheet item without applying risk weights or levels of risk;
	“senior management” means the natural persons who exercise executive functions within a credit institution and who are responsible and accountable to the management body, for the day-to-day management of the institution;
	“own funds requirements”, for the purposes of sections 32D and 32E of this Law, means the requirements laid down in Articles 92 to 98 of Regulation (EU) No 575/2013;
	“capital conservation buffer” means the own funds that an ACI incorporated in the Republic is required to maintain in accordance with section 22B;
	“competent ministries” means:
	(a) in relation to the Republic, the Ministry of Finance and
	(b) in relation to other Member States, the ministries of finance or other ministries which are responsible for economic, financial and budgetary decisions at the national level according to national competencies;
	“Trade Repositories” means a legal person which collects and keeps centrally the Derivatives files;
	“resolution authority” means an authority designated by a Member State in accordance with Article 3 of the Directive 2014/59/EU;
	The term ‘‘resolution authority” at a group level’’ means the same as in section 2 of the Resolution Law;
	“books or records” means accounts, securities, deeds, forms and documents, however produced and includes "books or records" stored in a computer;
	“representative office” means an office from which the interests of the institution to which it belongs are in any way promoted or assisted but at which no business of a credit institution in the Republic or abroad from the Republic is carried on;

130(I) of 2010	"covered bond "business administrator" has the meaning attributed to the term in section 2 of the Covered Bond Law of 2010;
	"management body" means an institution's body or bodies, who are appointed in accordance with the Companies Law or the Cooperative Societies Law, where appropriate, who are empowered to set the institution's strategy, objectives and overall direction, and oversee and monitor management decision-making, and include the persons who effectively direct the business of the credit institution;
	"recovery capacity" means the capability of an ACI to restore its financial position following a significant deterioration;
	"Potential customer" means, for the purposes of the definition of the term "system or mechanism for the exchange of data" and for the purposes of section 28D (3), a natural or legal person resident or non-resident of the Republic in relation to whom credit institutions are in the process of assessing an application for the granting of a credit exposure as defined in section 11(4)(a);
	"management body with supervisory authority" means the management body acting in its role of supervising and monitoring management decision-making;
	"EBA" means the European Supervisory Authority (European Banking Authority) established by Regulation (EU) No 1093/2010;
	"approved auditor" means a statutory auditor and audit firm within the meaning attributed to these terms in section 2 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws;
42(I) of 2009 163(I) of 2013.	"approved auditor" means a statutory auditor and audit firm within the meaning attributed to these terms in section 2 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws;
	"winding-up" has the meaning attributed to this term -
	(a) in relation to a bank, in Part V of the Companies Law; and
	(b) in relation to a cooperative credit institution and the Cooperative Central Bank, in Part IX of the Cooperative Societies Law, as it may be amended or replaced;
	"liquidator" has the meaning attributed to this term -
	(a) in relation to a bank, by the term "liquidator" in Part V of the Companies Law and by the terms 'recipient' and 'manager' in Part VI of the Companies Law, as it may be amended or replaced; and
	(b)in relation to a cooperative credit institution and the Cooperative Central Bank, in Part IX of the Cooperative Societies Law, as it may be amended or replaced;

	"intragroup support" means a contract by which a group entity guarantees the liabilities of another group entity towards a third party;
	"investor" means a person who deposits money or securities in an investment firm, in the context of carrying out investment activities;
Official Gazette, Annex Three (I)	"eligible deposits" means the deposits referred to in Regulation 6 of the Deposit Guarantee System and Resolution of Credit and other Institutions of the 2015 Regulations;
	"CCI committee" has the meaning attributed to the term "committee" in section 2 of the Cooperative Societies Law, as it may be amended or replaced;
	"Commission" means the Commission of the European Communities.
144(I) of 2007 106(I) of 2009.	"investment firm" or "I.F." has the meaning attributed thereto by the term "investment firm" in Article 4(2) of Regulation (EU) No 575/2013;
Annex IV	"business of a credit institution" means the business listed in Annex IV;
	"business day" means a day other than a Saturday, a Sunday or a public holiday in the Republic or in a Member State concerned, accordingly;
	"internal approaches" means the internal ratings based approach referred to in Article 143, paragraph (1) of the Regulation (EU) No 575/2013, the internal models approach referred to in Article 221 of the said Regulation, the own estimates approach referred to in Article 225 of the said Regulation, the advanced measurement approaches referred to in Article 312, paragraph (2) of the said Regulation, the internal models method referred to in Articles 283 and 363 of the said Regulation, and the internal assessment approach referred to in Article 259, paragraph (3) of the said Regulation;
200(I) of 2004.	"asset management company" has the meaning attributed to the term "asset management company" in Article 4(19) of Regulation(EU) No 575/2013;
	"ESRB" means the European Systemic Risk Board established by Regulation (EU) No. 1092/2010;
Official Journal of the E.U.: L3 7.1.2004, p6.3	"European Banking Committee" means the European Banking Committee established by the European Union Act titled "Commission Decision of 5 November 2003, establishing the European Banking Committee (2004/10/EC)" as amended or replaced;
	"computer" means any electronic device for storing and processing information;
	"institution with covered bond obligations" has the meaning attributed to the term in section 2 of the Covered Bond Law of 2010;
	"third-country institution" means an entity, the head office of which is established in a third country, that would, if it were established within the Union, be covered by the definition of an "institution";

	"cover pool" has the meaning attributed to the term in section 2 of the Covered Bond Law of 2010;
	"covered deposits" has the meaning attributed to it by Regulation 2 of the Deposits Guarantee System and Resolution of Credit and other Institutions Regulations 2016;
	"normal insolvency proceedings" means collective insolvency proceedings which entail the partial or total divestment of the assets of an ACI and the appointment of a liquidator or an expert liquidator normally applicable to ACIs under sections 33A to 33N which provide for the liquidation and the specific liquidation;
Official Journal of the E.U.: L266, 9.10.2009, p. 11.	"Regulation (EC) No. 924/2009" means the European Union Act entitled 'Regulation (EC) No. 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No. 2560/2001', as amended or replaced;
Official Journal of the E.U.: L331, 15.12.2010, p.1.	"Regulation (EU) No. 1092/2010" means the European Union Act titled "Regulation (EU) No. 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board" as amended or replaced;
Official Journal of the EU: L331, 15.12.2010, p.12	"Regulation (EU) No. 1093/2010" means the European Union Act titled "Regulation (EU) No. 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC", as amended or replaced;
Official Journal of the EU: L331, 15.12.2010, p.48.	"Regulation (EU) No 1094/2010" means the European Union Act titled "Regulation (EU) No 1094/2010" of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC;
Official Journal of the EU: L331, 15.12.2010, p.84.	"Regulation (EU) No 1095/2010" means the European Union Act titled "Regulation (EU) No 1095/2010" of the European Parliament and of the Council of 24 November 2010 on establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC;
Official Journal of the EU: L176 27.06.2013, p.1.	"Regulation (EU) No 575/2013" means the Regulation of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;
Official Journal of the EU: L201,27.7.2012,p.1;	"Regulation (EU) No 648/2012" means the European Union Act titled "Regulation (EU) No 648/2012" of the European Parliament and the Council of 4 July 2012 on OTC Derivatives, the central counterparties and the Trade

	Repositories'', as currently amended by the Directive 2015/89/EC of the European Parliament and the Council of 20 May 2015;
L 141, 5.6.2015, p. 75. Official Journal of the EU:L287, 29.10..2013, p. 63; L 328, 13.11.2014, p.62.	"Regulation (EU) No 1024/2013" means the European Union Act titled "Regulation (EU) No 1024/2013" of the Council of 15 October 2013 on the delegation of specific responsibilities to the European Central Bank regarding the policies in relation to prudential supervision of credit institutions'' as corrected;
Official Journal of the EU: L 119, 4.5.2016, p. 1.	"Regulation (EU) No 2016/679" means the European Union Act titled "Regulation (EU) No 2016/679" of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
Official Journal of the EU: L 225, 30.7.2014, p. 1.	"Regulation (EU) No 806/2014" means the European Union Act titled "Regulation (EU) No 806/2014" of the European Parliament and the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010;
	The term "deposit" has the meaning attributed to it by section 2(1) of the System of Guarantees of Deposits and Resolution of Credit and other Institutions Law;
	"key function holders" means the staff members of a credit institution who, due to their position, may exercise significant influence over the management of the credit institution, but who are not members of the management body and includes the heads of significant business lines, support and internal control functions, subsidiaries in third countries and branches of third country institutions;
	"Central Bank" means the Central Bank of Cyprus;
	"Central Body" means the Cooperative Central Bank;
	"member-state" means a member-state of the European Union or other state which is party to the Agreement for the European Economic Area, which was signed in Oporto on 2 May 1992, and adapted by the Protocol signed in Brussels on 17 May 1993, as this Agreement may further be amended;
	"Common Equity Tier 1 instruments" means capital instruments that meet the conditions laid down in Article 28(1) to (4), Article 29(1) to (5) or Article 31(1) of Regulation (EU) No 575/2013;
Chap. 113 9 of 1968 76 of 1977 17 of 1979 105 of 1985 198 of 1986	"reorganisation measures" means measures which are intended to preserve or restore the financial situation of an ACI and which may affect third parties' pre-existing rights, including measures involving the possibility of suspension of payments, suspension of enforcement measures or reduction of claims of creditors or shareholders of the ACI, as well as the measures provided for, in case of an ACI, in sections 198 to 201 of the Companies Law, as it was

19 of 1990 46(I) of 1992 41(I) of 1994 15(I) of 1995 21(I) of 1997 82(I) of 1999 149(I) of 1999 2(I) of 2000 135(I) of 2000 151(I) of 2000 76(I) of 2001 70(I) of 2003 167(I) of 2003 92(I) of 2004 24(I) of 2005 129(I) of 2005 130(I) of 2005 98(I) of 2006 124(I) of 2006 70(I) of 2007 71(I) of 2007 131(I) of 2007 186(I) of 2007 87(I) of 2008 41(I) of 2009 49(I) of 2009 99(I) of 2009 42(I) of 2010 60(I) of 2010 88(I) of 2010 53(I) 2011 117(I) of 2011 145(I) of 2011 157(I) of 2011 198(I) of 2011 64(I) of 2012 98(I) of 2012 190 (I) of 2012 203(I) of 2012 6(I) of 2013 90(I) of 2013 74(I) of 2014 75(I) of 2014 18(I) of 2015 62(I) of 2015 63(I) of 2015 89(I) of 2015 120(I) of 2015. Official Journal, Annex One (I): 31.3.2015 5.6.2015 22 of 198 68 of 1987 190 of 1989	corrected and, in case of a CCI, in section 49B of the Cooperative Societies Laws, and including the implementation of the resolution measures and the exercise of resolution powers provided in the Resolution Law;

8(I) of 1992 22(I) of 1992 140(I) of 1999 140(I) of 2000 171(I) of 2000 8(I) of 2001 123(I) of 2003 124(I) of 2003 144(I) of 2003 5(I) of 2004 170(I) of 2004 230(I) of 2004 23(I) of 2005 49(I) of 2005 76(I) of 2005 29(I) of 2007 37(I) of 2007 177(I) of 2007 104(I) of 2009 124(I) of 2009 85(I) of 2010 118(I) of 2011 130(I) of 2012 204(I) of 2012 214(I) of 2012 15(I) of 2013 39(I) of 2013 88(I) of 2013 107(I) of 2013 185(I) of 2013 23(I) of 2014 122(I) of 2014 107(I) of 2015.	
	"crisis prevention measure" means the exercise of powers to direct removal of deficiencies or impediments to recoverability under section 23B(6) of this Law, the exercise of powers to address or remove impediments to resolvability under section 32J of this Law and section 20 of the Resolution Law or section 32K of this Law, the application of an early intervention measure under section 30C of this Law, and under section 24 of the Resolution Law, the appointment of a temporary administrator under section 30E of this Law, or the exercise of the write down or conversion powers under section 32D of this Law and section 57 of the Resolution Law;
	the term "not available deposit" has the meaning attributed to it by section 2(1) of the System of Guarantees of Deposits and Resolution of Credit and other Institutions Law;
	"EU parent undertaking" means a parent institution established in the EU, a parent financial holding undertaking established in the EU or a parent mixed financial holding undertaking established in the EU;
	"mechanism for the exchange of data AIANTAS" means the system or mechanism for the exchange of data that is owned by the Cooperative Central

	Bank, in which the cooperative credit institutions incorporated under the Cooperative Societies Law and the Housing Finance Corporation, participate, and which it operates in accordance with the provisions of this Law and the directives issued pursuant to it and is kept and processed centrally by the Cooperative Computer Society (SEM) Ltd;
	"mechanism for the exchange of data ARTEMIS" means the system or the mechanism for the exchange of data, that is owned and processed by ARTEMIS Bank Information Systems Ltd, in which all credit institutions, except the Cooperative Credit Institutions and the Housing Finance Corporation, participate;
	"legal person" includes a company or any association of persons incorporated either in the Republic or elsewhere;
	"Resolution Law" means the Resolution of Credit Institutions and Investment Companies Law of 2015 as amended or replaced;
Official Journal of the EU: L035, 11.2.2003, p.1	"Directive 2002/87/EC" means the European Union Act titled "Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002, on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives of the European Parliament and Council 98/78/EC and 2000/12/EC" ;
Official Journal of the EU: L145 της 30.4.2004 p.1.	"Directive 2004/39/EC" means the European Union Act titled "Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC";
Official Journal of the EU: L176 της 27.6.2013 p. 338.	"Directive 2013/36/EU" means the European Union Act titled "Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC";
	"Directive 2014/49/EU" means the European Union Act titled "Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014, on the systems of deposits' guarantee";
	"Directive 2014/59//EU" means the European Union Act titled "Directive 2014/59//EU of the European Parliament and of the Council of 15 May 2014 on the establishment of a context for the recovery and resolution of credit institutions and investment companies and for the amendment of the directive 82/891/EEC of the Council, and of the directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC,2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, as well as the regulations of the European Parliament and of the Council (EU) no. 1093/2010 and (EU) no. 648/2012";

	"Directive 2001/24/EC" means the European Union Act titled "Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the resolution and liquidation of credit institutions";
Official Gazette; Annex Three(I): 8.8.2014 (R.A.A. 375/2014).	"Governance Directive" means the Regulated Governance and Management Directive of 2014;
	"group" means a parent undertaking and its subsidiaries;
	"customer" means, for the purposes of the definition of the term "system or mechanism for the exchange of data" and for the purposes of sections 28D, 28E, 29 (2)(giv), 41(6) and 41(7), a natural or legal person, who has an exposure as defined in section 11(4)(a), and includes an existing customer, a guarantor of the customer and a supplier of security to the customer and their connected persons;
	"chief executive" means –
	(a) a person who either alone or jointly with others is responsible under the direct authority of the management body for the conduct of the business of an ACI; or
	(b) in the case of an ACI not incorporated in the Republic, a person who either alone or jointly with others is responsible for the conduct of the business of the ACI in or from the Republic; and in the case of a CCI includes the secretary of the CCI;
	"significant branch" means a branch that would be considered to be significant in a host Member State in accordance with section 27E and after the period referred to in section 50, according to section 56(1); the term ''resolution objectives'' has the meaning attributed to it by section 2(1) of the Resolution Law;
	''related undertaking'' shall mean an undertaking in which another undertaking has holdings and upon its operational and financial policies has a significant impact. It is apparent when one undertaking has a significant impact in another company when it owns at least 20% of the voting rights of the shareholdings or partners of the other undertaking;
8(I) of 2003 118(I) of 2006 99(I) of 2011 145(I) of 2012.	"netting arrangement" means an arrangement under which a number of claims or obligations can be converted into a single net claim, including close-out netting arrangements under which, on the occurrence of an enforcement event (however or wherever defined) the obligations of the parties are accelerated so as to become immediately due or are terminated, and in either case are converted into or replaced by a single net claim, including 'close-out netting provisions' as defined in section 2(1) of the Irreversibility in Payment and Securities Settlement Systems Laws;
	"combined buffer requirement" means the total Common Equity Tier 1 capital required to meet the requirement for the capital conservation buffer extended by the following, as applicable:

	(a) an institution-specific countercyclical capital buffer;
	(b) a G-SII buffer;
	(c) an O-SII buffer;
	(d) a systemic risk buffer;
	“Cooperative Central Bank” means the Cooperative Central Bank Ltd incorporated under the Cooperative Societies Law principally for the purpose of carrying on business of a credit institution for the benefit of its members who are themselves cooperative societies;
	“Cooperative credit institution” or “CCI” means an authorised credit institution which was established either under the Cooperative Societies Law or under any relevant legislation of a third country, that maintains a branch in the Republic;
	“deposit guarantee scheme” or “DGS”, has the meaning attributed to the term “DGS”, by section 2(1) of the Law on the deposit guarantee scheme and resolution of credit and other institutions law;
	“system or mechanism for the exchange of data” means system or mechanism that meets all the following requirements:
	(a) its operation constitutes the provision, for participating credit institutions, of services for assessing the creditworthiness of their customers and / or the collection, registration, storage, processing, transmission to the participating credit institutions and / or the exchange between the participating credit institutions of the Law of data, records and / or information regarding all customers’ facilities, in order to assess the creditworthiness of the customers of credit institutions and their connected persons aiming at the more efficient management of credit and / or other related risks,
	(b) provide information, referred to in Section 28E and directives issued under this Law to the Central bank for purposes of exercising its powers that derive from this Law, among others, for the calculation of the probability of default and loss given default and
	(c) in this system or mechanism participate only ACIs and credit institutions that operate in the Republic under section 10A or institutions whose principal activity consists in carrying out one or more of the activities listed in Annex IV;
	“systemically important institution” means an EU parent institution, an EU parent financial holding company, an EU parent mixed financial holding company or an institution the failure or malfunction of which could lead to systemic risk;
	“systemic risk” means a risk of disruption in the financial system with the potential to have serious negative consequences for the financial system and the real economy;

	“recovery plan” means a recovery plan drawn up and maintained by an ACI;
	“group recovery plan” means a group recovery plan drawn up and maintained in accordance with section 23C;
	The term ‘‘resolution plan’’ has the meaning attributed to it by section 2(1) of the Resolution Law;
	“supervisory college” means a college of supervisors established in accordance with section 39(11A) of this Law and according to Article 116 of Directive 2013/36/EU;
	The term “resolution fund” has the meaning attributed to it by section 2(1) of the Law on the deposit guarantee scheme and resolution of credit and other institutions;
	“bank” means an ACI incorporated -
	(a) under the Companies Law, as it may be amended or replaced; or
	(b) under the provisions of an equivalent legislation of a third country which operates a branch in the Republic;
	“third country” means a state other than a member-state;
	“branch of third country institution” means a branch of a credit institution incorporated in a third country which has been authorised by the Republic under the provisions of this Law to carry out banking activities in the Republic and abroad from the Republic”;
	“Minister” means the Minister of Finance;
	“CSA" means the Cooperative Societies Authority as provided in the Cooperative Societies Laws;
14(I) of 1993 32(I) of 1993 91(I) of 1994 45(I) of 1995 74(I) of 1995 50(I) of 1996 16(I) of 1997 62(I) of 1997 71(I) of 1997 83(I) of 1997 29(I) of 1998 137(I) of 1999	“Cyprus Stock Exchange” herein after referred to as ‘C.S.E.’, means the stock exchange which was formed pursuant to section 3 of the Cyprus Stock Exchange Laws of 1993 to (No.4) 2002;

19(I) of 2000 20(I) of 2000 39(I) of 2000 42(I) of 2000 49(I) of 2000 50(I) of 2000 136(I) of 2000 137(I) of 2000 141(I) of 2000 142(I) of 2000 175(I) of 2000 9(I) of 2001 37(I) of 2001 43(I) of 2001 66(I) of 2001 79(I) of 2001 80(I) of 2001 81(I) of 2001 82(I) of 2001 105(I) of 2001 119(I) of 2001 1(I) of 2002 87(I) of 2002 147(I) of 2002 167(I) of 2002.	
	(2) Deleted
	(3)(a) In this Law and according to the issued directives thereunder, any reference to a Directive, Regulation, Decision or any other legislative act of the European Union, shall mean the said legal act as corrected, amended or replaced from time to time, unless a different meaning otherwise arises from the text;
	(b) In this Law and according to the issued directives thereunder, any reference to Law or regulatory administrative act of the Republic, shall mean the said law or regulatory administrative act as corrected, amended or replaced from time to time, unless a different meaning otherwise arises from the text.

	(4) For the purposes of this Law, the terms that are not defined in any way in it, unless it is otherwise defined in the text, shall mean as they are defined by Regulation (EU) No 575/2013.
	(5) Any terms set out in a language other than Greek, are used for guidance purposes, for a better understanding of the terms used in the official text of this Law and not as part of the official text of this Law.
	2A. (1) Subject to the provisions of subsection (2), this Law shall apply :
	(a) to the ACIs; and
	(b) to credit institutions operating in the Republic under section 10A.
	(2) (a) The sections of this Law relating to the recovery and resolution are applied by the ACIs and in case of ACIs which are branches of third country institutions, in accordance with the special conditions set out in Part IX of the Resolution Law, as well as by the following entities:
	(i) financial institutions that are established in the Union when the financial institution is a subsidiary of a credit institution, or of a company referred to in subparagraph (ii) or (iii), and is covered by the supervision of the parent undertaking on a consolidated basis in accordance with Articles 6 to 17 of Regulation (EU) No 575/2013;
	(ii) financial holding companies, mixed financial holding companies and mixed activity holding companies that are established in the Republic;
	(iii) parent financial holding companies established in the Republic, parent financial holding companies established in the EU, parent mixed financial holding companies established in the EU;
	(b) Unless it is otherwise mentioned, in the provisions relating to the recovery and resolution, the reference to an ACI includes the entities depicted in subparagraphs (i) to (iii) of paragraph (a);
144(I) of 2009 106(I) of 2009 141(I) of 2012 154(I) of 2012 193(I) of 2014. Official Gazette, Annex One (I): 16.11.2007 16.11.2012 30.11.2012 13.3.2015.	(c)The Central Bank when establishing and applying the requirements relating to the recovery and resolution and when using the different tools at their disposal in relation to the entities referred to in paragraph (a), and subject to specific provisions, shall take account of the nature of its business, its shareholding structure, its legal form, its risk profile, size and legal status, its interconnectedness to other institutions or to the financial system in general, the scope and the complexity of its activities, or in the case of a CCI connected with the Central Body and whether it exercises any investment services or activities as defined in section (2)(1) of the Investment Services and Regulated Markets Laws as corrected;
	(d) The Central Bank may establish or maintain stricter regulations or additional regulations beyond those established by the Directive

	2014/59/EU and the delegated or the executional acts which are issued under this Directive, on condition that these regulations are generally into force and are not opposed to the said Directive and the delegated and executional acts issued under the said Directive;
	(e) For the purposes of implementing the provisions referred for the recovery and resolution, the terms which are not defined in this Law or the Regulation (EU) No 575/2013 have the meaning attributed them by section 2 of the Resolution Law.
	PART I(A)
	COMPETENT AUTHORITY
General authorisations of the Central Bank.	2B.(1) The Central Bank shall carry out the functions and responsibilities provided for under this Law and in Regulation (EU) No 575/2013. It shall inform the Commission and EBA thereof, indicating any division of functions and duties.
	(2) The Central Bank shall monitor the activities of credit institutions, and where applicable, of financial holding companies and mixed financial holding companies, so as to assess compliance with the requirements of this Law and Regulation (EU) No 575/2013.
	(3) The Central Bank may obtain the information needed to assess the compliance of credit institutions and, where applicable, of financial holding companies and mixed financial holding companies, with the requirements of this Law and Regulation (EU) 575/2013 and to investigate possible breaches of those requirements.
	(4) The Central Bank shall ensure that it has the expertise, resources, entrepreneurial skills, powers and independence necessary to carry out the functions relating to prudential supervision, investigations and imposition of penalties set out in this Law and in Regulation (EU) No 575/2013.
	(5)(a) Credit institutions shall provide the Central Bank with all the information necessary for the assessment of their compliance with the rules adopted in accordance with this Law and Regulation (EU) No 575/2013;
	(b) The internal control mechanisms as well as the administrative and accounting procedures of credit institutions permit at any time the supervision of their compliance with this Law, the Regulation (EU) no. 575/2013 as well as the directives issued pursuant these regulations.
	(6) Credit institutions shall register all their transactions and document the systems and processes, which are subject to this Law and Regulation (EU) No 575/2013 in order for the Central Bank to check compliance with this Directive and Regulation (EU) No 575/2013 at all times.

Coordination within the Central Bank with the Cyprus competent authority for the supervision of Investment Firms.	2C. The Central Bank shall take the necessary measures for the coordination with the competent authority responsible for the supervision of Investment Firms.
	PART II
	TERMS AND CONDITIONS FOR ACCESS TO CREDIT INSTITUTIONS' ACTIVITY
Prohibition to persons or undertakings except the credit institutions exercising the activity of accepting deposits or other repayable funds from the public.	3.(1) Subject to the provisions of section 10A, it shall be prohibited to any person not being an ACI, to carry out the business of taking deposits or other repayable funds from the public, in the Republic or abroad from the Republic.
	(2) In the case where the Central Bank has reasonable grounds to believe that any person, other than the persons referred to in paragraph (a) and (b) of subsection (1), is engaged in the business of accepting deposits or other repayable funds from the public in the Republic or abroad from the Republic or the lending of funds for own account in the Republic or abroad from the Republic, may, by a written notice to this person, call upon him, to provide to an authorised officer of the Central Bank, within the period specified in the notice, any books or records specified in the notice to enable such officer to ascertain whether any business has been carried out, which is prohibited in accordance with subsection (1).
	(3) The Central Bank is empowered to exempt certain transactions from the definition of "deposit" by reference to any factors appearing to it to be appropriate and, in particular, by reference to all or any of the following –
	(a) the amount of the deposit;
	(b) the total liability of the person accepting the deposit to his depositors;
	(c) the circumstances under which or the purpose for which the deposit has been made;
	(d) the number of, or the amount involved in, transactions of any particular description carried out by the person accepting the deposit or the frequency with which this person carries out transactions of any particular description.
	(4) Subsection (1) shall not apply for the taking of deposits or other funds repayable by a Member State, or by a Member State's regional or local authorities, by public international bodies of which one or more Member States are members, or for the cases expressly covered by this Law or Union law,

	provided that those activities are subject to regulations and controls intended to protect depositors and investors.
	(5)(a) An ACI is not allowed to accept deposits if it does not participate in the DGS established under the Law on the Deposit Guarantee Scheme and Resolution of Credit and Other Institutions;
	(b)An ACI which is a branch of a third country credit institution and does not participate in the DGS is allowed to accept deposits only if it is involved in the deposit guarantee scheme in the third country which according to the investigation conducted by the Central Bank, provides protection equivalent with the protection provided under the Directive 2014/49/EU.
Authorisation	4. (1) (a) Subject to the provisions of section 10A, a credit institution must obtain authorisation from the Central Bank before the commencement of its activities in the Republic or abroad from the Republic;
Chapt.. 113 9 of 1968 76 of 1977 17 of 1979 105 of 1985 198 of 1986 19 of 1990 41(I) of 1994 15(I) of 1995 21(I) of 1997 82(I) of 1999 149(I) of 1999 2(I) of 2000 135(I) of 2000 151(I) of 2000 76(I) of 2001 70(I) of 2003 167(I) of 2003 92(I) of 2004 24(I) of 2005 129(I) of 2005 130(I) of 2005 98(I) of 2006 124(I) of 2006 70(I) of 2007 71(I) of 2007 131(I)of 2007 186(I) of 2007 87(I) of 2008 91(I) of 2009 49(I) of 2009 99(I) of 2009 42(I) of 2010 60(I) of 2010 88(I) of 2010 53(I) of 2011.	(b) (i) Subject to the provisions of Part IV, authorisation is granted by the Central Bank only to a legal person incorporated in the Republic pursuant to the provisions of the Companies Law or of the Cooperative Societies Law, as they may be amended or replaced, and to a credit institution established and authorised in a third country pursuant to corresponding legislation of that country in order to operate in the Republic through a branch, pursuant to the corresponding legislation of that country;

	(ii) A credit institution incorporated in the Republic must have its registered and head office in the Republic;
	(iii) Credit institutions other than those referred to in subpoint (ii), have their head office in the Member State which granted their authorisation and in which they actually carry out their business;
	(c)The Central Bank shall refuse authorisation to a credit institution to commence activity, unless the credit institution has previously informed it of the identity of its shareholders or members, whether direct or indirect, natural or legal persons, that have qualifying holdings and of the amounts of those holdings or, where there are no qualifying holdings, of the 20 largest shareholders or members;
190(I) of 2007	In determining whether the criteria for a qualifying holding are fulfilled, the voting rights referred to in sections 28, 29 and 30 of the Transparency Requirements (Securities to trading on Regulated Market) Laws as well as the conditions regarding aggregation thereof set out in sections 34 and 35 of these Laws, shall be taken into account;
144(I) of 2007	The Central Bank shall not take into account the voting rights or the shares which credit institutions may hold as a result of providing the underwriting of financial instruments or placing of financial instruments on a firm commitment basis included under paragraph 6 of Part I of Annex Three of the Investment Services and Regulated Markets Laws, as corrected, provided that those rights are not exercised or otherwise used to intervene in the management of the issuer and are disposed of, within one year of acquisition;
	(d) Subject to subsections (2) and (3) of section 17A and section 17B, the Central Bank shall refuse authorisation to commence the activity of a credit institution if, taking into account the need to ensure the sound and prudent management of the credit institution, it is not satisfied as to the suitability of the shareholders or members, in particular where the criteria set out in section 17A are not met;
	(e) Where close links exist between the credit institution and other natural or legal persons, the Central Bank shall grant authorisation only if those links do not prevent the effective exercise of its supervisory functions;
	(f) The Central Bank shall refuse authorisation to commence the activity of a credit institution where the laws, regulations or administrative provisions of a third country governing one or more natural or legal persons with which the credit institution has close links, or difficulties involved in the enforcement of those laws, regulations or administrative provisions, prevent the effective exercise of its supervisory functions;
	(g) Credit institutions must provide the Central Bank with the information required, in order to be able to monitor compliance with the conditions referred to in this section, on an ongoing basis.
	(2)(a) Application for authorisation shall be submitted by or on behalf of the applicant, to the Central Bank and shall be accompanied by a programme of operations setting out the types of business activities envisaged and the

	structural organisation of the credit institution and any other documents or information the Central Bank may require;
	(b) the Central Bank shall refuse authorisation to commence activity if –
	(i) the members of the management body do not have good repute and adequate knowledge, qualifications and experience for carrying out their responsibilities;
	(ii) the complete composition of the management body does not reflect a sufficiently wide range of expertise; and
	(iii) the members of the management body do not meet the requirements specified on the Assessment of the Fitness and Probity of the Members of the Management Body and the Managers of Authorised Credit Institutions Directive of 2014.
	(3)(a) Where the Central Bank refuses authorisation to commence the activity of a credit institution, it shall notify the applicant of the decision and the reasons that led to such decision within six months of receipt of the application or, where the application is incomplete, within six months of receipt of the complete information required for the decision;
	(b) In each case, a decision to grant or refuse authorisation shall be issued within 12 months of the receipt of the application.
	(4)(a) Notwithstanding the provisions of subsection (3) the Central Bank may, amend or cancel whenever, either permanently or temporarily, any condition imposed on an operating licence, or impose any new conditions thereto;
	(b) Without prejudice to the provisions of subsections (1), (2), (2A) and (5), the Central Bank shall specify by the issue of a directive the conditions for granting authorization which shall notify to the EBA.
	(5) The Central Bank shall not examine the application for authorisation in terms of the economic needs of the market.
	(6) (a) A credit institution to which an operating licence was granted may surrender its operating licence by written notice to the Central Bank;
	(b) The surrender shall take effect on the giving of the notice or, if a later date is specified then that date shall apply and where a later date is specified in the notice the credit institution may by further written notice to the Central Bank substitute an earlier date, not being earlier than that on which the first notice was given;
	(c) The surrender of an operating licence shall be irrevocable unless it is clearly expressed to take effect on a later date and before of the date the Central Bank, by notice in writing to the credit institution, allows it to be withdrawn.

	(7) The policy regarding the application for the granting of operating licence is determined by the issue of a directive by the Central Bank, by virtue of section 41.
	(8) The Central Bank requests the opinion of the competent authority of another member-state, before granting authorisation to a credit institution which is:
	(i) a subsidiary of a credit institution authorised in another member-state; or
	(ii) a subsidiary of the parent undertaking of a credit institution authorised in another member-state or
	(iii) controlled by the same persons, whether natural or legal, that control a credit institution authorised in another member-state.
	(9) The Central Bank, before granting authorisation to a credit institution, shall consult the competent authority of the member-state involved, which is responsible for the supervision of insurance companies or investment firms, where the credit institution is -
	(a) a subsidiary of an insurance company or investment firm authorised in the European Union; or
	(b) a subsidiary of the parent undertaking of an insurance company or investment firm authorised in the European Union; or
	(c) controlled by the same persons, whether natural or legal, that control an insurance company or an investment firm authorised in the European Union.
	(10) The Central Bank and the relevant competent authorities referred to in subsections (8) and (9) shall in particular consult each other when assessing the suitability of shareholders, as well as the reputation and experience of the members of the management body involved in the management of another entity in the same group and shall inform each other of any information regarding the suitability of shareholders and the reputation and experience of the members of the management body, which is relevant to the granting of authorisation, as well as to the constant assessment of compliance with the conditions of authorisation.
	(11)(a) The Central Bank shall disclose every authorisation granted under this Law, on a list on its website, to the EBA;
	(a1) When the Central Bank notifies, according to paragraph (a), the EBA about the authorisations granted by virtue of subsection (1), it mentions the DGS where the ACI is a member;
	(b) The Central Bank, when acting as the competent authority for supervision on a consolidated basis, provides to the competent authorities involved and the EBA, all the information related with the ACIs group according to paragraphs (e), (f) and (g) of subsection (1) of this section, of subsections (2), (3) and (5) of section 19, section 19F and section 30B of

	this Law and the Directive of Governance, particularly related with the legal and organisational structure of the group and its governance;
	(c) The list referred in subsection (1) includes the names of ACIs incorporated in the Republic which do not possess the capital specified in paragraph (b) of subsection (2) and identifies these ACIs as such.
	(12)(a) The Central Bank when acting as the competent authority of a host member state, shall not require operating licence or capital endowment for the branches of credit institutions authorised in other member states;
	(b) The establishment and the supervision of these branches are subject by the provisions of subsection (4) of section 6, of paragraph (d) of subsection (2) of section 10A, of subsections (4) and (5) of section 10A, of subsection (1) and of paragraph (a) of subsection (2) of section 10B, of subsections (1), (1A), (2), (4) and (7) of section 10C, of subsection (4) of section 10Cbis, of sections 10D, 10E and 10F, of subsections (2), (3) and (5) of section 19, of subsections (1) and (1B) of section 26, of subsection (2) of section 26C, of subsection (1) of section 26D and of section 30B.
Withdrawal of authorisation.	4A. (1) The Central Bank may withdraw the authorisation granted to an ACI only where the ACI -
	(a) does not make use of the authorisation within one year, expressly renounces the authorisation or has ceased to engage in business for more than six months (6) months, unless the Central Bank has made provision for the authorisation to lapse in such cases;
	(b) has obtained the authorisation through false statements or by any other irregular means;
	(c) no longer fulfils the conditions under which authorisation was granted;
	(d) no longer meets the prudential requirements set out in Parts Three, Four or Six of Regulation (EU) No 575/2013 or imposed under section 26I and subsections (1) and (4) of section 30 of this Law or can no longer be relied on to fulfil its obligations towards its creditors, and, in particular, no longer provides security for the assets entrusted to it by its depositors;
	(e) falls within one of the other cases where national law provides for withdrawal of authorisation, such as in subsections (2) and (3) of section 7 of the Resolution of Credit and Other Institutions Laws;
	(f) commits one of the breaches referred to in subsection (1) of section 41D.
	(2) Withdrawal of authorization shall be reasoned and the persons concerned shall be notified of those reasons by the Central Bank.
	(3) The Central Bank shall notify each withdrawal of authorization as well as the reasons for the withdrawal, to EBA.

Authorisation and operation of a bridge ACI.	4B.(1) The Central Bank may authorise a bridge credit institution which is incorporated under section 50 of the Resolution Law, to carry out the activities that it acquires by virtue of a transfer made pursuant to section 50 of the Resolution Law.
	(2) the bridge authorized credit institution complies with the supervisory requirements, and is subject to supervision in accordance with Regulation (EU) No 575/2013, the present Law and the Macroprudential Supervision of Institutions Law as well as with the Directives issued thereunder.
Official Journal, Annex One (I): No 4489, 30.01.2015, N. 6(I)/2015.	(3) Notwithstanding the provisions referred to in subsections (1) and (2), the Central Bank may, after an application by the Resolution Authority to accomplish the resolution objectives, authorize a bridge credit institution which does not comply with the provisions of this Law for a short period of time at the beginning of its operation, indicating the period for which the bridge credit institution is waived from complying with the requirements of this Law.
	PART III
	NAME OF CREDIT INSTITUTIONS AND ADVERTISEMENTS
Restriction of use of the word “bank” and ‘‘savings institution’’ and of the phrases “credit institution”, and “cooperative credit institution”.	5. (1) It is prohibited for any person:
	(a) other than a bank, to use in any language the word “bank”, and
	(b) other than a CCI, to use in any language the phrase “cooperative credit institution” or “savings institution”,
	or any grammatical variation thereof of the word “bank” or of the phrases “savings institution” or “credit institution” or “cooperative credit institution” in connection with any trade or business carried on by that person, unless the Central Bank has granted its prior written approval for this purpose and subject to any conditions which the Central Bank may consider proper to impose.”
	(2) For the purposes of exercising their activities, credit institutions, operating in the Republic through the use of a branch, may use in the Republic the same name that they use in the member state where their head office is situated. In the event of there being any danger of confusion, the Central Bank may, for the purposes of clarification, require that the name be accompanied by certain explanatory particulars.
	(3) The ACIs incorporated in the Republic may use the same name throughout the territory of the European Union as they use in the Republic, notwithstanding any provisions in the host Member State concerning the use of the words "bank", "savings institution" or other similar banking names. In the event of there being any danger of confusion, the branches of the ACIs, must, if required

	by the competent authority of the host member state, for the purposes of clarification, require that the name be accompanied by certain explanatory particulars.
Advertising. 22 of 1985 68 of 1987 190 of 1989 43 of 1980 12 of 1982 34 of 1991	6. (1) No person shall advertise, provoke or allow to be advertised or assist in the advertising of anything, or issue, or provoke or allow to be issued or assist any advertising or assist in the issuing of any advertisement or make any statement which aims at or is likely to induce the public to place money on deposits in any person, other than with an ACI or with the Housing Finance Corporation established under the Housing Finance Corporation Law.
	(2) For the purposes of this section the term "advertisement" includes every form of advertisement or promotion made by publication or display of notices or by any means or circulars or other documents or by exhibition of photographs or cinematograph films or by sound broadcasting or television or any other medium of mass communication, and references to the issue of an advertisement shall be construed accordingly.
	(3) The provisions of this section shall not be construed as prohibiting the importation and ordinary distribution in the Republic of newspapers, periodicals and books of wide circulation abroad, on the sole ground that they contain advertisements soliciting deposits for institutions operating abroad.
	(4) The provisions of subsections (1) of section 10B and of paragraph (a) of subsection (2) of section 10B and of sections 10D, 10E, 10F, 10G and 26IB, shall not prevent a credit institution with head offices in a member state, other than the Republic which provides services in the Republic under the provisions of section 10A, from advertising in the Republic its services through all available means of communication, subject to any rules that may govern the form and the content of such advertising adopted in the interests of the general good.
	PART IV
	PROVISIONS RELATED WITH THE FREE ESTABLISHMENT AND FREE PROVISION OF SERVICES
Place of business outside the Republic.	7.(1) Subject to the provisions of section 10C, an ACI incorporated in the Republic shall not establish or maintain a branch or a representative office outside the Republic without prior approval of the Central Bank. Such approval may be granted subject to any conditions which the Central Bank may consider proper to impose.
	(2) The Central Bank may at any time, by notice in writing, attach to an approval granted under subsection (1) any new conditions, or amend or cancel any conditions so attached, as it may think proper.

	(3) Subject to the provisions of section 41(2) the Central Bank may, at any time, by notice in writing, revoke an approval granted under subsection (1) and the operation of the branch or representative office, as the case may be, shall be terminated within such time limit as may be specified in the notice.
	(4) The Central Bank may at any time by notice in writing revoke at any time any approval granted under subsection (1) and the operation of the representative office shall be terminated within such time limit as may be specified in the notice.
Representative offices of overseas institutions.	8.(1) An institution which is entitled under the laws of another country to carry on business of a credit institution, shall not establish in the Republic a representative office without prior approval of the Central Bank which may grant its approval subject to any conditions which the Central Bank may consider proper to impose.
	(2) Notwithstanding the provisions of section 5, a representative office established under the provisions of subsection (1) may have the word "bank" or “savings institution” or “credit institution” or “cooperative credit institution” or any grammatical variation thereof as part of its name, provided that this is the name under which the institution to which it belongs carries on business in its country of origin and provided further that this name is used in the Republic in conjunction with the description "Cyprus Representative Office".
	(3) The Central Bank may at any time by notice in writing impose to an approval granted under subsection (1), any new conditions or amend or cancel any conditions already imposed, as it may think proper to perform.
	(4) The Central Bank may at any time by notice in writing revoke at any time any approval granted under subsection (1) and the operation of the representative office shall be terminated within such time limit as may be specified in the notice.
Termination of activities of a branch.	9. An ACI incorporated in a third country intending to terminate the operation of its branches in the Republic or an ACI incorporated in the Republic intending to terminate the operation of any of its branches outside the Republic should give to the Central Bank three months prior written notice of its intention to do so, or such shorter prior written notice as the Central Bank may determine.
Changes in Memorandum and Articles of Association.	10.(1) An ACI incorporated in the Republic shall furnish to the Central Bank as soon as possible and in any event not later than one month after changing its name or amending its memorandum or articles of association or any other instrument constituting or defining its constitution particulars of the change and or the amendments made.
	(2) The Central Bank may object to the change or to the amendments referred to in subsection (1) and in such a case the bank must comply with any direction of the Central Bank on this matter within three months at the latest.
	(3) An ACI, other than an ACI incorporated in the Republic, shall submit to the Central Bank, as soon as possible, and in any event not later than three months after changing its name or amending its memorandum or articles of association or any other instrument constituting or defining its particulars of the change and or the amendments made.

Annex IV	10A. (1) The activities listed in Annex IV may be performed in the Republic, according to the provisions of section 35 and Article 39, paragraphs 1 and 2, of the Directive 2013/36/EU, as well as subsection (4) of section 6, of paragraph (d) of subsection (2) and of subsections (4) and (5) of section 10A, of subsection (4) and of paragraph (a) of subsection (5) of section 10D, of subsection (1) of section 10F, of section 51, of subsections (1) and (2) of section 52 and of subsections (1) to (5) of section 53 of this Law, either through the establishment of a branch or through the provision of services, from every credit institution authorised and supervised by the competent authorities of another member state, where these activities are covered by its authorisation and where the competent authority of the other member state notifies the Central Bank, in the case of a branch, of the information referred in Article 35, paragraph 2, points b), c) and d), of the Directive 2013/36/EU as well as the information referred in Article 35, paragraph 3, of the Directive 2013/36/EU and in the case of free provision of services, the information referred in Article 39, paragraph 1, of the Directive 2013/36/EU;
	(2) (a) Deleted
	(b) Deleted
	(c) Deleted
	(d) Before the branch of a credit institution of another member state commences its activities in the Republic, the Central Bank as the competent authority of the host member state shall, within two months from receiving the information, referred in Article 35, paragraph 2, points b), c) and d), of the Directive 2013/36/EU, from the competent authority of the home member state, prepare for the supervision of the branch in accordance with subsection (1) of section 10B and paragraph (a) of subsection (2) and section 10B, of sections 10D, 10E, 10F, 10G and 26IB and and if necessary indicate the conditions under which, in the interests of the general good, those activities shall be carried out in the Republic.
	(3) Deleted
	(4) The credit institution, on receipt of the notification referred in subsection (1) from the Central Bank as the competent authority of the host member state, or in the event of the expiry of the period provided for in paragraph (d) of subsection (2) without communication from the Central Bank, may be established and may commence its activities through a branch in the Republic.
	(5) In the event of a change in any of the information communicated pursuant to points (b), (c) and (d) of Article 35 paragraph 2, of the Directive 2013/36/EU, from the credit institution to the competent authority of the home member state and to the Central Bank for the purposes of free establishment, the credit institution communicates in writing this change towards the competent authorities of the host member state as well as to the Central Bank, at least one (1) month before this change occurs, in order for the Central Bank to decide, as the competent authority of the host member state, in relation to the conditions referred in paragraph (d) of subsection (2).

Requirements regarding the submission of reports of branches	10B.(1) The Central Bank as the competent authority of a host member state may, for statistical purposes, require that every credit institution having a branch in the Republic, shall report periodically on its activities performed in the Republic.
	(2)(a) For the supervision of the liquidity of a branch of a credit institution from a member-state, according to paragraph (b), the Central Bank as the competent authority of a host member state may require the same information as it requires for that purpose from ACIs, from the branches of credit institutions from other member states.
	(b) The Central Bank, as a competent authority of a host member state, shall retain responsibility, in cooperation with the competent authority of the home member state, for the supervision of the liquidity of the branches of credit institutions.
	(c) Without prejudice to the measures necessary for the reinforcement of the European Monetary System, the Central Bank, acting as the competent authority of a host member state, shall retain complete responsibility for the measures resulting from the implementation of its monetary policy.
	(d) Such measures shall not provide for discriminatory or restrictive treatment based on the fact that a credit institution is authorised in another member state.
	(3) More than one operating headquarters set up in the same member state by a credit institution with headquarters in another member state shall be regarded as a single branch.
Financial institutions Annex IV.	10Bbis.- (1) The activities listed in Annex IV of this Law may be carried out within the Republic, in accordance with the provisions of Articles 35, 36, paragraphs 1, 2 and 3, 39 paragraph 1 and 2 and Articles 40 to 46 of the Directive 2013/36/EU, either by establishing a branch or by providing services, by any financial institution from another member state, whether a subsidiary of a credit institution or the jointly owned subsidiary of two or more credit institutions, the memorandum and Articles of association of which permit the carrying out of those activities and which fulfils each of the following conditions:
	(a) the parent undertaking or the parent undertakings are authorised as credit institutions in the member state by the law of which the financial institution is governed;
	(b) the activities in question are actually carried out within the territory of the same member state;
	(c) the parent undertaking or the parent undertakings hold 90 % or more of the voting rights attaching to shares in the capital of the financial institution;
	(d) the parent undertaking or the parent undertakings satisfy the Central Bank regarding the prudent management of the financial institution and declare, with the consent of the relevant home member state competent authorities, that they jointly and severally guarantee the commitments resumed by the financial institution;

	(e) the financial institution is effectively included, for the activities in question in particular, in the consolidated supervision of the parent undertaking, or of each of the parent undertakings, in accordance with subsection (4) of section 19, subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, subsections (5), (7), (8), (9) (10), (10A), (11), (11A), (12) and (13) of section 39, sections 39A, 39B, 39C, 39D, 39E and 39F and subsection (4) of section 42 of this Law and Part One, Title II, Chapter 2 of Regulation (EU) No 575/2013, in particular for the purposes of the own funds requirements set out in Article 92 of that Regulation, for the control of large exposures provided for in Part Four of that Regulation and for the purposes of the limitation of holdings provided for in Articles 89 and 90 of that Regulation.
	(2) The Central Bank as a competent authority of the host member state, shall receive a certificate of compliance with the conditions set out in subsection (1) by the competent authority of the home member state of the financial institution, and such certificate shall form part of the notification referred to in Articles 35 and 39 of the Directive 2013/36/EU.
	(3) If the Central Bank, as a competent authority of the host member state, is informed by the competent authorities of the home member state, that the financial institution, as referred to in subsection (1), ceases to fulfil any of the conditions imposed, the activities carried out by that financial institution in the Republic shall become subject to Cyprus legislation.
	(4)This section shall apply accordingly to subsidiaries of a financial institution.
Requirement for notification and cooperation of Central Bank, as a home member state, with other competent authorities.	10C. (1) An ACI incorporated in the Republic and wishing to establish a branch within the territory of another member state shall notify the Central Bank.
	(1A) An ACI incorporated in the Republic and wishing to establish a branch in another member state, shall provide all the following information when effecting the notification referred to in subsection (1):
	(a) the member state within the territory of which it plans to establish a branch;
	(b) a programme of operations setting out, inter alia, the types of business envisaged and the structural organisation of the branch;
	(c) the address in the host member state from which documents may be searched for and obtained;
	(d) the names of the persons to be responsible for the management of the branch.
	(2)(a) Unless the Central Bank, as a competent authority of the home member state, has no reason to doubt the adequacy of the administrative structure or the financial situation of the ACI, taking into account the activities envisaged, it

	shall, within three months from the submission of the notification and the information referred to in subsection (1A), communicate that information to the competent authorities of the host member state and shall inform the ACI accordingly.
	(b) The Central Bank, as a competent authority of the home member state, shall also communicate the amount and composition of own funds and the sum of the own funds requirements of the ACI, under Article 92 of Regulation (EU) No 575/2013.
	(3) Deleted
	(4) Where, the Central Bank, as a competent authority of the home member state, refuses to notify the information referred to in subsection (1A) to the competent supervisory authority of the host member state, shall give reasons for its refusal to the ACI concerned within three (3) months of receipt of all the information.
	That refusal or a failure to reply shall be subject to a right to apply to the courts under section 146 of the Constitution.
	(4A) In the event of a change in any of the information communicated pursuant to paragraphs (b), (c) and (d) of subsection (1A), the ACI shall give written notice of the change in question to the Central Bank and to the competent authority of the host member state, at least one month before making the change, in order to enable the Central Bank to take a decision following the notification under subsection (1) and the competent authorities of the host member state to take a decision setting out the conditions under which for the public interests such activities shall be conducted in the host member state.
	(5) Any ACI wishing to exercise the freedom to provide services by carrying out its activities within the territory of another member state for the first time, shall notify the Central Bank of the activities on the list in Annex IV which it intends to carry out.
	(6) The Central Bank shall forward to the competent authorities of the host member state, the notification provided for in subsection (5), within one (1) month of its date of receipt.
	(7)The Central Bank shall inform the Commission and the EBA of the number and type of cases in which there has been a refusal pursuant to the provisions of subsections (1) to (4A) of this section.
	(8) The provisions of subsections (5) and (6) shall not affect rights acquired by ACIs providing services before 1 January 1993.
Financial institutions- Establishment in another member state.	10Cbis.- (1) The Central Bank as a competent authority of the ACI's home member state which constitutes the parent undertaking of a financial institution, shall check compliance with all the conditions set out in paragraphs (a) to (e) of subsection (1) of section 36 and where the relevant conditions of subsection (1) are met, shall supply the financial institution with a certificate of compliance which shall form part of the notification provided to the competent authority of the host member state.

	(2) If the financial institution ceases to fulfil any of the conditions imposed, the Central Bank shall notify accordingly the competent authorities of the host member state and the activities carried out by that financial institution in the host member state shall become subject to the law of the host member state.
	(3). The subsections (1) and (2) of this section shall apply accordingly to the subsidiaries of a financial institution.
	(4) The Central Bank, as the competent authority of the home member state, shall also communicate to the competent authority of the host member state, the amount and composition of own funds of the financial institution and the total risk exposure amounts calculated in accordance with Article 92, paragraphs 3 and 4, of Regulation (EU) No 575/2013 of the ACI which is its parent undertaking.
Measures taken by the Central Bank in relation to activities carried out by branches.	10D. (1) Where the Central Bank as a competent authority of a host member state, ascertains that a credit institution, having a branch according to the provisions laid down in subsection (1) of section 10A or providing services within the Republic, is not complying with the provisions of this Law, the Central Bank shall require the credit institution concerned to remedy its non-compliance and comply with the provisions of this Law.
	(2) If the credit institution involved does not comply, the Central Bank shall inform the competent authority of the home member state accordingly.
	(3) If, despite the measures taken by the competent authority of the home member state or because such measures prove inadequate or are not provided for in the home member state in question, the credit institution persists in contravening the provisions of this Law, the Central Bank may, after informing the competent supervisory authority of the home member state, take appropriate measures to prevent or to punish further breaches and, to the extent this is necessary, to prevent that credit institution from initiating further transactions within the Republic.
	(4) Notwithstanding the provisions of section 10B and subsections (1) to (3) of this section, the Central Bank may take any necessary measures for the prevention or the punishment of those who shall commit an offense within the Republic under this Law or against the regulations adopted under this Law or for the interests of the general public. The Central Bank may, inter alia, prevent the credit institutions that contravene to initiate further transactions within the Republic.
	(5)(a) The Central Bank, as the competent authority of the host member state, shall properly reason and communicate to the credit institution concerned, any measure taken pursuant to subsections (1) and (4) of this section or of section 10E, involving the imposition of penalties or restrictions on the exercise of the freedom to provide services or the freedom of establishment;
	(b) The Central Bank, as the competent authority of the home member state, shall properly reason and communicate to the ACIs concerned, any measure taken pursuant subsections (1) and (4) of this section or of section 10E, involving the imposition of penalties or restrictions on the exercise of

	the freedom to provide services or the freedom of establishment in another member state.
Take of precautionary measures.	10E. (1) The Central Bank, before following the procedure provided for in section 10D, as the competent authority of the host member state may, in emergencies, take any precautionary measures necessary to protect the interests of depositors, investors and others to whom services are provided and the Commission and the competent authorities of the other member states concerned shall be informed of such measures at the earliest opportunity.
	(2) The measures taken by the Central Bank pursuant subsection (1), may be amended or abolished upon the Commission's decision after consulting with the other competent authorities concerned, for this purpose.
Measures following withdrawal of authorisation	10F.(1) The Central Bank as the competent authority of the host member state, when informed in the event of withdrawal of authorisation by the competent authority of the home member state, shall take appropriate measures to prevent the credit institution concerned from initiating further transactions within the territory of the Republic and to safeguard the interests of depositors.
	(2)The Central Bank, in the event of withdrawal of authorisation of an ACI incorporated in the Republic, as the competent authority of the home member state shall inform the competent authorities of the host member state without delay.
Notification in relation to third-country branches and conditions of access for credit institutions with such branches.	10G. (1) The Central Bank shall not apply to branches of ACIs having their head office in a third country, when commencing or continuing to carry out their business, provisions which result in more favourable treatment than that accorded to branches of credit institutions having their head office in the Union.
Official Journal of E.U.: L 3, 7.1.2004, pg.36	(2) The Central Bank shall notify the Commission, the EBA and the European Banking Committee established under the Commission's Decision, of 5 November 2003, for the constitution of the European Banking Committee (2004/10/EC) of all authorisations for branches granted to credit institutions having their head office in a third country.
	PART V
	LIMITATIONS AND PROHIBITIONS ON CERTAIN BUSINESS ACTIVITIES AND TRANSACTIONS
Limitation on credit facilities.	11. (1) Subject to the provisions of subsection (2) of section 46, an ACI incorporated in the Republic shall not –
	(a) Deleted;
	(b) have any exposure to any of the independent members of the management body;
	(c) grant to any non-independent member of the management body any exposure unless, the transaction was approved by a resolution of the

	management body of the ACI carried by a majority of two-thirds of the members that participated in the management body meeting and the member concerned was not present during the discussion of this subject by the management body and did not vote on the resolution. The exposures granted in such cases, shall be granted on the same commercial terms as the ACI would apply to its customers for similar exposures in the ordinary course of banking practice;
	(d) subject to the provisions of paragraphs (b), (c) and (e) to (g), permit the total value of exposures in respect of all members of the management body together to exceed at any time ten per cent (10%) of its own funds, or such other lower percentage as the Central Bank may determine from time to time;
	(f) subject to the provisions of paragraphs (b) to (d) and (g) permit the total value of exposures to any member of the management body to exceed at any time the amount of five hundred thousand euro (€500.000) or such other lower percentage as the Central Bank may determine from time to time;
	(g) subject to the provisions of paragraphs (b) to (f), permit the granting of financing at any time to any executive member of the management body that does not comply to the terms and regulations or exceed the limits that apply to all staff of the ACI or such other lower percentage as the Central Bank may determine from time to time;
	(h) subject to the provisions of paragraphs (b) to (g), grant to any shareholder holding directly or indirectly more than ten percent (10%) of the share capital of the ACI, a large exposure;
	(i) subject to the provisions of paragraphs (b) to (h), grant to all shareholders of the ACI holding directly or indirectly more than ten percent (10%) of the share capital of the ACI, exposures that in total exceed twenty percent (20%) of the ACI's own funds;
	(j) subject to the provisions of paragraphs (b) to (i), grant to all shareholders of the ACI holding directly or indirectly more than ten percent (10%) of the share capital of the ACI, unsecured exposures that in total exceed two percent (2%) of the ACI's own funds;
	It is provided that the provisions of paragraphs (h), (i) and (j) shall not apply in the case where the shareholder is the Republic;
	(1A) Each ACI shall at all times comply with all the limits laid down in subsection (1). If, in an exceptional case, exposures exceed any such limit, the ACI shall report without delay to the Central Bank, the excess amount, the reasons that led to the excess of the limit and the actions of the ACI for compliance with the said limit, not later than one month from the excess occurrence;
	It is provided that in case where the ACI does not comply within the one month deadline, the appointment of the member of the management body whose exposure created the excess, is terminated with immediate effect.

	(1A)(bis) Each ACI shall monitor on an ongoing basis the exposures to members of the management body and if an exposure to a member of the management body becomes non-performing, the ACI shall terminate immediately the appointment of the said member of the management body.
	(1B) Deleted.
	(2) In determining compliance with subsection (1), the Central Bank may exempt any exposure from time to time having regard to the exceptionally low risk arising from the exposures concerned, provided that such exemptions are not in conflict with European Union acts in force in the Republic.
	(3) Deleted
	(3A) Deleted
	(3B) For the purposes of this section, the term "members of the management body" shall also include the connected with them persons.
	(3C) The Central Bank specifies with a directive issued under section 41 –
	(a) the definition of the term connected persons for the purposes of this section; and
	(b) the method of calculation of the tangible security for the purposes of this section.
	(4) For the purposes of this Law -
	(a) Deleted
	(b) Deleted
	(c) Deleted
	(d) Exposures shall not include any of the following:
	(i) in the case of foreign exchange transactions, exposures incurred in the ordinary course of settlement during the two working days following payment;
	(ii) in the case of transactions for the purchase or sale of securities, exposures incurred in the ordinary course of settlement during five working days following payment or delivery of the securities, whichever is the earlier;
	(iii) in the case of the provision of money transmission including the execution of payment services, clearing and settlement in any currency and correspondent banking or financial instruments clearing, settlement and custody services to clients, delayed receipts in funding and other

	exposures arising from client activity which do not last longer than the following business day; or
	(iv) in the case of the provision of money transmission including the execution of payment services, clearing and settlement in any currency and correspondent banking, intra-day exposures to institutions providing those services.
	(e) Deleted.
	(5) For the purposes of calculating the value of exposures in accordance with this section, the term "ACI" also means any private or public undertaking, including its branches, which meets the definition of "credit institution" and has been authorised in a third country.
	(6) Each ACI incorporated in the Republic, shall have sound administrative and accounting procedures and adequate internal control mechanisms for the purposes of identifying, managing, monitoring, reporting and recording all large exposures to the members of the management body and the shareholders with qualifying holdings in the ACI and the subsequent changes to them, in accordance with this Law and the directives issued by virtue of this Law.
Limitations on holdings of immovable property.	12. (1) An ACI shall not acquire or purchase any immovable property or hold any right therein, except in the cases -
	(a) where the property may be currently required for the purpose of conducting its business or for providing recreation facilities to its staff or with the prior written approval of the Central Bank for the purpose of establishing a cultural centre of a non-profit making character; or
	(b) where the property is acquired as a result of a process of selling the property in the course of satisfaction of debts due to the ACI or is acquired in the course of settlement of debts due to the ACI provided that the property shall be disposed of as soon as possible and in any case within three years of its acquisition except where the Central Bank extends the period of three years if it considers that such extension is fully justified on account of exceptional circumstances;
Cap. 109 52 of 1969 55 of 1972 50 of 1990	It is provided that in the case of an overseas ACI, the provisions of the Acquisition of Immovable Property (Aliens) Law shall not apply.
Cap. 224. 3 of 1960 78 of 1965 10 of 1966 75 of 1968 51 of 1971 2 of 1978 16 of 1980 23 of 1982 68 of 1984	(2) For the purposes of this section the term "immovable property" has the meaning assigned to it by section 2 of the Immovable Property (Tenure, Registration and Valuation) Law.

82 of 1984 86 of 1985 189 of 1986 12 of 1987 74 of 1988 117 of 1988 43 of 1990 65 of 1990 30(I) of 1992 90(I) of 1992 6(I) of 1993 58(I) of 1994 40(I) of 1996.	
Restrictions on the holding of share capital	13. Deleted.
Prohibition of trading activities.	14.(1) Subject to the provisions of subsection (3) of section 46 and subject to the provisions of subsections (1A), (1B) and (1C) of this section, an ACI shall not exercise on its own account or on a commission basis a commercial activity, unless such activity is included in the activities described in Annex IV of this Law or unless this activity constitutes an ancillary service undertaking as defined in Article 4, paragraph 1, point (18) of Regulation (EU) no. 575/2013.
	(1A) Subject to the provisions of section 12, a credit institution which, in the course of a settlement of debts procedure owed to it, holds immovable property, or share capital in another company may:
	(a) carry out any necessary maintenance works,
	(b) lease the property or the business to third parties, provided that such lease shall not limit the possibility of selling the property or the business, and
	(c) complete semi-finished projects or develop the property in another way in order to make it marketable on the basis of a relevant feasibility study, provided that it has taken all appropriate prior actions to sell the property, but these were unsuccessful.
	(1B) A credit institution which, in the course of settlement of debts a procedure, acquires share capital in a company, provided that the rights of the other shareholders are not affected, according to the provisions of the Companies Law Cap. 113, as corrected, may appoint-
	(2) Deleted.
	(3) In exceptional cases, an ACI may after the prior written approval of the Central Bank, rent to a third party immovable property that was bought or acquired for the purposes provided in paragraph (a) of subsection (1) of section 12.
Prohibition of dealing in own shares.	15. An ACI incorporated in the Republic shall not -

	(a) acquire or deal for its own account in its own shares without the prior approval of the Central Bank, which is granted subject to the provisions of the Companies Law or of the Cooperative Societies Law, as they may be amended or replaced, with regards to a company's right of redemption or acquisition of its own shares; or
	(b) grant, direct or indirect, credit facilities for the purchasing of its own shares or the shares of its holding company or the shares of any subsidiary of the ACI or of its holding company ;
	It is provided that, the provisions of this paragraph shall not apply in the case of a subsidiary company of an ACI, established for the purpose of acquiring immovable property or other assets in the course of debt settlement procedure, provided that the borrower to whom the credit facility for the acquisition of share capital of such company is granted, is not the same or is not associated through single credit risk with the borrower who had transferred to the said subsidiary of the ACI immovable property or another asset in the course a debt settlement procedure.
	15A. Deleted.
	PART VI
	OWNERSHIP AND MANAGEMENT OF ACI
Amalgamation.	16.(1) Notwithstanding the provisions of any other Law-
	(a) an ACI incorporated in the Republic shall not sell or dispose the whole or part of its business by amalgamation or otherwise, except with the prior written approval of the Central Bank;
	(b) an ACI, other than an ACI incorporated in the Republic, shall not sell or dispose the whole or part of its business in the Republic, by amalgamation or otherwise, except with the prior written approval of the Central Bank.
	(2) Any approval of the Central Bank under subsection (1) may be granted subject to any conditions which the Central Bank may consider proper to impose.
	16A. Deleted.
Restrictions on share capital holding of an ACI.	17.(1) Any natural or legal person (hereinafter, for the purposes of this section and sections 17A and 17B the "proposed acquirer"), who individually or in concert with other persons have taken a decision either to acquire, directly or indirectly, a qualifying holding in an ACI established in the Republic or to further increase, directly or indirectly, such a qualifying holding in ACI established in the Republic as a result of which the proportion of the voting rights or of the capital held would reach or exceed twenty percent (20%), thirty percent (30%) or fifty (50%) or so that the ACI would become its subsidiary (hereinafter, for the purposes of this section and sections 17A and 17B the "proposed acquisition"), shall notify the Central Bank in advance, indicating the size of the

	intended holding and the relevant information, as specified in subsection (4) of section 17A.
	(2)(a) The Central Bank, promptly and in any event, within two working days from the receipt of notification and further information as provided under subsection (3), acknowledges their receipt in writing to the proposed acquirer;
	(b) The Central Bank shall have a maximum of sixty (60) working days as from the date of the written acknowledgement of receipt of the notification and all documents required to be attached to the notification on the basis of the list referred to in subsection (4) of section 17A (hereinafter and for the purposes of this section and of sections 17A and 17B, referred to as the 'assessment period'), to carry out the assessment provided for in subsection (1) of section 17A (hereinafter and for the purposes of this section and of sections 17A and 17B, referred to as 'the assessment');
	(c) The Central Bank at the time of acknowledging receipt, shall inform the proposed acquirer of the date of the expiry of the assessment period.
	(3)(a) The Central Bank may, during the assessment period, if necessary, and no later than on the fiftieth (50th) working day of the assessment period, request in writing any further information that is necessary to complete the assessment specifying the additional information needed;
	(b) During the period between the date of request for information by the Central Bank and the receipt of a response thereto by the proposed acquirer, the assessment period shall be suspended. The suspension shall not exceed twenty (20) working days;
	The Central Bank has the discretion to determine additional requests for completion or clarification of the information but this shall not result in a suspension of the assessment period.
	(4) The Central Bank may extend the suspension referred to in the second paragraph (b) of subsection (3) up to thirty (30) working days if the proposed acquirer is situated or regulated in a third country or is a natural or legal person not subject to supervision under this Law or the provisions of national Laws transposing into member states Laws –
	(a) the Directive 2013/36/EU,
	(b) the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS),
	(c) the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, relating to the taking up and pursuit of the business of insurance and reinsurance (Solvency II), or
	(d) the Directive 2004/39/EC.

	(5) In case the Central Bank decides to oppose the proposed acquisition, it shall, within two working days of completion of the assessment, and not exceeding the assessment period, inform the proposed acquirer in writing, providing the reasons of its decision. An appropriate statement of the reasons for the decision may be made accessible to the public at the request of the proposed acquirer. The Central Bank may make such disclosure in the absence of a request by the proposed acquirer.
	(6) If the Central Bank does not oppose the proposed acquisition within the assessment period in writing, it shall be deemed to be approved.
	(7) The Central Bank may fix a maximum period for concluding the proposed acquisition and extend it where appropriate.
	(8) In case where, during the exercising of the powers and responsibilities of this Law, of the Macro-prudential Supervision of Institutions Law and of Regulation (EU) no. 575/2013, is ascertained that any person violates or fails to comply with -
	(a) the provisions of subsections (1) and (3) of section 3, regarding the business of taking deposits or other repayable funds from the public without being a credit institution;
	(b) the provisions of paragraph (a) of subsection (1) of section 4, regarding the commencing of activities as a credit institution without obtaining authorisation;
	(c)The provisions of subsection (1), regarding a person who is acquiring, directly or indirectly, a qualifying holding established in the Republic, or further increasing, directly or indirectly, such a qualifying holding in an ACI established in the Republic, as a result of which the proportion of the voting rights or of the capital held would reach or exceed the thresholds referred to in subsection (1) of section 17, or so that the ACI would become its subsidiary, without notifying in writing the Central Bank, during the assessment period, or against the opposition of the Central Bank;
	(d) the provisions of subsection (1) regarding a person disposing, directly or indirectly, of a qualifying holding in an ACI established in the Republic or reducing a qualifying holding so that the proportion of the voting rights or of the capital held would fall below the thresholds referred to in section 17C or so that the ACI would cease to be a subsidiary, without notifying in writing the Central Bank;
	the Governor of the Central Bank, after calling the person who contravenes or fails to comply, to state its defence, has the power to impose for each and every contravention an administrative fine, up to one million euro (€1.000.000) and in the case of a continuing contravention the Governor of the Central Bank is additionally empowered to impose a further administrative fine, ranging from two hundred euro (€200) to one hundred thousand euro (€100.000), for each day during which the contravention continues.

	(9) Irrespective of the administrative penalties that may be imposed under subsection (8), the Governor of the Central Bank may apply the following administrative measures regarding the cases referred to in subsection (1):
	(a) a public statement which identifies the natural person, the ACI, the financial holding company or the mixed financial holding company responsible and the nature of the breach;
	(b) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct;
	(c) issue a decree based on which the disposal, the signing of a disposal agreement, the sale, the exchange, the leasing, the transfer, the donation and in general the parting of the shares held will be void;
	(d) prohibition of the acquisition, either through the issue of bonus shares or through a rights issue, of shares of the ACI; or
	(e) prohibition of any payments from the ACI which are derived from the shares, except in the case of the dissolution of the ACI;
	(f) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover including the gross income consisting of interest receivable and similar income, income from shares and other variable or fixed-yield securities, and commissions or fees receivable in accordance with Article 316 of Regulation (EU) No 575/2013 of the undertaking in the preceding business year;
	(g) in the case of a natural person, administrative pecuniary penalties of up to five million euro (€5.000.000);
	(h) administrative pecuniary penalties of up to twice the amount of the benefit derived from the breach, where that benefit can be determined;
	(i) suspension of the voting rights of the shareholder or shareholders held responsible for the breaches referred to in subsection (1).
	It is implied that in case the credit institution is a subsidiary of a mother undertaking, the relevant gross income is the gross income derived from the consolidated statements of the leading mother undertaking in the preceding financial year.
	(10)(a) Irrespective of the provisions of subsections (8) and (9), where a natural or legal person fails to notify the Central Bank as provided for in subsection (1) or acquires control of a bank despite the contrary decision of the Central Bank, the Governor may impose an administrative fine in accordance with the provisions of section 42;
	(b) In the case of a legal person, the Governor may impose the fines provided for in paragraph (a) on those members of the board of directors, or / and managers who were responsible, or negligent, or failed to act, or in their knowledge, the legal person;

	(i) violates the requirement to notify the Central Bank, as provided for in subsection (1) or
	(ii) acquires control, despite the contrary decision of the Central Bank.
100(I) of 2009	(11) The Central Bank, by virtue of section 41, issues a directive in order to specify the assessment criteria for the purposes of this section.
Assessment criteria.	17A. (1) In assessing the notification provided for in section (1) of section 17 and the information referred to in subsection (3) of section 17, the Central Bank shall, in order to ensure the sound and prudent management of the ACI in which an acquisition is proposed, and having regard to the likely influence of the proposed acquirer on the ACI, appraises the suitability of the proposed acquirer and the financial soundness of the proposed acquisition against all of the following criteria:
	(a) the reputation of the proposed acquirer;
	(b) the reputation, the knowledge, the competencies and the experience of any member of the management body and of any senior manager, as defined in the Directive on the Assessment of the Fitness and Probity of Members of the Management Body and Managers of Authorised Credit Institutions of 2014, who will direct the business of the ACI as a result of the proposed acquisition;
	(c) the financial soundness of the proposed acquirer, in particular in relation to the type of business pursued and envisaged in the ACI in which the acquisition is proposed;
81(I) of 2012	(d) the ability of the ACI to comply and to continue to comply and to continue to comply with the requirements of prudential supervision based on this Law, the Regulation (EU) no. 575/2013 and, where applicable according to union law and the related Cypriot harmonized provisions, notably, the Electronic Money Law and the Central Bank of Cyprus Directive of 2012 on the Supplementary Supervision of Banks which belong in a Financial Conglomerate, in particular whether the group of which it will become a part has a structure that makes it possible to exercise effective supervision, effectively exchange information among the competent authorities and determine the allocation of responsibilities among the competent authorities; and
188(I) of 2007 58(I) of 2010 80(I) of 2012 192(I) of 2012 101(I) of 2013 184(I) of 2013.	(e) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing within the meaning of section 4 of The Prevention and Suppression of Money Laundering Activities Laws is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof.
	(2) The Central Bank may oppose the proposed acquisition only if there are reasonable grounds for doing so on the basis of the criteria set out in subsection (1) or if the information provided by the proposed acquirer is incomplete.

	(3) The Central Bank shall neither impose any prior conditions in respect of the level of holding that must be acquired nor examine the proposed acquisition in terms of the economic needs of the market.
	(4) The Central Bank shall make publicly available a list specifying the information that is necessary to carry out the assessment and that must be provided to the Central Bank at the time of notification referred to in subsection (1) of section 17. The information required shall be proportionate and adapted to the nature of the proposed acquirer and the proposed acquisition:
	It is noted that the Central Bank shall not require information that is not relevant for a prudential assessment.
	(5) Notwithstanding subsections (2), (3) and (4) of section 17, where two or more proposals to acquire or increase qualifying holdings in the same ACI have been notified to the Central Bank, the latter shall treat the proposed acquirers in a non-discriminatory manner.
Cooperation between the competent authorities.	17B. (1) The Central Bank, when carrying out the assessment of the proposed acquisition, it shall work in full consultation with the relevant competent authorities if the proposed acquirer is one of the following:
	(a) a credit institution, an insurance undertaking, a reinsurance undertaking, or an investment firm or an asset management company, authorised in another member-state or in a sector other than that in which the acquisition is proposed;
	(b) the parent undertaking of a credit institution, of an assurance or reinsurance undertaking, of an investment firm or an asset management company, authorised in another member-state or in a sector other than that in which the acquisition is proposed; or
	(c) a natural or legal person controlling a credit institution, an assurance or reinsurance undertaking, an investment firm or an asset management company, authorised in another member-state or in a sector other than that in which the acquisition is proposed.
	(2) The Central Bank, when deciding for the proposed acquisition of holdings in an ACI incorporated in the Republic, shall indicate any views or concerns expressed by the competent authority, responsible for the supervision of the proposed acquirer
	(3) In the case where the Central Bank is responsible for the supervision of the potential acquirer:
	(a) shall provide without undue delay, to the other relevant competent authorities every significant or relevant information for the assessment and shall communicate to them, on request, every relevant information and shall notify all the significantly important information, on its own initiative;
	(b) may express any views or concerns to the other competent authority in an attempt to be included in the decision.

Notification in the case of holdings disposal.	17C. (1) Any natural or legal person who has taken a decision to dispose, directly or indirectly, of a qualifying holding in an ACI incorporated in the Republic, must notify the Central Bank in writing in advance, indicating the size of the holding concerned.
	(2) Such a person shall also notify the Central Bank, if it has taken a decision to reduce its qualifying holding in an ACI incorporated in the Republic, so that the proportion of the voting rights or of the capital held would fall below twenty percent (20%), thirty percent (30%) or fifty percent (50%), or so that the ACI would cease to be its subsidiary.
Information obligations and penalties.	17D.(1)(a) Any ACI incorporated in the Republic, shall, on becoming aware of any acquisitions or disposals of qualifying holdings in its capital that cause holdings to exceed or fall below one of the thresholds referred to in subsection (1) of section 17 and in section 17C, inform the Central Bank accordingly;
	(b) The ACIs admitted to trading on a regulated market shall, at least annually, inform the Central Bank, of the names of shareholders and members possessing qualifying holdings and the sizes of such holdings as shown, mainly, by the information received at the annual general meetings of shareholders and members or as a result of compliance with the regulations relating to companies admitted to trading on a regulated market.
	(2)(a) Where the influence exercised by the person referred to in subsection (1) of section 17 is likely to be to the detriment of the prudent and sound management of the ACI incorporated in the Republic, the Central Bank shall take appropriate measures to put an end to that situation, such as temporary measures, penalties, subject to subsections (8) to (10) of section 17 and of sections 41A, 41C, 41D, 41E, 42B, 42C and 42D against members of the management body and managers, or the suspension of the exercise of the voting rights attached to the shares held by the shareholders or members of the ACI in question;
	(b) Similar measures such as those referred to in paragraph (a) shall apply to natural or legal persons who fail to comply with the obligation to provide prior information as set out in subsection (1) of section 17 and according to the provisions of subsections (8) to (10) of section 17 and of sections 41A, 41C, 41D, 41E, 42B, 42C and 42D;
	(c) If a qualifying holding is acquired despite the opposition by the Central Bank and regardless of any other penalty to be adopted under this Law, the Central Bank may additionally ask for either the exercise of the corresponding voting rights to be suspended, or for the nullity of votes cast or for the possibility of their annulment.
	(3)(a) In determining whether the criteria for a qualifying holding as referred to in sections 17, 17C and in subsections (1) and (2) of this section are fulfilled, the voting rights referred to in sections 28, 29 and 30 of the Transparency Requirements (Securities to Trading on a Regulated Market) Laws as well as the conditions regarding aggregation thereof set out in sections 34 and 35 of these Laws, shall be taken into account;

	(b) In determining whether the criteria for a qualifying holding as referred to in sections 17, 17C and in subsections (1) and (2) of this section are fulfilled, the Central Bank shall not take into account voting rights or shares which institutions may hold as a result of providing the underwriting of financial instruments or placing of financial instruments on a firm commitment basis included under paragraph 6 of Part I of the Third Annex of of the Investment Services and Activities and Regulated markets Laws as amended, provided that those rights are not exercised or otherwise used to intervene in the management of the issuer and are disposed of within one year of acquisition.
	(4) The ACI shall know for every legal person that possesses at least five percent (5%) of its issued share capital, the names of the ultimate beneficial owners to whom each legal person belongs to, and to disclose this information to the Central Bank at least once a year or when there has been an amendment or a change to the information:
	It is provided that, where the legal person possessing more than five percent (5%) of the issued share capital of the ACI is a company which has at least twenty (20) shareholders, the ACI should know only the shareholders of that legal person who possess five percent (5%) or more of that legal person's issued share capital and to disclose this information to the Central Bank at least once a year or when there has been an amendment or change to the information:
	It is further provided that where the legal person possessing more than five percent (5%) of the issued share capital of the ACI is a company whose shares are listed on a regulated market, the ACI should know only the shareholders of that legal person who possess five percent (5%) or more of that legal person's issued share capital and to disclose this information to the Central Bank, at least once a year:
	It is further provided that, where the ACI, has not been able to know the ultimate beneficial shareholders and the shareholders as above, after having actively attempted to do so, it shall inform the Central Bank which at its discretion may exempt the bank from the requirements provided for in this subsection.
Assessment of shareholders in cases of the bail-in tool or the conversion of capital instruments.	17E. (1) By way of derogation from sections 17 to 17C of this Law and the requirement to give a notice as provided in section 17D of this Law, where the application of the bail-in tool or the conversion of capital instruments as provided in section 34 of the Resolution Law would result in the acquisition of or increase in a qualifying holding in an ACI incorporated in the Republic, the Central Bank shall carry out the assessment required under those sections in a timely manner that does not delay the application of the bail-in tool or the conversion of capital instruments, or prevent resolution action from achieving the relevant resolution objectives.
	(2) If the Central Bank has not completed the assessment required under subsection (1) on the date of application of the bail-in tool or the conversion of capital instruments, section 17G(2) shall apply to any acquisition of or increase in a qualifying holding by an acquirer resulting from the application of the bail-in tool or the conversion of capital instruments.

Authorisation to purchaser of shares or other assets of ACI under resolution.	17F.(1) In case where, under section 48 of the Resolution Law, the resolution authority has the power to transfer:
	(a)shares or other instruments of ownership issued by an ACI under resolution; or
	(b)all or any assets, rights or liabilities of an ACI under resolution;
	to a purchaser that is not a bridge ACI, the Central Bank commences an early examination of the application for authorisation in conjunction with the transfer.
Assessment of potential shareholders of ACIs under resolution during the application of the sale of business tool.	17G.(1) By way of derogation from sections 17 to 17C of this Law and from the requirement to give a notice to the Central Bank under section 17D of this Law, where a transfer of shares or other instruments of ownership by virtue of an application of the sale of business tool provided in section 48 of the Resolution Law, would result in the acquisition of or increase in a qualifying holding in an ACI, the Central Bank shall carry out the assessment required under those sections in a timely manner that does not delay the application of the sale of business tool and prevent the resolution action from achieving the relevant resolution objectives.
	(2) If the Central Bank has not completed the assessment referred to in subsection (1) from the date of transfer of shares or other instruments of ownership in the application of the sale of business tool by the resolution authority, the following provisions shall apply:
	(a) such a transfer of shares or other instruments of ownership to the acquirer shall have immediate legal effect;
	(b) during the assessment period and during any divestment period provided by paragraph (f), the acquirer's voting rights attached to such shares or other instruments of ownership shall be suspended and vested solely in the resolution authority;
	(c) during the assessment period and during any divestment period provided by paragraph (f), the penalties and other measures for infringing the requirements for acquisitions or disposals of qualifying holdings contemplated by sections 17(8) and (9) and 41D and 42B shall not apply to such a transfer of shares or other instruments of ownership;
	(d) promptly upon completion of the assessment by the Central Bank, it shall notify the resolution authority and the acquirer in writing of whether the Central Bank approves or, in accordance with section 17(5) opposes such a transfer of shares or other instruments of ownership to the acquirer;
	(e)if the Central Bank approves such a transfer of shares or other instruments of ownership to the acquirer, then the voting rights attached to such shares or other instruments of ownership shall be deemed to be fully vested in the acquirer immediately upon receipt by the resolution authority and the acquirer of such an approval notice;

	(f) if the Central Bank opposes such a transfer of shares or other instruments of ownership to the acquirer, then:
	(i)the voting rights attached to such shares or other instruments of ownership as provided by paragraph (b) shall remain in full force and effect; and
	(ii) in case the resolution authority under section 48(8)(d)(ii) of the Resolution Law requires the divestment of shares or other instruments of ownership by the acquirer within the time period specified and if the acquirer does not complete such a divestment within the divestment period established by the resolution authority, then the Central Bank, with the consent of the resolution authority, may impose on the acquirer penalties and other measures for infringing the requirements for acquisitions or disposals of qualifying holdings contemplated by sections 17(8) and (9) and 41D and 42B of this Law.
	(3) For the purposes of exercising the rights to provide services or to establish itself in another Member State in accordance with section 10C, the purchaser shall be considered to be a continuation of the ACI under resolution, and may continue to exercise any such right that was exercised by the ACI under resolution in respect of the assets, rights or liabilities transferred.
Assessment and approval by the Central Bank of the members of the management body, senior management and key function holders..	18. (1)(a) Legal persons shall not be appointed as members of the management body of an ACI established in the Republic.
	(b) Notwithstanding the provisions of the Companies Law, as corrected, no person shall act as member of the management body or as senior management or as key function holder or participate in any way in the meetings of the management body of an ACI established in the Republic, without the prior approval of the Central Bank:
	It is provided that the provisions of this paragraph shall not apply in the case of experts and senior management of the ACI who are called upon to give advice on specific matters to be examined by the management body.
	(c) Notwithstanding the provisions of paragraph (b) and subject to the provisions of Bankruptcy Law and the Rehabilitation of Convicted Persons Law, a person who-
	(i) has been declared bankrupt; or
	(ii) has been convicted in any country for an offence involving fraud or dishonesty; or
	(iii) has been convicted for an offence under the provisions of this Law,
	shall not act as member of the management body or senior

	management or act as a key function holder in an ACI established in the Republic;
	(d) An ACI established in the Republic must receive the prior approval of the Central Bank before appointing a member in the management body of a subsidiary credit institution established in a third country, notwithstanding the provisions applied in the third country.
	(2) In case where, in accordance with the assessment of the Central Bank, any member of the management body, chief executive officer, senior management or key function holder in an ACI established in the Republic, is not a fit and proper person to continue to hold the respective position, the Central Bank may order this person to cease holding the position.
	(3) In determining whether a person is a fit and proper person to hold any of the above positions in) member of the management body, chief executive officer, senior management or key function holder the Central Bank shall have regard to his probity, to his competence and soundness of judgement for fulfilling the responsibilities of that position, to the diligence with which he is fulfilling or likely to fulfil those responsibilities and to whether the interests of depositors or potential depositors of the ACI are, or are likely to be, in any way, threatened by his holding that position. Moreover, the Central Bank shall not consider a person to be fit and proper to act as a member of the management body, chief executive or senior management or key function holder of an ACI, if that person is not of sufficiently good repute or lacks sufficient experience to hold any of the above positions.
Official Gazette Third Appendix (I): 21.11.2014.	(4) The assessment procedure and the criteria for the fitness and probity of the members of the management body, senior management and key function holders are set out in the Directive on the Assessment of the Fitness and Probity of Members of the Management Body and Managers of Authorised Credit Institutions of 2014.
	PART VI(A)
	GOVERNANCE PROCEDURES AND SCOPE OF APPLICATION
Management of an ACI and of a financial holding company.	19. (1) Deleted.
	(2) Each credit institution shall have robust governance arrangements, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks they are or might be exposed to, adequate internal control mechanisms, including sound administration and accounting procedures, and remuneration policies and practices that are consistent with and promote sound and effective risk management.
	(3) The arrangements, processes and mechanisms referred to in subsection (2) shall be comprehensive and proportionate to the nature, scale and

	complexity of the risks inherent in the business model and the credit institution's activities.
	(4)The members of the management body of a financial holding company or mixed financial holding company shall be of sufficiently good repute and possess sufficient knowledge, skills and experience to perform their duties, as provided, in relation to the members of the management body of an ACI on the Assessment of the Fitness and Probity of Members of the Management Body and of the Managers of Authorized Credit Institutions Directive of 2014 taking into account the specific role of a financial holding company or mixed financial holding company.
	(5) The Central Bank shall issue a directive pursuant section 41, on the arrangements, processes and mechanisms referred to in subsection (2), in accordance with subsection (3), as well as specifying the technical standards for the planning and management of risks that credit institutions must implement.
Internal capital adequacy assessment process.	19A. (1) The ACIs incorporated in the Republic must have in place sound, effective and comprehensive strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed.
	(2) The strategies and processes referred to in subsection (1) shall be subject to regular internal review to ensure that they remain comprehensive and proportionate to the nature, scale and complexity of the activities of the ACI concerned.
	(3) For the purposes of this section, the Central Bank shall issue a directive under section 41.
Management Body.	19B.(1) The majority of the members of the management body and the Chairman of the management body of the ACI are independent. The independence criteria of the members of the management body, are defined in the Directive of the Central Bank on the Assessment of the Fitness and Probity of Members of the Management Body and Managers of ACIs of 2014.
	(2)The members of the management body of the ACIs must ensure that the chief executive officers are fit and proper to carry out the responsibilities and obligations assigned to them.
Internal Approaches for calculating own funds requirements.	19C.(1)(a) The Central Bank of Cyprus considers that an ACI incorporated in the Republic that is significant in terms of its size, internal organisation and the nature, scale and complexity of its activities to develop internal credit risk assessment capacity and to increase use of the internal ratings based approach for calculating own funds requirements for credit risk where its exposures are material in absolute terms and where it has at the same time a large number of material counterparties.
	(b) This subsection shall be without prejudice to the fulfilment of criteria laid down in Part Three, Title I, Chapter 3, Section 1 of Regulation (EU) No 575/2013.

	(2) An ACI incorporated in the Republic shall, taking into account the nature, scale and complexity of its activities, monitor that it shall not solely or mechanistically rely on external credit ratings for assessing the creditworthiness of an entity or financial instrument.
	(3)(a) The Central Bank considers that an ACI incorporated in the Republic and which is significant in terms of its size, internal organisation and the nature, scale and complexity of its activities, enhances significantly the process for managing market risk by the development of internal competencies for credit risk assessment and the increased use of internal models for calculating own funds requirements for specific risk of debt instruments in the trading book, together with internal models to calculate own funds requirements for default and migration risk where their exposures to specific risk are material in absolute terms and where they have a large number of material positions in debt instruments of different issuers.
	(b) This subsection shall be without prejudice to the fulfilment of the criteria laid down in Part Three, Title IV, Chapter 5, Sections 1 to 5, of Regulation (EU) No 575/2013.
Supervisory benchmarking of internal approaches for calculating own funds requirements.	19D.(1) The ACIs authorized to use internal approaches for the calculation of risk weighted exposure amounts or own fund requirements except for operational risk, shall report the results of the calculations of their internal approaches for their exposures or positions that are included in the benchmark portfolios. The ACIs shall submit the results of their calculations, together with an explanation of the methodologies used to produce them, to the Central Bank and to the EBA annually, according to the format developed by the EBA.
	(2) In the case where the Central Bank develops specific portfolios, the ACIs shall report the results of the calculations separately from the results of the calculations for EBA portfolios.
Internal capital adequacy assessment process.	19E.(1)(a) Every ACI incorporated in the Republic, which is neither a subsidiary in the Republic nor a parent undertaking, and every ACI not included in the consolidation pursuant to Article 19 of Regulation (EU) No 575/2013, must meet the obligations set out in section19A of this Law on an individual basis.
	(b) The Central Bank may waive the obligation of the credit institution to comply with the requirements set out in section 19A, provided that the conditions set forth in Article 10 of Regulation (EC) no. 575/2013 are fulfilled.
	(2) An ACI incorporated in the Republic and which is a parent undertaking in the Republic, to the extent and in the manner prescribed in Part One, Title II, Chapter 2, Sections 2 and 3 of Regulation (EU) No 575/2013, must meet the obligations set out in section 19A of this Law on a consolidated basis.
	(3)(a) An ACI incorporated in the Republic and controlled by a parent financial holding company or a parent mixed financial holding company in a member state, to the extent and in the manner prescribed in Part One, Title II, Chapter 2, Sections 2 and 3, of Regulation (EU) No 575/2013, must meet the obligations

	set out in section 19A of this Law on the basis of the consolidated position of that financial holding company or mixed financial holding company;
	(b) Where more than one credit institutions is controlled by a parent financial holding company or a parent mixed financial holding company in a member state, paragraph (a) shall apply only where the Central Bank is identified as the competent authority for the supervision on a consolidated basis according to subsection (7) of section 39.
	(4) ACIs incorporated in the Republic and are subsidiary institutions, shall apply the requirements set out in section 19A on a sub-consolidated basis if those institutions, or the parent undertaking where it is a financial holding company or a mixed financial holding company, have a credit institution or a financial institution or an asset management company as defined in the Directive 2002/87/EC, as a subsidiary in a third country, or hold a participation in such an undertaking.
Arrangements, processes and mechanisms of ACIs incorporated in the Republic.	19F.(1) ACIs incorporated in the Republic must meet the obligations set out in subsections (2), (3) and (5) of section 19, in sections 19B, 19C, 19D, 22E, in subsection (1) of section 23, in subsections (12) to (14) of section 26, in subsection (1) of section 26C, in subsection (2) of section 26C, in section 26D and in section 30B, as well as in the Governance Directive, on an individual basis, unless the Central Bank makes use of the derogation provided for in Article 7 of Regulation (EU) No 575/2013.
	(2)(a) ACIs incorporated in the Republic and are either parent undertakings or subsidiaries must meet the obligations set out in subsections (2), (3) and (5) of section 19, in subsections 19B, 19C,, 19D, 22E, in subsection (1) of section 23, in subsections (12) to (14) of section 26, in subsection (1) of section 26C, in subsection (2) of section 26C, in section 26D and in section 30B, as well as the Governance Directive, on a consolidated or sub-consolidated basis, to ensure that their arrangements, processes and mechanisms required are consistent and well-integrated and that any data and information relevant to the purpose of supervision can be produced;
	(b) ACIs incorporated in the Republic and are either parent undertakings or subsidiaries implement such arrangements, processes and mechanisms in their subsidiaries not subject to this Law, which shall be consistent and well-integrated and those subsidiaries shall also be able to produce any data and information relevant to the purpose of supervision.
	(3) Obligations resulting from subsections (2), (3) and (5) of section 19, subsections 19B, 19C,, 19D, 22E, subsection (1) of section 23, subsections (12) to (14) of section 26, subsection (1) of section 26C, subsection (2) of section 26C, section 26D and section 30B, as well as the Governance Directive, concerning subsidiary undertakings, not themselves subject to this Law, shall not apply if the EU parent credit institution or the credit institutions controlled by an EU parent financial holding company or EU parent mixed financial holding company, can demonstrate to the Central Bank that the application of subsections (2), (3) and (5) of section 19, sections 19B, 19C, 19D, 22E, subsection (1) of section 23, subsections (12) to (14) of section 26, subsection (1) of section 26C, subsection (2) of section 26C, section 26D and section 30B, as well as the Governance Directive, is unlawful under the laws of the third country where the subsidiary is established.

	PART VII
	Capital Reserves
	20. Deleted.
	21. Deleted.
	22. Deleted.
	22A. Deleted.
	PART VIIA
	Capital Buffers
Maintenance of capital conservation buffer requirements.	22B. (1) The ACIs incorporated in the Republic must meet, in addition to the Common Equity Tier 1 capital maintained to meet the own funds requirements imposed by Article 92 of Regulation (EU) No 575/2013, the requirement to maintain a capital conservation buffer of Common Equity Tier 1 equal to 2,5% of their total risk-weighted exposure calculated in accordance to Article 92, paragraph 3, of this Regulation, on a solo and consolidated basis, as applied under Part One, Title II, of this Regulation.
	(2) The ACIs shall not be allowed to use the Common Equity Tier 1 capital that is maintained for the purposes of subsection (1) of this section to meet any requirements imposed under subsection (1) of section 30.
	(3) In the case where an ACI does not completely meet the requirement under subsection (1), it shall be subject to the profit distributions restrictions as provided in subsections (2) and (3) of section 22C.
	(4)(a) The Central Bank shall inform the relevant parties, including the Commission, the ESRB, the EBA and the relevant supervisory colleges, regarding the application of the provisions of this section;
	(b)The Central Bank may recognise a shorter transitional period imposed by any other member state and the decision shall be notified to the Commission, the ESRB, the EBA and the relevant supervisory college accordingly.
Restrictions on distributions.	22C. (1) An ACI incorporated in the Republic that meets the combined buffer requirement shall be prohibited from making a distribution in connection with Common Equity Tier 1 capital to an extent that would decrease its Common Equity Tier 1 capital to a level where the combined buffer requirement is no longer met.
	(2)(a) An ACI that fails to meet the combined buffer requirement, shall calculate the Maximum Distributable Amount (hereafter, for the purposes of this section, "the MDA") in accordance with subsection (4) and shall notify the Central Bank of that MDA;

	(b) Where paragraph (a) applies, the ACI shall not undertake any of the following actions before it has calculated the MDA:
	(i) make a distribution in connection with Common Equity Tier 1 capital;
	(ii) create an obligation to pay variable remuneration or discretionary pension benefits or pay variable remuneration, if the obligation to pay was created at a time when the ACI failed to meet the combined buffer requirements;
	(iii) make payments on additional Tier 1 capital instruments.
	(3) While an ACI fails to meet or exceed its combined buffer requirement, it shall be prohibited from distributing more than the MDA calculated in accordance with subsection (4) through any action referred to in subparagraphs (i), (ii) and (iii) of paragraph (b) in subsection (2).
	(4) An ACI incorporated in the Republic shall calculate the MDA by multiplying the sum calculated in accordance with subsection (5) by the factor determined in accordance with subsection (6). The MDA shall be reduced by any of the actions referred to in subparagraphs (i), (ii) and (iii) of paragraph (b) of subsection (2).
	(5) The sum to be multiplied in accordance with subsection (4) shall consist of:
	(a) interim profits not included in Common Equity Tier 1 capital pursuant to Article 26 paragraph 2, of Regulation (EU) No 575/2013, that have been generated since the most recent decision on the distribution of profits or any of the actions referred to in subparagraphs (i), (ii) and (iii) of paragraph (b) of subsection (2) of this section;
	plus
	(b) year-end profits not included in Common Equity Tier 1 capital pursuant to Article 26, paragraph 2, of Regulation (EU) No 575/2013, that have been generated since the most recent decision on the distribution of profits or any of the actions referred to in subparagraphs (i), (ii) and (iii) of paragraph (b) of subsection (2) of this section;
	minus
	(c) the amounts which would be payable as tax if the items specified in paragraphs (a) and (b) were to be retained.
	(6)(a) The factor shall be determined as follows:
	(i) where the Common Equity Tier 1 capital maintained by the ACI which is not used to meet the own funds requirement under Article 92, paragraph 1, point (c), of Regulation (EU) No 575/2013, expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92, paragraph 3, of that Regulation, is within the

	first (that is, the lowest) quartile of the combined buffer requirement, the factor shall be 0;
	(ii) where the Common Equity Tier 1 capital maintained by the ACI which is not used to meet the own funds requirement under Article 92, paragraph 1, point (c), of Regulation (EU) No 575/2013, expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92, paragraph 3, of that Regulation, is within the second quartile of the combined buffer requirement, the factor shall be 0,2;
	(iii) where the Common Equity Tier 1 capital maintained by the ACI which is not used to meet the own funds requirement under Article 92, paragraph 1, point (c), of Regulation (EU) No 575/2013, expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92, paragraph 3, of that Regulation, is within the third quartile of the combined buffer requirement, the factor shall be 0,4;
	(iv) where the Common Equity Tier 1 capital maintained by the ACI which is not used to meet the own funds requirement under Article 92 paragraph 1, point (c), of Regulation (EU) No 575/2013, expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92, paragraph 3, of that Regulation, is within the fourth (that is, the highest) quartile of the combined buffer requirement, the factor shall be 0,6;
	(b) The lower and upper bounds of each quartile of the combined buffer requirement shall be calculated as follows:
	Lower bound of quartile = Combined buffer requirement x (Qn – 1) 4
	Upper bound of quartile = Combined buffer requirement x Qn 4
	"Qn" indicates the ordinal number (1, 2, 3 or 4) of the quartile concerned.
	(7) The restrictions imposed by this Article shall only apply to payments that result in a reduction of Common Equity Tier 1 capital or in a reduction of profits, and where a suspension of payment or failure to pay does not constitute an event of default or a condition for the commencement of proceedings under the insolvency regime applicable to the ACI.
	(8) Where an ACI incorporated in the Republic fails to meet the combined buffer requirement and intends to distribute any of its distributable profits or undertake an action referred to in subparagraphs (i), (ii) and (iii) of paragraph (b) of subsection (2), it shall notify the Central Bank, and provide the following information:

	(a) the amount of capital maintained, that is subdivided as follows:
	(i) Common Equity Tier 1 capital,
	(ii) Additional Tier 1 capital,
	(iii) Tier 2 capital;
	(b) the amount of its interim profits and year-end profits;
	(c) the MDA calculated in accordance with subsection (4);
	(d) the amount of distributable profits it intends to allocate between the following:
	(i) dividend payments,
	(ii) share buybacks,
	(iii) payments on Additional Tier 1 capital instruments,
	(iv) the payment of variable remuneration or discretionary pension benefits, whether by creation of a new obligation to pay, or payment pursuant to an obligation to pay created at a time when the ACI failed to meet its combined buffer requirements.
	(9) An ACI incorporated in the Republic shall maintain arrangements to ensure that the amount of distributable profits and the MDA are calculated accurately, and shall be able to demonstrate that accuracy to the Central Bank on request.
	(10) For the purposes of subsections (1) and (2), a distribution of profits in connection with Common Equity Tier 1 capital shall include the following:
	(a) a payment of cash dividends;
	(b) a distribution of fully or partly paid bonus shares or other capital instruments referred to in Article 26, paragraph 1, point (a) of Regulation (EU) No 575/2013;
	(c) a redemption or purchase by an ACI of its own shares or other capital instruments referred to in Article 26, paragraph 1, point (a), of Regulation (EU) No 575/2013;
	(d) a repayment of amounts paid up in connection with capital instruments referred to in Article 26, paragraph 1, point (a), of Regulation (EU) No 575/2013;
	(e) a distribution of items referred to in points (b) to (e), of Article 26, paragraph 1, of Regulation (EU) No 575/2013.

Capital Conservation Plan.	22D. (1)(a) Where an ACI incorporated in the Republic fails to meet its combined buffer requirement, it shall prepare a capital conservation plan and submit it to the Central Bank, no later than five (5) working days after it identified that it was failing to meet that requirement, unless the Central Bank authorises a longer delay up to ten (10) days;
	(b) The Central Bank may grant such authorisation only on the basis of the individual situation of an ACI and taking into account the scale and complexity of its activities.
	(2) The capital conservation plan shall include at least the following information:
	(a) estimates of income and expenditure and a forecast balance sheet;
	(b) measures to increase the capital ratios of the ACI;
	(c) a plan and timeframe for the increase of own funds with the objective of meeting fully the combined buffer requirement;
	(d) any other information that the Central Bank considers to be necessary to carry out the assessment required in subsection (3).
	(3) The Central Bank shall assess the capital conservation plan and shall approve the plan only if it considers that the plan, if implemented, would be reasonably likely to conserve or raise sufficient capital to enable the ACI to meet its combined buffer requirements within a period which the Central Bank considers appropriate.
	(4) If the Central Bank does not approve the capital conservation plan in accordance with subsection (3), it shall impose one or both of the following measures:
	(a) require the ACI to increase own funds to specified levels within specified periods;
	(b) exercise its powers under section 29A to impose more stringent restrictions on distributions as provided by section 22C.
	PART VIIIB
	MINIMUM CAPITAL FOR RESOLUTION MEASURE PURPOSES
Application of minimum requirement for own funds and eligible liabilities.	22Dbis.(1)The Central Bank may express its opinion when consulting the resolution authority which aims to determine the minimum requirement for own funds and eligible liabilities of each ACI incorporated in the Republic, pursuant section 25(1) of the Resolution Law and on the basis of the criteria under section 25(4) of this Law, in relation to the solo and consolidated basis as well as for each entity referred to in section 2A(2)(a) (i), (ii), or (iii).
	(2)The Central Bank cooperates with the resolution authorities which will require and reconfirm from the ACIs incorporated in the Republic to maintain

	the minimum requirement for own funds and eligible liabilities, as provided under subsection (1) and, where applicable, the requirement provided under section 25 of the Resolution Law in relation to the partly realisation of the said minimum requirement in a consolidated or solo basis with the use of the bail-in-tool.
	(3) The Central Bank cooperates with the resolution authorities, so that they will inform the EBA regarding the requirements referred to in subsection (2), as they have been set for each ACI incorporated in the Republic.
Maintenance of a sufficient amount of authorised capital and removal of procedural impediments when applying the bail – in tool.	22Dtris. (1) Without prejudice to section 65(1)(b)(ix) of the Resolution Law, the ACIs incorporated in the Republic shall maintain at all times a sufficient amount of authorised share capital or of other Common Equity Tier 1 instruments, so that, in the event that the resolution authority exercises the powers referred to in paragraph 1, points (e) and (f) of Article 63 of the Directive 2014/59/EU in relation to an ACI or any of its subsidiaries, the ACI is not prevented from issuing sufficient new shares or other instruments of ownership, to ensure that the conversion of liabilities into shares or other instruments of ownership could be carried out effectively.
	(2) If the resolution plan provides for the possible application of the bail-in tool, the Central Bank shall verify that the authorised share capital or other Common Equity Tier 1 instruments is sufficient to cover the sum of the amounts which regard the conversion of the relevant instruments of ownership so that the Common Equity Tier 1 ratio would be totally or partially and accordingly recovered.
	(3) The Central Bank shall ensure that there are no procedural impediments to the conversion of liabilities to shares or other instruments of ownership existing by virtue of their instruments of incorporation or statutes, of the ACI, including pre-emption rights for shareholders or requirements for the consent of shareholders to an increase in capital.
	PART VIII
	LIQUIDITY
Liquidity risk.	22E. Credit institutions, taking into account the nature, scale and complexity of their activities, shall ensure that they have liquidity risk profiles that are consistent with and, not in excess of, those required for a well-functioning and robust system.
Maintenance of liquidity.	23. (1) The Central Bank may establish a minimum ratio of liquefiable assets to be held by ACIs, in respect of the liabilities and other obligations of ACIs falling due or maturing within a period or periods as may be specified by the Central Bank, from time to time.
	(2) Subject to the provisions of section 41(2), the liabilities and the liquefiable assets for purposes of subsection (1) shall be defined and calculated as may be determined by the Central Bank and notified in writing to ACIs.

	(3) The powers which the Central Bank may exercise under this section shall be in addition to and not in substitution of its powers under section 38 of the Central Bank of Cyprus Law.
	PART VIIIA
	RECOVERY AND RESOLUTION
Recovery plans.	23A. (1) Each ACI that is not part of a group subject to consolidated supervision pursuant to sections 27 and 39, draws up and maintains a recovery plan providing for measures to be taken by the ACI to restore its financial position following a significant deterioration of its financial situation. Recovery plans shall be considered to be a governance arrangement within the meaning of section 19.
	(2) (a) ACIs update their recovery plans at least annually or after a change to their legal or organisational structure, their business or financial situation, which could have a material effect on, or necessitates a change to, the recovery plan;
	(b) The Central Bank may require ACIs to update their recovery plans more frequently.
	(3) Recovery plans shall not assume any access to or receipt of extraordinary public financial support.
	(4) Recovery plans shall include, where applicable, an analysis of how and when an ACI may apply, in the conditions addressed by the plan, for the use of Central Bank facilities and identify those assets which would be expected to qualify as collateral.
	(5)(a) Without prejudice to section 23F the recovery plans include the information listed in Annex V;
Annex V	(b) The Central Bank may require that additional information is included in the recovery plans;
	(c) Recovery plans shall also include possible measures which could be taken by the ACI where the conditions for early intervention under section 30C are met.
	(6)(a) Recovery plans include appropriate conditions and procedures to ensure the timely implementation of recovery actions, as well as a wide range of recovery options.
	(b) Recovery plans contemplate a range of scenarios of severe macroeconomic and financial stress relevant to the ACI's specific conditions including system-wide events and stress specific to individual legal persons and to groups.

	(7) ACIs maintain detailed records of financial contracts to which the ACI concerned is a party.
	(8) The management body of the ACI referred to in subsection 1 shall assess and approve the recovery plan before submitting it to the Central Bank.
	23B. (1) ACIs that are required to draw up recovery plans under section 23A(1) and section 23C(1) submit those recovery plans to the Central Bank for review and demonstrate to the satisfaction of the Central Bank that those plans meet the criteria (a) and (b) of subsection (2).
Assessment of recovery plans.	23B. (1) ACIs that are required to draw up recovery plans under section 23A(1) and section 23C(1) submit those recovery plans to the Central Bank for review and demonstrate to the satisfaction of the Central Bank that those plans meet the criteria (a) and (b) of subsection (2).
	(2)The Central Bank shall, within six months of the submission of each plan, and after consulting the competent authorities of the Member States where significant branches are located insofar as is relevant to that branch, review it and assess the extent to which it satisfies the requirements laid down in section 23A and the following criteria:
	(b) the plan and specific options within the plan are reasonably likely to be implemented quickly and effectively in situations of financial stress and avoiding to the maximum extent possible any significant adverse effect on the financial system, including in scenarios which would lead other ACIs to implement recovery plans within the same period.
	(3) When assessing the appropriateness of the recovery plans, the Central Bank shall take into consideration the appropriateness of the capital and funding structure in relation to the level of complexity of the organisational structure and the risk profile of the ACI.
	(4) The Central Bank shall provide the recovery plan to the resolution authority which may examine the recovery plan with a view to identifying any actions in the recovery plan which may adversely impact the resolvability of the ACI and make recommendations with regard to those matters.
	(5) (a) Where the Central Bank assesses that there are material deficiencies in the recovery plan, or material impediments to its implementation, it shall notify the ACI or the parent undertaking of the group of its assessment and require the ACI to submit, within two months, extendable with the authorities' approval by one month, a revised plan demonstrating how those deficiencies or impediments are addressed;
	(b) Before requiring an ACI to resubmit a recovery plan the Central Bank shall give the ACI the opportunity to state its opinion on that requirement;
	(c) Where the Central Bank does not consider the deficiencies and impediments to have been adequately addressed by the revised plan, it may direct the ACI to make specific changes to the plan.

	(6)(a) If the ACI fails to submit a revised recovery plan, or if the Central Bank determines that the revised recovery plan does not adequately remedy the deficiencies or potential impediments identified in its original assessment, and it is not possible to adequately remedy the deficiencies or impediments through a direction to make specific changes to the plan, the Central Bank shall require the ACI to identify within a reasonable timeframe changes it can make to its business in order to address the deficiencies in or impediments to the implementation of the recovery plan;
	(b) If the ACI fails to identify such changes within the timeframe set by the Central Bank, or if the Central Bank assesses that the actions proposed by the ACI would not adequately address the deficiencies or impediments, the Central Bank may direct the ACI to take any measures it considers to be necessary and proportionate, taking into account the seriousness of the deficiencies and impediments and the effect of the measures on the ACI's business;
	(c) The Central Bank may, without prejudice to section 30(1) to (4), direct the ACI to:
	(i) reduce the risk profile of the institution, including liquidity risk;
	(ii) enable timely recapitalisation measures;
	(iii) review its strategy and structure;
	(iv) make changes to the funding strategy, so as to improve the resilience of the core business lines and critical functions;
	(v) make changes to the governance structure of the ACI.
	It is provided that, the list of measures referred to in this paragraph does not preclude the Central Bank to take additional measures under this Law.
	(7)(a) When the Central Bank requires an ACI to take measures according to subsection (6), its decision on the measures shall be reasoned and proportionate;
	(b) The decision shall be notified in writing to the ACI and may be subject to a right of appeal according to the provisions of section 146 of the Constitution.
Group recovery plans.	23C.(1) (a) An ACI as a parent undertaking in the Republic, shall draw up and submit to the Central Bank as the consolidating supervisor, a group recovery plan which shall consist of a recovery plan for the group headed by the parent undertaking as a whole;
	(b) The group recovery plan shall identify measures that may be required to be implemented at the level of the parent ACI in the Republic and each individual subsidiary.

	(2) In accordance with section 23D, the Central Bank may require ACIs which are subsidiaries to draw up and submit recovery plans on an individual and sub-consolidated basis.
	(3) The Central Bank as the consolidating supervisor shall, provided that the confidentiality requirements laid down in this Law are in place, transmit the group recovery plans to:
	(a) the relevant competent authorities referred to in Articles 115 and 116 of Directive 2013/36/EU; and
	(b) the competent authorities of the Member States where significant ACIs' branches are located insofar as is relevant to that branch; and
	(c) the resolution authority, as the group- level resolution authority; and
	(d) the resolution authorities of subsidiaries.
	(4) (a) The group recovery plan shall aim to achieve the stabilisation of the group as a whole, or any credit institution of the group, when it is in a situation of stress so as to address or remove the causes of the distress and restore the financial position of the group or the credit institution in question, at the same time taking into account the financial position of other group entities;
	(b) The group recovery plan shall include arrangements to ensure the coordination and consistency of measures to be taken at the level of the ACI as the parent undertaking in the Republic, at the level of the entities referred to in section 2A(2)(c) and (d), as well as measures to be taken at the level of subsidiaries and, where applicable, in accordance with Directive 2013/36/EU at the level of significant branches.
	(5)(a) The group recovery plan, and any plan drawn up for an individual subsidiary, shall include the elements specified in section 23A;
	(b) Those plans shall include, where applicable, arrangements for intra-group financial support adopted pursuant to an agreement for intra-group financial support that has been concluded in accordance with sections 23G to 23N.
	(6)(a) Group recovery plans shall include a range of recovery options setting out actions to address those scenarios provided for in section 23A(6);
	(b) For each of the scenarios, the group recovery plan shall identify whether there are obstacles to the implementation of recovery measures within the group, including at the level of individual entities covered by the plan, and whether there are substantial practical or legal impediments to the prompt transfer of own funds or the repayment of liabilities or transfer of assets within the group.
	(7) The management body of the ACI drawing up the group recovery plan pursuant to subsection (1) shall assess and approve the group recovery plan before submitting it to the Central Bank, as the consolidating supervisor.

Assessment of group recovery plans.	23D. (1)(a) The Central Bank, as the consolidating supervisor shall, together with the competent authorities of subsidiaries, after consulting the competent authorities referred to in section 39 and with the competent authorities of significant branches insofar as is relevant to the significant branch, review the group recovery plan and assess the extent to which it satisfies the requirements and criteria laid down in sections 23B and 23C;
	(b) That assessment shall be made in accordance with the procedure established in section 23B and with this section and shall take into account the potential impact of the recovery measures on financial stability in all the Member States where the group operates.
	(2) (a) The Central Bank, as the consolidating supervisor and the competent authorities of subsidiaries shall endeavour to reach a joint decision as well as with the competent authority of consolidated supervision when operating as the competent authority for subsidiary ACIs on:
	i) the review and assessment of the group recovery plan;
	ii) whether a recovery plan on an individual basis shall be drawn up for credit institutions that are part of the group; and
	iii) the application of the measures referred to in section 23B(5) and (6).
	(b)(i) The Central Bank, as the consolidating supervisor, shall endeavour to reach a joint decision with the other competent authorities within four months of the date of the transmission by the consolidating supervisor of the group recovery plan in accordance with section 23C(3):
	(ii) The Central Bank, as the competent authority of a subsidiary ACI, shall endeavour to reach a joint decision with the other competent authorities and with the consolidating supervisor within four months of the date of the transmission by the consolidating supervisor of the group recovery plan in accordance with article 7, paragraph 3, of the Directive 2014/59/EU;
	(c) EBA may, at the request of the Central Bank, assist the competent authorities in reaching a joint decision in accordance with Article 31, subsection 2, point (c), of Regulation (EU) No 1093/2010.
	(3)(a) In the absence of a joint decision between the competent authorities, within four months of the date of transmission, on the review and assessment of the group recovery plan or on any other measures the ACI as the parent undertaking in the Republic is required to take in accordance with section 23B(5), the Central Bank as the consolidating supervisor shall make its own decision with regard to those matters;
	(b) The Central Bank, as the consolidating supervisor, shall make its decision having taken into account the views and reservations of the other competent authorities expressed during the four-month period;

	(c) The Central Bank, as the consolidating supervisor, shall notify the decision to the parent ACI and to the other competent authorities;
	(d) If, at the end of that four-month period, any of the competent authorities referred to in subsection (2) has referred a matter mentioned in subsection (7) to EBA in accordance with Article 19 of Regulation (EU) No 1093/2010, the Central Bank, as the consolidating supervisor, shall defer its decision and await any decision that EBA may take in accordance with Article 19, paragraph 3 of that Regulation, and shall take its decision in accordance with the decision of EBA. The four-month period shall be deemed to be the conciliation period within the meaning of the Regulation;
	(e) The Central Bank shall not refer the matter to EBA after the end of the four-month period or after a joint decision has been reached;
	(f) In the absence of an EBA decision within one month, the decision of the Central Bank, as the consolidating supervisor, shall apply.
	(4) (a) In the absence of a joint decision between the competent authorities within four months of the date of transmission on:
	(i) whether a recovery plan on an individual basis is to be drawn up for the credit institutions under the jurisdiction of a competent authority; or
	(ii) the application at subsidiary level of the measures referred to in section 23B(5) and (6);
	each competent authority shall make its own decision on that matter.
	(b) If, at the end of the four-month period, any of the competent authorities concerned has referred a matter mentioned in subsection (7) to EBA, in accordance with Article 19 of Regulation (EU) No 1093/2010, the Central Bank, as the competent authority of the subsidiary shall defer its decision and await any decision that EBA may take in accordance with Article 19 paragraph (3) of that Regulation, and shall take its decision in accordance with the decision of EBA;
	(c) The four-month period shall be deemed to be the conciliation period within the meaning of that Regulation;
	(d) The matter shall not be referred to EBA after the end of the four-month period or after a joint decision has been reached;
	(e) In the absence of an EBA decision within one month, the decision of the Central Bank as the competent authority responsible for the subsidiary ACI at an individual level shall apply;
	(5) In case where the Central Bank and the other competent authorities do not disagree under subsection (4), the Central Bank may reach a joint decision with the other competent authorities on a group recovery plan covering group entities under their jurisdictions.

	(6)The joint decision referred to in subsections (2) or 5 and the decisions taken by the competent authorities in the absence of a joint decision, as referred to in subsections (3) and (4), shall be recognised as conclusive and applied by the competent authorities in the Member States concerned.
	(7) Upon request by the Central Bank in accordance with subsections (3) or (4), EBA may only assist the Central Bank and the other competent authorities in reaching an agreement, in accordance with Article 19, paragraph (3), of Regulation (EU) No 1093/2010, in relation to the assessment of the recovery plans and the implementation of the measures referred to in section 23B(6)(a), (b) and (c).
Recovery plan indicators.	23E. (1) (a) For the purpose of sections 23A to 23Deach recovery plan includes a framework of indicators established by the ACI which identifies the points at which appropriate actions referred to in the plan may be taken;
	(b) Such indicators shall be agreed when making the assessment of recovery plans in accordance with sections 23B and 23D;
	(c)The indicators may be of a qualitative or quantitative nature relating to the ACI's financial position and shall be capable of being monitored easily;
	(d)ACIs shall put in place appropriate arrangements for the regular monitoring of the indicators.
	(2)(a)Notwithstanding the provisions of subsection (1), an ACI may:
	(i) take action under its recovery plan where the relevant indicator has not been met, but where the management body of the ACI considers it to be appropriate in the circumstances; or
	(ii) refrain from taking such an action, where the management body of the ACI does not consider it to be appropriate in the circumstances of the situation.
	(b) A decision to take an action referred to in the recovery plan or a decision to refrain from taking such an action shall be notified to the Central Bank by the management body of the ACI, without delay.
Simplified obligations for certain ACIs.	23F. (1)(a) Having regard to the impact that the failure of an ACI could have, due to the nature of its business, its shareholding structure, its legal form, its risk profile, size and legal status, its interconnectedness to other credit institutions or to the financial system in general, the scope and the complexity of its activities, any exercise of investment services or activities, and in the case of a CCI, its affiliation with the Central Body, as well as whether its failure and subsequent winding up under normal insolvency proceedings would be likely to have a significant negative effect on financial markets, on other credit institutions, on funding conditions, or on the wider economy, the Central Bank, by a Directive it issues pursuant to section 41, shall determine:
Annex V	(i) the contents and details of recovery plans, provided for in sections 23A to 23G;

	(ii) the contents and details of the information required from ACIs, as provided for in section 23A(5) and in Annex V;
	(b)(i) ACIs must draw up the first recovery plans the latest by {30th April 2016};
	(ii) ACIs must update their recovery plans at least annually or after a change in their legal or organizational structure, in their activities or in their financial position, which most probably have a serious impact or require a change of the recovery plan.
	(2) The Central Bank shall make the assessment referred to in subsection (1) taking into consideration, where appropriate, all the issues that regard its status as the competent authority for the macroprudential supervision.
	(3) Where simplified obligations are applied, the Central Bank may impose full, unsimplified obligations at any time.
	(4) The application of simplified obligations shall not, per se, affect the Central Bank's powers to take crisis prevention measures or crisis management measures.
	(5) The Central Bank shall inform EBA of the way it has applied subsections (1) and (6) of this section and section 25A(10) to ACIs.
	(6)(a) The ACIs incorporated in the Republic and are subject to direct supervision by the European Central Bank pursuant to Article 6, paragraph (4), of Regulation (EU) No 1024/2013 or the ACIs constituting a significant share in the financial system of the Republic, shall draw up their own recovery plans in accordance with sections 23A to 23G;
	(b) For the purposes of this subsection, the operations of an ACI shall be considered to constitute a significant share of the financial system in the Republic, if any of the following conditions are met:
	(i) the total value of its assets exceeds the amount of thirty billion euro (€30 000 000 000);
	(ii) the ratio of its total assets over the Gross Domestic Product (GDP) of the Republic exceeds 20 %, unless the total value of its assets is below five billion euro (€5 000 000 000).
Agreement for group financial support.	23G(1)(a) An ACI incorporated in the Republic, may enter into an agreement to provide financial support to its subsidiaries in the Republic and in other Member States or third countries, which are credit institutions or financial institutions covered by the consolidated supervision of the parent ACI since the contracting subsidiary meets the conditions for early intervention pursuant section 30C of this Law or pursuant Article 27 of the Directive 2014/59/EU respectively, provided that the conditions laid down in this section and in sections 23H to 23N of this Law, are also met.
	(b) ACIs incorporated in the Republic which are subsidiaries of a parent institution established in another member state or parent institution

	established in the Union, may enter in an agreement with their parent institution to provide financial support to the counterparty of the agreement which meets the conditions of early intervention pursuant section 30C of this Law and pursuant Article 27 of the Directive 2014/59/EU on condition that the conditions provided in this section and in sections 23H to 23N of this Law and in Chapter III of the Directive 2014/59/EU are met.
	(2) The provisions of this section and of sections 23H to 23N do not apply to intra-group financial arrangements, including funding arrangements and the operation of centralised funding arrangements, provided that none of the parties to such arrangements meets the conditions for early intervention.
	(3) A group financial support agreement shall not constitute a prerequisite:
	(a) to provide group financial support to any group entity that experiences financial difficulties if the ACI decides to do so, on a case-by-case basis and according to the group policies, if it does not represent a risk for the whole group; or
	(b) to operate in the Republic.
Official Gazette, Annex Three (I): 14.8.2014, R.A.A 393/2014, No. 4812	(4) Notwithstanding the provisions of any other legislation in the Republic, support transactions within the group may be undertaken in accordance with the provisions of this section and of sections 23H to 23N of this Law and of Chapter III of Directive 2014/59/EU, provided that no such a provision shall prevent the Central Bank from imposing limitations on intra-group transactions in accordance with the Directive on the Discretions exercising the options provided for in Regulation (EU) No 575/2013 or the provisions in this Law which involve the transposition of the provisions of Directive 2013/36/EU or other legislation requiring the separation of parts of a group or activities carried on within a group for reasons of financial stability.
	(5) The group financial support agreement may:
	(a) cover one or more subsidiaries of the group, and may provide for financial support from the parent undertaking to subsidiaries, from subsidiaries to the parent undertaking, between subsidiaries of the group that are party to the agreement, or any combination of those entities;
	(b) provide for financial support in the form of a loan, the provision of guarantees, the provision of assets for use as collateral, or any combination of those forms of financial support, in one or more transactions, including between the beneficiary of the support and a third party.
	(6) Where, in accordance with the terms of the group financial support agreement, a group entity agrees to provide financial support to another group entity, the agreement may include a reciprocal agreement by the group entity receiving the support to provide financial support to the group entity providing the support.
	(7)(a) The group financial support agreement shall specify the principles for the calculation of the consideration, for any transaction made under it. Those

	principles shall include a requirement that the consideration shall be set at the time of the provision of financial support;
	(b) The agreement, including the principles for calculation of the consideration for the provision of financial support and the other terms of the agreement, shall comply with the following principles:
	(i) each party must be acting freely in entering into the agreement;
	(ii) in entering into the agreement and in determining the consideration for the provision of financial support, each party must be acting in its own best interests which may take account of any direct or any indirect benefit that may accrue to a party as a result of provision of the financial support;
	(iii) each party providing financial support must have full disclosure of relevant information from any party receiving financial support prior to determination of the consideration for the provision of financial support and prior to any decision to provide financial support;
	(iv)the consideration for the provision of financial support may take account of information in the possession of the party providing financial support based on it being in the same group as the party receiving financial support and which is not available to the market; and
	(v) the principles for the calculation of the consideration for the provision of financial support are not obliged to take account of any anticipated temporary impact on market prices arising from events external to the group.
	(8) The group financial support agreement may only be concluded if, at the time the proposed agreement is made, in the opinion of the Central Bank and the other respective competent authorities, none of the parties meets the conditions for early intervention.
	(9) Any right, claim or action, arising from the agreement, may be exercised only by the parties to the group financial support agreement, with the exclusion of third parties.
Investigation by the Central Bank of proposed financial support agreement and mediation.	23H. (1)(a) A parent ACI incorporated in the Republic shall submit to the Central Bank, as the consolidating supervisor, an application for authorisation of any proposed financial support agreement proposed pursuant to section 23G;
	(b) The application referred to in paragraph (a) shall contain the text of the proposed agreement and identify the group entities that are proposed to be parties.
	(2) The Central Bank, as the consolidating supervisor, shall forward without delay the application to the competent authorities of each subsidiary that proposes to be a party to the agreement, with a view to reaching a joint decision.

	(3) The Central Bank, as the consolidating supervisor shall, in accordance with the procedure set out in subsections (5) and (6), grant the authorization, if the terms of the proposed agreement are consistent with the conditions for financial support set out in section 23K.
	(4) The Central Bank as the consolidating supervisor may, in accordance with the procedure set out in subsections (5) and (6) prohibit the conclusion of the proposed agreement, if it is considered to be inconsistent with the conditions for financial support set out in section 23K.
	(5) (a) The Central Bank, as the consolidating supervisor shall do everything within its power to reach a joint decision, with the other competent authorities, taking into account the potential impact, including any fiscal consequences, of the execution of the agreement in all the Member States where the group operates, on whether the terms of the proposed agreement are consistent with the conditions for financial support laid down in section 23K, within four months of the date of receipt of the application by the Central Bank;
	(b) The joint decision shall be set out in a document containing the fully reasoned decision, which shall be provided to the applicant by the Central Bank, as the consolidating supervisor;
	(c) The Central Bank, as the competent authority of a subsidiary ACI, makes great effort to reach a joint decision with the other competent authorities and the consolidating supervisor;
	(d) EBA may at the request of the Central Bank assist the Central Bank in reaching an agreement, in accordance with Article 31 of Regulation (EU) No 1093/2010.
	(6)(a) In the absence of a joint decision between the competent authorities within four months, the Central Bank, as the consolidating supervisor shall make its own decision on the application;
	(b) The decision shall be set out in a document containing the full reasoning and shall take into account the views and reservations of the other competent authorities expressed during the four-month period
	(c) The Central Bank, as the consolidating supervisor, shall notify its decision to the applicant and the other competent authorities.
	(7)(a) If, at the end of the four-month period, any of the competent authorities concerned has referred the matter to EBA, in accordance with Article 19 of Regulation (EU) No 1093/2010, the Central Bank, as the consolidating supervisor, shall defer its decision and await any decision that EBA may take in accordance with Article 19, paragraph (3) of that Regulation, and shall take its decision in accordance with the decision of EBA;
	(b) The four-month period shall be deemed to be the conciliation period within the meaning of Regulation (EU) No. 1093/2010;

	(c) The matter shall not be referred to EBA after the end of the four-month period or after a joint decision has been reached;
Approval by the shareholders of the proposed financial support agreement.	23I.(1)(a) Any proposed agreement that has been authorised by the Central Bank and the other competent authorities, shall be submitted for approval to the shareholders of every group entity that proposes to enter into the agreement;
	(b)In the case of paragraph (a), the agreement shall be valid only in respect of those entities whose shareholders have approved the agreement in accordance with subsection (2).
	(2) A group financial support agreement shall be valid in respect of a group entity, only if its shareholders have authorised the management body of that group entity to make a decision that the group entity shall provide or receive financial support in accordance with the terms of the agreement and in accordance with the conditions laid down in sections 23G to 23N and that shareholder authorisation has not been revoked.
	(3) The management body of each entity that is party to an agreement shall report each year to the shareholders on the performance of the agreement, and on the implementation of any decision taken pursuant to the agreement.
Transmission of the group financial support agreements to the resolution authorities.	23J. The Central Bank shall transmit to the relevant resolution authorities the group financial support agreements it has authorised and any changes thereto.
Conditions for the group financial support.	23K. Financial support by a group entity in accordance with section 23G may only be provided if all the following conditions are met:
	(a) there is a reasonable prospect that the support provided significantly redresses the financial difficulties of the group entity receiving the support;
	(b) the provision of financial support has the objective of preserving or restoring the financial stability of the group as a whole or any of the entities of the group and is in the interests of the group entity providing the support;
	(c) the financial support is provided on terms, including consideration in accordance with section 23G(7);
	(d) there is a reasonable prospect, on the basis of the information available to the management body of the group entity providing financial support at the time when the decision to grant financial support is taken, that the consideration for the support will be paid and, if the support is given in the form of a loan, that the loan will be reimbursed, by the group entity receiving the support; If the support is given in the form of a guarantee or any form of security, the same condition shall apply to the liability arising for the recipient if the guarantee or the security is enforced;
	(e) the provision of the financial support, would not jeopardise the liquidity or solvency of the group entity providing the support;

	(f) the provision of the financial support would not create a threat to financial stability, in particular in the Member State of the group entity providing support;
	(g) An ACI shall provide financial support to a group entity where it belongs to, only if, at the time the support is provided, complies with the requirements of this Law and of the Macroprudential Supervision of Institutions Law relating to capital or liquidity and any requirements imposed pursuant to section 30(3) of this Law, and the provision of the financial support shall not cause the ACI to infringe those requirements, unless authorised by the Central Bank as the competent authority responsible for the supervision on an individual basis of the ACI providing the support;
Official Gazette, Annex Three (I): 8.8.2014.	(h) An ACI shall provide financial support to a group entity if, at the time when the support is provided, complies with the requirements relating to large exposures laid down in Regulation (EU) No 575/2013, in this Law, in paragraphs 62 to 71 of the Governance and Management Arrangements Directive and in paragraph 8 of the Discretions provided by Regulation (EU) No. 575/2013 Directive, and the provision of the financial support shall not cause the ACI to infringe those requirements, unless authorised by the Central Bank as the competent authority responsible for the supervision on an individual basis of the ACI providing the support;
	(i) the provision of the financial support would not undermine the resolvability of the ACI providing the support.
Decision to provide financial support.	23L.(1)(a) The decision to provide group financial support in accordance with the agreement shall be taken by the management body of the ACI providing financial support;
	(b) The decision shall be reasoned and shall indicate the objective of the proposed financial support. In particular, the decision shall indicate how the provision of the financial support complies with the conditions laid down in section 23K.
	(2) The decision to accept group financial support in accordance with the agreement, shall be taken by the management body of the ACI receiving financial support.
Right of Central Bank to oppose.	23M. (1) (a) Before providing support in accordance with a group financial support agreement, the management body of the ACI that intends to provide financial support to a group entity shall notify its intention to:
	(i) The Central Bank as its competent authority; and
	(ii) where applicable, the consolidating supervisor, if it is different from those referred to in subparagraphs (i) and (iii); and
	(iii) the competent authority of the group entity that receives financial support, if the authority is different from those referred to in subparagraphs (i) and (ii); and

	(iv) EBA.
	(b)The related notification shall include the reasoned decision of the management body in accordance with section 23L and details of the proposed financial support, including a copy of the group financial support agreement.
	(2)(a) Within five business days from the date of receipt of a complete notification, the Central Bank, as the competent authority of the ACI providing financial support, may agree with the provision of financial support, or may prohibit or restrict it if it assesses that the conditions for group financial support laid down in section 23K have not been met;
	(b) A decision of the Central Bank to prohibit or restrict the financial support shall be reasoned.
	(2)(a) Within five business days from the date of receipt of a complete notification, the Central Bank, as the competent authority of the ACI providing financial support, may agree with the provision of financial support, or may prohibit or restrict it if it assesses that the conditions for group financial support laid down in section 23K have not been met;
	(b) A decision of the Central Bank to prohibit or restrict the financial support shall be reasoned.
	(3) The decision of the Central Bank to agree, prohibit or restrict the financial support shall be immediately notified to:
	(a) the consolidating supervisor;
	(b) the competent authority of the group entity receiving the support; and
	(c) EBA.
	(4) The Central Bank, as the consolidating supervisor, shall immediately inform other members of the supervisory college and the members of the resolution college.
	(5) Where the Central Bank, as the consolidating supervisor or the competent authority responsible for the ACI receiving support, has objections regarding the decision to prohibit or restrict the financial support, it may within two days refer the matter to EBA and request its assistance in accordance with Article 31 of Regulation (EU) No 1093/2010.
	(6) If the Central Bank does not prohibit or restrict the financial support within the period indicated in subsection (2), or has agreed before the end of that period to that support, financial support may be provided in accordance with the terms submitted to the Central Bank.
	(7) (a) The decision of the management body of the ACI to provide financial support shall be transmitted to:

	(i) the Central Bank; and
	(ii) where different from authorities in subparagraphs (i) and (iii), and where applicable, the consolidating supervisor;
	(iii) where different from authorities in subparagraphs (i) and (ii), the competent authority of the group entity receiving the financial support; and
	(iv) EBA.
	(b) The Central Bank as the consolidating supervisor, shall immediately inform the other members of the supervisory college and the members of the resolution college.
	(8)(a) If the Central Bank restricts or prohibits group financing support pursuant to subsection (2), and where the group recovery plan in accordance with section 23C(5) makes reference to intra-group financial support, the competent authority of the group entity in relation to whom the support is restricted or prohibited, may request the consolidating supervisor to initiate a reassessment of the group recovery plan pursuant to section 23D or, where a recovery plan is drawn up on an individual basis, request the group entity to submit a revised recovery plan;
	(b) If the competent authority of a group entity where an ACI belongs, restricts or prohibits group financing support pursuant to subsection (2), and where the group recovery plan in accordance with section 23C(5) makes reference to intra-group financial support, the Central Bank, as the competent authority of the ACI in relation to whom the support is restricted or prohibited, may request the consolidating supervisor to initiate a reassessment of the group recovery plan pursuant to section 23D or, where a recovery plan is drawn up on an individual basis, request the group entity to submit a revised recovery plan.
	23N.(a) ACIs that belong to a group make public whether or not they have entered into a group financial support agreement pursuant section 23G and make public a description of the general terms of any such agreement and the names of the group entities that are party to it and update that information at least annually;
	(b) For the purposes of publication as provided in paragraph (a), Articles 431 to 434 of Regulation (EU) No 575/2013 shall apply.
Information to the resolution authority for the purposes of the resolution plans.	23O.(1)(a) The Central Bank may provide the resolution authority with all the information necessary to draw up and implement resolution plans;
	(b) The information referred to in paragraph (a), include among other information, the information and analysis specified in Part B of the Annex of the Directive 2014/59/EU.

	(2) The Central Bank, as the competent authority, shall cooperate with the resolution authority and the other related resolution authorities, in order to verify whether some or all of the information referred to in subsection (1), is already available. Where such information is available, the Central Bank shall provide that information to the resolution authority and to the other related resolution authorities.
	(3) The Central Bank shall communicate to the resolution authority any change in the legal or organisational structure of the ACI or on its business activities or on its financial position, that may seriously affect the effectiveness of the resolution plan and that would necessitate a revision or update of the plan.
Group resolution plans.	23P. In the course of a joint decision related to the draw up and maintenance of the group resolution plans, the Central Bank may provide its opinions to the resolution authority and to the other resolution authorities concerned, and in the absence of a joint decision within the four months' period of conciliation as defined under Regulation (EU) No. 1093/2010, it shall express possible concerns.
Arrangements for cooperation with third-country authorities.	23Q.(1) (a) The Central Bank shall conclude non-binding cooperation arrangements in line with EBA framework arrangement with the relevant third-country authorities:
	(i) The relevant authorities of the third country where the ACI parent is established and at least another subsidiary credit institution in the European Union;
	(ii) The relevant authority of the third country where a credit institution operating in the Republic is established under authorisation by the Central Bank pursuant to section 4, on condition that the credit institution operates a branch at least in another member-state;
	(iii) Where the parent business of an ACI that is a subsidiary or a significant branch in the Republic, has one or more subsidiary credit institutions in third countries, with the relevant authorities of third countries where these subsidiary credit institutions are established;
	(iv) Where an ACI incorporated in the Republic has a subsidiary credit institution or significant branch in another member-state and one or more branches in one or more third countries, with the relevant authorities of third countries where these branches are established.
	(b) This section shall not prevent the Central Bank from concluding bilateral or multilateral arrangements with third countries, in accordance with Article 33 of Regulation (EU) No 1093/2010.
	(2) The Central Bank shall notify EBA of any cooperation arrangements it has concluded in accordance with this section.
Exchange of confidential information.	23R. (1) The Central Bank shall exchange confidential information, including recovery plans, with relevant third-country authorities only if the following conditions are met:

138(I) of 2001 37(I) of 2003 105(I) of 2012.	(a) those third-country authorities are subject to requirements and standards of professional secrecy at least considered to be equivalent, in the opinion of the Central Bank and of all the competent authorities concerned, to those imposed by Article 84 of the Directive 2014/59/EU;
	(b) the information is necessary for the performance by the relevant third-country authorities, of their resolution functions under national law that are comparable to those under the Directive 2014/59/EU and, subject to paragraph (a), is not used for any other purposes.
	(2) Where confidential information originates in another Member State, the Central Bank shall not disclose that information to relevant third-country authorities unless the following conditions are met:
	(a) the relevant authority of the Member State where the information originated (the originating authority) agrees to that disclosure;
	(b) the information is disclosed only for the purposes permitted by the originating authority.
	(3) For the purposes of this section, information is deemed to be confidential if it is subject to confidentiality requirements under European Union law.
	23S. (1) The Central Bank shall cooperate with EBA for the purposes of the provisions of this Law regarding the recovery and resolution in accordance with Regulation (EU) No 1093/2010.
Co-operation with EBA.	(2) The Central Bank shall, without delay, provide EBA with all the information necessary to carry out its duties in accordance with Article 35 of Regulation (EU) No 1093/2010.
	PART IX
	Returns and Accounts
Submission and publication of balance sheet etc.	24. (1) Every ACI shall, within four months from the end of each financial year, submit to the Central Bank an electronic copy of the audited annual accounts together with a signed copy of the audit report of the approved auditor:
	It is provided that, the Central Bank may permit the submission of the aforementioned documents within a period longer than the four months from the end of the financial year.
	(2) Deleted.
	(3) An ACI incorporated in the Republic shall publish, within six months from the end of each financial year, in such manner and form as the Central Bank may determine, the balance sheet and profit and loss account for that year together with the approved auditor's report.

	(3A) The Central Bank may require:
	(a) an ACI incorporated in the Republic to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more than once per year, and to set deadlines for publication;
	(b) ACIs to use specific media and locations for publications other than the financial statements;
	(c) ACIs which are parent undertakings to publish annually, either in full or by way of references to equivalent information, a description of their legal structure and governance and organisational structure of the group of the ACI in accordance with subsection (1), paragraphs (c) to (g) of section 4, subsection (2) of section 19 and subsection (2) of section 19F.
	(4) An ACI, other than an ACI incorporated in the Republic, shall publish in such manner and form as the Central Bank may determine the balance sheet and profit and loss account for each financial year covering its business as a whole.
Country-by-country reporting.	24A.-(1) Each ACI incorporated in the Republic shall disclose annually, specifying, by member state and by third country in which it has an establishment, the following information on a consolidated basis for the financial year:
	(a) name(s), nature of activities and geographical location;
	(b) turnover;
	(c) number of employees on a full time equivalent basis;
	(d) profit or loss before tax;
	(e) tax on profit or loss;
	(f) public subsidies received.
	(2) Deleted.
	(3) All global systemically important ACIs incorporated in the Republic, as identified internationally, shall submit to the Commission the information referred to in paragraphs (d), (e) and (f) of subsection (1), on a confidential basis.
	(4) The information referred to in subsection (1) shall be audited in accordance with the Auditors and Statutory Audits of Annual and Consolidated Accounts Law and shall be published, where possible, as an annex to the annual financial statements or, where applicable, to the consolidated financial statements of the ACI concerned.

Public disclosure of return on assets.	24B. ACIs incorporated in the Republic shall disclose in their annual report among the key indicators their return on assets, calculated as their net profit divided by their total balance sheet.
Returns and information by ACIs.	25.(1) Every ACI shall submit within fifteen days of the end of each month, or within such other period as the Central Bank may determine, to the Central Bank a certified statement of its assets and liabilities at the end of that month in a form prescribed by the Central Bank.
	(2) (a) The Central Bank may request and compile information which is necessary or useful for the purpose of exercising its powers and may request, within a specified period, information from ACIs and from any other natural person or legal entity that comes under its authority pursuant to the provisions of the present Law and current legislation;
	(b) An employee or any person authorized to receive information pursuant to the present section shall be deemed to be a public officer within the meaning of paragraph (d) of subsection (2) of section 29, thereof for the purposes of the present section and for the purposes of section 26;
	(c) For the purposes of the present subsection, the request to provide information shall include a request to present, submit and file any written records and information, including records pertaining to clients of the ACI and any other information stored on computers;
	(d) Anyone who receives notice to provide information pursuant to the present section must not disclose it in any manner and must keep it in the strictest confidence;
	(e) Any person requested by the Central Bank to provide information shall comply with such request.
	(3) Every ACI incorporated in the Republic shall publicly disclose, in the manner prescribed in a Directive of the Central Bank, information concerning its operation, including the targets and the qualitative characteristics of the risk management policy, quantitative information on the risks undertaken, information regarding its own funds, the method of capital adequacy calculation and the monitoring of large exposures, and disclose whether it complies with the capital adequacy ratio as defined by the Central Bank pursuant to section 21.
Affiliation of a CCI to the Central Body.	25A. (1) A CCI incorporated in the Republic may through the Central Body, submit to the Central Bank an application for approval to affiliate to the Central Body.
	(2) The Central Bank approves the affiliation of a CCI with the Central Body only if it is satisfied that:
	(a) there have been carried out arrangements between the CCI and the Central Body where the obligations of the Central Body, including liabilities of the Central Body concerning guarantee agreements of liabilities of CCIs affiliated to it and the liabilities of the CCI become bilateral liabilities according to criteria established by a Central Bank directive, and

	(b) the CCI complies with the conditions of affiliation established by a Central Bank directive.
	(3) The Central Bank notifies the interested CCI of its decision to approve or reject affiliation and the justification for any refusal of the application, within three (3) months from the date of receipt of the application or if the application is not complete or the Central Bank requires additional information or documents, within three (3) months from the date of submission of the required information or other documents.
	(4)(a) After approval by the Central Bank of the affiliation of a CCI to the Central Body, the Central Bank informs the CCI about any exemptions from the application of the requirements specified in Part Two to Eight of Regulation (EU) No. 575/2013.
	(b) The Central Bank may specify in a directive to be issued pursuant section 41, possible exemptions in one or more CCIs established in the Republic, which are permanently affiliated with the Central Body, that supervises them, by the application of the requirements specified in part two to eight of the Regulation (EU) No. 575/2013, as well as by any other provisions of this Law it finds necessary where the conditions provided in Article 10 of that Regulation, are met.
	(5) (a) The Central Bank may waive the requirements set out in subsections (2) and (2A) of section 4 of this Law with regard to a credit institution referred to in Article 10 of Regulation (EU) No 575/2013 in accordance with the conditions set out therein;
	The Central Bank shall issue a Directive, pursuant section 41, regarding the provision or revocation of derogations;
	(b) Where the Central Bank exercises the waiver in paragraph (a), subsection (12) of section 4, subsection (4) of section 6, subsections (1), (2), (4) and (5) of section 10A, subsection (4A) of section 10C, sections 10B, 10Bbis, 10C, 10Cbis, 10D, 10E, 10F, 19, 19B, 19C, 19D, 22B, 22C, 22D, 22E, 23, subsections (13) and (14) of section 26, subsection (1) of section 26C, subsection (2) of section 26C and section 26D of this Law, the provisions of the Directive on Governance and Management Arrangements in Credit Institutions of 2014 and the provisions of the Macroprudential Oversight of Institutions Law, shall apply to the whole, as constituted by the Central Body together with its affiliated CCIs.
	(6) A CCI affiliated to the Central Body shall deposit all liquid assets with the Central Body unless the Central Bank gives prior written approval to deposit liquid assets in a credit institution other than the Central Body under any conditions it deems appropriate to impose.
	(7) Notwithstanding the provisions of subsection (4), the Central Bank may require under subsection (2) of section 25 of a CCI which is affiliated to the Central Body to submit periodically or whenever requested any information and within such time limit as the Central Bank may determine.

	(8) The Central Bank may withdraw the affiliation of a CCI to the Central Body in the following cases:
	(a) The CCI applies for the withdrawal of the affiliation to the Central Body
	(b) A winding up procedure of the CCI or the Central Body, has commenced
	(c) The CCI violates or fails to comply with the provisions of this section or any Directive.
	(9) The Central Bank sets out in a Directive issued under this Law the terms and conditions of affiliation and of withdrawal of a CCI's connection with the Central Body, the duties and the responsibilities of the Central Body against the CCIs affiliated with it.
Official Gazette, Annex Three (I): 9.9.2013 216(I) of 2015.	(10) (a) Subject to paragraph (b) of this subsection and pursuant to section 23F(6), the Central Bank may waive the application of the requirements of sections 23A to 23G of this Law, from ACIs affiliated to the Central Body and wholly or partially exempted from prudential supervisory requirements in accordance with Article 10 of Regulation (EU) No 575/2013, by a related amendment of the Directive towards the Cooperative Credit Institutions and the Central Body for the affiliation of the Cooperative Credit Institutions with the Central Body issued pursuant to sections 25A and 41 of this Law;
	(b) Where a waiver pursuant to paragraph (a) is granted, the Central Bank shall apply the requirements of sections 23A to 23G of this Law to the Central Body and ACIs affiliated to it within the meaning of Article 10 of Regulation (EU) No 575/2013 on a consolidated basis;
	(c) Where the Central Bank grants a waiver to CCIs pursuant to paragraph (a), every reference to a group in sections 23A to 23D and 23N of this Law shall include the Central Body and the CCIs which are permanently affiliated to it within the meaning of Article 10 of Regulation (EU) No 575/2013 and their subsidiaries, and every reference to parent institutions or to ACIs subject to consolidated supervision pursuant to section 39(7) shall include the Central Body.
	PART X
	Supervision and Inspection
Supervision and inspection by the Central Bank.	26.(1)(a) The Central Bank has the responsibility to supervise the credit institutions to ensure proper functioning of the banking system;
	(b) The prudential supervision of ACIs incorporated in the Republic, including their activities as prescribed under section 10C, is exercised by the Central Bank, as the competent authority of the home member state, subject to the provisions of the Directive 2013/36/EU which delegates responsibility to the competent authority of the host member state;

	(c) The prudential supervision of a credit institution operating in the Republic in accordance with sections 10A, 10Bbis and 10Cbis, shall be the responsibility of the competent authorities of the home member state, without prejudice to the provisions of this Law which give responsibility to the Central Bank as the competent authority of the host member state;
	(d) The prudential supervision of third country branches of ACIs shall be exercised by the Central Bank with the exemption of the provisions regarding the capital requirements;
	(e) This subsection shall not prevent supervision on a consolidated basis pursuant this Law and the Directive 2013/36/EU.
	(1A) In the exercise of its duties, the Central Bank shall take into account the convergence in respect of supervisory tools and supervisory practices in the application of the laws, regulations and administrative requirements adopted pursuant to the Directive 2013/36/EU and to Regulation (EU) No 575/2013.
	For that purpose, the Central Bank -
	(a) as part of the European System of Financial Supervision (ESFS), shall cooperate with trust and full mutual respect, in particular when ensuring the flow of appropriate and reliable information between it and other parties to the ESFS, in accordance with the principle of sincere cooperation set out in Article 4, paragraph 3, of the Treaty on European Union;
	(b) shall participate in the activities of EBA and, as appropriate, in the colleges of supervisors;
	(c) shall make every effort to comply with the guidelines and recommendations issued by EBA in accordance with Article 16 of Regulation (EU) No 1093/2010 and to respond to the warnings and recommendations issued by the European Systemic Risk Board (ESRB) pursuant to Article 16 of Regulation (EU) No 1092/2010;
	(d) shall cooperate closely with the ESRB;
	(e) shall perform its duties, as a member of the EBA, of the ESRB, where appropriate, or under the Directive 2013/36/EU and under Regulation (EU) No 575/2013, notwithstanding the responsibilities assigned to it under Cypriot legislation.
	(1B) The Central Bank shall, in the exercise of its general duties, duly consider the potential impact of its decisions on the stability of the financial system in the other member states concerned and, in particular, in emergency situations, based on the information available at the relevant time.
	(2) Every ACI shall, when so required by the Central Bank, make available for examination by a duly authorised official of the Central Bank its liquid and other assets, books or records, accounts and other documents, including those relating to the granting of loans and other credit facilities as well as the reports obtained by the bank regarding the business and financial position of debtors:

	It is provided that the authorized officer of the Central Bank may be assisted by a duly qualified person nominated for this purpose by the Central Bank who shall be bound by the same requirements regarding confidentiality as those applicable to officials of the Central Bank.
	(3) The Central Bank is empowered to require ACIs to pay to it all the fees, related to their supervision and inspection in accordance with its directives.
	(4) Any information obtained under this section, subsection (4) of section 3 and sections 24, 25 and 28, other than the information which is published, shall be kept secret and be used only for any of the purposes of the Central Bank of Cyprus Law, or of this Law.
	(5) Notwithstanding the provisions of subsection (4), the Central Bank may use any of the information provided to it under this law for the compilation and publication of statistical aggregates.
Annex III	(6)Taking into account the technical criteria set out in Annex III, the Central Bank shall review the arrangements, strategies, processes and mechanisms implemented by the ACIs incorporated in the Republic, to comply with the provisions of this Law, of the Macroprudential Oversight of Institutions Law of 2014 and of Regulation (EU) No 575/2013 and evaluates:
	(a) risks to which the ACIs are or might be exposed;
	(b) risks that an ACI poses to the financial system taking into account the identification and measurement of systemic risk under Article 23 of Regulation (EU) No 1093/2010, or recommendations of the ESRB, where appropriate; and
	(c) risks revealed by stress testing, taking into account the nature, scale and complexity of an ACI's activities.
	(7) The scope of the review and evaluation referred to in subsection (6) shall cover all requirements of this Law and of the Macroprudential Oversight of Institutions Law of 2014 and of the directives issued by virtue of these and of Regulation (EU) No 575/2013.
	(8) On the basis of the review and evaluation referred to in subsection (6), the Central Bank shall determine whether the arrangements, strategies, processes and mechanisms implemented by the ACIs and the own funds and liquidity held by them ensure a sound management and coverage of their risks.
	(9) (a) The Central Bank shall establish the frequency and intensity of the review and evaluation referred to in subsection (6) having regard to the size, systemic importance, nature, scale and complexity of the activities of the ACI concerned and taking into account the principle of proportionality;
	(b) The review and evaluation shall be updated at least on an annual basis for the ACIs covered by the supervisory examination programme referred to in subsection (2) of section 26E.

	(9A) In the case where a review shows that an ACI may pose systemic risk in accordance with Article 23 of Regulation (EU) No 1093/2010, the central Bank, shall inform EBA without delay about the results of the review.
	(10) The review and evaluation performed by the Central Bank includes the exposure of ACIs incorporated in the Republic to the interest rate risk arising from their non-trading book activities. The Central Bank takes measures in the case of ACIs incorporated in the Republic whose economic value declines by more than twenty percent (20%) of their own funds as a result of a sudden and unexpected change in interest rates, the size of which shall be prescribed by the Central Bank and shall apply equally to all ACIs incorporated in the Republic.
	(11) The Central Bank may conduct the controls needed for the purpose of exercising its powers, as provided for under the present Law, and may, for this purpose, request, verify and compile information, enter offices and business premises of ACIs subject to control and inspect files, books, accounts and other documents and records stored on computers and take copies or extracts of them:
	It is provided that the information verified and compiled pursuant to the present subsection and the copies or extracts taken shall not include personal correspondence or communications of employees and/or associates of the ACI subject to control.
	(12) The Central Bank shall, taking into account the nature, scale and complexity of ACIs' activities, monitor that they do not solely or mechanistically rely on external credit ratings for assessing the creditworthiness of an entity or of a financial instrument.
	(13)(a) The Central Bank shall, on the basis of the information submitted by ACIs incorporated in the Republic related with the exposures or the positions in the benchmark portfolios in accordance with subsection (1) of section 19D, monitor the range of risk weighted exposure amounts or own funds requirements, as applicable, except for operational risk, for the exposures or transactions in the benchmark portfolio resulting from the internal approaches of those ACIs. At least annually, the Central Bank shall make an assessment of the quality of those approaches paying particular attention to:
	(i) approaches that exhibit significant differences in own funds requirements for the same exposure;
	(ii) approaches where there is particularly high or low diversity and also where there is a significant and systematic under-estimation of own funds requirements.
	(b) Where particular ACIs diverge significantly from the majority of their peers or where there is little commonality in approach leading to a wide variance of results, the Central Bank shall investigate the relevant reasons and, if it can be clearly identified that an ACI' s approach leads to an underestimation of own funds requirements which is not attributable to

	differences in the underlying risks of the exposures or positions, shall take corrective action;
	(c) The Central bank shall ensure that its decisions on the appropriateness of corrective actions as referred to in paragraph (b) comply with the principle that such actions must maintain the objectives of an internal approach and therefore do not -
	(i) lead to standardisation or preferred methods;
	(ii) create wrong incentives; or
	(iii) cause herd behavior.
	(14)(a) The Central Bank shall monitor developments in relation to liquidity risk profiles, for example, product design and volumes, risk management, funding policies and funding concentrations;
	(b) The Central Bank shall take effective action where developments referred to in paragraph (a) may lead to either instability of individual credit institution or to systemic instability;
	(c) The Central Bank shall inform the EBA about any actions carried out pursuant to paragraph (b).
General disclosure requirements by the Central Bank.	26A. (1) The Central Bank shall publish the following information on its website:
	(a) the texts of laws, regulations, directives, administrative rules and general guidance issued in the Republic in the field of supervisory regulation;
	(b) the manner of exercise of the options and discretions available in the European Union law;
	(c) subject to the provisions set out in subsections (4) and (5) of section 27, of sections 27A, of subsection (2) of 26C, 27B, 27C, 27D, 28A, 28B, 28C and 28F of this Law and 129 and 132 of the Investment Services and Activities and Regulated Markets Laws as rectified, the aggregate statistical data on key aspects of the implementation of the prudential supervisory framework by the Central Bank, including the number and nature of supervisory measures taken in accordance with paragraph (a) of subsection (1) of section 29A and of the administrative penalties imposed in accordance with section 41C.
	2. The information published in accordance with subsection (1) shall be sufficient to enable a meaningful comparison of the approaches adopted by the competent authorities of the different member states and shall be disclosed following a common format and be updated regularly. The disclosures shall be accessible at a single electronic location.

Disclosures by the Central Bank.	26B.-(1) For the purposes of Part Five of Regulation (EU) No 575/2013, the Central Bank shall publish the following information:
	(a) the general criteria and methodologies adopted to review compliance with Articles 405 to 409 of Regulation (EU) No 575/2013;
	(b) without prejudice to the provisions laid down in subsection (2) of section 26C, of subsections (4) and (5) of section 27 and of sections 27A, 27B, 27C, 27D, 28A, 28B, 28C and 28F of this Law, a summary description of the outcome of the supervisory review and description of the measures imposed in cases of non-compliance with Articles 405 to 409 of Regulation (EU) No 575/2013, identified on an annual basis.
	(2) In the case where the Central Bank is exercising the discretion laid down in Article 7, paragraph 3, of Regulation (EU) No 575/2013, it shall publish the following information:
	(a) the criteria it applies to determine that there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities;
	(b) the number of parent ACIs which benefit from the exercise of the discretion laid down in Article 7, paragraph 3, of Regulation (EU) No 575/2013 and the number of those which incorporate subsidiaries in a third country;
	(c) on an aggregate basis for the Republic:
	(i) the total amount of own funds on the consolidated basis of the parent ACI in the Republic, which benefits from the exercise of the discretion laid down in Article 7, paragraph 3, of Regulation (EU) No 575/2013, which are held in subsidiaries in a third country;
	(ii) the percentage of total own funds on the consolidated basis of the parent ACI in the Republic which benefits from the exercise of the discretion laid down in Article 7, paragraph 3, of Regulation (EU) No 575/2013, represented by own funds which are held in subsidiaries in a third country;
	(iii) the percentage of total own funds required under Article 92 of Regulation (EU) No 575/2013, on the consolidated basis of parent ACIs which benefit from the exercise of the discretion laid down in Article 7, paragraph 3, of that Regulation, represented by own funds which are held in subsidiaries in a third country.
	(3) The Central Bank which exercises the discretion laid down in Article 9, paragraph 1, of Regulation (EU) No 575/2013 shall publish all the following information:
	(a) the criteria it applies to determine that there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities;

	(b) the number of parent ACIs which benefit from the exercise of the discretion laid down in Article 9, paragraph 1, of Regulation (EU) No 575/2013 and the number of such parent ACIs which incorporate subsidiaries in a third country; and
	(c) on an aggregate basis for the Republic-
	(i) the total amount of own funds of parent ACIs which benefit from the exercise of the discretion laid down in Article 9, paragraph 1, of Regulation (EU) No 575/2013, which are held in subsidiaries in third countries;
	(ii) the percentage of total own funds of parent ACIs which benefit from the exercise of the discretion laid down in Article 9, paragraph 1, of Regulation (EU) No 575/2013, represented by own funds which are held in subsidiaries in a third country;
	(iii) the percentage of total own funds required under Article 92 of Regulation (EU) No 575/2013, of parent ACIs which benefit from the exercise of the discretion laid down in Article 9, paragraph 1, of that Regulation represented by own funds which are held in subsidiaries in a third country.
Collection of information by the Central Bank.	26C.-(1) The Central Bank shall collect the information disclosed in accordance with Article 435, paragraph 2, point (c) of Regulation (EU) No 575/2013 and shall use it to benchmark diversity practices and shall provide EBA with that information, to use it to benchmark diversity practices at Union level.
	(2) The Central Bank shall collect information on the number of natural persons per ACI that are remunerated EUR 1 million or more per financial year, in pay brackets of EUR 1 million, including their job responsibilities, the business area involved and the main elements of salary, bonus, long-term award and pension contribution. That information shall be forwarded by the Central Bank to EBA, which shall publish it on an aggregate home member state basis in a common reporting format.
	(3) The Central Bank shall use the information obtained from credit institutions related with the decisions of shareholders or owners or their members regarding proposed approval of a higher maximum level of ratio between the fixed and variable components of remuneration, provided the overall level of the variable component shall not exceed 100% of the fixed component of the total remuneration for each individual, for the benchmarking of relevant practices of credit institutions and forwards it to EBA.
Oversight of remuneration policies.	26D.-(1) The Central Bank shall collect the information disclosed in accordance with the criteria for disclosure established in points (g), (h) and (i) of Article 450, paragraph 1, of Regulation (EU) No 575/2013 and shall use it to benchmark remuneration trends and practices and shall provide EBA with that information which shall benchmark remuneration trends and practices at Union level.
	(2) By the issue of a directive pursuant to section 41, the Central Bank may set thresholds regarding the variable components of remuneration.

Supervisory examination programme.	26E.-(1) The Central Bank shall, at least annually, adopt a supervisory examination programme for the ACIs incorporated in the Republic, and such programme shall take into account the supervisory review and evaluation process under subsections (6) to (9A) of section 26 and shall contain the following:
	(a) an indication of how the Central Bank intends to carry out its tasks and allocate its resources;
	(b) an identification of which ACIs are intended to be subject to enhanced supervision and the measures taken for such supervision as set out in subsection (3);
	(c) a plan for inspections at the premises used by an ACI, including its branches and subsidiaries established in other member states, in accordance with sections 28A, 39A and 39B.
	(2) Supervisory examination programmes shall include the following ACIs:
	(a) ACIs for which the results of the stress tests referred to in points (a) and (g) of paragraph (1) of Annex III and of section 26F or the outcome of the supervisory review and evaluation process under subsections (6) to (9A) of section 26, indicate significant risks to their ongoing financial soundness or indicate non-compliance with the provisions of this Law and the directives issued pursuant to this Law and of Regulation (EU) No 575/2013;
	(b) ACIs that pose systemic risk to the financial system;
	(c) any other ACIs for which the Central Bank deems them to be necessary.
	(3) Where appropriate under subsections (6) to (9A) of section 26, the following measures shall, in particular, be taken if necessary:
	(a) an increase in the number or frequency of on-site inspections of the ACI;
	(b) a permanent presence of the competent authority at the ACI;
	(c) additional or more frequent reporting by the ACI;
	(d) additional or more frequent review of the operational, strategic or business plans of the ACI;
	(e) thematic examinations monitoring specific risks that are likely to materialise.
	(4) Adoption of a supervisory examination programme by the Central Bank as the competent authority of the home member state shall not prevent the competent authorities of the host member state from carrying out, on a case-by-case basis, on-the-spot checks and inspections of the activities carried out by branches of ACIs on their territory in accordance with Article 52, paragraph 3, of the Directive 2013/36/EU.

Supervisory stress testing.	26F. The Central Bank shall carry out as appropriate, but at least annually, supervisory stress tests on ACIs incorporated in the Republic, to facilitate the review and evaluation process as provided in subsections (6) to (9A) of section 26.
Ongoing review of the permission to use internal approaches.	26G -(1)(a). The Central Bank shall review on a regular basis and at least every three years, ACIs' compliance with the requirements regarding approaches that require its permission before using such approaches for the calculation of own funds requirements in accordance with Part Three of Regulation (EU) No 575/2013, giving particular regard to changes in an ACI's business and to the implementation of those approaches to new products;
	(b) Where material deficiencies of the internal approach are identified in risk capture, the Central Bank shall ensure they are rectified or take appropriate steps to mitigate their consequences, including the imposition of higher multiplication factors, or imposing capital add-ons, or taking other appropriate and effective measures.
	(2) The Central Bank shall in particular review and assess whether the ACI uses well developed and up-to-date techniques and practices for those approaches.
	(3) If for an internal market risk model, numerous overruns as those referred to in Article 366 of Regulation (EU) No 575/2013 indicate that the model is not or is no longer sufficiently accurate, the Central Bank shall revoke the permission for using the internal model or impose appropriate measures to ensure that the model is improved promptly.
	(4)(a) If an ACI has received permission to apply an approach that requires permission by the Central Bank before using such an approach for the calculation of own funds requirements in accordance with Part Three of Regulation (EU) No 575/2013, but does not meet the requirements for applying that approach anymore, the Central Bank shall require the ACI to either demonstrate to the satisfaction of the Central Bank that the effect of non-compliance is immaterial, where applicable, in accordance with Regulation (EU) No 575/2013 or present a plan for the timely restoration of compliance with the requirements and set a deadline for its implementation. The Central Bank may require improvements to that plan if it is unlikely to result in full compliance or if the deadline is inappropriate;
	(b) If the ACI is unlikely to be able to restore compliance within an appropriate deadline and, where applicable, has not satisfactorily demonstrated that the effect of non-compliance is immaterial, the permission to use the approach shall be revoked or limited to compliant areas or those where compliance can be achieved within an appropriate deadline.
	(5) During the review of the permissions granted to an ACI to use internal approaches, the Central Bank shall take into account that analysis and those benchmarks particularly with regard to the definition of exposures in default and the treatment of similar risks and exposures, contained in guidelines developed by EBA in accordance with Article 16 of Regulation (EU) No 1093/2010.

Application of supervisory measures to ACIs incorporated in the Republic with similar risk profiles.	26H.(1)(a) Where the Central Bank determines under subsections (6) to (9A) of section 26 that ACIs with similar risk profiles such as similar business models or geographical location of exposures, are or might be exposed to similar risks or pose similar risks to the financial system, it may apply the supervisory review and evaluation process referred to in subsections (6) to (9A) of section 26 to those ACIs in a similar or identical manner;
	(b) For the purposes of paragraph (a), the Central Bank may impose requirements under this Law and under Regulation (EU) No 575/2013 on those ACIs in a similar or identical manner, including in particular the exercise of supervisory powers under subsection (3) of section 25 and sections 26I and 30 of this Law;
Annex III	(c) The types of ACIs referred to in paragraph (a) may in particular be determined in accordance with the criteria referred to in point (i) of paragraph (1) of Section III.
	(2) The Central Bank shall notify EBA where it applies subsection (1), so that the EBA shall monitor supervisory practices and issue guidelines to specify how similar risks should be assessed and how consistent application of subsection (1) across the Union can be ensured. Those guidelines shall be adopted in accordance with Article 16 of Regulation (EU) No 1093/2010.
Specific liquidity requirement. Annex III	26I.(1) For the purpose of determining the appropriate level of liquidity requirements on the basis of the review and evaluation carried out in accordance with sections 26(6) to (9A), 26E, 26F, 26G and Annex III, the Central Bank shall assess whether any imposition of a specific liquidity requirement is necessary to capture liquidity risks to which an ACI is or might be exposed, taking into account the following:
	(a) the particular business model of the ACI;
	(b) the ACI's arrangements, processes and mechanisms referred to in sections 19, 19B, 19C, 19D, 22E, in subsections (13) and (14) of section 26, in subsection (1) of section 26C, in subsection (2) of section 26C, in section 26D and in section 30D as well as in the Directive for Governance and in particular related with liquidity risk;
	(c) the outcome of the review and evaluation carried out in accordance with subsections (6) to (9A) of section 26;
	(d) the systemic liquidity risk that threatens the integrity of the financial markets of the Republic.
	(2) In particular, without prejudice to the provisions of section 41D, the Central Bank shall consider the need to apply administrative penalties or other administrative measures, including prudential charges, the level of which broadly relates to the disparity between the actual liquidity position of an ACI and any liquidity and stable funding requirements established in a directive issued by the Central Bank or by legislation of the Union.

Review and evaluation and supervisory measures. Annex III	26J. The Central Bank shall apply the review and evaluation process referred to in subsections (6) to (9A) of section 26, in sections 26E, 26F, 26G, in Annex III and the supervisory measures referred to in subsection (3) of section 25, in sections 26H, 26I, 26JA, 29A and 30, of this Law, in accordance with the level of application of the requirements of Regulation (EU) No 575/2013 set out in Part One, Title II, of that Regulation.
Consistency of supervisory reviews, evaluations and supervisory measures.	26K.(1) The Central Bank in order for EBA to develop consistent supervisory review and evaluation process it shall inform it of:
	(a) the functioning of their review and evaluation process referred to in subsections (6) to (9A) of section 26; and
Annex III	(b) the methodology used to base decisions referred to in sections 26F, 26G, 26I, 29A, 30 and Annex III on the process referred to in paragraph (a).
	(2) The Central Bank shall provide additional information to EBA upon request in accordance with Article 35 of Regulation (EU) No 1093/2010.
Cooperation with supervisory authorities of third countries regarding supervision on a consolidated basis.	26L.(1) The Commission may submit proposals to the Council at the request of the Central Bank, for the negotiation of agreements with one or more third countries, regarding the means of exercising supervision on a consolidated basis over the following:
	(a) credit institutions the parent undertaking of which has its head offices in a third country;
	(b) credit institutions situated in a third country the parent undertakings of which, whether institutions, financial holding companies or mixed financial holding companies, have their head offices in the European Union.
	2. The agreements referred to in subsection (1) shall, in particular, seek to ensure that:
	(a) the Central Bank shall be able to obtain the information necessary for the supervision, on the basis of consolidated financial situations, of ACIs incorporated in the Republic, financial holding companies and mixed financial holding companies incorporated in the Republic, which have as subsidiaries credit institutions or financial institutions situated in a third country, or holding participation therein;
	(b) the Central Bank shall provide to the supervisory authorities of third countries information necessary for the supervision of parent undertakings the head offices of which are situated within the territories of third countries and which have as subsidiaries ACIs or financial institutions incorporated in the Republic or holding participation therein; and
	(c) the Central Bank shall provide the EBA with the information received from national authorities of third countries, in accordance with Article 35 of Regulation (EU) No 1093/2010.

Cooperation with other competent supervisory authorities.	27. (1) Without prejudice to the provisions of section 26, the Central Bank may cooperate and exchange information -
	(a) with competent supervisory authorities responsible for the supervision of credit institutions, insurance companies, investment firms, financial institutions or regulated markets, either in the Republic or in a third country, and,
	(b) with the competent supervisory authorities of credit institutions, insurance companies, investment firms, financial institutions or regulated markets of member-states, to assist them in the conduct of their duties and responsibilities or to enable the effective conduct of its own duties, including the supervision on a consolidated basis.
	(2)(a) Where, in applying this Law and Regulation (EU) No 575/2013, the Central Bank wishes in specific cases to check the information concerning a credit institution, a financial holding company, a mixed financial holding company, a financial institution, an ancillary services undertaking, a mixed-activity holding company or a subsidiary as referred to in section 39A or in subsection (3) of section 39B of this Law, situated in another member state, it shall ask the competent authority of that other member state to have that check carried out;
	(b) The Central Bank shall carry out the check itself only if the competent authorities receiving the application referred to in paragraph (a) allow it;
	(c) Where the Central Bank, as the authority which made the request, does not carry out the check itself, it may, if it so wishes, participate in the check;
	(d) Where the Central Bank acts as the competent authority of the undertakings referred to in paragraph (a) and receives a request from the competent authority of the member state to check the information regarding these undertakings, it must act within the framework of its competence either by carrying out the check itself, or by allowing the authority that made the request to carry it out, or by allowing the conduct of the check to be performed by an approved auditor or expert.
	(3) Subject to the provisions of subsection (1), in the case a branch of an ACI, whose head office is located in a third country, the competent authority of that third country who is responsible for the supervision of the said ACI may carry out inspections of the said branch, provided it was previously discussed with the Central Bank and the Central Bank has given its consent.
	(4) The Central Bank and EBA, in accordance with Article 33 of Regulation (EU) No 1093/2010, may conclude cooperation agreements, providing for exchanges of information, with the supervisory authorities of third countries or with authorities or bodies of third countries in accordance with sections 27A and 27B(1) of this Law, only if the information disclosed is subject to a guarantee that professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A of this Law are complied with. Such

	exchange of information shall be for the purpose of performing the supervisory tasks of those authorities or bodies.
	(5) Where the information originates in another member state, the Central Bank shall only disclose it with the express agreement of the authorities which have disclosed it and, where appropriate, solely for the purposes for which those authorities gave their agreement.
	(6) Subject to the obligations imposed by this Law and by Regulation (EU) No 575/2013, the Central Bank, as a competent authority for carrying out supervision on a consolidated basis, shall carry out the following tasks:
	(a) coordination of the gathering and dissemination of relevant or essential information in going concern and emergency situations;
	(b) planning and coordination of supervisory activities in going-concern situations, including those in relation to the activities referred to in subsection (4) of section 19, subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, subsections (5), (7), (8), (9), (10), (10A), (11), (11A), (12) and (13) of section 39, sections 39A, 39B, 39D, 39E, 39F and 39G and subsection (4) of section 42 in cooperation with the competent authorities involved;
	(c) planning and coordination of supervisory activities in cooperation with the competent authorities involved, and if necessary with ESCB central banks, in preparation for and during emergency situations, including adverse developments in credit institutions or in financial markets using, where possible, existing channels of communication for facilitating crisis management. The planning and coordination of these supervisory activities includes exceptional measures referred to in subparagraph (ii) of paragraph (a) of subsection (13) of section 39, the preparation of joint assessments, the implementation of contingency plans and communication to the public.
	(6bis) Where the Central Bank, as a consolidating supervisor, fails to carry out the tasks referred to in subsection (6) or where the other competent authorities do not cooperate with the Central Bank to the extent required in carrying out the tasks in subsection (6), the Central Bank and any of the othere competent authorities concerned may refer the matter to EBA and request its assistance under Article 19 of Regulation (EU) No 1093/2010.
	(6A) (a) The Central Bank, as the consolidating supervisor and/or as the competent authority responsible for the supervision of an ACI which is a subsidiary of a parent credit institution established in the European Union or a parent financial holding company established in the European Union or a parent mixed financial holding company established in the European Union in another member state, shall do everything within its power to reach a joint decision with the other competent authorities in other member states, regarding the following:
	(i) the application of Articles 73 and 97 of the Directive 2013/36/EU to determine the adequacy of the consolidated level of own funds held by the group of credit institutions with respect to its financial situation and risk profile and the required level of own funds for the application of

	Article 104, paragraph1, point (a) of the aforementioned Directive, to each entity within the group of credit institutions and on a consolidated basis;
	(ii) on measures to address any significant matters and material findings relating to liquidity supervision, including relating to the adequacy of the organisation and the treatment of risks as required pursuant to Article 86 of the Directive 2013/36/EU and relating to the need for credit institution-specific liquidity requirements in accordance with Article 105 of this Directive.
	(b) Where the Central Bank is the consolidating supervisor, the joint decisions referred to in paragraph (a) shall be reached:
	(i) for the purpose of subparagraph (i) of paragraph (a), within four (4) months after submission by the Central Bank as the consolidating supervisor to the other relevant competent authorities, of a report containing the risk assessment of the group of credit institutions in accordance with section 19A, subsections (6) to (9A) of section 26 and subparagraph (vi) of paragraph (b), of subsection (1) of section 30;
	(ii) for the purposes of subparagraph (ii), of paragraph (a), within one (1) month after submission by the Central Bank as the consolidating supervisor of a report containing the assessment of the liquidity risk profile of the group of credit institutions in accordance with the provisions of the Governance Directive, of section 26I of this Law as well as the Articles 86 and 105 of the Directive 2013/36/EU, where applicable;
	The joint decisions shall also duly consider the risk assessment of subsidiaries performed by relevant competent authorities in accordance with section 19A and subsections (6) to (9A) of section 26;
	(c) The joint decisions shall be set out in documents containing full reasons which shall be provided to the parent credit institution established in the European Union by the consolidating supervisor. In the event of disagreement, the consolidating supervisor shall at the request of any of the other competent authorities concerned consult EBA. The consolidating supervisor may also consult EBA on its own initiative;
	(d) (i) In the absence of such a joint decision between the competent authorities within the time periods referred to in paragraph (b), a decision on the application of Articles 73, 86, 97, 104, paragraph 1, point a) and 105 of the Directive 2013/38/EU, shall be taken on a consolidated basis by the Central Bank, as a consolidating supervisor after duly considering the risk assessment of subsidiaries performed by relevant competent authorities;
	(ii) If, at the end of the time periods referred to in paragraph (b) any of the competent authorities concerned has referred the matter to EBA in accordance with Article 19 of Regulation (EU) No 1093/2010, the Central Bank, as a consolidating supervisor, shall defer its decision and awaits any decision that EBA may take in accordance with the

	provisions laid down in Article 19, paragraph 3, of that Regulation, and shall, thereafter, take a decision in conformity with the decision of EBA;
	(iii) The time periods referred to in paragraph (b) shall be deemed the conciliation periods, within the meaning of Regulation (EU) No 1093/2010;
	(iv) EBA shall take its decision within one (1) month and the matter shall not be referred to EBA after the end of the four-month period or one-month period, as applicable, or after a joint decision has been reached;
	(e) (i) The decision on the application of sections 19A, of subsections (6) to (9A) of section 26, 26I and of paragraph (b) of subsection (1) of section 30 and of the provisions laid down in the Governance Directive, shall be taken by the Central Bank as the competent authority responsible for supervision of subsidiaries of a parent credit institution established in the European Union or a parent financial holding company established in the European Union or a parent mixed financial holding company established in the European Union on an individual or sub-consolidated basis, after duly considering the views and reservations expressed by the consolidating supervisor;
	(ii) The Central Bank, as the consolidating supervisor, shall express its opinions and concerns to the competent authorities responsible for the supervision of subsidiaries established in the European Union on an individual or sub-consolidated basis or of a parent ACI incorporated in the Republic, or a parent financial holding company established in the Republic, in order for these authorities to decide for the implementation of the provisions enacted by the member states where the subsidiaries are established for the purposes of compliance with the Articles 73, 86, 97, 104, paragraph 1, point a) and 105, of the Directive 2013/36/EU;
	(iii) If, at the end of any of the time periods referred to in paragraph (b), any of the competent authorities concerned responsible for the supervision of subsidiaries established in the European Union on an individual or sub-consolidated basis, has referred the matter to EBA in accordance with Article 19 of Regulation (EU) No 1093/2010, the Central Bank as the competent authority and consolidating supervisor, shall defer its decision and shall await any decision that EBA shall take in accordance with Article 19, paragraph 3, of that Regulation, and shall, thereafter, take a decision in conformity with the decision of EBA;
	(iv) The matter shall not be referred to EBA after the end of the four month period or one-month period, as applicable, or after a joint decision has been reached;
	(f) The decisions shall be set out in a document containing full reasons and shall take into account the risk assessment, views and reservations of the other competent authorities expressed during the time periods referred to in paragraph (b). The document shall be provided by the Central Bank, as the consolidating supervisor to all competent authorities concerned and to the parent credit institution established in the European Union;

	(g) Where EBA has been consulted, the Central Bank shall consider its advice, and explain any significant deviation therefrom;
	(h) The joint decisions referred to in paragraph (a) and the decisions taken by the Central Bank in the absence of a joint decision referred to in paragraph (c) shall be recognised as determinative. The Central Bank also recognises as determinative and shall apply the decisions of other competent authorities, in accordance with Article 113, paragraph 4,of the Directive 2013/36/EU;
	(i) The joint decisions referred to in paragraph (a) and any decision taken in the absence of a joint decision in accordance with paragraphs (d) and (e), shall be updated on an annual basis or, in exceptional circumstances, where the Central Bank as the competent authority responsible for the supervision of subsidiaries of a parent credit institution established in the European Union or, a parent financial holding company established in the European Union or a parent mixed financial holding company established in the European Union, makes a written and fully reasoned request to the consolidating supervisor to update the decision on the application of section 26Z and paragraph (b) of subsection (1) of section 30. In the latter case, the update may be addressed on a bilateral basis between the consolidating supervisor and the Central Bank as the competent authority making the request.
	(7) Deleted.
	(8)(a) Where an emergency situation, including a situation as described in Article 18 of Regulation (EU) No 1093/2010 or a situation of adverse developments in markets, arises, which potentially jeopardises the market liquidity and the stability of the financial system in any of the member states where entities of a group have been authorised or where significant branches referred to in Article 158 of the Directive 2013/36/EU are established, the Central Bank as the consolidating supervisor shall, subject to subsection (2) of section 26C, subsections (4) and (5) of section 27, sections 27A, 27B, 27C, 27D, 28A, 28B, 28C and 28F of this Law and subject to sections 129 and 132 of the Investment Services and Activities and Regulated Markets Laws as corrected and where applicable, alert as soon as is practicable, EBA and the authorities referred to in subsection (4) of section 27C and section 28C of this Law and shall communicate all information essential for the pursuance of their tasks;
	(b) If the Central Bank, as a member of the ESCB, becomes aware of a situation described in paragraph (a), it shall alert as soon as is practicable the competent authorities referred to in subsections (6) and (6bis) of section 27 and EBA;
	(c) Where possible, the Central Bank as the competent authority and the authority referred to in subsection (4) of section 27C, shall use existing channels of communication.
	(9) The Central Bank, as the consolidating supervisor shall, where it needs information which has already been given to another competent authority, contact that authority where possible in order to prevent duplication of reporting to the various authorities involved in supervision.

	(10) (a)The Central Bank as a competent authority shall collaborate closely with the competent authorities of the member states concerned in order to supervise the activities of credit institutions operating, in particular through a branch, in one or more member states, other than that in which their head offices are situated;
	(b) The Central Bank together with the competent authorities concerned and referred to in subsection (1), shall supply one another with all information concerning the management, administration and ownership of the credit institutions referred to that subsection, that is likely to facilitate their supervision and the examination of the conditions for their authorisation, and all information likely to facilitate the monitoring of such credit institutions, in particular with regard to liquidity, solvency, deposit guarantees, the limiting of large exposures, administrative and accounting procedures and internal control mechanisms.
	(11) The competent authorities of the home member state branch operating in the Republic under subsection (1) of section 10A, may, after having informed the Central Bank as the competent authority of the host member state, carry out themselves or through an intermediary on-the-spot checks of the information referred to in Article 50 of the Directive 2013/36/EU.
	(12) The competent authority of the home member state, may also, for the purposes of on-the-spot checking of a branch in the Republic, have recourse to one of the other procedures set out in subsection (2) of section 27.
	(13) Subsections (11) and (12) shall not affect the right of the Central Bank, as the competent authority of the host member state to carry out, in the discharge of its responsibilities under this Law, on-the-spot checks of the branches established within its territory.
	(14) Where an ACI incorporated in the Republic carries out its activities in another member state as well, through a branch, the Central Bank pursuant to Article 159 of the Directive 2013/36/EU, as the competent authority of the home member state, may, after having informed the competent authority of the host member state, carry out by its own or through an intermediary on-the-spot checks of the information referred to in subsection (10) of section 27.
	(15) The Central Bank, as the competent authority of the home member state, may also, for the on- the-spot checking of a branch in the host member state, have recourse to one of the other procedures set out in section 27(2).
	(16) Subsections (14) and (15) shall not affect the right of the competent authority of the host member-state to carry out, in the discharge of its responsibilities, on-the-spot checking of the branches established in that member-state of ACIs incorporated in the Republic, which are assigned by the legislation of the host member-state equivalent to this Law.
Exchange of information between authorities.	27A. (1) The provisions of subsection (1) of section 28A and of section 28B shall not preclude the exchange of information between the Central Bank and other competent authorities within the Republic, competent authorities in

	different member states and the following, in the discharge of its supervisory functions:
	(a) authorities entrusted with the public duty of supervising other financial sector entities and the authorities responsible for the supervision of financial markets;
	(b) authorities or bodies charged with responsibility for maintaining the stability of the financial system in member states through the use of macro-prudential rules;
	(c) reorganisation bodies or authorities aiming at protecting the stability of the financial system;
	(d) contractual or institutional protection schemes as referred to in Article 113, paragraph 7 of Regulation (EU) No 575/2013;
	(e) bodies involved in the liquidation and bankruptcy of institutions and in other similar procedures;
	(f) persons responsible for carrying out statutory audits of the accounts of institutions, insurance undertakings and financial institutions.
	(2) Sections 28A(1) and 28B shall not preclude the disclosure to bodies which are responsible to administer deposit-guarantee schemes and investor compensation schemes of information necessary for the exercise of their functions.
	(3) The information received shall in any event be subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A.
Exchange of information with oversight bodies.	27B. (1) Notwithstanding the provisions of subsections (4) and (5) of section 27 and sections 28A and 28B, the Central Bank may authorise exchange of information with the authorities responsible for overseeing:
	(a) the bodies involved in the liquidation and bankruptcy of institutions and in other similar procedures;
	(b) contractual or institutional protection schemes as referred to in Article 113, paragraph 7, of Regulation (EU) No 575/2013;
	(c) the persons charged with carrying out statutory audits of the accounts of institutions, insurance undertakings and financial institutions.
	(2) In the cases referred to in subsection (1), the fulfilment of at least the following conditions shall be required:
	(a) that the information is exchanged for the purpose of performing the tasks referred to in subsection (1);

	(b) that the information received is subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A;
	(c) where the information originates in another member state, that it is not disclosed without the express agreement of the competent authorities which have disclosed it and, where appropriate, solely for the purposes for which those authorities gave their agreement.
	(3) Notwithstanding the provisions of subsections (4) and (5) of section 27 and sections 28A and 28B, the Central Bank may, with the aim of strengthening the stability and integrity of the financial system, authorise the exchange of information between competent authorities and the authorities or bodies responsible under law for the detection and investigation of breaches of company law.
	(4) In the cases of subsection (3) the fulfilment of at least the following conditions shall be required:
	(a) that the information is exchanged for the purpose of detecting and investigating breaches of company law;
	(b) that the information received is subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A;
	(c) where the information originates in another member state, that it is not disclosed without the express agreement of the competent authorities which have disclosed it and, where appropriate, solely for the purposes for which those authorities gave their agreement.
	(5) Where the authorities or bodies referred to in subsection (1) perform their task of detection or investigation with the aid, in view of their specific competence, of persons appointed for that purpose and not employed in the public sector, may extend the possibility of exchanging information provided for in subsection (3) to such persons under the conditions specified in subsection (4).
	(6) In order to implement subsection (5), the authorities or bodies referred to in subsection (4) shall communicate to the Central Bank, which has disclosed the information, the names and the precise responsibilities of the persons to whom the information is to be sent.
	(7) The Central Bank shall communicate to EBA the names of the authorities or bodies which may receive information pursuant to this section.
	(8) Subject to Article 84 of the Directive 2014/59/EU regarding confidentiality, the Central Bank upon request, shall provide resolution authorities and the other competent authorities, with all the information relevant for the exercise of the tasks undertaken under the Directive 2014/59/EU.
Transmission of information concerning	27C. (1) Notwithstanding the provisions of subsections (8) to (10) of section 17, of subsections (1), (1B) and (2) of section 26, of subsection (2) of section

monetary, deposit protection, systemic and payment aspects.	26C, of subsections (4), (5), (10), (11), (12), (13), (14) and (16) of section 27, of sections 27A, 27B, 27C, 27D, 27E, of subsections (3) and (3A) of section 28, and of sections 28A, 28B, 28C, 28F, 41A, 41B, 41C, 41D, 41E, 42B and 42C, the Central Bank may transmit information to the following bodies, for the purposes of carrying out their tasks:
	(a) ESCB central banks and other bodies with a similar function in their capacity as monetary authorities where the information is relevant for the exercise of their respective statutory tasks, including the conduct of monetary policy and related liquidity provision, oversight of payments, clearing and settlement systems and the safeguarding of stability of the financial system;
	(b) contractual or institutional protection schemes as referred to in Article 113, paragraph 7, of Regulation (EU) No 575/2013;
	(c) where appropriate, other public authorities responsible for overseeing payment systems;
	(d) the ESRB, the European Insurance and Occupational Pensions Authority ("EIOPA") and ESMA, where that information is relevant for the exercise of their tasks under Regulations (EU) No 1092/2010, (EU) No 1094/2010 or (EU) No 1095/2010.
	It is provided that the Central Bank shall take the appropriate measures to remove obstacles from transmitting information in accordance with this subsection.
	(2) Notwithstanding the provisions of subsections (8) to (10) of section 17, of subsections (1), (1B) and (2) of section 26, of subsection (2) of section 26C, of subsections (4), (5), (10), (11), (12), (13), (14) and (16) of section 27, of sections 27A, 27B, 27C, 27D, 27E, of subsections (3) and (3A) of section 28 and of sections 28A, 28B, 28C, 28F, 41A, 41B, 41C, 41D, 41E, 42B, 42C, the Central Bank receives the information required for the purposes of section 28B from the authorities and bodies referred to in subsection (1).
	(3) Information received in accordance with subsections (1) and (2) shall be subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A.
	(4) The Central Bank shall take the necessary measures to ensure that, in an emergency situation as referred to in subsection (8) of section 27, it communicates, without delay, information to the ESCB central banks where that information is relevant for the exercise of their statutory tasks, including the conduct of monetary policy and related liquidity provision, the oversight of payments, clearing and settlement systems, and the safeguarding of the stability of the financial system, and to the ESRB where such information is relevant for the exercise of its statutory tasks.

Disclosure of information concerning clearing and settlement services.	27D. (1) The provisions related with professional secrecy set out in subsections (8) to (10) of section 17, subsections (1), (1B) and (2) of section 26, subsection (2) of section 26C, subsections (4), (5), (10), (11), (12), (13), (14) and (16) of section 27, sections 27A, 27B, 27C, 27D, 27E, subsections (3) and (3A) of section 28 and sections 28A, 28B, 28C, 28F, 41A, 41B, 41C, 41E, 42B, 42C shall not prevent the Central Bank from communicating the information referred to in subsections (4) and (5) of section 27 and in sections 28A and 28B to a clearing house or other similar body recognised under national law for the provision of clearing or settlement services for one of the markets in the Republic, if it considers that it is necessary to communicate the information in order to ensure the proper functioning of those bodies in relation to defaults or potential defaults by market participants.
	It is provided that the information received shall be subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A.
	(2) The Central Bank shall ensure that the information received under subsection (1) of section 28A shall not be disclosed in the circumstances referred to in subsection (1), without the express consent of the competent authorities, which have disclosed it.
Significant branch in the Republic or in another member state.	27E.(1)(a) The Central Bank, as a competent authority of a host member state, may make a request to the consolidating supervisor where subsection (6) of section 27 applies, or to the competent authorities of the home member state, for a branch of an ACI to be considered as significant, with particular regard to the following:
	(i) whether the market share of the branch of the credit institution in terms of deposits exceeds (2%) in the Republic;
	(ii) the likely impact of a suspension or closure of the operations of the credit institution on systemic liquidity and the payment, clearing and settlement systems in the Republic;
	(iii) the size and the importance of the branch in terms of number of clients within the context of the banking or financial system of the Republic.
	(b) The Central Bank, the competent authorities of the home member state, and the consolidating supervisor where subsection (6) of section 27 applies, shall do everything within their power to reach a joint decision on the designation of a branch as being significant;
	(c) If no joint decision is reached within two months of receipt of a request under paragraph (a), the Central Bank as the competent authority of the host member state, shall take its own decision, within a further period of two months, on whether the branch is significant. In taking such a decision, the Central Bank shall take into account any views and reservations of the consolidating supervisor or the competent authorities of the home member state.
	(c1) Deleted.

	(d) The decisions referred to in paragraphs (b) and (c) shall be set out in a document containing full reasoning, shall be transmitted to the competent authorities concerned, and shall be recognised as determinative and applied by the competent authorities of the member states concerned;
	(e)The designation of a branch as being significant shall not affect the rights and responsibilities of the competent authorities under Directive 2013/36/EU;
	(f) The Central Bank as the competent authority of a host member state where a significant branch is established, shall receive from the competent authority of the home member state the information referred to in subparagraph (iv) of paragraph (d) of subsection (10A) of section 39 and shall cooperate with it to carry out the tasks referred to in paragraph (d) of subsection (6) of section 27.
	(2) (a) The Central Bank when acting as the supervisory authority of the home member-state, it shall communicate to the competent authorities of a host member-state where a significant branch is established the information referred to in section 39(10A)(c) and (d) and carry out the tasks referred to in section 27(6)(c) in cooperation with the competent authorities of the host member-state;
	(b) If the Central Bank when acting as the supervisory authority of a home member-state, becomes aware of an emergency situation within a credit institution as referred to in section 27(8), it shall alert as soon as practicable the authorities referred to in section 27C(1) and the authorities of the Republic referred to in section 28C;
	(c) The Central Bank as the competent authority of a host member state where a significant branch is established shall receive from the competent authority of a home member state the information referred to in subparagraphs (iii) and (iv) of paragraph (d) of subsection (10A) of section 39 and shall cooperate with it to carry out the tasks referred to in paragraph (c) of subsection (6) of section 27.
	(3)(a) Where subsection (11A) of section 39 does not apply, the Central Bank as the competent authority supervising an ACI with significant branches in other member states, shall establish and chair a college of supervisors to facilitate the reaching of a joint decision on the designation of a branch as being significant under subsection (1) of this section and the exchange of information under subsection (2) of section 28C.. The establishment and functioning of the college shall be based on written arrangements determined by the Central Bank as the competent authority of the home member state, after consultation with the competent authorities concerned. The Central Bank as the competent authority of the home member state, shall decide which competent authorities participate in a meeting or in an activity of the college;
	(b) The decision of the Central Bank as the competent authority of the home member state, shall take account of the relevance of the supervisory activity to be planned or coordinated for those authorities, in particular the potential impact on the stability of the financial system in the member states

	concerned, as referred to in subsection (1B) of section 26, and the obligations referred to in subsection (2) of this section;
	(c) The Central Bank when acting as the competent authority of the home member state, shall keep all members of the college fully informed, in advance, of the organisation of such meetings, the main issues to be discussed and the main activities to be considered. The Central Bank shall also keep all the members of the college fully informed, in a timely manner, of the actions taken in those meetings or the measures carried out.
Institutions exempted permanently pursuant article 2 of the Directive 2006/48/EC.	27F. The institutions which are exempted permanently pursuant Article 2, paragraph 5, of the Directive 2013/36/EU are recognised as financial institutions under section 10Bbis, of subsection (4) of section 19, of subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, of subsections (5), (7), (8), (9), (10), (10A), (11A), (12), (13) and (15) of section 39, of sections 39A, 39B, 39C, 39D, 39E and 39F and subsection (4) of section 42 of this Law.
Application of provisions to financial holding companies and mixed - activity holding companies which have their head offices in the Union.	27G. The provisions of section 10Bbis, of subsection (4) of section 19, of subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, of subsections (5), (7), (8), (9), (10), (10A), (11A), (12), (13) and (15) of section 39, of sections 39A, 39C, 39D, 39E, 39F, 39G and subsection (4) of section 42 of this Law, shall be also applied to financial holding companies, to mixed financial holding companies and to mixed-activity holding companies which have their head offices in the European Union.
Appointment of approved auditor.	27H. (1) Subject to the provisions of Part X of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law and section 19 of the Cooperative Societies Law, as they may be amended or replaced, the appointment of an approved auditor for the performance of the statutory audit of the annual and consolidated accounts of an ACI requires the explicit approval of the Central Bank.
	(2) For the approval of an approved auditor under subsection (1), the Central Bank shall assess whether the approved auditor has the qualifications for the effective and unbiased audit of the ACI.
	(3) The approved auditor shall certify to the Central Bank that the statutory audit of an ACI is conducted in accordance with the international audit standards and any additional requirements set out in directives issued pursuant to this Law.
	(4) In the case where an ACI incorporated in the Republic fails to appoint an approved auditor for the statutory audit of its annual and consolidated accounts, the Central Bank shall appoint such auditor and shall set his remuneration to be paid by the ACI.
Communication between the Central Bank and Auditors and obligations of persons assigned the audit of the annual and consolidated accounts.	28. (1) The Central Bank may arrange, trilateral meetings with each ACI and its approved auditor to discuss matters relevant to the Central Bank's supervisory responsibilities which arise in the course of the audit of that bank conducted in accordance with section 24, including relevant aspects of the bank's business, its accounting and control systems, and its annual balance sheet and profit and loss accounts.

	(2) The Central Bank may, if it considers it desirable or necessary in the interests of depositors, arrange bilateral meetings with the approved auditors of ACIs.
	(3) The disclosure in good faith to the Central Bank or any other competent authority concerned, of any facts or decisions referred to in subsection (1), by an approved auditor, shall not constitute a breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision and shall not involve such persons in any liability. Such disclosure shall be made simultaneously to the management body of the credit institution, unless there are compelling reasons not to do so.
	(3A) (a) The approved auditor shall at least have a duty to report promptly to the Central Bank any fact or decision concerning the credit institution, of which that person has become aware while carrying out that task, which is liable to:
	(i) constitute a material breach of the laws, regulations or administrative provisions which lay down the conditions governing authorisation or which specifically govern pursuit of the activities of the credit institution;
	(ii) affect the ongoing functioning of the credit institution;
	(iii) lead to refusal to certify the accounts or to the expression of reservations.
	(b) The approved auditor must report promptly to the Central Bank any facts or decisions of which that person becomes aware in the course of carrying out a task in an undertaking having close links resulting from a control relationship with the credit institution within which he is carrying out that task.
Professional secrecy.	28A.(1)(a) All persons working for or who have worked for the Central Bank and auditors or experts acting on behalf of the Central Bank, shall be bound by the obligation of professional secrecy;
	(b) Confidential information which the persons referred to in paragraph (a) receive, in the course of their duties shall be disclosed only in summary or aggregate form, such that individual credit institutions cannot be identified, without prejudice to cases covered by criminal law;
	(c) Nevertheless, where a credit institution has been declared bankrupt or is being compulsorily wound up, confidential information which does not concern third parties involved in attempts to rescue that credit institution, may be disclosed in civil or commercial proceedings.

	(2) Subsection (1) shall not prevent the Central Bank from exchanging information with other competent authorities or transmitting information to the ESRB, EBA, or the European Supervisory Authority (European Securities and Markets Authority) ("ESMA") in accordance with this Law and other legislation or directives or regulations applicable to credit institutions, with Regulation (EU) No 575/2013, with Article 15 of Regulation (EU) No 1092/2010, with Articles 31, 35 and 36 of Regulation (EU) No 1093/2010 and with Articles 31 and 36 of Regulation (EU) No 1095/2010. That information shall be subject to the rules that govern professional secrecy set out in subsection (1).
	(3) Subsection (1) shall not prevent the Central Bank from publishing the outcome of stress tests carried out in accordance with section 26F of this Law or Article 32 of Regulation (EU) No 1093/2010 or from transmitting the outcome of stress tests to EBA for the purpose of the publication by EBA of the results of Union-wide stress tests.
Use of confidential information.	28B. When the Central Bank receives confidential information, under the provisions of section 28A, it may use this information in the course of its duties and only for any of the following purposes:
	(a) to check that the conditions governing access to the activity of ACIs are met and to facilitate monitoring, on a non-consolidated or consolidated basis, of the conduct of such activity, especially with regard to the monitoring of liquidity, solvency, large exposures, and administrative and accounting procedures and internal control mechanisms;
	(b) to impose penalties;
	(c) in an appeal against a decision of the Central Bank, including court proceedings pursuant to section 42D;
	(d) in court proceedings initiated pursuant to special provisions provided for in European Union law adopted in the field of credit institutions.
Investigation powers of the European Parliament.	28Bbis. The provisions of sections 28A and 28B do not affect the investigation powers assigned to the European Parliament pursuant to Article 226 of the Treaty on the Functioning of the European Union.
Transmission of information to other entities.	28C.(1)(a) Notwithstanding the provisions of subsection (1) of section 28A and of section 28B, certain information may be disclosed, by virtue of provisions laid down in national law, to other departments of the Republic's central government administration responsible for law relating to the supervision of institutions, financial institutions and insurance undertakings, and to inspectors acting on behalf of those departments;
	(b) The disclosure of information under paragraph (a) may be made only where necessary for reasons of prudential supervision, and prevention and resolution of failing institutions. Without prejudice to subsection (2), the persons having access to the information shall be subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A.

	(1A) In an emergency situation as referred to in subsection (8) of section 27, the Central Bank may disclose information which is relevant to the departments referred to in paragraph (a) in all member states concerned.
21(I) of 1985 12(I) of 1993.	(1B) Notwithstanding the provisions laid down on the Deposit Data and Information to the House of Representatives and the Parliamentary Laws Committees, the Central Bank may disclose certain information relating to the prudential supervision of ACIs to parliamentary enquiry committees, courts of auditors and other similar entities in charge of enquiries in the Republic, under the following conditions;
	(a) that the entities have a precise mandate under law to investigate or scrutinise the actions of the Central Bank as the competent authority responsible for the supervision and regulation of ACIs;
	(b) that the information is strictly necessary for fulfilling the mandate referred to in paragraph (a);
	(c) the persons with access to the information are subject to professional secrecy requirements, under law that applies in the Republic, at least equivalent to those referred to in subsection (1) of section 28A;
	(d) where the information originates in another member state, that it is not disclosed without the express agreement of the competent authorities which have disclosed it and, solely for the purposes for which those authorities gave their agreement.
138(I) of 2001 37(I) of 2003 105(I) of 2012.	(1C) To the extent that the disclosure of information relating to prudential supervision involves processing of personal data, any processing by the entities referred to in subsection (1) shall comply with the provisions of the Processing of Personal Data Law (Protection of Individuals) Laws.
	(2) The information obtained under subsections (13) and (16) of section 27, in subsection (2) of section 28A and of section 27A , as well as the information obtained by means of on-the-spot checks or inspections provided in subsections (11), (12), (14) and (15) of section 27, shall not be disclosed under section 28C save with the express consent of the Central Bank or other competent authority which disclosed the information or of the competent authority of the member state in which such an on-the-spot check or inspection was carried out.
Interconnection of Data Exchange Mechanisms.	28D. (1) All credit institutions, excluding the CCIs and the Housing Finance Corporation are required to participate and provide data to the mechanism for the exchange of data ARTEMIS and all CCIs incorporated under the Cooperative Societies Law and the Housing Finance Corporation are required to participate and provide data to the mechanism for the exchange of data AIANTAS.
	(2) The data provided by credit institutions to the mechanisms for the exchange of data AIANTAS and ARTEMIS are defined by directives of the Central Bank and include data about all the customers' facilities, performing or not.

	(3) The mechanisms for the exchange of data ARTEMIS and AIANTAS are interconnected electronically in order to enable the correlation of the data of both mechanisms, for the purpose that access rights to data of credit institutions, excluding CCIs and the Housing Finance Corporation, shall also be given, in addition to themselves to all the participants in the mechanism for the exchange of data AIANTAS, and access rights to data from the CCIs and the Housing Finance Corporation shall also be given, in addition to themselves, to all the participants in the mechanism for the exchange of data ARTEMIS.
	It is understood that the interconnection of the mechanisms for the exchange of data is subject to section 8 of the Processing of Personal Data (Protection of Individuals) Laws.
	(4) All credit institutions that are subject to the supervision of the Central Bank on a consolidated basis according to this Law and which participate in the mechanisms for the exchange of data AIANTAS and ARTEMIS, have the right to access data kept in those mechanisms, with the main purpose to assess the creditworthiness of their customers and/or their potential customers and the more effective management of credit risk or other related risks.
	(5) All the subsidiaries of credit institutions which have been established under the Companies Law and the Cooperative Societies Law and operating in the Republic, which are included in the consolidated supervision of the Central Bank, shall have the same obligations and rights.
	(6) (a) Data transfer from the interconnected system or mechanism for the exchange of data of subsection (3) to other systems or mechanisms for the exchange of data outside the Republic, takes place after the applicant has submitted a well-documented report to the Central Bank. In case this report does not include the findings of consultations with credit institutions regarding data transfer, the Central Bank proceeds with consultations itself;
	(b) The Central Bank, after having agreed with the reasons and the purpose of the requested data transmission and after having determined the data which might be transmitted by the mechanism for the exchange of data to subsection (3), shall take all necessary measures provided in the Processing of Personal Data (Protection the Individual) Law in relation to the issuance of the relevant authorization where applicable.
	(7) The provisions of section 29 shall apply to any person who becomes aware of data and information from a mechanism for the exchange of data.
	(8) The Central Bank exercising the powers conferred to it by section 41 (6), issues directives specifying the charging procedures from the data exchange mechanisms to credit institutions and/or specifying the level of fees to be charged, as deemed necessary.
Powers of access, supervision and inspection.	28E. (1) The Central Bank has the authority to supervise mechanisms or systems for exchange of data in order to ensure the proper management of the data that exist in their database.

	(2) For the purpose of exercising its supervision, the Central Bank or any person authorised by it has the right of entry and access to all systems, data and operations of the mechanism or system for the exchange of data.
	(3) Access to the data kept in a mechanism for the exchange of data is granted by this Law to the Central Bank or to any person authorised by it.
	(4) The Central Bank may require from the Collaborative IT Company (SEM) Ltd and the ARTEMIS Bank Information Systems Ltd as administrators of the mechanisms for the exchange of data AIANTAS and ARTEMIS respectively, to access the records and the production of reports for the purpose of exercising its powers.
	The Central Bank may require, among other, information and reports of the total exposure and performance of a customer and its connected persons and statistics to create a statistical model to estimate the probability of default and losses given default.
	(5) Information obtained under this section are kept confidential and used only for the purposes of this Law.
	It is understood that the Central Bank may publish statistical information obtained pursuant to this section.
Processing of personal data.	28F. The processing of personal data for the purposes of this Law shall be carried out in accordance with the Processing of Personal Data Law and, where relevant, with Regulation (EC) No 45/2001 of the European Parliament and Council, of 18th December 2000, related with the protection of natural persons against the processing of personal data by the Community bodies and organisations and in relation with the free movement of this data.
Professional secrecy during the recovery and resolution of ACIs.	28G.-(1) For the purposes of the provisions relating to the recovery and resolution of ACIs, the requirements of professional secrecy are binding in respect to the Central Bank and the following persons-
	(a) the resolution authorities;
	(b) the other competent authorities and the EBA;
	(c) the competent ministries;
	(d) the temporary administrators appointed under section 30E;
	(e) the potential acquirers that are contacted by the Central Bank irrespective of whether that said contact was made as preparation for the use of the sale of business tool, and irrespective of whether it resulted in an acquisition;
	(f) the auditors, accountants, legal and professional advisors, valuers and other experts that are directly or indirectly engaged by the Central Bank, the resolution authorities, the other competent authorities, the competent ministries or by the potential acquirers referred to in paragraph (e);

	(g) the bodies which administer the deposit guarantee schemes;
	(h) the bodies which administer investor compensation schemes;
	(i) the body that is in charge of the resolution financing arrangements;
	(j) the other central banks and authorities involved in the resolution process;
	(k) the bridge ACI or the asset management vehicle;
	(l) any other persons who provide or have provided services directly or indirectly, on a permanent basis or occasionally, to persons referred to in points (a) to (k);
	(m) the senior management and the members of the management body, as well as the employees of the Central Bank and the entities or bodies referred to in paragraphs (a) to (k), before, during and after their appointment.
	(2) In order to ensure that the confidentiality requirements laid down in subsections (1) and (3), the Central Bank ensures that there are internal rules in place, including rules to secure secrecy of information, between persons directly involved in the resolution process.
	(3) (a) Without prejudice to the generality of the requirements of subsection (1), the persons referred to in that subsection shall be prohibited from disclosing confidential information received during the course of their professional activities either from the Central Bank or other competent authorities in connection with their functions that relate to the recovery of an ACI, to any person or authority unless it is within the exercise of their functions under this Law or in summary or collective form so that individual ACIs cannot be identified or with the express and prior consent of the Central Bank or another competent authority or the ACI which provided the information.
	(b) (i) The persons referred to in subsections (1) are prohibited to disclose any confidential information;
	(ii) The Central Bank assesses the possible effects of disclosing information on the public interest as regards the financial, monetary or economic policy, as well as the commercial interests of natural and legal persons, the purpose of inspections, the investigations and the audits.
	(c) The procedure for checking the effects of disclosing information referred to in subparagraph (ii) of paragraph (b) of this section, includes a specific assessment of the effects of any disclosure of the contents and details of the recovery and resolution plan as referred to in sections 23A, 23C and 23 of this Law and sections 10, 11 and 13 of the Resolution Law as well as the result of any assessment carried out under sections 23B, 23D and 32H of this Law;

	(d) Any person or entity referred to in subsection (1) is subject to civil liability in the event of an infringement of this section.
	(4) This section shall not prevent:
	(a) the employees and the experts of the bodies or entities referred to in points (a) to (j) of subsection (1) from sharing information among themselves within each body or entity; or
	(b) the Central Bank including its employees and experts, from sharing information with the Resolution authority, other competent authorities and other Union resolution authorities, competent ministries, central banks, deposit guarantee schemes, investor compensation schemes, authorities responsible for normal insolvency proceedings, authorities responsible for maintaining the stability of the financial system in Member States through the use of macroprudential rules, persons charged with carrying out statutory audits, the EBA, or, subject to section 102 of the Resolution Law, third-country authorities that carry out equivalent functions to the resolution authorities, or, subject to strict confidentiality requirements, to a potential acquirer for the purposes of planning or carrying out a resolution action.
	(5) Notwithstanding any other provision of this section, the Central Bank may authorise the exchange of information with any of the following:
	(a) subject to strict confidentiality requirements, any other person, where necessary for the purposes of planning or carrying out a resolution action;
	(b) parliamentary enquiry committees in the Republic, courts of auditors and other entities in charge of enquiries in the Republic, under appropriate conditions; and
	(c) national authorities in the Republic that are responsible for overseeing payment systems, the authorities responsible for normal insolvency proceedings, the authorities entrusted with the public duty of supervising other financial sector entities, the authorities responsible for the supervision of financial markets and insurance undertakings and the inspectors acting on their behalf, and persons charged with carrying out statutory audits;
	(6) This section shall apply subject to the provisions of this Law concerning the disclosure of information for the purpose of legal proceedings in criminal or civil cases.
	PART XI
	Bank Confidential
Duty to maintain bank secrecy.	29. (1) No member of the management body, chief executive, manager, officer, employee or agent of an ACI and no person who has by any means access to the records of an ACI, shall provide, divulge, communicate, reveal or for his own benefit use any information whatsoever regarding the account of any

	individual customer of the ACI, either while being under the employment or in a professional relationship with the ACI, as the case may be, or after the termination of such employment or professional relationship.
	(2) Subsection (1) shall not apply in any case where -
	(a) the customer or his appointed representatives gives or give his or their written permission for this purpose; or
	(b) the customer has been declared bankrupt or if the customer is a company, the company is being wound up; or
	(c) civil proceedings have been instituted between the ACI and the customer or his guarantor relating to customer's account; or
	(d) the information is provided to the police under the provisions of any Law or to a public officer who is duly authorised under that Law to obtain that information or provided to a court pursuant to the investigation or prosecution of a criminal offence under any such Law; or
	(e) the ACI has been served with a garnishee order attaching moneys in the account of the customer; or
	(f) the information is required by a colleague in the employment of the same ACI or its holding company or the subsidiary undertaking of the ACI or its holding company or an approved auditor or legal councelor of the ACI in the course of their duties; or
	(g) the information is required to assess the creditworthiness of a customer in connection with or relating to a bona fide commercial transaction or a prospective commercial transaction so long as the information required is of a general nature and in no way related to the details of a customer's account; or
	(gi) the information is supplied for the purpose of maintaining and operating the Central Information Register set up under the provisions of subsections (3) and (4) of section 41; or
	(gii) the information is provided under section 74 of the Covered Bond Law; or
	(giii) the information is provided to the Central Body by a CCI in accordance with the provisions of section 25A; or
	(giv) the information is provided in a system or a mechanism for the exchange of data of credit institutions under this Law and directives issued under section 41 (6):
188(I) of 2007 58(I) of 2010 80(I) of 2012 192(I) of 2012 101(I) of 2013	It is understood that, unless one or more of the cases referred to in this subsection are present, any person that has access through system or mechanism for the exchange of data or access through any other way to the information provided in a system or mechanism for the exchange of data, is prohibited from providing, communicating, disclosing or for his

184(I) of 2014 18(I) of 2016.	own benefit using any information regarding the account of particular customer of a credit institution, either while being under an employment or a professional relationship, through which he gained access to such information, or after such an employment or professional relationship has been terminated; or
138(I) του 2002 166(I) του 2003 34(I) του 2007 86(I) του 2013 103(I) του 2013 66(I) του 2014 139(I) του 2014 144(I) του 2014 107(I) του 2016.	(gv) the information is provided to the Information Office as defined in subsection (3) of section 6 of the Central Bank of Cyprus Law, pursuant to subparagraph (a) of paragraph (5) of Article 14 of Regulation (EU) 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters; or
	(gvi) the information is provided in accordance with the provisions of section 59 of the Prevention and Suppression of Money Laundering Activities Law; or
	(gvii) the information is provided to the Tax Department of the Republic, for purposes of compliance with the provisions of multilateral or intergovernmental agreements or with provisions of Laws; or
	(h) the provision of the information is necessary for reasons of public interest or is necessary for the protection of the interests of the ACI;
	(i) without prejudice to the other provisions of this subsection, the provision of information is necessary for:
	(a) the appropriate assessment of the ACI or any part ~~of the~~ of the ACI's assets in relation to a bona fide trade act or future trade act:
	(A) for sale, either by 'allotment' or otherwise, from the ACI to a potential buyer, issued share capital of the ACI equal to at least one twentieth (1/20) of the total issued share capital of the ACI (calculated at the point immediately after the completion of the subject sale); or/and
	(B) for sale (whether by assignment or otherwise) from the ACI to a potential buyer of any part of the ACI's assets; or/ and
	(C) for conclusion with the ACI of a participation agreement whereby a third party (which for the purposes of this paragraph will hereafter be referred to as the "participant") undertakes part or all of the risks of the credit facilities granted by the ACI ("participation / sub- participation agreement "); or/and
	(D) for the creation of a charge by the ACI on any part of the ACI' assets for the benefit of a third person (which for the

	purposes of this paragraph will hereafter be referred to as "the counterparty"); or/ and
	(b) the assignment, by the ACI, of operations or/ and services or/ and activities to an associate, or /and the purchase or/and acquisition by the ACI of products or/ and services provided by an associate; or/and
	(c) the conclusion or/and implementation of any of the acts referred to in subparagraphs (a) and (b), provided that the information is provided, communicated or disclosed solely for the purposes of this paragraph:
	(A) to a potential or actual purchaser or assignee or participant or counterparty or associate; or/and
	(B) to the parent undertaking of any of the persons referred to in point (A) of subparagraph (c); or/and
	(C) to the subsidiary company of any of the persons referred to in point (A) of subparagraph (c) or of its parent undertaking; or/and
	(D) to a person who provides facilities to any of the persons referred to in point (A) of subparagraph (c) for the purposes of any of the operations referred to in subparagraphs (a) and (b); or/and
	(E) to a professional consultant or other associate and / or any employee, officer, agent, manager, administrator and / or trustee of any of the persons referred to in point (A) of subparagraph (c):
	It is provided that, for the purposes of this section, the access and disclosure in any way of information relating to natural persons' bank accounts falling within the meaning of the term "personal data" as provided for by Article 4 (1) of Regulation (EU) 2016/679, shall only be made in accordance with the provisions of the said Regulation.
	PART XII
	Powers of the Central Bank
Supervisory measures.	29A.(1) ACIs shall take the necessary measures at an early stage to address relevant problems in the following circumstances:
	(a) the ACI does not meet the requirements of this Law or of the Macro-prudential Supervision of Institutions Law or of Regulation (EU) No 575/2013 or the directives issued thereunder or the terms of its authorization;
	(b) the Central Bank has evidence that the ACI is likely to breach the requirements of this Law or of the Macro-prudential Supervision of

	Institutions Law or of Regulation (EU) No 575/2013 or the directives issued there-under within the following 12 months.
	(2) For the purposes of subsection (1), the powers of the Central Bank shall include those referred to in section 30.
Supervisory powers. Annex III	30. (1) The Central Bank for the purposes of subsections (6) to (9A) of section 26, of subsection (4) of section 26Z and of sections 26H, 29A and paragraph (4) of Annex III in case it fails to comply or with the conditions of its licence, or in the opinion of the Central Bank the liquidity and nature of its assets have been impaired or there is a risk that the ability of the ACI to meet promptly its obligations may be impaired, or where this is considered necessary for the safeguarding of the interests of depositors or creditors, as well as for the purposes of implementing Regulation (EU) no. 575/2013, has the following powers:
	(a) require the ACI forthwith to take such action as the Central Bank may consider necessary to rectify the matter or to restrict the operations of an ACI by imposing conditions on its operating licence as it thinks desirable;
	(b) without prejudice to the generality of paragraph (a) above, impose conditions under this section and in particular:
	(i) require the ACI to take certain steps or to refrain from adopting or pursuing a particular course of action or to restrict the scope of its business in a particular way;
	(ii) impose limitations on the ACI on the acceptance of deposits, the granting of credit or the making of investments;
	(iii) prohibit the ACI from soliciting deposits, either generally or from specified persons or class of persons;
	(iv) prohibit the ACI from entering into any other transaction or class of transactions;
	(v) require the removal of any director, chief executive or manager of the ACI;
	(vi) require the ACI to hold own funds in excess of the requirements laid down in sections 22B, 22C, and 22D and in the Macro-prudential Supervision of Institutions Law, as well as in Regulation (EU) no. 575/2013 regarding risk assets and risks which are not covered under Article 1 of this Regulation;
	(vii) to require the reinforcement of the arrangements, processes, mechanisms and strategies implemented by the ACI in accordance with subsections (2), (3) and (5) of section 19 and section 19A;
	(viii) to require the ACI to apply a specific provisioning policy or treatment of assets in terms of capital requirements;

	(ix) to restrict or limit the business, operations or network of ACIs or to request the divestment of activities that pose excessive risks to the soundness of the ACI;
	(x) require the reduction of the risk inherent in the activities, products and systems of ACIs:
	The adoption of the measures specified in paragraph (a) of subsection (1), are subject to the provisions of subsections (1), (2) and (5) of section 27 and sections 27A, 27B, 27C, 28A, 28B, 28C and 28D of this Law;
	It is provided that any condition imposed under paragraphs (a) or (b) above may be varied or withdrawn by the Central Bank;
	(c) consult with other credit institutions with a view to determining the action to be taken;
	(d) assume control of, and carry on in the ACI's name, the business of the bank, for so long as the Central Bank may consider necessary. In such cases the ACI shall be obliged to provide the Central Bank such facilities as the Central Bank may require for carrying on the business of the ACI;
	(e) subject to the provisions of section 4A, revoke the operating licence of the ACI;
	(f) to demand that the ACI incorporated in the Republic increase its share capital in accordance with section 30A:
	It is provided that the provisions of the Companies Law and the Cooperative Societies Law, as they may be amended or replaced, shall also apply, in as much as they do not conflict with the provisions of increasing capital of section 30A of this Law;
	(h) to restrict or prohibit dividend payments by ACIs to shareholders, members or holders of Additional Tier 1 instruments where the prohibition does not constitute an event of default of the ACI, irrespective of the provisions of the Companies Law or the Cooperative Societies Laws;
	(i) to require ACIs to limit variable remuneration as a percentage of net revenues where it is inconsistent with the maintenance of a sound capital base;
	(j) to require an ACI to present a plan to restore compliance with supervisory requirements pursuant to this Law and the Macro-prudential Supervision of Institutions Law and Regulation (EU) No 575/2013 as well as the directives issued there-under and set a deadline for its implementation, including improvements to that plan regarding scope and deadline;
	(k) to require an ACI to use net profits to strengthen own funds;
	(l) to impose additional or more frequent reporting requirements, including reporting on capital and liquidity positions;

	(m) to impose specific requirements on liquidity, including restrictions on maturity mismatches between assets and liabilities;
	(n) to require additional disclosures.
	(2) The Central Bank shall, before taking any measure under paragraph (a) or (b) of subsection (1), furnish a report to the ACI inviting its comments thereon within a specified period which should not be less than three days from the date of the delivery of the report.
	(3) The additional own funds requirements referred to in paragraph (a) of subsection (1) shall be imposed by the Central Bank at least where -
	(a) an ACI does not meet the requirement set out in subsections (2), (3) and (5) of section 19 and in section 19A of this Law or in Article 393 of Regulation (EU) No 575/2013;
	(b) risks or elements of risks are not covered by the own funds requirements set out in sections 22C and 22D of this Law and in the Macro-prudential Supervision of Institutions Law or in Regulation (EU) No 575/2013;
	(c) the sole application of other administrative measures is unlikely to improve the arrangements, processes, mechanisms and strategies sufficiently within an appropriate timeframe;
Annex III	(d) the review referred to in paragraph (4) of Annex III or in subsection (4) of section 26Z, reveals that the non-compliance with the requirements for the application of the respective approach is likely to lead to inadequate own funds requirements;
	(e) the risks are likely to be underestimated despite compliance with the applicable requirements of this Law, of the Macro-prudential Supervision of Institutions Law and of Regulation (EU) No 575/2013; or
	(f) an ACI reports to the Central Bank in accordance with Article 377, paragraph 5, of Regulation (EU) No 575/2013 that the stress test results referred to in that Article materially exceed its own funds requirement for the correlation trading portfolio.
	(4) For the purposes of determining the appropriate level of own funds on the basis of the review and evaluation carried out in accordance with subsections (6) until (9A) of section 26, sections 26E, 26F, 26Z and Annex III, the Central Bank shall assess whether any imposition of an additional own funds requirement in excess of the own funds requirement is necessary to capture risks to which an ACI is or might be exposed, taking into account the following:
	(a) the quantitative and qualitative perspective of the assessment procedure towards the ACI as specified in section 19A;
	(b) the arrangements, the procedures and the mechanisms of the ACI specified in subsections (2), (3) and (5) of section 19;

Annex III	(c) the result of the examination and assessment carried out according with subsections (6) until (9A) of section 26, sections 26E, 26F, 26Z and Annex III;
	(d) the assessment of systemic risk.
Increase in ACI's incorporated in the Republic share capital.	30A. (1) Without prejudice to the provisions of paragraph (f) of subsection (1) of section 30, the Central Bank may demand that the ACI incorporated in the Republic increase its share capital by a specific deadline and on terms which it deems necessary and shall stipulate the minimum increase in share capital required, so that the ACI incorporated in the Republic shall have capital in keeping with the capital requirements of this Law, of the Macro-prudential Supervision of Institutions Law and of Regulation (EU) No 575/2013:
	It is provided that the provisions of the Companies Law and the Cooperative Societies Laws shall apply to the extent to which they shall not oppose to the provisions for the increasing of share capital as provided in this section;
	(2) The ACI incorporated in the Republic shall notify the Central Bank of the measures which it intends to take in order to comply with the decision referred to in subsection (1) and shall file a timetable for approval by the Central Bank within three (3) days of notice of that decision.
	(3) (a) The ACI's management body shall convene an extraordinary general meeting of shareholders at a point of time decided by the Central Bank in accordance with subsection (1);
	(b) Notwithstanding the provisions of section 127 of the Companies Law and the provisions of the Cooperative Societies Law, as they may be amended or replaced, the ACI shall give shareholders written notice of the extraordinary general meeting of shareholders within three (3) days.
	(4) The provisions of subsection (1) of section 62 of the Companies Law and the provisions of the Cooperative Societies Law, as they may be amended or replaced, notwithstanding, the ACI must give, in case of a bank, to the Registrar of Companies notice of the increase for registration purposes within seven (7) days of approval of a resolution authorizing the increase in share capital. The proviso in subsection (2) of section 62 of the Companies Law shall not apply for the purposes of this Law.
	(5) If the ACI's management body fails to convene an extraordinary general meeting of shareholders as per subsection (3) or if the ACI fails to send the Registrar of Companies notice for the purpose of registering the increase in share capital as authorized by the extraordinary general meeting of shareholders, the Central Bank may impose a fine of up to one hundred thousand euro (€100.000) on each member of the management body who failed to comply.
	30B. - Deleted
Early intervention measures	30C. - (1) Where an institution infringes or, due, inter alia, to a rapidly deteriorating financial condition, including deteriorating liquidity situation, and also increasing

	level of leverage, non-performing loans or concentration of exposures, as assessed on the basis of a set of triggers, which may include the institution's own funds requirement plus 1,5 percentage points, or is likely in the near future to infringe the requirements of this Law, the Macropudential Oversight of Institutions Law and of Regulation (EU) No 575/2013, the Central Bank shall ensure, without prejudice to the measures referred to in paragraphs (b) and (h) to (n) of subsection (1) of this section and in section 30(3) and (4) of this Law, to impose where appropriate , at least the following measures:
	(a) require the management body of the ACI to implement one or more of the arrangements or measures set out in the recovery plan or in accordance with section 23A(2) to update such a recovery plan when the circumstances that led to the early intervention are different from the assumptions set out in the initial recovery plan and implement one or more of the arrangements or measures set out in the updated plan within a specific timeframe in order to ensure that the conditions referred to in the introductory phrase of this section no longer apply;
	(b) require the management body of the ACI to examine the situation, identify measures to overcome any problems identified and draw up an action programme to overcome those problems and a timetable for its implementation;
	(c) require the management body of the ACI to convene, or if the management body fails to comply with that requirement, the Central Bank to convene directly, a meeting of the shareholders of the ACI, and in both cases set the agenda and require that certain decisions are considered for adoption by the shareholders;
	(d) require to remove or replace one or more members of the management body or senior if they are found unfit to perform their duties pursuant to section 4(2A)(a) and (b);
	(e) require the management body of the ACI to draw up a plan for negotiation of restructuring of debt with some or all of its creditors according to the recovery plan, where applicable;
	(f) require changes to the business strategy of the ACI;
	(g) require changes to the legal or operational structures of the ACI;
	(h) acquire, including through on-site inspections and provide to the resolution authorities, all the information necessary in order to update the resolution plan and prepare for the possible resolution of the institution and for valuation of the assets and liabilities of the ACI in accordance with sections 32 and 47 of the Resolution Law.
	(2) The Central Bank notifies without delay the resolution authorities, upon determining that the conditions laid down in subsection 1 have been met in relation to an ACI.

	(3) For each of the measures referred to in subsection 1, the Central Bank sets an appropriate deadline for its completion, in order to be able to evaluate the effectiveness of the measure.
Removal of the senior management and the management body.	30D.-(1) Where there is a significant deterioration in the financial situation of an ACI or where there are serious infringements of law, or regulations or of the statutes of the ACI, or serious administrative irregularities, and the other measures taken in accordance with section 30C are not sufficient to reverse that deterioration, the Central Bank may require the removal of the senior management or management body of the ACI, in its entirety or on an individual basis.
Official Gazette Annex 3(I): 21.11.2014 R.A.A 525/2014, No. 4834.	(2) The appointment of the new senior management or management body is carried out pursuant to the provisions of the Companies Law as amended, in accordance with section 28 of the present Law and the directives issued and specifically the Directive on the Assessment of Fitness and Probity of 2014 and is subject to the approval or consent of the Central Bank.
Temporary Administrator.	30E.(1)(a) In case where the Central Bank deems that the replacement of the senior management or management body as referred to in section 30D is insufficient to remedy the situation, it may appoint one or more temporary administrators;
	(b) The Central Bank may, based on the circumstances, appoint a temporary administrator either to temporarily replace the management body of the ACI or to temporarily work with the management body of the ACI, and specifies its decision at the time of appointment;
	(c) If the Central Bank appoints a temporary administrator in order to work with the management body of the ACI, it further specifies, at the time of the appointment, the role, duties and powers of the temporary administrator and any requirements so that the management body of the ACI to consult or to obtain the consent of the temporary administrator prior to taking specific decisions or actions;
	(d) The Central Bank publishes the appointment of the temporary administrator except in cases where the temporary administrator does not have the power to represent the ACI;
	(e) The Central Bank ensures that the temporary administrator has the qualifications, abilities and knowledge required to carry out his or her functions and that is there is no conflict of interest;
	(2)(a) The Central Bank defines the powers of the temporary administrator at the time of the appointment and these must be proportionate to the circumstances;
	(b) The powers of the temporary administrator may include some or all the powers of the management body of the ACI as these are provided in the Memorandum and Articles of Association of the ACI and this law, including the power to exercise certain or all of the administrative functions of the management body of the ACI.

	(3)(a) The role and functions of the temporary administrator are specified by the Central Bank at the time of the appointment and may include ascertaining the financial position of the ACI, the management of the business or part of the business of the ACI in order to preserve or restore its financial position and also to take measures to restore the sound and prudent management of the business of the institution;
	(b) The Central Bank specifies any limits on the role and functions of the temporary administrator at the time of appointment
	(4)(a) The Central Bank has the exclusive power to appoint and remove the temporary administrator;
	(b) The Central Bank may remove the temporary administrator at any time and for any reason;
	(c) The Central Bank may amend the terms of appointment of a temporary administrator at any time subject to the provisions of this section.
	(5)(a) The Central Bank may require that certain actions of the temporary administrator are subject to its prior consent;
	(b) The Central Bank specifies the requirements referred to in paragraph (a) at the time of the appointment of the temporary administrator or at the time of any modification of the terms the appointment;
	(c) In any case, the temporary administrator may convene a general meeting of the shareholders of the ACI and may set the agenda only with the prior consent of the Central Bank.
	(6) The Central Bank may require from the temporary administrator to draw up reports on the financial position of the ACI and on the actions performed in the course of his appointment, at intervals set by the Central Bank and at the end of his incumbency.
	(7)(a) The appointment of a temporary administrator does not last more than one year. That period may be renewed, by exception, if the conditions for the appointment of the temporary administrator continue to exist;
	(b) The Central Bank has the responsibility to decide whether the conditions are appropriate to maintain the temporary administrator;
	(c) The Central Bank explains its every decision to maintain the temporary administrator to the shareholders.
	(8) Subject to the provisions of this section the appointment of the temporary administrator does not infringe the rights of the shareholders provided for in the Companies Law as amended or the Cooperative Credit Institutions' Laws as appropriate, and the Union law.
	(9) Without prejudice to section 42D(3), the temporary administrator is not subject to any liability in the event of any action, suit or other legal proceedings for

	damages in respect of any action or omission in the exercise of his tasks and responsibilities as well as for actions and omissions during the exercise of his duties as defined in this section, unless it is proven that the action or omission is not in good faith or that it is the result of gross negligence.
	(10) The temporary administrator appointed pursuant to this section is not deemed to be a shadow director or a de facto consultant.
Coordination of early intervention measures and appointment of temporary administrator in relation to groups.	30F.(1)(a) If the conditions for the imposition of requirements under section 30C or the appointment of a temporary administrator in accordance with section 30C are met in relation to an ACI in the Republic that is the parent undertaking, the Central Bank, as the consolidating supervisory authority notifies the EBA and consults the other competent authorities within the supervisory college;
	(b) Following the notification and consultation provided for in paragraph (a), the Central Bank as the consolidating supervisory authority decides whether to apply any of the measures provided in section 30C or whether to appoint a temporary administrator under section 30E to the parent ACI, taking into account the impact of those measures on the group entities in other Member States;
	(c) The Central Bank notifies the other competent authorities within the supervisory college and the EBA of its decision;
	(d) In case where the Central Bank as the consolidating supervisory authority receives the notification from the competent authority of a credit institution that is the subsidiary ACI with regard to the measures or the appointment of a temporary administrator in the subsidiary, it may assess the possible impact from the imposition of such requirements or from the appointment of the temporary administrator to the subsidiary, the group or the group's entities in other Member States and communicates this assessment to the competent authority of the subsidiary within three days.
	(2)(a) If the conditions for the imposition of the requirements under section 30C or the appointment of a temporary administrator under section 30E are met in relation to an ACI in the Republic that is the subsidiary of a parent undertaking in the EU, the Central Bank as the competent authority of the subsidiary ACI notifies the EBA in the case it intends to take a measure in accordance with these articles and consults the consolidating supervisor;
	(b)(i) Following the notification to the EBA and consultation with the consolidating supervisor, the Central Bank as the competent authority of the subsidiary ACI decides whether to apply any of the measures defined in section 30C or whether to appoint a temporary administrator under section 30E;
	(ii) The decision of the Central Bank takes into consideration any assessment of the consolidating supervisor;
	(iii) The Central Bank notifies the consolidating supervisor, the other competent authorities within the supervisory college and the EBA of the decision.

	(3)(a) In case where both the Central Bank and other competent authorities intend to appoint a temporary administrator or apply any of the measures provided in section 30C to more than one credit institution in the same group, the Central Bank and the other relevant competent authorities, including the consolidating supervisor, consider whether it is more appropriate -
	(i) to appoint the same temporary administrator for all the entities concerned or
	(ii) to coordinate the implementation of any measures provided in section 30C to more than one credit institution in order to facilitate solutions for restoring the financial position of the relevant credit institution.
	(b) The assessment referred in paragraph (a) takes the form of a joint decision of the consolidating supervisor and the other relevant competent authorities;
	(c) The joint decision is reached within five days from the date of the notification referred to in subsection (1) or in subsection (2), accordingly;
	(d) The joint decision must be corroborated and set out in a document:
	It is provided that, the Central Bank, when acting as the consolidating supervisor, provides the written joint decision to the parent ACI in the Republic.
	(4) The Central Bank may request the EBA to assist to reach a decision pursuant to Article 31 of Regulation (EU) No 1093/2010.
	(5) (a) In the absence of a joint decision within five days, the Central Bank, whether acting as the consolidating supervisor or as the competent authority responsible for the supervision of an ACI that is a subsidiary, may take a decision on the appointment of a temporary administrator to the credit institutions for which it is responsible and in relation to the application of any of the measures specified in section 30C;
	(b) If the Central Bank does not agree with the decision notified either by another competent authority in the case referred to in subsection (1) or by the consolidating supervisor in the case provided for in subsection (2), or in the absence of a joint decision in accordance with paragraph (a) of subsection (3), the Central Bank may refer the matter to the EBA in accordance with subsection (6);
Annex V	(6) The Central Bank may request the assistance of the EBA in case that either itself or another competent authority that is the consolidating supervisor, intend to apply, , one or more of the measures provided in Article 27, paragraph 1, point a) of Directive 2014/59/EU in relation to paragraphs (4), (10), (11) and (19) of Annex V of this Law, in Article 27 paragraph 1, point e) of Directive 2014/59/EU or in Article 27, paragraph 1, point g) of Directive 2014/59/EU in order to reach an agreement in accordance with Article 19, paragraph 3 of Regulation (EU) No 1093/2010.

	(7)(a) The decision of the Central Bank is corroborated and takes into account the views and reservations of the other competent authorities, expressed during the consultation period or during the five-day period referred to in subsection (3), as well as the potential impact of the decision on the stability of the financial system both in the Republic and the relevant Member States;
	(b) The Central Bank, when acting as the consolidating supervisor, communicates the decision to the ACIs.
	(8)(a) In the cases where before the end of the consultation period referred to in subsections (1) and (2) or at the end of the five-day period referred to in subsection (3), either the Central Bank or any of the other competent authorities concerned has referred the matter to EBA in accordance with Article 19, paragraph 3, of Regulation (EU) No 1093/2010, the Central Bank defers its decision and awaits any decision that the EBA may take within three days in accordance with Article 19, paragraph 3, of the said Regulation and takes its decision in accordance with the decision of the EBA;
	(b) The five-day period is deemed to be the conciliation period within the meaning of Regulation (EU) No 1093/2010. The Central Bank may not refer the matter to the EBA after the end of the five-day period or after a joint decision has been reached;
	(c) In the absence of a decision by the EBA within three days, the Central Bank applies the decision taken by itself in accordance with subsection (1) or (2) or (5).
Consequences of revocation of authorization.	31. (1) Where authorization of an ACI is revoked, the Central Bank shall notify the ACI in writing of such revocation and the ACI shall as from the date specified in the notice cease to carry on business of a credit institution in the Republic or abroad from the Republic.
	(2) The revocation of authorization under subsection (1) shall not prejudice the enforcement by any person of any right or claim against the ACI or by the ACI of any right or claim against any person.
Liability of Central Bank.	32. (1) The Central Bank and any person who is a director or an officer of the Central Bank, shall not be liable for any action suit or other legal proceedings for damages for anything done or omitted in the discharge of the functions and responsibilities of the Central Bank under this Law or under any of the regulations issued under this Law, unless it is shown that the act or omission was not in good faith or was the result of gross negligence.
	(2) The protection provided under sub-section (1) shall be extended likewise to the Management Committee and to the members of the Management Committee of the Central Information Register, appointed pursuant to sub-section (4) of section 41, with regard to the exercise of their duties.
Allocation of supervisory and resolution functions.	32A. (1) The Central Bank shall ensure that the functions of supervision pursuant to this Law and to Regulation (EU) No 575/2013 and any other of its functions are separate and independent from the functions relating to resolution as provided **on** the Resolution of Credit and Other Institutions Law.

	(2) The Central Bank shall inform the Commission and EBA thereof, indicating any division of duties.
	(3)(a) The Central Bank ensures that the appropriate structural arrangements are applied in order to ensure operational independence and avoid conflicts of interest between the functions of supervision pursuant to Regulation (EU) No 575/2013 and Directive 2013/36/EU and the functions of the Resolution Authorities as provided by the Resolution Law, without prejudice to the exchange of information and cooperation obligations as required in paragraph (b). In particular, the Central Bank ensures that there is operational independence between the resolution function, the supervisory functions and the functions of the Ministry of Finance;
	(b) The Central Bank and the persons exercising supervisory functions on its behalf cooperate closely with the resolution authorities during the preparation, planning and application of the resolution decisions;
	(c) When taking decisions concerning the recovery of the ACIs, the Central Bank takes into account the potential impact of the decision in both the Republic and in all the Member States in which the ACI operates and minimises the negative effects on the financial stability and the negative financial and social consequences in the Republic and in Member States;
Notification requirements of insolvency.	32B. (1) The management body of the ACI notifies in writing the Central Bank when it considers that the ACI is failing or is likely to fail within the meaning of section 32C(2).
	(2) The Central Bank informs the relevant resolution authorities with regard to any notifications received under subsection (1), and in relation to any crisis prevention measures, or any actions that the ACI is required to take pursuant to section 30(1).
	(3) In case the Central Bank determines that the ACI falls within the case referred to in section 32C(2), it communicates this without delay to the following authorities:
	(a) the resolution authority;
	(b) the competent authority of any branch of the ACI;
	(c) the resolution authority of any branch of the ACI;
	(d) the deposit guarantee scheme that was set up pursuant to the Deposit Guarantee Scheme and Resolution of Credit and Other Institutions Law, where necessary, so that the functions of the deposit guarantee scheme to be discharged;
	(e) the body in charge of the resolution financing arrangements, where necessary, to enable the functions of the resolution financing arrangements to be discharged;
	(f) where applicable, the resolution authority at a group-level;

	(g) the competent ministry;
	(h) if the ACI is subject to supervision on a consolidated basis, under Title VII, Chapter 3, of Directive 2013/36/EU, the consolidating supervisor; and
	(i) the ESRB.
Conditions for resolution	32C.(1) The Central Bank has the responsibility, in consultation with the resolution authorities to determine whether the ACI is failing or likely to fail.
	(2) For the purposes of subsection (1), the ACI is deemed to be failing or likely to fail in one or more of the following circumstances:
	(a) when the ACI infringes or there are objective elements to support a determination that in the near future, it will infringe the requirements for continuing authorisation, in a way that would justify the withdrawal of the authorisation by the Central Bank, including amongst others because the ACI has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
	(b) when the assets of the ACI are or there are objective elements to support a determination that the assets of the institution will, in the near future, be less than its liabilities;
	(c) when the ACI is unable or there are objective elements to support a determination that the institution will, in the near future, be unable to pay its debts or other liabilities as they fall due;
	(d) when extraordinary public financial support is required except when, in order to remedy a serious disturbance in the economy and preserve the financial stability in the Republic, the extraordinary public financial support takes any of the following forms:
	(i) State guarantee to cover liquidity facilities provided by the Central Bank according to the terms of the Central Bank,
	(ii) State guarantee for newly issued liabilities; or
	(iii) Injection of own funds or purchase of capital instruments at prices and on terms that do not confer an advantage upon the ACI, since neither the circumstances referred to in point (a), (b) or (c) of this subsection nor the circumstances provided for in section 32D(1) are present at the time the public support is granted.
	(3)(a) In each of the cases mentioned in subparagraphs (i), (ii) and (iii) of paragraph (d) of subsection (2), the guarantee or other equivalent measures referred to therein are confined to solvent ACIs and are conditional on the final approval pursuant to the framework of Union State aid;
	(b) The measures referred to in paragraph (a) are of a precautionary and temporary nature, are proportionate to remedy the consequences of the serious disturbance and are not be used to offset losses that the ACI has already incurred or is likely to incur in the near future;

	(c) The support measures referred to in subparagraph (iii) of paragraph (d) of subsection (2) are limited to injections that are necessary to address the capital shortfall that has been established under the stress tests, at the level of the Republic, the European Union or the Single Supervisory Mechanism, or in the asset quality reviews or equivalent exercises conducted by the European Central Bank, the EBA or the Central Bank, where applicable, confirmed by the Central Bank.
Write down of capital instruments.	32D.(1) The Central Bank notifies the resolution authorities in order for them to proceed in accordance with the provisions of sections 30 and 31 of the Resolution Law, with the write down or conversion of the capital instruments issued by the ACI, when:
	(a) it determines that the conditions for resolution listed in sections 32C of this Law and section 42 of the Resolution Law are met;
	(b) it determines that if the resolution authorities do not proceed with the write down or conversion, in accordance with the provisions of section 34 of the Resolution Law, in relation to the relevant capital instruments, the ACI will cease to be viable;
	(c) in the case of capital instruments that have been issued by a subsidiary and are recognised for the purposes of meeting own funds requirements on an individual and on a consolidated basis, the Central Bank when acting as either the consolidating supervisor in the Republic or as the competent authority of the subsidiary ACI, together with the appropriate authority of the Member State of the subsidiary or the consolidating supervisor respectively determine, with the form of a joint decision in accordance with Article 92, paragraphs (3) and (4) of Directive 2014/59/EU, that if the write down or conversion power is not exercised in relation to those instruments, the group will cease to be viable;
	(d) acting as the consolidating supervisor in the Republic, in the case of capital instruments issued by an ACI that is the parent undertaking and the capital instruments are recognised for the purposes of meeting own funds requirements on an individual basis at the level of the parent ACI or on a consolidated basis, and it determines that if the write down or conversion power is not exercised in relation to those instruments, the group will cease to be viable;
	(e) extraordinary public financial support is required for the ACI except in any of the circumstances provided in section 32C(2)(d)(iii).
	(2) For the purposes of subsection (1), an ACI or a group shall be deemed to be no longer viable only if both of the following conditions are met:
	(a) the ACI or the group is failing or likely to fail;
	(b) having regard to the timing and other relevant circumstances, there is no reasonable prospect that any action, including the alternative measures of the private sector or the supervisory action (including the early intervention measures), other than the write down or conversion of capital

	instruments, independently or in combination with the resolution action, would prevent the failure of the ACI or the group within a reasonable timeframe.
	(3) For the purposes of paragraph (a) of subsection (2), an ACI is deemed to be failing or likely to fail where one or more of the circumstances set out in section 32C(2) occurs.
	(4) For the purposes of paragraph (a) of subsection (2), a group shall be deemed to be failing or likely to fail where it infringes or there are objective elements to support the determination that the group, in the near future, will infringe the consolidated prudential requirements in a way that would justify action by the Central Bank, including but not limited to, because the group has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds.
	(5) A relevant capital instrument issued by a subsidiary credit institution will not be written down to a greater extent or converted on worse terms, pursuant to paragraph (c) of subsection (1), than extent of the write down or conversion of equally ranked capital instruments at the level of the parent undertaking.
	(6) Where the Central Bank makes a determination that a group is failing or likely to fail, it notifies immediately the resolution authorities.
	(7) Before making the determination referred to in paragraph (c) of subsection (1), in relation to a subsidiary credit institution that issues relevant capital instruments which are recognised for the purposes of meeting the own funds requirements on an individual and on a consolidated basis, the Central Bank applies the notification and consultation requirements provided in section 32F.
The Central Bank competent authority for the determination of the resolution conditions.	32E.(1) In case that the relevant capital instruments are recognised for the purposes of meeting the own funds requirements on an individual basis in accordance with Article 92 of Regulation (EU) No 575/2013, in relation to an ACI that is established in the Republic, the Central Bank is the competent authority to make the determination referred in section 32D.
	(2) Where the relevant capital instruments are issued by a credit institution that is a subsidiary and are recognised for the purposes of meeting the own funds requirements on an individual and on a consolidated basis, the Central Bank is the responsible authority for making the determinations referred to in section 32D(1) as follows:
	(a) if the subsidiary is an ACI established in the Republic, the Central Bank is the competent authority to make the determination referred to in section 32D(1)(c);
	(b) if the subsidiary is a subsidiary credit institution of an ACI that is established in the Republic, the Central Bank acting as the consolidating supervisor and the appropriate authority of the Member State where the subsidiary that issued the relevant capital instruments is established, in accordance with Title III of Directive 2013/36/EU shall be responsible for making the joint determination taking the form of a joint decision as referred Article 59, paragraph (3), point c), of the Directive 2014/59/EE.

Consolidated application: procedure for determination.	32F.(1) The Central Bank before making the determination referred to in section 32D(1)(b), (c), (d) or (e) in relation to capital instruments that were issued by an ACI that is the subsidiary of a credit institution outside the Republic, and which are recognised for the purposes of meeting the own funds requirements on an individual and a consolidated basis, sends a notification without delay, to the consolidating supervisor and, if it is a different authority, to the appropriate authority in the Member State where the consolidating supervisor is located;
	(2) The Central Bank, when making the determination referred to in section 32D(1) (b), (c), (d) or (e) in relation to an ACI that is established in the Republic or a group with cross-border activity, takes into account the potential impact of the resolution in all Member States in which the ACI or the group operates.
	(3) The Central Bank accompanies the notification made pursuant to subsection (1) with an explanation of the reasons why it is considering to make the determination in question.
	(4) When the notification has been made pursuant to subsection (1), the Central Bank, after consulting with the authorities notified, assesses the following matters:
	(a) whether an alternative measure to the exercise of the write down or conversion power is available in accordance with section 32D(1);
	(b) if such an alternative measure is available, whether it can feasibly be applied;
	(c) if such an alternative measure could feasibly be applied, whether there is a realistic prospect that it would address, in an adequate timeframe, the circumstances that would otherwise require a determination referred to in section 32D(1) to be made.
	(5) For the purposes of subsection (4), alternative measures mean the early intervention measures referred to in section 30C, the measures referred to in section 30(1) or the transfer of funds or capital from the parent undertaking.
	(6) Where, pursuant to subsection (4), the Central Bank, after consulting with the notified authorities, assesses that one or more alternative measures are available, that they can be feasibly applied and would deliver the outcome referred to in paragraph (c) of the said subsection, it ensures that those measures will be applied.
	(7) Where, in the case referred to in subsection (1) and pursuant to subsection (4), the Central Bank, after consulting with the notified authorities, assesses that no alternative measures are available that would deliver the outcome referred to in paragraph (c) of subsection (4), the Central Bank decides whether the determination that is under consideration referred to in section 32D(1), is appropriate.
	(8) In the case that the Central Bank decides to make a determination that is provided in section 32D(1)(c), it immediately notifies the appropriate authorities

	of the Member States in which the affected subsidiaries are located and the determination takes the form of a joint decision as defined in section 94(3) and (4) of the Resolution Law. In the absence of a joint decision, no determination is made pursuant to section 32D(1)(C).
Records of financial contracts.	32G.(1) The ACIs are required to maintain detailed records of financial contracts.
	(2) Upon the request of the Central Bank, the trade repository makes the necessary information available to the Central Bank in order to be able to fulfil its responsibilities and mandates, in accordance with Article 81 of Regulation (EU) No 648/2012.
Assessment of the possibility of resolvability of ACIs.	32H. The Central Bank may take part in the consultation with the resolution authorities in relation to the assessment of the extent to which an ACI that is not part of the group is possible to be resolved without requiring any of the conditions listed in section 18 of the Resolution Law and which are related to extraordinary public financial support, emergency or other form of liquidity assistance from the Central Bank or the European Central Bank.
Assessment of the possibility of resolvability for groups.	32I. The Central Bank, whether acting as the consolidating supervisor or the competent authority of the subsidiary ACIs, may provide its opinion to the consultation carried out by the resolution authorities at a group level in relation to the evaluation of the extent to which the ACI can be resolved without requiring any of the conditions listed in section 19 of the Resolution Law concerning extraordinary public financial support, emergency or other form of liquidity assistance from the Central Bank or the European Central Bank.
Consultation to address or remove impediments to resolvability.	32J.(1) The Central Bank may provide its opinion to the consultation carried out by the resolution authorities in order for them to determine whether there are substantial impediments to the possibility of resolvability of the ACI.
	(2) The Central Bank may provide its opinion to the consultation carried out by the resolution authorities in order for them to assess whether the measures proposed by the ACI effectively address or remove the substantive impediments identified by the resolution authorities upon the consultation referred to in subsection (1).
	(3) In case where the resolution authorities assess that the measures proposed by the ACI in accordance with subsection (2) do not reduce or effectively remove the identified impediments, the Central Bank, if it is requested by the resolution authorities, acts as the link for the resolution authorities in order to require the ACI to take alternative measures that may achieve the objective of resolvability, and notifies in writing these measures to the ACI, which within one month proposes a plan to comply with these measures.
	(4) Before identifying any measure referred to in subsection (3), the Central Bank, may provide its opinion to the resolution authorities in order for the resolution authorities to duly consider the potential effects of those measures on the particular ACI, on the internal market for financial services and on the

	financial stability in the Republic, and in other Member States and the European Union as a whole.
Powers to address or remove impediments to resolvability at a group level.	32K.(1) (a) The Central Bank when acting as the consolidating supervisor, cooperates with the resolution authorities at a group level and with the EBA, in accordance with Article 25, paragraph1, of Regulation (EU) No 1093/2010, in order for the resolution authorities to prepare and submit a report for addressing the impediments to resolvability, of the ACI that is the parent undertaking in the EU, to the resolution authorities of the subsidiaries, and the resolution authorities in jurisdictions where significant branches are established;
	(b) The Central Bank, as the competent authority of the ACI, may provide its opinion to the consultation that is carried out by the resolution authorities for the preparation of the report for addressing the impediments to resolvability.
	(2) The Central Bank may provide its opinion to the resolution authorities so that, by doing everything within its power, to reach a joint decision within the resolution college regarding the identification of the material impediments, and if necessary, the assessment of the measures proposed by the parent ACI and the measures required by the Central Bank and the other authorities in order to address or remove the impediments, by taking into account the potential impact of the measures in the Republic, and in all the Member States where the group operates.
General principles regarding decision-making involving the Republic and other member states.	32L. When making decisions or taking action pursuant to the Directive 2014/59/EU which may have an impact in one or more other Member States, the Central Bank takes into consideration the following general principles:
	(a) the imperative need of efficacy of the decision-making;
	(b) that decisions are made and action is taken in a timely manner and with due urgency when required;
	(c) that the Central Bank cooperates with the resolution authorities and other competent authorities in order to ensure that decisions are made and action is taken in a coordinated and efficient manner;
	(d) that the roles and responsibilities of the Central Bank are defined clearly;
	(e) that due consideration is given to the interests of the Member States where the parent undertakings of the ACIs are established in the European Union, and in particular the impact of any decision or action or inaction on the financial stability, fiscal resources, resolution fund, deposit guarantee scheme or the investor compensation scheme of those Member States;
	(f) that due consideration is given to the interests of each Member State where a credit institution that is a subsidiary of the ACI is established, and in particular, the impact of any decision or action or inaction on the financial

	stability, fiscal resources, resolution fund, deposit guarantee scheme or investor compensation scheme of those Member States;
	(g) that due consideration is given to the interests of each Member State where significant branches of the ACI are located and, in particular, the impact of any decision or action or inaction on the financial stability of those Member States;
	(h) that due consideration is given to the objectives of balancing the interests of the various Member States involved and of avoiding unfairly prejudicing or unfairly protecting the interests of particular Member States, including avoiding unfair allocation of burden across Member States;
	(i) that any obligation pursuant to Directive 2014/59/EU, to consult an authority before any decision or action is taken, implies at least the obligation to consult that authority on the elements of the proposed decision or action which have or which are likely to have:
	(i) an effect on the parent undertaking of the ACI in the European Union, the subsidiary or the branch of the ACI, where appropriate; and
	(ii) an impact on the stability of the Member State where the parent undertaking of the ACI is established or located in the European Union, the subsidiary or the branch of the ACI;
	(j) that the requirement for transparency whenever a proposed decision or action is likely to have implications on the financial stability, fiscal resources, resolution fund, deposit guarantee scheme or investor compensation scheme of any relevant Member State; and
	(k) recognition that with coordination and cooperation it is most likely to achieve a result which lowers the overall cost of resolution.
Resolution colleges.	32M.(1) The Central Bank participates in the resolution colleges and cooperates closely with the other members of the college in order to complete the tasks provided in Article 88, paragraph 1, of the Directive2014/59/EU which include the exchange of information and the development of group resolution plans, assessment of the resolvability of the group and the exercise of powers to address impediments and the setting of the minimum requirements.
Restrictions on legal proceedings.	32N.(1) Without prejudice to section 87 of the Resolution Law, normal insolvency proceedings with respect to an ACI under resolution or with respect to an ACI for which it has been determined that the conditions for resolvability are satisfied shall not be commenced except at the initiative of the resolution authority and that a decision to place the ACI into normal insolvency proceedings shall be taken only with the consent of the resolution authority.
	(2) For the purposes of subsection (1) -
	(a) The Central Bank is notified of any application for the opening of normal insolvency proceedings against an ACI irrespective of whether the ACI is under resolution or a decision has been made public in accordance with section 84(3) and (4) of the Resolution Law;

	(b) no decision is issued on the request, unless the notifications referred to in paragraph (a) have been made and if one of the following situations applies:
	(i) the resolution authority has notified the Central Bank as the competent authority for the normal insolvency proceedings that it does not intend to take any resolution action against the ACI.
	(ii) a period of seven days beginning from the date on which the notifications referred to in paragraph (a) were made, has expired.
	PART XIII
	Restructuring, Early Intervention, Clearance and Scrapping Measures
Reorganisation measures.	33. (1) Subject to the provisions of sections 16, 33H, 33I, 33J, 33K, and 33L and of subsection (8), the reorganisation measures applied to any ACI incorporated in the Republic shall also apply to any of its branches, in a member-state other than the Republic and shall be fully effective in that member-state, without any further formalities, even where the laws of the other member-state do not provide for such measures or make their implementation subject to conditions which are not fulfilled:
	It is provided that in the case of a branch of a credit institution whose head office is in a member-state other than the Republic, the reorganisation measures taken by the competent authorities of that state become automatically effective in the Republic.
	(2) Where winding up measures are taken in an ACI incorporated in the Republic and -
	(a) in case of
	(i) a bank incorporated in the Republic, the Central Bank may propose a compromise or settlement, and the Court may, up on summary application by the Central Bank, order the convening of a meeting of the creditors of the bank as specified in subsection (1) of section 198 of the Companies Law or
	(ii) a CCI incorporated in the Republic, the Central Bank may propose an arrangement, and the Court may, up on summary application by the Central Bank to order the convening of an extraordinary general meeting of the members as provided in section 49B of the Cooperative Societies Law, and

	(b) the Court validates the said compromise or arrangement or settlement, as defined in paragraph (a), only after consulting the Central Bank as provided in subsection (2) of section 198 of the Companies Act and subsection (2) of Section 52 of the Cooperative Societies Law, which sections apply mutatis mutandis.
	(3) The initiation of resolution measures does not prevent the dissolution of an ACI incorporated in the Republic and the commencement of a process for its liquidation.
	(4) The Central Bank shall without delay inform the competent authorities of the member-states of its decision to adopt any reorganisation measures, including the practical effects which such measures may have.
	(5) Without prejudice of the provisions of subsection (6), the decision to take reorganisation measures is published within fifteen days in the Official Gazette of the Republic and within reasonable time in the Official Journal of the European Union and in at least two national newspapers in each of the host member-states. In the publication the following must be explicitly stated -
	(a) the purpose of the decision to take reorganisation m7.easures and that these measures, save where in this Law it is otherwise stated, are governed by the Laws of the Republic,
	(b) the time limits for lodging appeals, specifically a clearly understandable indication of the date of expiry of the time limits, and
	(c) the full address of the authorities competent to hear an appeal.
	(6) The reorganisation measures shall apply irrespective of the measures prescribed in subsection (5) and shall be fully effective as against creditors.
	(7) Where a reorganisation measure provides for rules relating to the voidness, voidability or unenforceability of legal acts detrimental to the creditors as a whole performed before the adoption of the measure, the provisions of the Companies Law or the Cooperative Societies Law, as the case maybe, do not apply, unless a beneficiary of these acts provides proof that the act detrimental to the creditors as a whole is subject to the law of a member-state other than of the Republic, and that law does not allow any means of challenging that act in the case in point.
	(8) The Central Bank may, whenever it deems appropriate, request through a duly justified application, to the Court, the implementation of one or more reorganisation measures in a bank or CCI; in such a case the Court may ratify the reorganisation measures, irrespective of the fact that in case of a bank the meeting of the bank's creditors or shareholders as provided in section 198 of the Companies Law and in the case of a CCI an extraordinary general meeting of the CCI's members as provided in section 49B of the Cooperative Societies Law has not been convened:
	It is provided that the ACI concerned is required to provide the necessary information, as provided for, in the case of a bank, in section 199 of the

	Companies Law, and in a case of a CCI, in section 49B of the Cooperative Societies Law, to all its creditors and to all its shareholders.
	(9) The provisions of subsections (1) to (8) are also applied, mutatis mutandis, where reorganisation measures are taken in a branch of a credit institution, whose head office is in a member-state other than the Republic.
	(10) Paragraph (e) of section 33A is also applicable where reorganisation measures are taken.
	(11) The Central Bank takes measures for the publication in the Gazette of the Republic of the reorganisation measures taken in a member-state other than the Republic.
	(12) In case an ACI incorporated in the Republic is an institution with covered bond obligations, the provisions of this section apply in accordance with the provisions of section 76 of the Covered Bonds Law.
	(13) Subsections (4) and (7) are not applied where section 84 of the Resolution Law is applied which concerns the procedural obligations of the resolution authorities.
	(14) Article 33 of the Directive 2001/24/EU is not applied where section 28G of this Law is applied which concerns confidentiality.
Reorganisation Plan.	33bis. (a)Each ACI under bail-in measure should establish and implement a reorganisation plan in accordance with section 61 of the Resolution Law;
	(b) The Central Bank assesses the reorganisation plan in order to provide the resolution authority with its opinion on the likelihood that the plan, if implemented, will restore the long-term viability of the institution;
	(c) In case it is assessed that the goal of viability will not be achieved with the reorganisation plan, the Central Bank provides its consent to the resolution authority so that the resolution authority notifies the management body or the person or persons appointed according with section 74 of the Resolution Law of the issues of concern and requires the modification of the plan in order to address these issues;
	(d) The Central Bank comes to an agreement as regards the final reorganisation plan to the resolution authority.
Winding up.	33A. Save for the provisions of sections 33G, 33H, 33I, 33J, 33K, 33L, 33N and 33O, the publication of a decision to open winding-up proceedings in an ACI incorporated in the Republic, the winding-up procedure and its results are governed by the relevant provisions of the Companies Law, they are applicable by analogy and determine in particular:
	(a) those assets which continue to belong to the ACI incorporated in the Republic, as well as the treatment of assets the ACI incorporated in the Republic acquired after the opening of winding-up proceedings;

	(b) the respective powers of the ACI incorporated in the Republic and the liquidator;
	(c) the conditions under which set-offs may be invoked;
	(d) the effects of winding-up proceedings on contracts to which the ACI incorporated in the Republic is party;
	(e) the effects of winding-up proceedings on proceedings brought by individual creditors, with the exception of lawsuits pending in a Court concerning an asset or rights of which the ACI incorporated in the Republic has been divested, which shall be governed by the law of the member-state in which the lawsuit is pending;
	(f) the claims which are lodged against the ACI incorporated in the Republic after the opening of winding-up proceedings and the treatment of such claims in the ACI's incorporated in the Republic balance sheet;
	(g) the rules governing the lodging, verification and admission of claims;
	(h) the rules governing the distribution of the proceeds of the realisation of assets, the ranking of claims and the rights of creditors who have obtained partial satisfaction after the opening of winding-up proceedings by virtue of a right in relation to or through a set-off;
	(i) the conditions for, and the effects of, the closure of winding-up proceedings;
	(j) creditors' rights after the closure of winding-up proceedings;
	(k) who is to bear the costs and expenses incurred in the winding-up proceedings;
	(l) the rules relating to the voidness, voidability or unenforceability of agreements detrimental to all the creditors, unless the beneficiary of these agreements provides proof that the agreement detrimental to the creditors as a whole -
	(i) is subject to the law of a member-state other than of the Republic, and
	(ii) that law does not allow any means of challenging that agreement in the case in point:
	It is provided that, any branch of an ACI incorporated in the Republic, against which winding-up proceedings were opened, in a member-state other than the Republic, is subject, to the extent that the said winding-up relates to it, to the provisions of this Law, as if the said branch was physically located and was operating in the Republic.
	It is provided further that in the case of an ACI incorporated in the Republic that is an institution with covered bond obligations –

	(a) the terms “property of the company”, “ownership of the company”, “assets of the company” and “business/undertaking of the company” as found in the provisions of the Companies Law concerning the winding up of a company, are read, with regards to the winding up of such institution, as if they do not include assets and contracts included in a cover pool;
	(b) The inclusion of assets and contracts in a cover pool is not rendered void under section 216 of the Companies Law, as long as the inclusion took place in accordance with the provisions of the Covered Bond Law;
	(c) the provisions of section 40(3) of the Covered Bond Law shall apply without being affected from the provisions of section 300 of the Companies Law;
Dissolution and appointment of liquidator.	33B. Irrespective of the provisions of the Companies Law with respect to the winding up of a company and the provisions of the Cooperative Societies Law with respect to the winding up of a cooperative society, the revocation of licence of an ACI pursuant to section 4A, is not in itself a reason for the winding up of the subject ACI, and the winding up may occur only at the discretion of the Central Bank and following a decision of the Court of Justice after an application submitted by the Central Bank, and the appointment of a temporary receiver or liquidator of the ACI, other than the Official Receiver, is made only after the Court hears the opinion of the Central Bank:
	It is provided that, in the case of voluntary winding-up, the management bodies of the ACI, request the Central Bank for its opinion, before taking such decision, whereas in the case of liquidation, either by the Court, or under the supervision of the Court, the Court informs immediately the Central Bank for the taking of such a decision:
	It is further provided that any decision for the liquidation of the ACI is applicable and immediately enforceable in all member-states in which the ACI has branches, without any further formalities.
	It is further provided that, irrespective of the provisions of any other law, and subject to the provisions of sections 33H, 33I, 33J, 33K and 33L, in the case of a branch of a credit institution whose head office is in a member-state other than the Republic, any decision for the liquidation of the credit institution, taken by the competent authorities of the home member-state, is recognised and is effective without any restrictions in the Republic from the moment it is recognised and it is effective in the home member-state, and the liquidation and all the issues referred to in section 33A are governed by the laws prevailing in the home member-state, whereas the provisions of the Companies Law or the Cooperative Societies Law, as they may be amended or replaced, are applicable to the extent that they are not in conflict with the laws of the said home member-state.
Special ACI liquidation.	33Bbis. (1) Section 33B notwithstanding, the Central Bank shall file an application with the Court for the issue of a special liquidation order to be granted and for a special liquidator to be appointed, for a bank or a CCI accordingly, in accordance with subsection (2) where:

	(a) The ACI's licence has been revoked pursuant to section 30(1A) or section 4A or the ACI's licence has been handed over pursuant to section 4(6) and;
	(b) the ACI concerned is holding deposits covered in the case of a bank by the Bank Deposit Protection Fund and in the case of a CCI by the CCI Deposit Protection fund provided for under the Law on the Establishment and Operation of a Deposit Protection and Resolution of Credit and Other Institutions Scheme, as it may be amended or replaced; and
	(c) the special liquidation of the ACI concerned serves the public interest:
	It is provided that the provisions of the Companies Law or the Cooperative Societies Law shall apply in as much as they do not conflict with the provisions of the present section:
	It is further provided that the provisions of Part XIII on the liquidation of ACIs shall also apply to cases of special liquidation of ACIs, save where they conflict with the provisions of the present section.
	(2)(a) The Court grants an order as referred to in subsection (1) if it is convinced that the preconditions stipulated therein are satisfied and shall appoint a special liquidator, other than the Official Receiver, the provisions of section 229 of the Companies Law notwithstanding, at the recommendation of the Central Bank after the Court hears its opinion;
Chap. 6. 11 of 1965 161 of 1989 228 of 1989 51(I) of 1999 134(I)of 1999 58(I)of 2003 66(I)of 2004 138(I)of 2006 D.N.Vol. II, Page 120, Official Gazette, Annex Three: 20.5.1954 21.6.1956 8.5.1958. Official Gazette, Annex Two: 19.11.1964 14.10.1965 23.12.1965 29.1.1969 24.10.1969 6.10.1972 18.1.1974 10.10.1975	(b) (i) The said order shall be granted by the Court further to an ex parte application mutatis mutandis, of section 9 of the Civil Procedure Law and the Civil Procedure Rules;

4.6.1976 3.2.1978 25.5.1980 3.9.1982 31.12.1983 25.4.1986 14.11.1986 27.2.1987 12.2.1988 23.12.1992 12.3.1993 2.4.1993 19.11.1993 24.2.1995 3.3.1995 2.2.1996 23.3.1996 5.7.1996 19.7.1996 27.9.1996 18.10.1996 1.11.1996 11.12.1996 25.7.1997 6.2.1998 8.5.1998 3.7.1998 29.5.1998 27.11.1998 23.12.1999 29.12.2000 1.6.2001 30.11.2001 21.12.2001 25.1.2002 18.10.2002 7.2.2003 4.7.2003 18.7.2003 14.11.2003 21.5.2004 17.12.2004 21.1.2005 20.1.2006 27.1.2006 5.12.2007 20.2.2009 9.9.2011.	
	(ii) The deadline set by the Court for the ACI to file an objection or to prove why the order granted should cease to apply shall not exceed three (3) days.

	(c) The said order shall state that the special liquidator is subject to control and supervision by the Central Bank.
	(3)(a) The special liquidator selected shall be a person of recognized repute and professional experience in financial matters;
	(b) The special liquidator's fee and procedural costs shall be paid by the ACI in special liquidation. If it is unable to pay all or part of the costs, the Central Bank shall assume the liability in question.
	(4) The special liquidator has -
	(a) as a primary duty to cooperate with the Management Committee of the Deposit Protection and Resolution of Credit and Other Institutions Scheme and to ensure as quickly as possible, that depositors are paid compensation in accordance with the Law on the Establishment and Operation of a Deposit Protection and Resolution of Credit and Other Institutions Scheme and the regulations issued pursuant thereto; and
	(b) as a secondary duty, to complete special liquidation so as to bring about the best possible results for all the ACI's creditors:
	It is provided that the attainment of the special liquidator's primary duty referred to in paragraph (a) shall take precedence over the duty referred to in paragraph (b); however, the special liquidator must work to attain both duties.
	(5) (a) Without prejudice to the powers vested in liquidators under section 233 of the Companies Law and Cooperative Societies Law, the special liquidator shall have the following powers in addition thereto:
	(i) to maintain and contract insurance policies relating to the ACI's work and assets;
	(ii) to take action he deems necessary to realize the ACI's assets; and
	(iii) to make all payments he deems necessary, in order to attain his objectives and exercise his powers.
	(b) Notwithstanding the provisions of section 233 of the Companies Law in respect of approval by the Court or the verification committee notwithstanding, the special liquidator shall exercise or execute his powers subject to approval by the Central Bank;
	(c) The provisions of section 259 of the Companies Law notwithstanding and without prejudice to the proviso contained in that section, the powers referred to therein shall be exercised or executed by the special liquidator subject to control by the Central Bank;
	(d) Financial instruments in material or dematerialized form, belonging to the ACI's clients and held directly or indirectly by the ACI, clients' claims to which are verified based on entries in the ACI's books and records or on any other written proof, and the contents of safety deposit boxes shall be

	separated from the assets for distribution and delivered to the rightful parties unless:
	(i) a lien has been established on them, in which case they shall be delivered to the secured lender; or
	(ii) the ACI has a claim against the rightful party, in which case they shall be offset against similar and opposing claims.
	(6) The Central Bank must ensure that the special liquidator performs his duties in accordance with the present section.
	(7) The Central Bank shall, as soon as it is feasible, make recommendations to the special liquidator as to the best ways of attaining his primary duty as referred to in paragraph (a) of subsection (4) and the special liquidator must comply with any such recommendations.
	(8) The special liquidator must report to the Central Bank, on any subject:
	(a) at the request of the Central Bank and with a specific timetable set by it; or
	(b) as and when the special liquidator deems necessary.
	(9) The special liquidator shall advise the Central Bank of progress in his primary duty as referred to in paragraph (a) of subsection (4) and shall notify the Central Bank in writing when he considers that duty to have been attained in its entirety or to what he considers to be the most feasible point.
	(10) On receipt of the notification referred to in subsection (9), the Central Bank shall:
	(a) decide that the special liquidator's primary duty as referred to in paragraph (a) of subsection (4) has been attained in its entirety or to the most feasible point; or
	(b) apply to the court for instructions to exercise the powers vested in it under the present section.
	(11) Where reorganisation measures have been applied to an ACI in accordance with the Resolution of Credit and Other Institutions Law, special liquidation of the ACI concerned shall only be completed once application of the measures in question has been completed.
	(12) In the event that voluntary liquidation of an ACI has already commenced in accordance with the provisions of the Companies Law or the Cooperative Societies Law, as the case maybe, and the preconditions of subsection (1) are satisfied, the Central Bank may file an application to the court for a special liquidation order referred to in the present section.
	(13) No lawsuit or proceedings shall be continued or initiated against an ACI in liquidation, from the date on which the ACI's special liquidation order is granted and the special liquidator is appointed.

	(14) The special liquidator shall perform his duties until such time as:
	(a) He resigns from them in notice to the court, and notification to the Central Bank; or
	(b) he is relieved of them by order of the court, at the recommendation of the Central Bank.
	(15) The special liquidator may only be held liable in the event of fraud or gross negligence. He shall not have any liability whatsoever for debts of the ACI in special liquidation that accrued prior to his appointment.
Information for the competent authorities of other member-states.	33C. The Central Bank shall inform the competent authorities of the other member-states of its decision to adopt any winding-up measure, including the practical effects which such a measure may have.
Voluntary winding up.	33D. The voluntary winding up of an ACI shall not preclude the adoption of a reorganisation measure or the opening of winding-up proceedings.
Opening of winding-up proceedings.	33E. (1) Where the opening of winding-up proceedings is decided on in respect of an ACI in the absence, or following the failure, of reorganisation measures, the authorisation of the ACI shall be revoked by the Central Bank and the latter informs immediately the competent authorities of the other member-states in which the ACI has branches:
	It is provided that, where the Central Bank decides to revoke the banking licence of an ACI incorporated in a third country, it shall inform the competent authorities of member-states of its decision, before the opening of winding-up proceedings, providing information on the potential effects of this procedure.
	(2) The revocation of authorisation provided for in subsection (1) shall not prevent the person or persons entrusted with the winding up from carrying on some of the ACI's activities insofar as that is necessary or appropriate for the purposes of winding up and that these activities are carried on with the consent and under the supervision of the Central Bank.
Publication.	33F. The liquidator shall announce within reasonable time the decision to open winding-up proceedings through the publication of the winding-up decision in the Official Journal of the European Communities and in at least two national newspapers in each of the host Member-states.
Effects on certain contracts.	33G.(1) Subject to the provisions of sections 33 and 33A, the results of reorganisation measures or the opening of winding-up proceedings on -
	(a) contracts of employment and employment relations and;
	(b) the rights over an immovable property, a ship or an aircraft subject to registration in a public Register,
	are governed by the law of the member-state governing the contract of employment or under the authority of which the Register is kept, depending on

	the case, whereas the effects of reorganisation measures on contracts conferring the right to make use of or acquire immovable property shall be governed solely by the law of the member-state within the territory of which the immovable property is situated:
	It is provided that, the enforcement of proprietary rights in instruments or other rights in such instruments the existence or transfer of which presupposes their recording in a Register, an account or a centralised deposit system held or located in a member-state shall be governed by the law of the member-state where the Register, account, or centralised deposit system in which those rights are recorded is held or located.
	(2)(a) Subject to sections 70 and 73 of the Resolution Law, netting agreements are governed exclusively by the law applicable to the contract which governs such agreements;
	(b) Subject to sections 70 and 73 of the Resolution Law and subject to subsection (1) of this Article, repurchase agreements are governed exclusively by the law applicable to the contract which governs such agreements;
	(c) Subject to the provisions of subsection (1), the transactions carried out within the framework of the Cyprus Stock Exchange, are governed exclusively by the laws applicable to the contract which governs such agreements or such transactions.
Third parties' rights.	33H. (1) Subject to the provisions of subsection (7) of section 33 and of paragraph (l) of section 33A, the adoption of reorganisation measures or the opening of winding-up proceedings shall not affect the rights in re of creditors or any other parties, in respect of movable or immovable assets - belonging to the ACI which are situated within the territory of a member-state other than the Republic, at the time of the adoption of such measures or the opening of such proceedings.
	(2) The rights referred to in subsection (1) shall in particular include:
	(a) the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;
	(b) the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
	(c) the right to demand the assets from, or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled;
	(d) the right in re to the beneficial use of assets:
	It is provided that the right, recorded in a public Register and enforceable against any party, under which a right in re within the meaning of subsection (1) may be obtained, shall be considered a right in re.

Reservation of title. 10(I) of 1994 8(I) of 1995 9(I) of 1995 101(I) of 1999.	33I. (1) Subject to the provisions of subsection (7) of section 33 and of paragraph (l) of section 33A, as well as the provisions of the Sale of Goods Laws of 1994 to 1999 -
	(a) The adoption of reorganisation measures or the opening of winding-up proceedings concerning an ACI purchasing an asset shall not affect the seller's rights based on a reservation of title where at the time of the adoption of such measures or opening of such proceedings the asset is situated within the territory of a member-state other than the Republic;
	(b) the adoption of reorganisation measures or the opening of winding-up proceedings concerning an ACI selling an asset, after delivery of the asset, shall not constitute grounds for rescinding or terminating the sale and shall not prevent the purchaser from acquiring title where at the time of the adoption of such measures or the opening of such proceedings, the asset sold is situated within the territory of a member-state other than the Republic.
Set-off.	33J.Subject to the provisions of the Companies Law, the Cooperative Societies Law and of sections 33(7), and 33A(l) of this Law, and in the case where the ACI is an institution with covered bond obligations, of section 40(4) of the Covered Bond Law, the adoption of reorganisation measures or the opening of winding-up proceedings shall not affect the right of a creditor to demand the set-off of its claims against the claims of the ACI, where such a set-off is permitted by the contract signed between the creditor and the ACI.
Protection of third parties under special circumstances.	33K. Where, by an act concluded after the adoption of a reorganisation measure or the opening of winding-up proceedings, an ACI disposes, of:
	(a) an immovable asset;
	(b) a ship or an aircraft subject to registration in a public Register; or
	(c) securities or titles or rights in such titles, the existence or transfer of which presupposes their being recorded in a Register, or in an account or a centralised deposit system held or located in the Republic or in any other member-state,
	the validity of that act shall be governed by the law of the member-state within the territory of which the immovable asset is situated or under the authority of which that Register, account or deposit system is kept.
Proof of liquidator's appointment	33L. The appointment of a liquidator of a credit institution registered in a member-state other than the Republic, which has a branch in the Republic, shall be evidenced by a certified copy of the original decision appointing him by the responsible authority of the home Member-state or by a certification of the appointment issued by the responsible authority in the home member-state and no other formality shall be required.

Powers of the liquidator.	33M. (1) In exercising his powers in a member-state other than the Republic, a liquidator shall comply with the law of that other member-state, in particular with regard to procedures for the realisation of assets and the provision of information to employees:
	It is provided that those powers may not include the use of force or the right to rule on legal proceedings or disputes.
	(2) In exercising his powers pursuant to subsection (1), the liquidator may appoint persons to represent him or to act on its behalf and for his account, either in the Republic or in another member-state.
Dissolution of an ACI which is an institution with covered bond obligations	33N. For the purposes of the provisions of the Companies Law or the Cooperative Societies Law, concerning the dissolution of a company after the complete winding up of its affairs, an ACI which is an institution with covered bond obligations, is not dissolved even if all of its affairs have been completely winded up, before the Central Bank terminates the appointment of the covered bond business administrator under subsection (1) of section 67 of the Covered Bond Law and notifies the decision of this termination in accordance with subsection (2) of the same section.
Ranking of claims for the normal insolvency proceedings.	33O.(1) During the normal insolvency proceedings of an ACI, the provisions of subsections (1) and (2) of section 300 of the Companies Law are applicable based on priority.
	(2) Without prejudice to the provisions of paragraph (α) of subsection (1) of this section, the provisions of paragraph (b) of subsection (7) of section 45 of The Resolution of Credit Institutions and Investment Firms Law and the provisions of section 22, paragraph 6, of the Regulation (EU) no. 806/2014, the following debts and claims are paid in the following order of priority:
	(a) debts or claims secured by a charge on the assets of the ACI up to the amount resulting from the liquidation of the collateral or the guarantee is delivered to the beneficiary creditor;
	(b) claims resulting from credits granted by the Central Bank before the appointment of a liquidator or a special liquidator;
	(c) necessary and reasonable expenses of the liquidator or the special liquidator, including business expenses during the application of the provisions of the liquidation or the special liquidation, accordingly;
	(d) the following with the same priority ranking:
	(i) covered deposits,
	(ii) the deposit guarantee scheme that restores the rights and obligations of the covered depositors in the case of insolvency;
	(e) the following with the same priority ranking:
Official Journal, Annex 3 (I):	(i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level

11.2.2016 18.3.2016 25.5.2018.	provided for in the Regulations 8 and 9 of the Deposit Guarantee and Resolution of Credit and Other Institutions Scheme,
	(ii) deposits from natural persons, micro, small and medium–sized enterprises that would be eligible deposits if they were not made through branches located outside the European Union of ACIs established in the European Union;
	(f) the following with the same priority ranking:
	(i) other deposits,
	(ii) claims from trade creditor or supplier, associated with the provision of goods and services to the institution or to the person concerned for the daily functioning of its operations, including common IT services, as well as rental, care and maintenance of installations.
	(g) ordinary unsecured claims, against entities referred to in paragraph (a) of subsection (2) of section 2A of this Law including claims from derivatives, as well as claims from debt instuments, excluding the claims from debt instruments referred to in paragraphs (h), (i), (j) και (k) of this subsection;
	(h) unsecured claims resulting from debt instruments that cumulatively meet the following conditions:
	(i) the original contractual maturity of the debt instruments is of at least one year;
	(ii) the debt instruments contain no embedded derivatives and are not derivatives themselves;
	It is provided that debt instruments with variable interest, derived from a broadly used reference rate and debt instruments not denominated in the domestic currency of the issuer, provided that principal, repayment and interest are denominated in the same currency, shall not be considered to be debt instruments containing embedded derivatives solely because of those features,
	(iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance, explicitly refer to the lower ranking under this paragraph (h);
	(i) debts or claims from subordinated debt instruments, except for the claims referred to in paragraphs (j) and (k);
	(j) claims from Tier 2 instruments;
	(k) claims from Additional Tier 1 instruments;
	(l) claims from Common Equity Tier 1.
	(3)(a) Claims, resulting from the granting of state aid, which is incompatible with the internal market of the European Union as referred to in sections 107 to 109 of

	the Treaty on the Functioning of the European Union, have priority over claims of the same form which do not result from the granting of state aid.
	(b) Under the circumstances set out in paragraphs (c) and (d) of subsection (2) and subsection (3), claims resulting from the granting of state aid, which was declared compatible with the internal market of the European Union referred to in sections 107 to 109 of the Treaty on the Functioning of the European Union, have priority over claims of the same form which do not result from the granting of state aid.
80(I) of 2019.	(4) The Cyprus law governing normal insolvency proceedings, as it was on 31 December 2016, applies to the ranking of normal insolvency proceedings of unsecured claims resulting from debt instruments issued by entities referred to in paragraph (a) of subsection (2) of section 2A of this Law, before the date of entry into force of the Business of Credit Institutions (Amending) Law of 2019.
	(5) For the purposes of this section -
	The terms «eligible deposits», «Tier 2 instruments», «derivatives», «micro, small and medium-sized enterprises» and « additional Tier 1 instruments» have the meaning conferred to them by the Resolution of Credit Institutions and Investment Firms Law;
	«debts or claims from subordinated debt instruments» mean debts or claims from loans or debt instruments issued to provide ancillary claim on the issuing institution, that can only be exercised after all higher status claims have been satisfied;
	the term «debt instruments» means bonds and other forms of transferrable debt and instruments creating or acknowledging a debt.
Official Journal of the EU:L 124, 20.5.2003, p. 36	(3) For the purposes of this section, “micro, small and medium-sized enterprises” have the meaning provided to this term in Article 2, paragraph 1, of the Annex to the Commission Recommendation of 6 May 2003 in relation to the definition of micro, small and medium sized enterprises (2003/36/EC) based on the sole criterion of annual turnover.
	PART XIV
	COMMUNICATION OF THE CENTRAL BANK AND THE MANAGEMENT COMMITTEE OF THE DEPOSIT GUARANTEE SCHEME AND THE RESOLUTION OF CREDIT AND OTHER INSTITUTIONS SCHEME
Communication of the Central Bank with the DGS.	34. (1) The Central Bank may provide to the Management Committee of the Deposit Guarantee Scheme and Resolution of Credit and Other Institutions Scheme, any information in its possession which in the opinion of the Central Bank may assist the said Management Committee in the discharge of its functions and responsibilities in relation to the Bank Deposit Guarantee Fund, the CCI Deposit Guarantee Fund and the Resolution Fund of Credit and Other Institutions.

	(2) If the Central Bank considers that an ACI is unable to repay overdue deposits on grounds relating to its financial condition and provides that it will not be able to do so in the near future, it immediately informs the Management Committee of the DGS.
	(2A) The Central Bank cooperates with the Management Committee of the Deposit Guarantee Scheme and Resolution of Credit and Other Institutions and the EBA for the exercise of their powers in accordance with the Deposit Guarantee Scheme and Resolution of Credit and Other Institutions Law and Regulation (EU) No. 1093/2010.
	(3) The Central Bank determines what is provided in subsection (2) as soon as possible and no later than five working days from the time at which proved for the first time that the ACI has failed to repay overdue payable deposits.
	(4) The Central Bank does not disclose information under this section referred to exclusively in any single deposit account.
	(5) For the purposes of this section, the terms “Bank Deposit Guarantee Scheme and Resolution of Credit and Other Institutions” and “Bank Deposit Guarantee Fund”, “CCI Deposit Guarantee Fund” and “Resolution of Credit and Other Institutions Fund” have the meaning attributed to them by the Deposit Guarantee Scheme and Resolution of Credit and Other Institutions Law.
	PART XV
	MISCELLANEOUS PROVISIONS
	35. Deleted.
	36. Deleted.
	37. Repealed by the amending Law No 74(I) of 25 July 1999.
	38. Repealed by the amending Law No 80(I) of 27 July 2008.
Consolidated supervision.	39. (1) Deleted.
	(2) Deleted.
	(3) Deleted.
	(4) Deleted.
	(5)(a) Without prejudice to the provisions of Part Four of Regulation (EU) No 575/2013, where the parent undertaking of one or more ACIs is a mixed-activity holding company, the Central Bank shall exercise general supervision over

	transactions between the ACI and the mixed-activity holding company and its subsidiaries;
	(b)(i) ACIs must have in place adequate risk management processes and internal control mechanisms, including sound reporting and accounting procedures in order to identify, measure, monitor and control transactions with their parent mixed-activity holding company and its subsidiaries appropriately;
	(ii) ACIs shall report to the Central Bank any significant transaction carried out with those entities, other than the one referred to in Article 394 of Regulation (EU) No 575/2013, within one (month) from the performance of the transaction;
	(iii) Those procedures and significant transactions provided in this paragraph shall be subject to overview by the Central Bank.
	(c) Deleted.
	(5) Deleted.
	(6) Deleted.
	(7)(a) (i) Where a parent undertaking is an ACI incorporated in the Republic, supervision on a consolidated basis shall be exercised by the Central Bank;
	(ii) Where the parent undertaking of an ACI incorporated in the Republic is a parent credit institution established in another member state or parent credit institution established in the European Union, supervision on a consolidated basis shall be exercised by the competent authority that granted authorization to that parent undertaking;
	(b) Where the parent undertaking of an ACI incorporated in the Republic is a parent financial holding company or parent mixed financial holding company in a member state or a parent financial holding company or a parent mixed financial holding company established in the European Union, supervision on a consolidated basis shall be exercised by the Central Bank;
	(c) (i) Where an ACI incorporated in the Republic and a credit institution authorised in another member state have as their parent undertaking the same parent financial holding company or the same parent mixed financial holding company, supervision on a consolidated basis shall be exercised by the Central Bank, if the financial holding company or the mixed financial holding company was incorporated in the Republic;
	(ii) Where the financial holding company or the mixed financial holding company was incorporated in the member state in which the credit institution was authorized, then the ACI shall be subject to a consolidated supervision by the competent authority of the member state that granted authorization to the credit institution;
	(d) Where the parent undertakings of credit institutions authorised in two or more member states, comprise of more than one financial holding companies or mixed financial holding companies with head offices in different member

	states and there is a credit institution in each of those states, supervision on a consolidated basis shall be exercised by the Central Bank, where it is the competent authority of the credit institution with the largest balance sheet total;
	(e) Where more than one credit institutions authorised in the European Union have as their parent the same financial holding company or mixed financial holding company and none of those credit institutions has been authorised in the member state in which the financial holding company or mixed financial holding company was set up, supervision on a consolidated basis shall be exercised by the Central Bank that authorised the credit institution with the largest balance sheet total, which shall be considered, for the purposes of this Law, as the credit institution controlled by a parent financial holding company or a parent mixed financial holding company established in the European Union;
	(f) In particular cases, the Central Bank may, by common agreement with the other competent authorities, waive the criteria referred to in paragraphs (c), (d) and (e) if their application would be inappropriate, taking into account the credit institutions and the relative importance of their activities in different countries, and appoint a different competent authority to exercise supervision on a consolidated basis. In such cases, before taking its decision, the Central Bank shall give the parent credit institution, the parent financial holding company, the parent mixed financial holding company, established in the European Union or the credit institution with the largest balance sheet total, as appropriate, an opportunity to state its opinion on that decision;
	The Central Bank shall notify the Commission and EBA of any agreements falling within the provisions of this paragraph.
	(8) In order to facilitate and establish effective supervision, the Central Bank, in cases which it is responsible for supervision on a consolidated basis, and the other competent authorities shall have written coordination and cooperation arrangements in place.
	(9) Under these arrangements, additional tasks may be entrusted to the Central Bank, in case it is responsible for supervision on a consolidated basis and procedures for the decision making process and for cooperation with other competent authorities may be specified.
	(10) (a) Where the Central Bank is responsible for authorizing the subsidiary of a parent undertaking which is a credit institution, it may, by bilateral agreement, in accordance with Article 28 of Regulation (EU) No 1093/2010, delegate its responsibility for supervision to the competent authorities which authorized and supervise the parent undertaking so that they assume responsibility for supervising the subsidiary in accordance with Directive 2013/36/EU;
	(b) EBA shall be kept informed by the Central Bank of the existence and content of such agreements. EBA shall forward such information to the competent authorities of the other member-states and to the European Banking Committee.
	(10A)(a) The Central Bank shall cooperate closely with the other competent authorities and shall provide one another with any information which is

	essential or relevant for the exercise of the other authorities' supervisory tasks under the Directive 2013/36/EU and Regulation (EU) No 575/2013;
	The Central Bank shall cooperate with EBA for the purposes of this Law, the Directive 2013/36/EU and Regulation (EU) No 575/2013, in accordance with Regulation (EU) No 1093/2010 and shall provide EBA with all information necessary to carry out its duties under Directive 2013/36/EU, under Regulation (EU) No 575/2013, and under Regulation (EU) No 1093/2010, in accordance with Article 35 of Regulation (EU) No 1093/2010;
	(b) Information referred to in paragraph (a) shall be regarded as essential if it could materially influence the assessment of the financial soundness of a credit institution or financial institution in another member state;
	(c) The Central Bank, where it acts as the consolidating supervisor of parent credit institutions established in the European Union and credit institutions controlled by parent financial holding companies or parent mixed financial holding companies established in the European Union, shall provide the competent authorities in other member states who supervise subsidiaries of those parent undertakings with all relevant information. In determining the extent of relevant information, the importance of those subsidiaries within the financial system in those member states shall be taken into account;
	(d) The essential information referred to in paragraph (a) shall include, in particular, the following items:
	(i) identification of the legal structure, the governance structure including organisational structure, covering all regulated entities, non-regulated entities, non-regulated subsidiaries and significant branches belonging to the group, the parent undertakings, in accordance with subsection (1), paragraphs (e) to (g) of section 4, subsection (2) of section 19 and subsection 2 of section 19F, and the competent authorities of the regulated entities in the group;
	(ii) procedures for the collection of information from the credit institutions in a group, and the checking of that information;
	(iii) adverse developments in credit institutions or in other entities of a group, which could seriously affect the credit institutions; and
	(iv) significant penalties and exceptional measures taken by competent authorities in accordance with Directive 2013/36/EC, this Law, including the imposition of a specific own fund requirement under section 30 and the imposition of any limitation on the use of the Advanced Measurement Approach for the calculation of the own funds requirements under Article 312 paragraph 2, of Regulation (EU) No 575/2013.
	(e) The Central Bank may refer to EBA any of the following situations, for the purposes of exercising by EBA the powers granted to it under Article 19 of Regulation (EU) No 1093/2010:

	(i) where a competent authority has not communicated essential information;
	(ii) where a request for cooperation, in particular to exchange relevant information, has been rejected or has not been acted upon within a reasonable time.
	(11)(a) The competent authorities responsible for authorising the subsidiary of a parent undertaking which is an ACI may, by bilateral agreement, in accordance with Article 28 of Regulation (EU) No 1093/2010, delegate their responsibility for supervision to the Central Bank with the objective the Central Bank will assume responsibility for supervising the subsidiary, in accordance with the provisions of this Law;
	(b) The European Commission shall be kept informed by the Central Bank of the existence and content of such agreements.
	(11A) (a) (i) The Central Bank as the consolidating supervisor, shall establish colleges of supervisors to facilitate the exercise of the tasks referred to in subsections (6), (6bis), (6A) and (8) of section 27 and, subject to the confidentiality requirements of subsection (2) and to Union law, ensures appropriate coordination and cooperation with relevant third-country supervisory authorities where appropriate.
	EBA shall contribute to promoting and monitoring the efficient, effective and consistent functioning of colleges of supervisors referred to in this section in accordance with Article 21 of Regulation (EU) No 1093/2010. To that end, the Central Bank invites EBA which shall participate as appropriate and shall be considered to be a competent authority for that purpose;
	(ii) Colleges of supervisors shall provide a framework for the Central Bank, as the consolidating supervisor, the EBA and the other competent authorities concerned, to carry out the following tasks:
	(A) exchanging information between the competent authorities and EBA in accordance with Article 21 of Regulation (EU) No 1093/2010;
	(B) agreeing on voluntary entrustment of tasks and voluntary delegation of responsibilities, where appropriate;
	(C) determining supervisory examination programmes referred to in section 26E based on a risk assessment of the group in accordance with subsections (6) to (9A) of section 26;
	(D) increasing the efficiency of supervision by removing unnecessary duplication of supervisory requirements, including in relation to the information requests referred to in subsections (8) and (9) of section 27 and to subsection (12) of section 39;
	(E) consistently applying the prudential supervision requirements under Regulation (EU) No 575/2013 across all entities within a

	group of credit institutions without prejudice to the options and discretions available in Union law;
	(F) applying paragraph (c) of subsection (6) of section 27, taking into account the work of other forums that may be established in that area;
	(iii) The Central Bank shall cooperate closely with the competent authorities participating in the colleges of supervisors and with EBA. The confidentiality requirements, under subsection (2) of section 26C, of subsections (4) and (5) of section 27, sections 27A, 27B, 27C, 27D, 28A, 28B, 28C and 28F and sections 129 and 132 of the Investment Services and Activities and Regulated Markets Laws, as amended, shall not prevent the Central Bank and the other competent authorities from exchanging confidential information within colleges of supervisors, whilst the establishment and functioning of colleges of supervisors shall not affect the rights and responsibilities of the Central Bank and the other competent authorities under this Law, the Directive 2013/36/EU and under Regulation (EU) No 575/2013.
	(c) (i) The establishment and functioning of the colleges of supervisors shall be based on written arrangements referred to in section 39(8) to (11) and determined after consulting the Central Bank, as the consolidating supervisor with the competent authorities concerned;
	(ii) the competent authorities responsible for the supervision of subsidiaries of an EU parent credit institution or an EU parent financial holding company or EU parent mixed financial holding company and the competent authorities of a host member state where significant branches as referred to in section 27E are established, ESCB central banks as appropriate, and third countries' supervisory authorities where appropriate and subject to confidentiality requirements that are equivalent, in the opinion of all competent authorities, to the requirements under subsection (2) of section 26C, subsections (4) and (5) of section 27, sections 27A, 27B, 27C, 27D, 28A, 28B, 28C and 28F and where applicable, sections 129 and 132 of the Investment Services and Activities and Regulated Markets Laws as amended, may participate in colleges of supervisors;
	(iii) The Central Bank, as the consolidating supervisor, shall chair the meetings of the colleges of supervisors and shall decide which competent authorities participate in a meeting or in an activity of the college. The Central Bank, as the consolidating supervisor shall keep all members of the college fully informed, in advance, of the organisation of such meetings, the main issues to be discussed and the activities to be considered. The Central Bank, as the consolidating supervisor shall also keep all the members of the college fully informed, in a timely manner, of the actions taken in those meetings or the measures carried out;
	(iv) The decision of the Central Bank, as the consolidating supervisor shall take account of the relevance of the supervisory activity to be planned or coordinated for those authorities, in particular the potential impact on the stability of the financial system in the member states

	concerned, as referred to in section 26(1B), and the obligations referred to in section 27E(2);
	(v) The Central Bank as the consolidating supervisor, subject to the confidentiality requirements under the provisions of subsections (1), (4) and (5) of section 27 and sections 27A, 27B, 27C, 27D, 28A, 28B and 28C, and where applicable, sections 129 and 132 of the Investment Services and Activities and Regulated Markets Laws as amended, shall inform EBA of the activities of the college of supervisors, including in emergency situations, and communicate to EBA all information that is of particular relevance for the purposes of supervisory convergence;
	(vi) In the event of a disagreement between competent authorities on the functioning of supervisory colleges, any of the competent authorities concerned may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010.
	(12) The Central Bank as the competent authority responsible for the supervision of ACIs controlled by an EU parent credit institution shall where possible contact the consolidating supervisor when they need information regarding the implementation of approaches and methodologies set out in this Law and in Regulation (EU) No 575/2013 that may already be available to the consolidating supervisor.
	(13)(a) The Central Bank, shall, before taking a decision, consult with the other competent authorities concerned with regard to the following items, where such a decision are of importance for other competent authorities' supervisory tasks:
	(i) changes in the shareholder, organisational or management structure of credit institutions in a group, which require the approval or authorisation of competent authorities; and
	(ii) significant penalties or exceptional measures taken by competent authorities, under the Directive 2013/36/EC, including the imposition of a specific own funds requirement under Article 19, paragraph 4, of this Directive and the imposition of any limitation on the use of the Advances Measurement Approaches for the calculation of the own funds requirements under Article 312, paragraph 2, of Regulation (EU) No 575/2013.
	(b) For the purposes of subparagraph (ii) of paragraph (a), the Central Bank, as the competent authority of the host member-state, consults always with the competent authority responsible for supervision on a consolidated basis;
	However, the Central Bank may decide not to consult in cases of urgency or where such consultation may jeopardise the effectiveness of the decisions. In this case, the Central Bank shall, without delay, inform the other competent authorities.
	(14) Deleted.
	(15) The Central Bank, responsible for supervision on a consolidated basis shall establish lists of the parent financial holding companies or mixed financial

	holding companies referred to in Article 11 of Regulation (EU) No 575/2013 which shall be communicated to the competent authorities of the other member states, to EBA and to the Commission.
Requests for information and inspections.	39A.(1) Where the parent undertaking of one or more ACIs is a mixed-activity holding company, the Central Bank shall, by approaching the mixed-activity holding company and its subsidiaries either directly or via subsidiaries that are ACIs, require them to supply any information which would be relevant for the purpose of supervising those subsidiaries.
	(2) The Central Bank may carry out, or have carried out by external inspectors, on-the-spot inspections to check information received from mixed-activity holding companies and their subsidiaries. If the mixed-activity holding company or one of its subsidiaries is an insurance undertaking, the Central Bank may also use the procedure set out in subsection (4) of section 42. If a mixed-activity holding company or one of its subsidiaries is situated in a member state other than that in which a subsidiary ACI is situated, on-the-spot check of information shall be carried out in accordance with the procedure set out in section 39C.
Inclusion of holding companies in consolidated supervision.	39B. (1) The Central Bank shall include financial holding companies and mixed financial holding companies in consolidated supervision.
	(2) Where a subsidiary that is an ACI incorporated in the Republic is not included in supervision on a consolidated basis under one of the cases provided for in Article 19 of Regulation (EU) No 575/2013, the Central Bank may ask the parent undertaking of the ACI for information which may facilitate their supervision of that subsidiary.
	(3) The Central Bank as the competent authority responsible for exercising supervision on a consolidated basis may ask the subsidiaries of an ACI, a financial holding company or a mixed financial holding company, which are not included within the scope of supervision on a consolidated basis for the information referred to in section 39A and in such a case, the procedures for transmitting and checking the information set out in section 39A, shall apply.
Supervision of mixed financial holding companies.	39C. (1) Where a mixed financial holding company is subject to equivalent provisions under this Law and under the Supplementary Supervision of Banks which belong to Financial Conglomerates Directive of 2012, in particular in terms of risk-based supervision, the Central Bank as the consolidating supervisor may, after consulting the other competent authorities responsible for the supervision of subsidiaries, apply only the provisions of that Directive to that mixed financial holding company.
	(2) Where a mixed financial holding company is subject to equivalent provisions under this Law, and under Directive 2009/138/EC of the European Parliament and of the Council, of 25 November 2009, relating to the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast), in particular in terms of risk-based supervision, the Central Bank as the consolidating supervisor may, in agreement with the group supervisor in the insurance sector, apply to that mixed financial holding company only the provisions of this Law relating to the most significant financial sector as defined

	in paragraph 3, subparagraph (2) of the Directive on the Supplementary Supervision of Banks ACIs belonging to a Financial Conglomerate.
	(3) The Central Bank as the consolidating supervisor shall inform EBA and the European Insurance and Occupational Pensions Authority (EIOPA) of the decisions taken under subsections (1) and (2).
Exchange of information in relation with consolidated supervision.	39D. (1) ACIs shall ensure that there are no legal impediments preventing the exchange, as between undertakings included within the scope of supervision on a consolidated basis, mixed-activity holding companies and their subsidiaries, or subsidiaries as referred to in subsection (3) of section 39C, of any information which would be relevant for the purposes of supervision in accordance with subsection (4) of section 19, section 26I, subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, subsections (5), (7), (8), (9), (10), (10A), (11), (11A), (12) and (13) of section 39, sections 39A, 39B, 39C, 39D, 39E, 39F and subsection (4) of section 42.
	(2) (a) Where a parent undertaking and any of its subsidiaries that are credit institutions are situated in different member states, the Central Bank shall communicate with the competent authorities of each member state in order to exchange all relevant information, amongst them, which may allow or aid the exercise of supervision on a consolidated basis.
	(b) Where a parent undertaking is situated in the Republic and the Central Bank does not itself exercise supervision on a consolidated basis as a competent authority pursuant to subsection (7) of section 39, it may be invited by the competent authority responsible for exercising such supervision to ask the parent undertaking for any information which would be relevant for the purposes of supervision on a consolidated basis and to transmit it to this authority;
	(c) The exchange, between the Central Bank and the other competent authorities, of the information referred to in paragraphs (a) and (b), shall be allowed on the understanding that, in the case of financial holding companies, mixed financial holding companies, financial institutions or ancillary services undertakings, the collection or possession of information shall not imply that the Central Bank is required to play a supervisory role in relation to those institutions or undertakings standing alone;
	(d) The exchange of information referred to in subsections (6) and (6bis) of section 27, between the Central Bank and the other competent authorities, shall be allowed on the understanding that the collection or possession of information does not imply that the Central Bank plays a supervisory role in relation to the mixed-activity holding company and those of its subsidiaries which are not credit institutions, or to subsidiaries as referred to in subsection (3) of section 39B.
Cooperation.	39E. (1)(a) Where an ACI, financial holding company, mixed financial holding company or a mixed-activity holding company controls one or more subsidiaries which are insurance companies or other undertakings providing investment services which are subject to authorisation, the Central Bank and the authorities entrusted with the public task of supervising insurance undertakings or those other undertakings providing investment services shall cooperate closely;

	(b) Without prejudice to its respective responsibilities, the Central Bank shall provide and may request any information likely to simplify the task both of the other competent authorities as well as that of itself and to allow supervision of the activity and overall financial situation of the undertakings they supervise;
	(2) Information received, within the framework of supervision on a consolidated basis, and in particular any exchange of information between the Central Bank and the other competent authorities provided for in this Law, shall be subject to professional secrecy requirements at least equivalent to those referred to in subsection (1) of section 28A.
Assessment of equivalence of third countries' consolidated supervision.	39F. (1)(a) Where an ACI, incorporated in the Republic, the parent undertaking of which is a credit institution or a financial holding company or mixed financial holding company, the head office of which is in a third country, and is not subject to consolidated supervision under the provisions of subsection (7) of section 39, the Central Bank shall assess whether the ACI is subject to consolidated supervision by a third-country supervisory authority, which is equivalent to that governed by the principles set out in the Directive 2013/36/EE and the requirements of Part One, Title II, Chapter 2, of Regulation (EU) No 575/2013.
	(b) The assessment shall be carried out by the Central Bank, if it would be responsible for consolidated supervision, at the request of the parent undertaking or of any of the regulated entities authorised in the European Union, or on its own initiative. The Central Bank shall consult the other competent authorities involved;
	(c) The Central Bank, carrying out the assessment referred to in paragraph (a), shall take into account any such guidance from the European Banking Committee and for that purpose, the Central Bank shall consult EBA before adopting a decision.
	(2)(a) In the absence of such equivalent supervision, the Central Bank shall apply this Law and Regulation (EU) No 575/2013 to the ACI mutatis mutandis or shall apply other appropriate supervisory techniques which achieve the objectives of supervision on a consolidated basis of credit institutions.
	(b) The supervisory techniques shall, after consulting the other competent authorities involved, be agreed upon by the Central Bank which would be responsible for consolidated supervision;
	(c) The Central Bank may in particular require the establishment of a financial holding company or mixed financial holding company which has its head office in the European Union, and apply the provisions on consolidated supervision to the consolidated position of that financial holding company or the consolidated position of the credit institutions of that mixed financial holding company;
	(d) The supervisory techniques shall be designed to achieve the objectives of consolidated supervision, as set out in subsection (4) of section 19, in subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, in subsections (5), (7), (8), (9), (10), (10A), (11), (11A), (12) and (13) of section 39, in sections

	39A, 39B, 39C, 39D, 39E and 39F and in subsection (4) of section 42 and shall be notified to the other competent authorities involved, to EBA and to the Commission;
ACIs unable to meet their obligations.	40. If any credit institution has any indication that it may face serious difficulties or become unable to meet its obligations or if it is about to suspend payment or becomes aware of any material adverse change in its condition it shall forthwith inform the Central Bank.
	PART XVA
	SUPERVISORY POWERS, POWERS TO IMPOSE SANCTIONS AND RIGHT OF APPEAL
Power to issue directives.	41.(1) The Central Bank may, for the purpose of implementing the objectives of this Law as well as its powers under this Law and under the Central Bank of Cyprus Law and subject to the provisions of this Law, issue general or specific directives which are communicated in any manner that it may determine.
	(2) In exercising its discretionary power under this Law, the Central Bank shall act after taking into consideration, by way of guidance, the international practice and the Directives and Regulations of the European Union, the protection of depositors and the interests of the customers of the ACIs in general as well as the orderly functioning of the financial system and shall issue adequately reasoned decisions or directives.
	(3) Specifically and without prejudice to the generality of subsections (1) and (2), the Central Bank may issue directives on matters of banking practice and good banking conduct, including directives with respect to the requirements and procedures for opening, maintaining, operating and closing current accounts and issuing or withdrawing cheque books.
	(4) In the context of its above mentioned powers and with a view to effectively combating the incidence of bounced cheques, including cheques which were issued at any time before or after the date those cheques were due for payment, the Central Bank shall issue directives to be published in the Official Gazette of the Republic, for the establishment, maintenance and operation of a Central Information Register where information concerning the issuers of bounced cheques, bankrupts or wound up companies, persons convicted for offences relating to the issue of bounced cheques, may be recorded in accordance with a procedure clearly defined in the directives, with a view to imposing upon them such measures depriving them of the right to hold, acquire or use cheque books or current accounts at a bank as may be prescribed specifically in the directives. The responsibility for the maintenance, operation and updating the Central Information Register is assigned by the Central Bank to a Management Committee appointed for this purpose.
	(5) The directives to be issued by the Central Bank pursuant to subsection (4) shall contain provisions governing or regulating specifically:
	(a) the composition, duties and responsibilities of the Management Committee,

	(b) matters concerning the remuneration or compensation of the members of the Management Committee,
	(c) the procedure to be followed by the Management Committee for taking decisions, and the basic criteria or principles to be taken into account in making such decisions,
	(d) the right of access and the manner of access that may have to the records or information held on the Central Information Register,
	(e) any other matter that may be deemed useful or expedient to be regulated by or defined in the directives, including a fair arrangement for the recovery by the Central Bank of the expenditure incurred by it for the initial establishment and subsequent operation of the Central Information Register.
	(6) Without prejudice to the generality of subsections (1) and (2), the Central Bank may issue directives regarding the terms, conditions and procedures for the operation of systems or mechanisms for the exchange of data that are associated with the use by the Central Bank of the data for the performance of its powers deriving from this Law and the assessment of the creditworthiness of customers and their connected persons from the credit institutions and the terms, conditions and procedures for the cooperation of such systems or mechanisms for the exchange of data with other relevant arrangements or with credit or financial institutions within the Republic or abroad.
	It is understood that the directive issued under this subsection, may provide that the exchange between the credit institutions may only refer to the data, details and information that are absolutely necessary for purposes relating to the evaluation of the creditworthiness of customers and their connected persons and the more effective management of credit or other related risks as well as for the use by the Central Bank of such information that is considered necessary for the exercise of its powers deriving from this Law.
	(7) By virtue of subsection (6) directives issued by the Central Bank contain provisions that govern or regulate in particular:
	(a) the data or information entered into the database of a system or a mechanism for the exchange of data;
	(b) the frequency of the supply of data or information in the database of a system or a mechanism for the exchange of data;
	(c) the right to use and how to use or access data or information of systems or mechanisms for the exchange of data;
	(d) the obligations of the administrators of the systems or the mechanisms for the exchange of data AIANTA and ARTEMIS;
	(e) the process of handling customer complaints that relate to data, details or information included in the system or the mechanism for the exchange of data;

	(f) any other matter that may be deemed useful or necessary to be regulated or specified in the directives;
Reporting of breaches.	41A. (1) The Central Bank, by the issue of a directive under section 41, shall establish effective and reliable mechanisms to encourage reporting of potential or actual breaches of this Law and of the directives and circular letters issued pursuant to this Law and of Regulation (EU) No 575/2013.
	(2) The directive referred to in subsection (1) shall include at least the following:
	(a) specific procedures for the receipt of reports on breaches and their follow-up;
	(b) appropriate protection for employees of ACIs who report breaches committed within the ACI, against retaliation, discrimination or other types of unfair treatment at a minimum;
	(c) protection of personal data concerning both the person who reports the breaches and the natural person who is allegedly responsible for a breach, in accordance with the Processing of Personal Data (Protection of Individuals) Laws;
	(d) clear rules that ensure that confidentiality is guaranteed in all cases in relation to the person who reports the breaches committed within the ACI, unless disclosure is required by national law in the context of further investigations or subsequent judicial proceedings.
	(3)(a) ACIs shall have in place appropriate procedures for their employees to report breaches internally, through a specific, independent and autonomous channel.
	Such a channel may also be provided through arrangements provided for by social partners. The same protection as referred to in paragraphs (b) to (d) of subsection (2) shall apply.
Supervisory powers and powers to impose penalties.	41B.(1)The Central Bank may under the provisions of this Law, the Macro-prudential Supervision of Institutions Law and the Regulation (EU) No 575/2013, intervene in the activity of ACIs that are necessary for the exercise of their function, including in particular the right to withdraw an authorisation in accordance with subsection (1) of section 4A, the powers required in accordance with section 29A and the powers set out in sections 26I and 30.
	(2) The Central Bank shall exercise its supervisory powers and its powers to impose penalties in accordance with this Law and with national law, in any of the following ways:
	(a) directly;
	(b) in collaboration with other authorities;
	(c) under its responsibility by delegation to such authorities;

	(d) by application to the competent judicial authorities.
Administrative penalties and other administrative measures.	41C.(1)(a) Without prejudice to the provisions of section 41B, the Central Bank shall have all necessary measures in place to ensure the implementation of the provisions of this Law, of the Macro-prudential Supervision of Institutions Law and of Regulation (EU) No 575/2013 as well as of the directives, guidelines and circular letters issued pursuant to these Laws and in case of breaches it shall impose administrative penalties and other administrative measures set out in this Law;
	(b) The Central Bank shall ensure that the administrative penalties and the other administrative measures imposed shall be effective, proportionate and dissuasive.
	(2) Where the obligations referred to in subsection (1) apply to credit institutions, financial holding companies and mixed financial holding companies in the event of a breach of the provisions of this Law and of the directives, guidelines and circular letters issued pursuant to this Law and of Regulation (EU) No 575/2013, penalties may be applied by the Central Bank to members of management body and to other natural persons who are responsible for the breach.
	(3) The Central Bank shall have all information gathering and investigatory powers that are necessary for the exercise of its functions and without prejudice to other relevant provisions laid down in this Law and in Regulation (EU) No 575/2013, those powers shall include:
	(a) the power to require the following natural or legal persons to provide all information that is necessary in order to carry out its tasks, including information to be provided regarding the granting of loans and other credit facilities and the reports received from the credit institution concerning the borrowers' portfolio and their financial position as well as their activities, including information to be provided at recurring intervals and in specified formats for supervisory and related statistical purposes:
	(i) credit institutions established or located in the Republic;
	(ii) financial holding companies established in the Republic;
	(iii) mixed financial holding companies established in the Republic;
	(iv) mixed-activity holding companies established in the Republic;
	(v) persons belonging to the entities referred to in subparagraphs (i) to (iv);
	(vi) hird parties to whom the entities referred to in subparagraphs (i) to (iv) have outsourced operational functions or activities;

	(b) the power to conduct all necessary investigations of any person referred to in subparagraphs (i) to (vi) of paragraph (a) established or located in the Republic, where necessary to carry out the tasks of the Central Bank, including:
	(i) the right to require the submission of documents;
	(ii) to examine the books and records of the persons referred to in subparagraphs (i) to (vi) of paragraph (a) and take copies or extracts from such books and records;
	(iii) to obtain written or oral explanations from any person referred to in subparagraphs (i) to (vi) of paragraph (a) or their representatives or staff; and
	(iv) to interview any other person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation;
	(c) the power, subject to other conditions set out in Union law, to conduct all necessary inspections at the business premises of the legal persons referred to in subparagraphs (i) to (vi) of paragraph (a) and any other undertaking included in consolidated supervision where the Central Bank is the consolidating supervisor, subject to the prior notification of the other competent authorities concerned.
Other administrative penalties and measures.	41D.(1) This section shall apply at least in any of the following circumstances:
	(a) an ACI has obtained an authorisation through false statements or any other irregular means;
	(b) an ACI, on becoming aware of any acquisitions or disposals of holdings in their capital that cause holdings to exceed or fall below one of the thresholds referred to in subsection (1) of section 17, or section 17C, fails to inform the Central Bank of those acquisitions or disposals in breach of paragraph (a) of subsection (1) of section 17D;
	(c) an ACI listed on a regulated market as referred to in the list to be published by ESMA in accordance with Article 47 of Directive 2004/39/EC does not, at least annually, inform the Central Bank of the names of shareholders and members possessing qualifying holdings and the sizes of such holdings in breach of subsection (1) of section 17D;
	(d) an ACI fails to have in place governance arrangements required by the competent authorities in accordance with subsections (2), (3) and (5) of section 19 and section 30B;
	(e) an ACI fails to report information or provides incomplete or inaccurate information on compliance with the obligation to meet own funds requirements set out in Article 92 of Regulation (EU) No 575/2013 to the Central Bank in breach of Article 99 paragraph 1 of that Regulation;

	(f) an ACI fails to report or provides incomplete or inaccurate information to the Central Bank in relation to the data referred to in Article 101 of Regulation (EU) No 575/2013;
	(g) an ACI fails to report information or provides incomplete or inaccurate information about a large exposure to the Central Bank in breach of Article 394 paragraph 1 of Regulation (EU) No 575/2013;
	(h) an ACI fails to report information or provides incomplete or inaccurate information on liquidity to the Central Bank in breach of Article 415 paragraphs1 and 2 of Regulation (EU) No 575/2013;
	(i) an ACI fails to report information or provides incomplete or inaccurate information on the leverage ratio to the Central Bank in breach of Article 430 paragraph 1 of Regulation (EU) No 575/2013;
	(k) an ACI incurs an exposure in excess of the limits set out in Article 395 of Regulation (EU) No 575/2013;
	(l) an ACI is exposed to the credit risk of a securitisation position without satisfying the conditions set out in Article 405 of Regulation (EU) No 575/2013;
	(m) an ACI fails to disclose information or provides incomplete or inaccurate information in breach of Article 431, paragraphs 1, 2 and 3, or Article 451, paragraph 1, of Regulation (EU) No 575/2013;
	(n) an ACI makes payments to holders of instruments included in its own funds in breach of section 22C of this Law or in cases where Articles 28, 51 or 63 of Regulation (EU) No 575/2013 prohibit such payments to holders of instruments included in own funds;
	(o) an ACI is found liable for a serious breach of the directives of the Central Bank to the credit institutions in accordance to section 59(4) of the Prevention and Suppression of Money Laundering Activities Law;
	(p) an ACI allows one or more persons not complying with the Directive on the Assessment of the Fitness and Probity of Members of the Management Body and Managers of Authorized Credit Institutions of 2014, to become or remain members of the management body.
	(2) Where the Central Bank shall ensure that in the cases referred to in subsection (1), the Governor of the Central Bank has the power to impose the following administrative penalties and administrative measures:
	(a) a public statement which identifies the ACI, natural person, or financial holding company or mixed financial holding company responsible and the nature of the breach;
	(b) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct in future;

	(c) in the case of an ACI, withdrawal of the authorisation in accordance with subsection (1) of section 4A;
	(d) subject to subsection (2) of section 41C, a temporary ban against a member of the management body or any other natural person, who is held responsible, from exercising functions in the ACI;
	(e) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover including the gross income consisting of interest receivable and similar income, income from shares and other variable or fixed-yield securities, and commissions or fees receivable in accordance with Article 316 of Regulation (EU) No 575/2013 of the undertaking in the preceding business year;
	(f) in the case of a natural person, administrative pecuniary penalties of up to five million (€5.000.000) euro.
	(g) administrative pecuniary penalties of up to twice the amount of the profits gained or losses avoided because of the breach where those can be determined;
	It is provided that, where an undertaking referred to in paragraph (e) of subsection (1) is a subsidiary of a parent undertaking, the relevant gross income shall be the gross income resulting from the consolidated account of the ultimate parent undertaking in the preceding business year.
Effective application of penalties and exercise of powers to impose penalties by the Central Bank.	41E. The Central Bank, shall ensure that when determining the type of administrative penalties or other administrative measures and the level of administrative pecuniary penalties, to take into account all relevant circumstances, including, where appropriate:
	(a) the gravity and the duration of the breach;
	(b) the degree of responsibility of the natural or legal person responsible for the breach;
	(c) the financial strength of the natural or legal person responsible for the breach, as indicated, for example, by the total turnover of a legal person or the annual income of a natural person;
	(d) the amount of profits gained or losses avoided by the natural or legal person responsible for the breach, insofar as they can be determined;
	(e) the losses for third parties caused by the breach, insofar as they can be determined;
	(f) the level of cooperation of the natural or legal person responsible for the breach with the Central Bank;
	(g) previous breaches by the natural or legal person responsible for the breach;

	(h) any potential systemic consequences of the breach.
Special administrative penalties and other administrative measures concerning the provisions of recovery and resolution.	41F.(1) Notwithstanding the provisions of this Law that provide and impose criminal penalties in cases where-
	(a) the group recovery or resolution plans were not drawn up, maintained or updated, in breach of section 23A or 23C respectively, or
	(b) The Central Bank was not notified on the intention to provide group financial support, in breach of section 23M, or
	(c) the management body of the ACI failed to notify the Central Bank on the fact that the ACI is failing or likely to fail, in breach of section 32B,
	the Governor of the Central Bank after calling the members of the management body or any other natural persons who are liable for the infringement to apologise, has the power to impose the following administrative penalties and administrative measures according to the gravity of the breach:
	(i) a public statement which indicates the natural person, ACI, financial institution, the parent undertaking in the Union or other legal person responsible and the nature of the infringement;
	(ii) an order requiring the natural or legal person responsible to cease the unlawful conduct and to desist from a repetition of that conduct;
	(iii) a temporary ban against any member of the management body of the ACI or any other natural person, who is held responsible, to exercise functions in ACIs;
	(iv) in the case of an ACI, administrative fines of up to 10 % of the total annual net turnover of that ACI in the preceding business year; where the ACI is a subsidiary of a parent undertaking, the relevant turnover is the turnover resulting from the consolidated accounts of the ultimate parent undertaking in the preceding business year;
	(v) in the case of a natural person, administrative fines of up to 5 million Euro;
	(vi) administrative fine of up to twice the amount of the benefit derived or the losses avoided from the infringement, where these can be determined;
	(vii) if the infringement continues, and depending on the significance of the infringement, an administrative fine up to fifty thousand euros for each day the infringement continues.

	(2) In exercising its powers to impose administrative penalties, the Central Bank collaborates closely with the resolution authorities, in order to ensure that the administrative penalties or the other measures will bring the desired results and, in case of cross border cases, they coordinate their actions.
	(3) The Central Bank exercises its powers to impose administrative penalties in accordance with this Law and the Cyprus legislation in any of the following ways:
	(a) directly;
	(b) in collaboration with other authorities;
	(c) under its responsibility, by delegating duties to other authorities;
	(d) by application to the competent judicial authorities.
Administrative fine.	42.(1) Without prejudice to the provisions of subsections (8) to (10) of section 17, of section 29A, of subsection (1) of section 30 and of sections 41B and 41C, where the Central Bank in the course of exercising its powers or responsibilities to examine and supervise ACIs pursuant to this Law, including its powers and responsibilities to collect information, enter and inspect under sections 25 and 26, ascertains that an ACI-
	(a) contravenes or fails to comply with any directive or circular lawfully issued to ACIs by the Central Bank, or
	(b) contravenes or fails to comply, within the specified time limit or, in the absence of such time limit, within a reasonable time, with any requirement or notice of the Central Bank lawfully made or addressed to it, or
	(c) in purported compliance with any such directive, requirement or notice of the Central Bank or with any provision of the Macro-prudential Supervision of Institutions Law of 2014 or the Regulation (EU) no. 575/2013 or subject to the directives, issued thereunder, provides or makes available any misleading, inaccurate or incomplete data or information, which it knew or ought to have known that they did not represent true reality, or
	(d) violates or fails to comply with any of the provisions of this Law or of the Macro-prudential Supervision of Institutions Law or of Regulation (EU) no. 575/2013,
	the Governor of the Central Bank, after calling the ACI to state its defence, has the power to impose for each and every contravention an administrative fine, ranging from one thousand to five hundred thousand euro, depending on the seriousness of the contravention, and in the case of a continuing contravention the Governor of the Central Bank is additionally empowered to impose a further administrative fine, ranging from one hundred to fifty thousand euro, depending on the seriousness of the contravention, for each day during which the contravention continues.
	(2) Without prejudice to subsection (1), in the event that the Central Bank, in the exercise of its powers or jurisdictions thereof for the control and supervision

	of ACIs under this Law or under the directives issued pursuant to this, for the information collected including its powers and jurisdictions for entry and investigation under sections 25 and 26, ascertains that an ACI, due to fault or negligence or omission or in the knowledge of the members of the management body and / or the Chief Executive Officer and / or the Director and / or the Manager, –
	(a) violates or fails to comply with any legally published directive or circular of the Central Bank towards ACIs, or
	(b) violates or fails to comply within the specified time limit or in the absence of such, within a reasonable time, to any legally submitted or addressed to it claim or notice of the Central Bank, or
	(c) complying with any such directive, requirement or notice of the Central Bank or with any provision of this Law, or of the Macro-prudential Supervision of Institutions Law of 2014 or of the Regulation (EU) no. 575/2013 or the directives issued pursuant to this, provides or demonstrates any misleading, inaccurate or incomplete data or information which it knew or should have known that they are not true, or
	(d) violates or fails to comply with any of the provisions of this Law or of the Macro-prudential Supervision of Institutions Law or of the Regulation (EU) no. 575/2013,
	the Governor of the Central Bank, after inviting the members of the management body and / or the Chief Executive Officer and / or the Director and / or the Manager to state their defense, has the power to impose on the relevant person (persons) for each violation an administrative fine of one thousand euro (€1.000) to one hundred thousand euro (€100.000), depending on the severity of the violation and, in case the violation continues, the Governor of the Central Bank has additionally the power to impose an administrative fine, depending on the severity of the violation, of one hundred euro (€100) up to five thousand euro (€5.000) for each day the violation continues.
	(3)(a) Where the Central Bank in the course of exercising its powers or responsibilities for the control and supervision of the systems or mechanisms for the exchange of information pursuant to this Law, including its powers and responsibilities to entry and investigation according to section 28E, ascertains that any system or mechanism for the exchange of information –
	(i) violates or fails to comply with any lawfully issued directive or circular of the Central Bank regarding the systems or the information exchange mechanisms, or
	(ii) violates or fails to comply within the specified time limit or in the absence of such, within a reasonable time, to any legally submitted or addressed to it claim or notice of the Central Bank, or
	(iii) complying with any such directive, requirement or notice of the Central Bank or with any provision of this Law, or the directives issued pursuant to this, provides or demonstrates any misleading, inaccurate

	or incomplete data or information which it knew or should have known that they are not true,
	the Governor of the Central Bank, after inviting the administrators of the systems or information exchange mechanisms to state their defense, has the power to impose for each violation an administrative fine of one thousand euro (€1.000) to eighty thousand euro (€80.000), depending on the severity of the violation and, in case the violation continues, the Governor of the Central Bank has additionally the power to impose an administrative fine, depending on the severity of the violation, of one hundred euro (€100) up to eight thousand euro (€8.000) for each day the violation continues.
	(b) Without prejudice to paragraph (a), in the event that the Central Bank, in the exercise of its powers or jurisdictions thereof for the control and supervision of the mechanisms for the exchange of data under this Law or under the directives issued pursuant to this, including its powers and jurisdictions for entry and investigation under section 28E, ascertains that any system or mechanism for the exchange of data, due to fault or negligence or omission or in the knowledge of the members of the management body and / or the Chief Executive Officer and / or the Director and / or the Manager, –
	(i) violates or fails to comply with any lawfully issued directive or circular of the Central Bank, or
	(ii) violates or fails to comply within the specified time limit or in the absence of such, within a reasonable time, to any legally submitted or addressed to it claim or notice of the Central Bank, or
	(iii) complying with any such directive, requirement or notice of the Central Bank or with any provision of this Law, or the directives issued pursuant to this, provides or demonstrates any misleading, inaccurate or incomplete data or information, which it knew or should have known that they are not true,
	the Governor of the Central Bank, after inviting the members of the management body and / or the Chief Executive Officer and / or the Director and / or the Manager to state their defense, has the power to impose on the relevant person (persons) for each violation an administrative fine of one thousand euro (€1.000) to twenty thousand euro (€20.000), depending on the severity of the violation and, in case the violation continues, the Governor of the Central Bank has additionally the power to impose an administrative fine, depending on the severity of the violation, of one hundred euro (€100) up to one thousand euro (€1.000) for each day the violation continues.
	(4)(a) The Central Bank may impose administrative penalties and other administrative measures aiming to end observed breaches or the causes of such breaches on financial holding companies, mixed financial holding companies, and mixed-activity holding companies, or their effective managers, who breach this Law, and the directives issued pursuant this Law as well as the Regulation (EU) no. 575/2013.

	(b) For the purposes of paragraph (a), shall relatively apply, the provisions of subsections (1) and (2).
Administrative fine.	42A. In the case where an ACI contravenes any of the obligations of Regulation (EC) No. 924/2009, the Governor of the Central Bank may, after hearing the ACI, impose an administrative fine not exceeding twenty thousand euro (€20.000) and, in the case of a continuing contravention, the Governor of the Central Bank shall impose a further administrative fine not exceeding five hundred euro (€500), for each day during which contravention continues.
Publication of administrative penalties	42B.(1)(a) The Central Bank shall publish on its official website at least any administrative penalties against which there is no appeal pursuant to section 146 of the Constitution and which are imposed for breach of this Law or of the Macro-prudential Supervision of Institutions Law or of Regulation (EU) No 575/2013 and the directives issued pursuant to these laws including information on the type and nature of the breach and the identity of the natural or legal person on whom the penalty is imposed, without undue delay after that person is informed of those penalties.
	(b) The Central Bank may publish, without undue delay, on its website, the penalties against which there is an appeal and information on the appeal status and outcome thereof.
	(2) The Central Bank shall publish the penalties on an anonymous basis, in a legal manner, in any of the following circumstances:
	(a) where the penalty is imposed on a natural person and, following an obligatory prior assessment, publication of personal data is found to be disproportionate;
	(b) where publication would jeopardise the stability of financial markets or an ongoing criminal investigation;
	(c) where publication would cause, insofar as it can be determined, disproportionate damage to the ACIs, branches or natural persons involved.
	Alternatively, where the circumstances referred to in subsection (1) are likely to cease within a reasonable period of time, the Central Bank may determine that the publication under subsection (1) may be postponed for such a period of time.
	(3) The Central Bank shall ensure that information published under subsections (1) or (2) remains on its official website at least five (5) years. Personal data shall be retained on the official website of the Central Bank only for the period necessary, in accordance with the provisions of the Processing of Personal Data (Protection of Individuals) Law.
Exchange of information on penalties and maintenance of a central database by EBA.	42C.(1) Subject to the professional secrecy requirements referred to in subsection (1) of section 28A, the Central Bank shall inform EBA of all administrative penalties, including all permanent prohibitions, imposed under subsections (8) to (10) of section 17 and sections 41C, 41D and 41F including any appeal in relation thereto and the outcome thereof, in order for the EBA to maintain a central database of administrative penalties communicated to it

	solely for the purposes of exchanging information between competent authorities. That database shall be accessible to competent authorities only and it shall be updated on the basis of the information provided by competent authorities.
	2. Where the Central Bank assesses good repute for the purposes of subsections (2A) and (10) of section 4 and of subsection (4) of section 19 as well as for the purposes of the Directive on the Assessment of the Fitness and Probity of the Members of the Management Body and Managers of Authorized Credit Institutions of 2014, it shall consult the EBA database of administrative penalties. In the event of a change of status or a successful appeal, EBA shall be notified by the Central Bank.
	(3) The Central Bank shall check, in accordance with national law, the existence of a relevant conviction in the criminal record of the person concerned. For those purposes, information shall be exchanged in accordance with the Council of Ministers Decision no. 71 068.
	(4) The publication of administrative penalties by the Central Bank under section 42B is electronically connected by a link on the EBA's website and shall refer to the time period for which the Republic publishes administrative penalties.
Right of appeal.	42D.(1) Opposition against the decisions and measures adopted pursuant to this Law, may be subject to a right of appeal according to the provisions of section 146 of the Constitution.
	(2) Where the Central Bank fails to take a decision within six months of submission of an application for authorisation which contains all the information required, the applicant, under the provisions of section 146 of the Constitution, is subject to a right of appeal.
	(3) Any affected person has the right to appeal, in accordance with the provisions of Article 146 of the Constitution, against the decision to take a crisis prevention measure or the decision to exercise any power exercised by the Central Bank pursuant to this Law concerning the recovery and resolution.
	PART XVI
	OFFENCES, PENALTIES AND PROSECUTIONS
Offences and penalties.	43. (1) The infringement of any provisions of this Law or any Regulations or directives issued by the Central Bank under this Law, except those provisions referred to in subsection (2), is an offence punishable by imprisonment not exceeding five (5) years or by a fine not exceeding one million euro (€1.000.000) or by both and in case of a continuing offence by a further fine not exceeding five thousand euro (€5.000) for each day during which the offence continues.
	(2) The infringement of any of the provisions of sections 8, 9, 10, 11, 12, 13, 15, 21, 23, 24, 25 or 26 of this Law is an offence punishable by a fine not exceeding one million euro (€1.000.000) and in case of a continuing offence

	by a further fine not exceeding five thousand euro (€5.000) for each day during which the offence continues.
	(3)Where an offence is committed as a result of an infringement of the provisions of this Law, by an ACI or by an organisation of persons incorporated or unincorporated, then any member of the management body, chief executive, manager, partner or other officer or employee of the ACI or of the organisation, who authorises or knowingly permits such infringement, shall be guilty of an offence and in case of conviction shall be liable to the penalties provided in subsections (1) or (2) depending on the provisions infringed.
Prosecutions by or with the consent of the Attorney-General of the Republic.	44. No prosecution in respect of any offence under this Law shall be instituted except by or with the consent of the Attorney-General of the Republic.
	PART XVII
	TRANSITIONAL PROVISIONS
Former licences deemed to be licences under this Law. Cap.124.	45. (1) All ACI licences issued under the Banking Business (Temporary Restrictions) Law which were in force immediately prior to the enactment of this Law shall be deemed to be licences issued under this Law.
	(2) Any conditions attached to a licence referred to in subsection (1) shall be deemed to be conditions imposed under this Law and shall continue to be in force until amended, varied or revoked.
Operating licences	45A. (1) Licences issued under Part VIA of the Cooperative Societies Law shall be deemed to be licences issued under this Law by the Central Bank and are subject to all provisions of this Law; The Central Bank may revoke, every licence under the provision of this subsection.
	(2) Any conditions attached to a licence referred to in subsection (1) shall be deemed to be conditions imposed under this Law and shall continue to be in force until amended, varied or revoked by the Central Bank.
	(3) CCI with a licence under the scope of application of subsection (1), may not establish a branch nor provide cross border services in another member state under section 10C before the issue of a new licence by the Central Bank.
Compliance with this Law.	46.(1) A bank incorporated in the Republic which at the date of entry into force of this Law is in excess of the limits prescribed in paragraphs (h) to (j) of subsection (1) of section 11 shall within fifteen (15) working days from the date of entry into force of this Law inform the Central Bank of the above situation and the Central Bank shall, after a meeting with the bank incorporated in the Republic, set time limits or other conditions as it deems appropriate for the rectification of the situation and the maximum period for rectification of the situation may not exceed three (3) years from the date of entry into force of this Law.

	(2) Deleted.
	(3) The provisions of subsection (1) of section 14 shall apply to the Co-operative Central Bank and ACIs established under the Cooperative Societies Law from January 1, 2019.
Extension of period for compliance with this Law.	47. If for the purposes of compliance by a bank with this Law in accordance with section 46 the sale of certain of its assets or the calling in of certain of its credit facilities is required, the Central Bank may extend the maximum period for rectifying the position by a further period not exceeding two years if it is established to the satisfaction of the Central Bank that the sale of assets or calling in of credit facilities within the period specified could result in substantial losses for the ACI or its customers.
Scope of application of existing regulations and directives.	
Transitional provisions on capital conservation buffer requirements.	47B. (1) This section amends the requirements of on capital conservation subsection (1) of section 22B for a transitional buffer requirements period until 31 December 2018 as follows:
	(a) Until 31 December 2016, the capital conservation buffer shall consist of Common Equity Tier 1 capital of a value equal to 0.625% of the total risk-weighted exposure amounts of the ACI incorporated in the Republic, calculated in accordance with paragraph 3 of Article 92 of Regulation (EU) No 575/2013;
	(b) For the period from 1 January 2017 to 31s t December 2017, the capital conservation buffer shall consist of Common Equity Tier 1 capital of a value equal to 1.25% of the total risk-weighted exposure amounts of the ACI incorporated in the Republic, calculated in accordance with paragraph 3 of Article 92 of Regulation(EU) No 575/2013; and
	(c) for the period from 1 January 2017 to 31st December2018, the capital conservation buffer shall consist of Common Equity Tier 1 capital of a value equal to1,875% of the total of the risk-weighted exposure of the ACI incorporated in the Republic, calculated in accordance with paragraph 3 of section 92 of Regulation (EU) No 575/2013.
	(2) The provisions of paragraph (a) of subsection (1) shall enter into force retroactively on 1st January 2016 and the provisions of paragraph (b) of subsection (1) shall enter into force retroactively on 1st January 2017.
Repeal. Cap. 124.	48. The Banking Business (Temporary Restrictions) Law is hereby repealed.
Interpretative provision. 17(I) of 2013.	49. Wherever in this Law there is a reference to "Central Bank" in its capacity as Resolution Authority as it was specified in the Resolution of Credit and Other Institutions Law of 2013 as it stood prior to its amendment on Resolution of Credit and Other Institutions (Amendment) (No.2) Law of 2013, is replaced by the reference to "Resolution Authority" as defined in Resolution of Credit and

97(I) of 2013.	Other Institutions Law of 2013 as subsequently amended by Resolution of Credit and Other Institutions Law (Amendment) (No. 2) Law of 2013 .
	PART XVIII
	FINAL PROVISIONS
Scope of application.	50. The provisions in sections 51 to 56 shall apply from the date on which the liquidity coverage requirement becomes applicable in accordance with a delegated act adopted by the European Union, pursuant to Article 460 of Regulation (EU) No 575/2013.
Reporting requirements.	51.(1) The Central Bank may require from a credit institution of a member state, having a branch within the Republic to report to them periodically on their activities carried out in the Republic.
	(2) Such reports shall only be required for information or statistical purposes, for the application of Article 51 of the Directive 2013/36/EE, or for supervisory purposes in accordance with sections 40 to 48 of this Directive and shall be subject to professional secrecy requirements at least equivalent to those referred to in Article 53, paragraph 1, of the Directive 2013/36/EE.
	(3) The Central Bank as a host member state may in particular require information from the credit institutions referred to in subsection (1) in order to assess whether a branch is significant in accordance with Article 51, paragraph 1, of the Directive 2013/36/EE.
Measures taken by the competent authorities of the home member state in relation to activities carried out in the Republic as a host member state.	52. (1) If the Central Bank as the competent authority of the host member state, on the basis of information received from the competent authorities of the home member state under Article 50 of the Directive 2013/36/EE, ascertains that a credit institution, having a branch or providing services within the Republic, fulfils one of the following conditions in relation to the activities carried out in the Republic, it shall inform the competent authorities of the home member state in order to take the required measures:
	(a) the credit institution does not comply with the provisions in this Law or with Regulation (EU) No 575/2013 or with the directives, guidelines or circular letters issued pursuant to these;
	(b) there is a material risk that the credit institution will not comply with the provisions in this Law or with Regulation (EU) No 575/2013 or with the directives, guidelines or circular letters issued pursuant to these;
	(2) Where the Central Bank as the competent authority of the host member state considers that the competent authorities of the home member state have not fulfilled their obligations or will not fulfil their obligations, by taking the appropriate measures in order to ensure the compliance of the credit institution towards compliance with the provisions of this Law and of Regulation (EE) No 575/2013, may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010.

Precautionary measures. Official Journal of EU: L 125, 5.5.2001, pg. 15.	53. (1) Before following the procedure set out in Article 41 of the Directive 2013/36/EE, the Central Bank, as the competent authority of the host member state may, in emergency situations, pending measures by the competent authorities of the home member state or reorganisation measures referred to in Article 3 of Directive 2001/24/EC, of the European Parliament and Council, of 4 April 2001, for the resolution and winding up of credit institutions, take any precautionary measures necessary to protect against financial instability that would seriously threaten the collective interests of depositors, investors and clients in the Republic.
	(2)(a) Any precautionary measures taken by the Central Bank under subsection (1) shall be proportionate to their purpose to protect against financial instability that would seriously threaten collective interests of depositors, investors and clients in the Republic. Such precautionary measures may include a suspension of payment;
	(b) The precautionary measures shall not result in a preference for the creditors of the credit institution in the Republic over the creditors of the credit institution in other member states.
	(3) Any precautionary measures taken under subsection (1) shall cease to have effect when the administrative or judicial authorities of the home member state take reorganisation measures under Article 3 of Directive 2001/24/EC.
	(4) The Central Bank shall terminate precautionary measures where it considers those measures have become obsolete under Article 41 of the Directive 2013/36/EE, unless they cease to have effect in accordance with subsection (3) of this section.
	(5) The Commission, EBA and the competent authorities of the home member states concerned as well as the other competent authorities shall be informed by the Central Bank of precautionary measures taken under subsection (1) without undue delay.
	(6) Where the Central Bank as the competent authority of the home member state or of any other affected authority objects to measures taken by the competent authority of the host member state, it may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010.
Competences and duties of the Central Bank as the competent authority of the home and host member states.	54.(1) The prudential supervision of ACIs incorporated in the Republic, including that of the activities carried out in accordance with sections 10C and 10Cbis of this Law, shall be the responsibility of the Central Bank as the competent authority of the home member state, without prejudice to those provisions of this Law and of the Directive 2013/36/EU which give responsibility to the competent authorities of the host member state.
	(2) The prudential supervision of the branches in the Republic shall be carried out by the Central Bank as the competent authority of the host member state or as the competent authority which shall authorize an ACI established in a third country as such responsibility shall be granted under the provisions of this Law.

	(3) Subsection (1) shall not prevent the competence of the Central Bank to carry out supervision on a consolidated basis.
	(4) Measures taken by the Central Bank as the competent authority of the host member state shall not allow discriminatory or restrictive treatment on the basis that a credit institution is authorised in another member state.
Collaboration concerning supervision.	55. (1)(a) The Central Bank shall collaborate closely with the competent authorities of the other member states for the supervision, particularly regarding the activities of ACIs operating through a branch, in one or more member states as well as for the supervision of branches operating in the Republic under subsection (1) of section 10A.
	(b) The Central Bank shall exchange information with the competent authorities, concerning the management and ownership of credit institutions referred to in the first paragraph, that may facilitate supervision and the examination of the conditions for authorisation, and all information likely to facilitate the monitoring of these credit institutions, in particular with regard to liquidity, solvency, deposit guarantee, the limiting of large exposures, other factors that may influence the systemic risk posed by the credit institution, administrative and accounting procedures and internal control mechanisms.
	(2) The Central Bank as the competent authority of the home member state -
	(a) shall provide the competent authorities of the host member states immediately with any information and findings pertaining to liquidity supervision in accordance with Part Six of Regulation (EU) No 575/2013 and subsection (4) of section 19, subsections (2), (6), (6bis), (6A), (8) and (9) of section 27, subsections (5), (7), (8), (9), (10), (10A), (11), (11A), (12) and (13) of section 39, sections 39A, 39B, 39C, 39D, 39E, and 39F and subsection (4) of section 42 of this Law of the activities performed by the ACI through its branches, to the extent that such information and findings are relevant to the protection of depositors or investors in the host member state;
	(b) shall inform the competent authorities of all host member states immediately where liquidity stress occurs or can reasonably be expected to occur and that information shall also include details about the planning and implementation of a recovery plan and about any prudential supervision measures taken in that context;
	(c) shall communicate and explain upon request to the competent authorities of the host member state how information and findings provided by the latter have been taken into account;
	(d) where it shall disagree with the measures to be taken by the competent authorities of the host member state, it may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010.
	(3)(a) The Central Bank as the competent authority of the host member state shall be informed by the competent authorities of the home member state on

	how information and findings provided by the Central Bank have been taken into account;
	(b) Where, following communication of information and findings, the Central Bank maintains that no appropriate measures have been taken by the competent authorities of the home member state, may, after informing the competent authorities of the home member state and EBA, take appropriate measures to prevent further breaches in order to protect the interests of depositors, investors and others to whom services are provided or to protect the stability of the financial system.
	(4) The Central Bank may refer to EBA situations where a request for collaboration, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time.
Significant branches.	56. (1)(a) The Central Bank, as the competent authority of a host member state, may make a request to the consolidating supervisor, where subsection (6) of section 27 applies, or to the competent authorities of the home member state, for a branch of a credit institution to be considered as significant.
	(b) That request shall provide reasons for considering the branch to be significant with particular regard to the following:
	(i) whether the market share of the branch of the credit institution in terms of deposits exceeds two percent (2%) in the Republic;
	(ii) the likely impact of a suspension or closure of the operations of the credit institution on systemic liquidity and the payment, clearing and settlement systems in the Republic; and
	(iii) the size and the importance of the branch in terms of number of clients within the context of the banking or financial system of the Republic.
	(2)(a) The Central Bank as the competent authority of the home and host member states, and as the consolidating supervisor, in the cases where subsection (6) of section 27 applies, shall do everything within its power and in conjunction with the other competent authorities, to reach a joint decision on the designation of a branch as being significant;
	(b) if no joint decision is reached within two months of receipt of a request under paragraph (a) of this subsection, the Central Bank as the competent authority of the host member state shall take its own decision within a further period of two (2) months on whether the branch is significant. In taking its decision, it shall take into account any views and reservations of the consolidating supervisor or the competent authorities of the home member state;
	(c) The decisions referred to in paragraphs (a) and (b) of this subsection, shall be set out in a document containing full reasons, shall be transmitted to the competent authorities concerned and shall be recognised as determinative and applied by the competent authorities in the member states concerned;

	(d) The designation of a branch as being significant shall not affect the rights and responsibilities of the competent authorities under this Law and the Directive 2013/36/EU.
	(3) The Central Bank as the competent authority of a home member state -
	(a) shall communicate to the competent authorities of a host member state where a significant branch is established the information referred to in subparagraphs (iii) and (iv) of paragraph (d) of subsection (10A) of section 39 and carry out the tasks referred to in paragraph (c) of subsection (6) of section 27, in cooperation with the competent authorities of the host member state;
	(b) if becomes aware of an emergency situation as referred to in subsection (8) of section 27, it shall alert without delay the authorities referred to in subsection (4) of section 27C, and the authorities of the Republic referred to in subsection (1) of section 28C;
	(c) shall communicate to the competent authorities of the host member state where significant branches are established the results of the risk assessments of ACIs with such branches referred to in subsections (6) to (9A) of section 26 and, where applicable in paragraphs (b) and (c) of subsection (6A) of section 27, and shall also communicate decisions under section 26I and 30 in so far as those assessments and decisions are relevant to those branches;
	(d) shall consult the competent authorities of the host member states where significant branches are established about operational steps required under the Directive on Governance and Management Arrangements in Credit Institutions of 2014, where relevant for liquidity risks in the host member state's currency;
	(e) where has not consulted the competent authorities of the host member state, or where, following such consultation, the competent authorities of the host member state maintain that operational steps required by the Directive on Governance and Management Arrangements in Credit Institutions of 2014, are not adequate, the competent authorities of the host member state may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010.
	(4)(a) Where subsection (11A) of section 39 does not apply, the Central Bank, supervising an ACI incorporated in the Republic with significant branches in other member states, shall establish and chair a college of supervisors, to facilitate the cooperation under subsection (3) of this section and section 55.
	(b) The establishment and functioning of the college of supervisors shall be based on written arrangements to be determined by the Central Bank, after consulting the competent authorities concerned. The Central Bank as the competent authority of the home member state shall decide which competent authorities participate in a meeting or in an activity of the college;

	(c) For the expected decision in paragraph (a) the Central Bank shall take account of the relevance of the supervisory activity to be planned or coordinated for those authorities, in particular the potential impact on the stability of the financial system in the member states concerned, as referred to in subsection (1B) of section 26, and the obligations referred to in subsection (3) of this section;
	(d) The Central Bank, as the competent authority of the home member state, shall keep all members of the college of supervisors fully informed, in advance, of the organisation of such meetings, the main issues to be discussed and the activities to be considered. The Central Bank shall also keep all the members of the college fully informed, in a timely manner, of the actions taken in those meetings or the measures carried out;
On-the-spot checking and inspection of branches established in another member state.	57.(1)(a) Where a credit institution authorised in another member state carries out its activities in the Republic through a branch, the competent authority of the home member state may, after having informed the Central Bank of Cyprus, as the competent authority of the host member state, carry out itself or through the intermediary of persons appointed for that purpose on-the-spot checks of the information referred to in section 55 and inspections of such branches;
	(b) The inspection of the branches operating in the Republic under section 10A, is also subject, by recourse to the competent authority of the home member state, to one of the other procedures set out in subsection (2) of section 27;
	(c)(i) The Central Bank as the host member state shall have the power to carry out, on a case-by-case basis, on-the-spot checks and inspections of the activities carried out by branches of credit institutions on the territory of the Republic and require information from a branch about its activities and for supervisory purposes, where the Central Bank considers it relevant for reasons of stability of the financial system in the Republic;
	(ii) Before carrying out the checks and inspections provided by subparagraph (i), the Central Bank shall consult the competent authorities of the home member state;
	(iii) After such checks and inspections, the competent authorities of the Central Bank shall communicate to the competent authorities of the home member state the information obtained and findings that are relevant for the risk assessment of the credit institution or the stability of the financial system in the Republic so that the competent authorities of the home member state determine the supervisory examination programme provided in section 26E, and so that they take into account the stability of the financial system in the Republic.
	(2)(a) Where an ACI incorporated in the Republic carries out its activities in another member state through a branch, the Central Bank may after having informed the competent authority of the host member state, carry out itself or through the intermediary of person appointed for that purpose, on-the-spot checks of the information provided in section 55 as well as the inspections of such branches;

	(b) The Central Bank, as the competent authority of the home member state, may also, for the purposes of the inspection of branches, have recourse to one of the other procedures set out in subsection (2) of section 27;
	(c) The Central Bank, as the competent authority of the home member state shall duly take into account the information and findings communicated by the competent authority of the host member state in determining the supervisory examination programme provided by section 39B and also shall duly take into account the stability of the financial system in the host member state.
	(3) The on-the-spot checks and inspections of branches shall be conducted in accordance with the law of the member state where the check or inspection is carried out.
	58. DELETED.

ANNEX I

LIST OF SERVICES AND ACTIVITIES
AND FINANCIAL INSTRUMENTS

Part A

Investment services and activities:

(1) Reception and transmission of orders in relation to one or more financial instruments.

(2) Execution of orders on behalf of clients.

(3) Dealing on own account.

(4) Portfolio management.

(5) Investment advice.

(6) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis.

(7) Placing of financial instruments without a firm commitment basis.

(8) Operation of Multilateral Trading Facility.

Part B

Ancillary services –

(1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management.

(2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction.

(3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings.

(4) Foreign exchange services where these are connected to the provision of investment services.

(5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

(6) Services related to underwriting.

(7) Investment services and activities as well as ancillary services of the type included under Parts A or B of this Annex related to the underlying of the derivatives included under points (5), (6), (7) and (10) of Part C where these are connected to the provision of investment or ancillary services.

Part C

Financial instruments –

(1) Transferable securities.

(2) Money-market instruments.

(3) Units in collective investment undertakings.

(4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash.

(5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event).

(6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or/and a Multilateral Trading Facility (MTF).

(7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in paragraph (6) of this Part and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls.

(8) Derivative instruments for the transfer of credit risk.

(9) Financial contracts for differences.

(10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contract relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Part, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

ANNEX II - DELETED

ANNEX III

TECHNICAL CRITERIA AND ASSESSMENT

FOR THE SUPERVISORY REVIEW AND EVALUATION

(1). In addition to credit, market and operational risks, the review and evaluation performed by the Central Bank pursuant to subsections (6) to (9A) of section 26 shall include, at least, the following:

(a) the results of the stress tests carried out in accordance with Article 177 of Regulation (EU) No 575/2013 by the ACIs applying an internal ratings based approach;

(b) the exposure to and management of concentration risk by the ACIs, including their compliance with the requirements set out in Part Four of Regulation (EU) No 575/2013 and the Governance and Management Directive of 2014;

(c) the robustness, suitability and manner of application of the policies and procedures implemented by ACIs for the management of the residual risk associated with the use of recognised credit risk mitigation techniques;

(d) the extent to which the own funds held by an ACI in respect of assets which it has securitised are adequate having regard to the economic substance of the transaction, including the degree of risk transfer achieved;

(e) the exposure to, measurement and management of liquidity risk by ACIs, including the development of alternative scenario analyses, the management of risk mitigants (in particular the level, composition and quality of liquidity buffers) and effective contingency plans;

(f) the impact of diversification effects and how such effects are factored into the risk measurement system;

(g) the results of stress tests carried out by ACIs using an internal model to calculate market risk capital requirements under Part Three, Title IV, Chapter 5 of Regulation (EU) No 575/2013;

(h) the geographical location of the ACI's exposures;

(i) the business model of the ACI;

(j) the assessment of systemic risk, in accordance with the criteria set out in subsections (6) to (9A) of section 26.

(2)(a)For the purposes of paragraph (e) of subsection 1, the Central Bank regularly carries out a comprehensive assessment of the overall liquidity risk management by ACIs and promotes the development of sound internal methodologies.

(b)While conducting those reviews referred to in paragraph (a), the Central Bank has regard to the role played by ACIs in the financial markets and duly considers the potential impact of its decisions on the stability of the financial system in all other Member-states concerned.

(3)(a) The Central Bank shall monitor whether an ACI has provided implicit support to a securitisation.

(b) If an ACI is found to have provided implicit support on more than one occasion, the Central Bank shall take appropriate measures reflective of the increased expectation that it will provide future support to its securitisation thus failing to achieve a significant transfer of risk.

(4) For the purposes of the determination to be made under subsection (8) of section26, the Central Bank considers whether the valuation adjustments taken for positions or portfolios in the trading book, as set out in Article 105 of Regulation (EU) No 575/2013, enable the ACI to sell or hedge out its positions within a short period without incurring material losses under normal market conditions.

(5)(a) The review and evaluation performed by the Central Bank shall include the exposure of an ACI to the interest rate risk arising from non-trading activities.

(b) Measures shall be required by the Central Bank at least in the case of ACIS whose economic value declines by more than 20 % of their own funds as a result of a sudden and unexpected change in interest rates of 200 basis points or such change as defined in the EBA guidelines which are adopted by the Central Bank.

(6)(a) The review and evaluation performed by the Central Bank shall include the exposure of the ACIs to the risk of excessive leverage as reflected by indicators of excessive leverage, including the leverage ratio determined in accordance with Article 429 of Regulation (EU) No 575/2013.

(b) In determining the adequacy of the leverage ratio of the ACIs and of the arrangements, strategies, processes and mechanisms implemented by the ACIs to manage the risk of excessive leverage, the Central Bank shall take into account the business model of the ACIs.

(7)(a) The review and evaluation conducted by the Central Bank shall include governance arrangements of the ACI incorporated in the Republic, their corporate culture and values, and the ability of members of the management body to perform their duties.

(b) In conducting the review and evaluation, the Central Bank shall, at least, have access to agendas and supporting documents for meetings of the management body and its committees, and the results of the internal or external evaluation of performance of the management body.

ANNEX IV

LIST OF ACTIVITIES SUBJECT TO MUTUAL RECOGNITION

1. Taking deposits and other repayable funds.

2. Lending including, inter alia: consumer credit, credit agreements relating to immovable property, factoring, with or without recourse, financing of commercial transactions (including forfeiting).
3. Financial leasing.

4. Payment services, has the meaning attributed to this term by article 2 of the Provision and Use of Payment Services and Access to Payment Systems Law of 2018.

5. Issuing and administering other means of payment including travellers' cheques and bankers' drafts, insofar as such activity is not covered by paragraph 4.

6. Guarantees and commitments.

7. Trading for own account or for account of customers in any of the following:
(a) money market instruments including cheques, bills and certificates of deposit;
(b) foreign exchange;
(c) financial futures and options;
(d) exchange and interest-rate instruments;
(e) transferable securities.

8. Participation in securities issues and the provision of services relating to such issues.

9. Advice to undertakings on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of undertakings.

10. Money broking.

11. Portfolio management and advice.

12. Safekeeping and administration of securities.

13. Credit reference services.

14. Safe custody services.

15. Issuing electronic money.

The services and activities provided for in Sections A and B of Annex I to Directive 2004/39/EC, when referring to the financial instruments provided for in Section C of Annex I of that Directive, are subject to mutual recognition in accordance with the present law.

ANNEX V

INFORMATION THAT MUST BE INCLUDED IN THE RECOVERY PLANS

The recovery plan shall include the following information:

(1) a summary of the key elements of the plan and a summary of overall recovery capacity;

(2) a summary of the material changes to the ACI since the most recently filed recovery plan;

(3) a communication and disclosure plan, outlining how the ACI intends to manage any potentially negative market reactions;

(4) a range of capital and liquidity actions that are required to maintain or restore the viability and financial position of the ACI;

(5) an estimation of the timeframe for executing each material aspect of the plan;

(6) a detailed description of any material impediment to the effective and timely execution of the plan, including assessment of the impact on the rest of the group, the customers and the counterparties;

(7) identification of the critical functions;

(8) a detailed description of the processes for determining the value and marketability of the core business lines, operations and assets of the ACI;

(9) a detailed description of how recovery planning is integrated into the corporate governance structure of the ACI, as well as the policies and procedures governing the approval of the recovery plan and identification of the persons in the organisation that are responsible for the preparation and implementation of the plan;

(10) arrangements and measures to conserve or restore the ACI's own funds;

(11) arrangements and measures to ensure that the ACI has adequate access to contingency funding sources, including potential liquidity sources, an assessment of available collateral and an assessment of the possibility to transfer liquidity across group entities and business lines, in order to ensure that it can continue to carry out its operations and meet its obligations, as they fall due;

(12) arrangements and measures to reduce risk and leverage;

(13) arrangements and measures for the restructuring of liabilities;

(14) arrangements and measures for restructuring business lines;

(15) arrangements and measures necessary to maintain continuous access to the financial markets infrastructures;

(16) arrangements and measures necessary to maintain the continuous functioning of the operational processes of the ACI, including the infrastructure and IT services;

(17) preparatory arrangements to facilitate the sale of assets or business lines within an appropriate timeframe for the restoration of the financial soundness;

(18) other management actions or strategies to restore the financial soundness and the anticipated financial effect of those actions or strategies;

(19) preparatory measures that the ACI has taken or intends to take in order to facilitate the implementation of the recovery plan, including those necessary to enable the timely recapitalisation of the ACI;

(20) a framework of indicators which identifies the points at which the appropriate actions referred to in the plan may be taken.