

**UNOFFICIAL TRANSLATION AND CONSOLIDATION OF THE CIR INSTRUCTIONS AS
THEY WERE PUBLISHED ON THE 29 NOVEMBER 2002 AND SUBSEQUENTLY
AMENDED UNTIL THE 16 NOVEMBER 2012**

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JOINT DIRECTIVE OF THE CENTRAL BANK OF CYPRUS

AND

**OF THE COMMISSIONER OF THE COOPERATIVE SOCIETIES SUPERVISION AND
DEVELOPMENT AUTHORITY**

REGARDING THE OPENING AND OPERATION OF CURRENT ACCOUNTS,

**THE CREATION OF A CENTRAL INFORMATION REGISTER FOR ISSUERS OF
DISHONOURED CHEQUES**

AND OTHER RELATED MATTERS

PREAMBLE

In accordance with section 305A of the Penal Code, the issue of a dishonoured cheque, that remains unpaid for fifteen days after its presentation, constitutes a criminal offence. The criminalisation of the issue of dishonoured cheques was voted by the House of Representatives in 1980, after the realisation of the gravity of the problem of dishonoured cheques. It is generally accepted that dishonoured cheques, further to undermining the role of the cheque as a basic and reliable payment instrument, also have a destabilising effect on the viability and trustworthiness of businesses and traders with negative effects on the economy, given the direct connection with doubtful debts and delayed payments in financial transactions.

As part of the continued multilateral efforts to tackle the problem of dishonoured cheques, and following a thorough study by a special committee set up for this purpose, the decision was taken for additional measures targeting mainly the prevention and repression of the problem of dishonoured cheques. This led to the decision to amend the Banking Laws and the Cooperative Companies Laws, so as to expressly empower the Central Bank of Cyprus and the Commissioner of the Cooperative Societies Supervision and Development Authority to issue, each within its competence, directives on issues of banking

or financial practice and ethics, including directives on the terms and procedures for the opening and operation of current accounts, as well as the granting or withdrawal of cheque books.

The amendments to the Laws referred to above, authorise in particular the setting up, maintenance and operation of a Central Information Register (CIR) in which information on the issuers of dishonoured cheques will be entered following a specific procedure.

The Central Bank of Cyprus and the Commissioner of the Cooperative Societies Supervision and Development Authority concluded that a joint regulation on the subject of the opening and operation of current accounts and of the setting up and maintenance of the Central Information Register would better serve its purpose. Consequently, and being empowered to do so by the Laws referred to above, as amended, the Central Bank of Cyprus and the Commissioner of the Cooperative Societies Supervision and Development Authority have decided to jointly issue the following Directive:

PART A. – INTRODUCTORY PROVISIONS

Legal basis of the Directive.

Banking Laws

66(I) του 1997

74(I) του 1999

94(I) του 2000

119(I) του 2003

4(I) του 2004

151(I) του 2004

231(I) του 2004

235(I) του 2004

20(I) του 2005

80(I) του 2008

100(I) του 2009

123(I) του 2009

27(I) του 2011

104(I) του 2011

107(I) του 2012

οι περί Συνεργατικών

Εταιρειών Νόμοι

68 του 1987

190 του 1989

8 του 1992

22(I) του 1992

140(I) του 1999

140(I) του 2000

171(I) του 2000

8(I) του 2001

123(I) του 2003

1. This Directive is issued on the basis of subsections (3), (4) and (5) of section 41 of the Banking Laws and of section 53A of the Cooperative Companies Laws and is addressed respectively to all banks and Cooperative Credit Companies including Cooperative Savings Societies (to be collectively referred to as CCCs) which shall fully comply with all provisions.

124(I) του 2003
 144(I) του 2003
 5(I) του 2004
 170(I) του 2004
 230(I) του 2004
 23(I) του 2005
 49(I) του 2005
 76(I) του 2005
 29(I) του 2007
 37(I) του 2007
 177(I) του 2007
 104(I) του 2009
 124(I) του 2009
 85(I) του 2010
 118(I) του 2011
 130(I) του 2012

Interpretation of Terms.

2. (1) In this Directive, unless the context requires otherwise ·

«dishonoured cheque» means a cheque drawn on any bank or any CCC, which, after its representation to the paying bank or CCC, and provided that at least 15 days have elapsed from its first presentation, remains unpaid due to insufficient funds in the account of the issuer with this bank or CCC, or a cheque drawn on any bank or any CCC which at its first presentation was returned unpaid due to insufficient funds in the account of the issuer with this bank or CCC, and consequently the issuer gave instructions to stop its payment. The term includes cheques in any currency and issued at any time before or on the date they become payable·

«Management Committee» or simply «MC» means the Management Committee established pursuant to Article 3 to exercise powers and responsibilities for the purposes of this Directive ·

«Governor» means the Governor of the Central Bank of Cyprus ·

«Commissioner» means the Commissioner of Cooperative Societies Supervision and Development Authority·

«Central Information Register» or simply «CIR» means the register established and maintained pursuant to Article 7·

«registered person» means the natural or legal person, which has been registered and remains registered in the CIR in accordance with the provisions of Article 10 ·

«relevant Law» means, for banks the Banking Laws of 1997 to 2000, and for CCCs the Cooperative Companies Laws of 1985 to 2001, as these laws may further be amended or replaced ·

«preliminary list» means the list in which the names of issuers of dishonoured cheques are registered in accordance with the provisions of Article 8, before their final registration in the CIR ·

«settlement of dishonoured cheque» has the meaning referred to in paragraph (1) of Article 16 ·

«current account» means any account with a bank or CCC in any currency, on which the holder has the right to draw cheques.

(2) Any other terms used in this Directive and which are not interpreted differently, shall have the meaning assigned to them by relevant Law.

PART B:- ESTABLISHMENT, OBJECTIVES AND TERMS OF REFERENCE OF THE MANAGEMENT COMMITTEE

Establishment and objectives of the Management Committee.

3. (1) The Management Committee (or MC) shall be composed of five members, appointed by the Governor, in accordance with the provisions of Article 4.

(2) Subject to the provisions of this Directive, the objective of the MC shall be to monitor the operation of the Central Information Register to be established and organised by the Central Bank and in which the data and information referred to in Article 7(1) below will be registered in any appropriate form, including electronic form.

(3) The MC shall propose to the Central Bank suitable

procedures and conditions for the information and data registered in the CIR to be accessible at first to all banks and CCCs, and later to any other interested person approved by the MC on the basis of a specific procedure and subject to the payment of a reasonable fee. The procedure and the fee shall be decided by the Governor and the Commissioner following a recommendation from the MC.

Composition and operation of the Management Committee.

4. (1) The MC, which is appointed by the Governor, shall be composed of the following:

- a) a representative of the Payment Systems and Accounting Services Department of the Central Bank who will be the Chairman of the MC,
- b) a representative of any Department / Independent Section of the Central Bank,
- c) a representative of the banks proposed by the Association of Commercial Banks,
- d) a representative of the Cooperative Central Bank or the Cooperative Societies Supervision and Development Authority proposed by the Commissioner,
- e) a representative of the Legal Services proposed by the Attorney General of the Republic.

(2) The Chairman and the members of the MC shall be appointed for a three year term which may be renewed for any number of additional three year terms .

(3) The positions of the Chairman and the members of the MC may be declared vacant by the Governor in case of -

- a) death, illness or any other obstacle which renders the member incapable, in the opinion of the Governor, to exercise his duties,

- b) behaviour or actions by the member that, in the opinion of the Governor, may damage the objectives or the authority of the MC, after taking into consideration the views of the organisation represented by the member,
- c) voluntary resignation of any member,
- d) any other serious reason affecting the smooth or effective operation of the MC.

(4) When the position of any member becomes vacant, the Governor shall ensure that this is filled the soonest possible for the remainder of the term. Nevertheless, the legal establishment and operation of the MC shall not be affected during any period for which a position remains vacant, provided that the number of the remaining members is not smaller than the number required to form a quorum.

(5) If the Chairman is absent or prevented for any reason from attending a meeting, he shall be replaced for all purposes by the member appointed pursuant to paragraph 4(1)(b).

(6) The Chairman and the members of the MC shall receive a fee to be decided by the Governor. Any fees paid to the members shall be part of the management and operational expenses of the CIR.

**Meetings of the
Management
Committee.**

5. (1) The Chairman or the member replacing him shall summon the meetings of the MC by sending invitations to the members listing the items to be discussed.

(2) The MC is summoned to regular meetings once a month and to extraordinary meetings whenever this is necessary for its smooth operation or whenever this is requested in writing by at least two members.

(3) Minutes shall be maintained during the meetings of the MC,

in which the decisions of the MC as well as a brief description of the discussions shall be recorded. The minutes will be approved on the next meeting of the MC and will be signed by the members the soonest.

(4) A meeting of the MC shall be considered to be valid if at least three members are present. The decisions of the MC shall be taken by majority vote of the members present and in case of equal vote the Chairman or the member replacing him shall have the winning vote.

(5) The Governor, in consultation with the Chairman of the MC, shall ensure that all necessary secretarial and other support is provided to the MC for the smooth running of the meetings and of the other duties of the MC.

Duties and responsibilities of the Management Committee.

6. Subject to this Directive, the MC has duty and responsibility to monitor the operation of the CIR in the best possible way, taking into consideration the general interest of serving the security of financial or other trading transactions and in particular -

- a) to evaluate and, if necessary, to record in the CIR natural or legal persons in accordance with the provisions of Articles 10(4) and 10(5), or to remove from the CIR legal persons in accordance with the provisions of Article 10(3) ·
- b) to cancel entries in the CIR in accordance with the provisions of Article 12 ·
- c) to delete registered persons from the CIR in accordance with the procedures and the criteria referred to in Articles 15(2) and 15(3)·
- d) to propose to the Governor and the Commissioner the granting or withdrawal of access to the CIR ·

- e) to receive and investigate complaints from persons having a direct interest in the smooth and correct maintenance and operation of the CIR ·
- f) to report to the Governor or the Commissioner, as the case may be, whenever an infringement of this Directive is noted by any bank or CCC·
- g) to propose to the Governor and the Commissioner any amendment or addition to this Directive it considers necessary or desirable for more effective fulfilment of the objectives of this Directive ·
- h) to undertake any action or initiative necessary or suitable for the fulfilment of the objectives for which it has been established.

PART C.- REGISTRATION PROCEDURE AND CRITERIA

Central Information Register.

7. (1) The Central Bank shall have the duty and responsibility of maintaining the CIR and shall ensure that the following information and data is included in the CIR in accordance with the procedures provided for in this Directive:

- a) data and information on the issuers of dishonoured cheques ·
- b) data and information on the dishonoured cheques ·

(2) The data and information referred to in paragraphs 1(a) and (b) shall be submitted to the Central Bank by the banks or the CCCs, as the case may be, in accordance with the provisions of Article 9 ·

(3) The Central Bank may collect and / or verify such information and data from other sources eg complaints of affected persons, court

decisions etc.

Maintenance of preliminary list of issuers of dishonoured cheques.

8. (1) A preliminary list of issuers of dishonoured cheques shall be maintained, which shall contain data and information on issuers of dishonoured cheques, before their final registration in the CIR, as well as data and information on the dishonoured cheques. These data and information shall be notified to the Central Bank in accordance with the provisions of Article 9, by the banks or CCCs, as the case may be.

(2) If a dishonoured cheque, recorded in the preliminary list, is subsequently settled through the paying bank or CCC, the paying bank or CCC shall update accordingly the preliminary list:

Provided that, the settlement of a dishonoured cheque shall not constitute reason for its removal from the preliminary list.

Obligation of banks and cooperative credit societies and cooperative saving societies to notify the Central Bank of the issue of dishonoured cheques.

9. (1) Subject to the provisions of paragraphs (2) and (3) below, every bank or CCC, as the case may be, that returns a dishonoured cheque, shall submit on the same day to the Central Bank, either electronically or by any other appropriate means, including direct access to an authorised area in the electronic system of the CIR, full information on -

- a) the issuer (ie, in the case of natural persons: full name, identity card number -or, in the case of natural persons who, demonstrably are not holders of an identity card and in the case of aliens, passport number and country of issue - and address, and in the case of legal persons: company name, registration number, address, whether the company is or is not public, or its shares are listed on a stock exchange, and, if the company is not public, information on persons who, in the opinion of the bank or CCC, are in a position to exercise control over the account on which a dishonoured cheque was drawn) and
- b) the returned cheque (cheque number, amount, and dates of

first presentation and representation) and the account maintained at the bank or CCC (account number and branch) on which the dishonoured cheque was drawn. In the case of joint accounts of natural persons the name of the person who signed the cheque shall be provided. In the case of cheques in a foreign currency, the amount to be provided shall be the euro equivalent based on the exchange rates announced by the European Central Bank one day before the day of the registration. This amount in euro shall remain fixed irrespective of any future movements in the exchange rates. Every bank or CCC submitting information on dishonoured cheques to the Central Bank shall immediately inform the issuers of such cheques by any suitable means (eg, by telephone, letter or fax) and place at their disposal copies of the cheques with all stamps and annotations.

(2) Provided that, banks and CCCs shall implement procedures and appropriate internal controls for the verification of the correctness of the data and information they submit.

(3) Every bank and CCC shall not be prevented from applying its relevant internal procedures and controls when returning dishonoured cheques, provided that such procedures and controls do not conflict with and are not contrary to -

- a) this Directive or any other directives or regulations issued, as the case may be, by the Central Bank or the Commissioner,
- b) the regulations of the Cyprus Clearing House concerning unpaid cheques, as well as the procedures for stamping cheques with the return reasons for compliance with the provisions of section 305A of the Penal Code .

(4) For the purposes of this Directive, if a cheque is returned unpaid:

- a) as a result of the current account on which it was drawn, being

closed either with the initiative of the holder of the account or with the initiative of the bank or CCC with which the account is held, or

- b) as a result of the freezing of the account due to the registration of the holder or holders in the CIR, provided also that the balance on the account is not adequate to cover the cheque, this shall be equivalent to a return due to insufficient funds, unless the cheque is presented for payment three months or more after the closure of the account.

Criteria and conditions for registration in the Central Information Register.

10. (1) Subject to the provisions of paragraphs (3) and (4) below, no person shall be registered in the CIR, unless any of the following criteria or conditions are met:

- a) a natural or legal person issues at least three dishonoured cheques or one or more dishonoured cheques the total value of which exceed the amount of €2.000 or the equivalent in a foreign currency translated into euro in the manner specified in Article 9(1)(b), within any period of twelve months, irrespective of whether these cheques are settled or not subsequent to their listing in the preliminary list referred to in Article 8, or
- b) a person is convicted for an offence relating to the issue of dishonoured cheques at any time after this Directive entered into force,

(2) If the criteria of paragraph 1(a) are satisfied in connection with any natural person, or any legal person which is not a public company, the registration in CIR of the name of this person, together with the names of any persons reported by the banks or CCCs in accordance with Article 9(1), and any other additional data and information, should be automatic.

(3) In cases of legal persons which are public companies, the

registration of the legal person in CIR shall be automatic, but the MC shall proceed immediately with the investigation of the wider financial and social implications of such a registration. If, following such an investigation, the MC justifiably considers that it better the general interest is better served, it shall proceed with the immediate cancellation of the registration, in accordance with the provisions of Part E

(4) The MC may, by a fully justified decision, extend a registration in CIR, made pursuant to paragraph (1), to cover also -

- a) any agent or agents of the registered person, who are authorised to issue cheques as agents or proxies of the issuer,
- b) the co-holder or co-holders of joint current accounts with the registered person.

(5) Where a legal person is registered in the CIR, the MC has the power, following a thorough investigation and assessment of the specific facts of each case, to proceed, with a fully justified decision, in addition to the persons referred to in paragraph (2) the registration of whom is automatic, with the registration in the CIR of all or any one of the members of the board of the legal person or of any other officers, who, in any direct or indirect manner participated in or caused the issue of dishonoured cheque or cheques.

(6) In the cases referred to in paragraphs (4) and (5), the MC shall allow all affected persons to submit or be given the chance to submit their representations either in person or through a representative before a decision for registration is taken.

Actions to be taken by the Central Bank following a registration in the Central Information Register.

11. Right after the registration of any person in the CIR, the Central Bank -

- a) shall notify, on the following working day, all banks and CCCs or place at their disposal, all the data on the registered persons which is referred to in this Directive as data and information on the issuer .
- b) shall notify the affected person or persons of the notification referred to in a) above, by a letter sent to the last known home and / or work address.

Cancellation of registration following a review by the Management Committee.

12. (1) The MC may, at any time after the registration of a person in the CIR, proceed to the cancellation of the registration, following a review of the case either at its own initiative or after a relevant application submitted by the registered person or his representative.

(2) A decision by the MC to cancel a registration could be justified in particular if it is ascertained that there were errors regarding the facts or the evaluation of the facts of a particular case, or new elements are presented which were not taken into consideration at the time of the registration in the CIR.

(3) If a registration in the CIR is cancelled, the MC shall immediately inform the Central Bank of its decision, and the Central Bank shall proceed with the removal of the name of the registered person from the CIR. The cancelled registration shall be considered as never having occurred and all banks and CCCs shall be informed on the same day of the decision of the MC.

PART D.- CONSEQUENCES OF A REGISTRATION IN THE CIR

Freezing of accounts and return of unused cheques.

13. (1) As soon as they receive notification of the registration of a person in the CIR in accordance with the provisions of Article 11, every bank and CCC maintaining any current accounts in the name of the registered person shall immediately take the following actions:-

- a) Subject to the provisions of any Law in force and the proviso referred to below, no withdrawal from or charge to any such account shall be allowed, with the exception of charges due to the bank or CCC with which the account is maintained:

Provided that the above restriction shall not prevent a bank or CCC to proceed with the payment or allow the charging of the account:

- i) for the settlement of dishonoured cheques which were issued before the notification of the registration of their issuer
- ii) for the settlement of insurance premiums for insurance contracts assigned to the bank or CCC and

- b) Contact without delay its customer who has been registered in the CIR by any suitable means (eg, telephone, fax, letter etc) and inform him of the restrictions imposed on the maintenance of his accounts, calling on him to immediately cease issuing cheques, in compliance with his express or understood contractual obligations to the bank or CCC, and to return within ten days to the bank or CCC or any of their branches, all unused cheques in his possession for all current accounts maintained with the bank or CCC.

(2) Banks and CCCs shall inform the Central Bank the soonest possible for every cheque presented that appears to have been issued by a registered person after the date of his registration, supplying all relevant elements of such cheque .

(4) No bank or CCC shall proceed to the opening of any current account or provide a cheque book to a registered person for as long as the name of this person remains registered in the CIR, except in accordance with the provisions of Part F.

Period of validity of the consequences of registration in the Central Information Register.

14. (1) The consequences of the registration of a person in the CIR and the resulting obligations of the banks and CCCs shall be terminated only with the removal of this person from the CIR.

(2) If a credit balance is maintained in a current account in the name of a registered person which was frozen following his registration in the CIR, the bank or CCC with which the account is held may allow the withdrawal of the credit balance in whole or in part, with the approval of the MC after a fully justified decision on the issue.

(3) With the exception of the cancellation of a registration pursuant to Article 12, a person shall be removed from the CIR only in accordance with the provisions of Part E.

PART E.- REMOVAL FROM THE CIR AND CONDITIONS FOR REMOVAL

Removal from the Central Information Register.

15. (1) Subject to the provisions of Article 10(3), no person shall be removed from the CIR unless –

- a) a period of three years from the date of the registration of this person in the CIR has elapsed, and this person provides evidence for the settlement of all dishonoured cheques issued by him as well as evidence that at least twelve months have elapsed from the last settlement of a dishonoured cheque,
- b) at the discretion of the MC,
- i) evidence is provided that all bounced cheques issued by the registered person were settled within a period of twelve months from the date of their return, or
- ii) evidence is provided that all dishonoured cheques issued by the registered person have been settled and a period of at least twelve months has elapsed from their settlement

(2) A registered person, who believes that the criteria for removal set out in paragraph (1) above are satisfied, shall submit either directly or through a representative, a relevant application to the MC supported with all necessary evidence of the settlement of all cheques or of the correction of the reasons that led to the registration.

(3) When an application pursuant to paragraph (2) is examined by the MC, the MC may request banks or CCCs to provide any information or document it deems necessary or useful for the examination of the application, and the banks or CCCs shall provide such information or document.

Settlement obligations arising from the issue of dishonoured cheques.

16. (1) A dishonoured cheque can be settled either by the payment of the cheque or by the deposit of the amount of the cheque in an account blocked in favour of the beneficiary or beneficiaries of the cheque. If the settlement is effected through an account, the bank or CCC with which this account is held, shall

inform the Central Bank without delay and the Central Bank shall ensure that the settlement date is entered in the CIR.

(2) Settlement for the purposes of Article 15 shall cover all cheques returned unpaid from the original incident and thereafter and shall not absolve the issuer from his total obligation to the beneficiary where the law and / or possible court decision burden him with any expenses or interest on arrears.

Actions by the Central Bank following a removal from the Central Information Register.

17. Following the removal of a registered person, the Central Bank shall ensure that the name of this person is immediately removed and does not appear any more in the CIR, and at the same time it informs accordingly all banks and CCCs of this decision.

PART F.- PROCEDURE FOR THE OPENING AND OPERATION OF CURRENT ACCOUNTS

Application of the present Part.

18. (1) Subject to the provisions of any other related directives of the Central Bank and the Commissioner, the provisions of the present Part shall be strictly adhered to by banks and CCCs in connection with the opening and operation of current accounts.

(2) At the same time and in addition to the provisions of the present Part, banks and CCCs are not prevented from applying their internal procedures and regulations for the opening and operation of current accounts, provided that these comply with or are not contrary to the provisions of this Directive .

Conditions for the opening of current accounts.

19. When examining an application for the opening of a current account with the right to draw cheques, every bank or CCC shall take the following actions before approving the application:-

- a) carry out a thorough review of the content of the CIR in order to ensure that the applicant is not a registered person and, in the case where the applicant is a legal person, none of the

members of its board is a registered person,

- b) obtain a signed declaration by the applicant that for a period of twelve months prior to the date of his application he did not issue any dishonoured cheques on any account with any bank or CCC ,
- c) obtain reliable references on the applicant from another bank or CCC or from an existing customer of another bank or CCC or from an officer of that bank or CCC:

Provided that a bank or CCC may, for its own reasons, proceed to the opening of an account without obtaining the references referred to above. In this case, however, it shall prepare a memorandum justifying this decision, which it shall keep in the file of the applicant to be available for inspection by an authorised officer of the Central Bank or of the Cooperative Societies Supervision and Development Authority, as the case may:

Provided also that the operation of such an account shall be monitored closely by the bank or CCC until such time as the process of obtaining references is completed or the correctness of the decision of the bank or CCC is confirmed from the subsequent mode of operation of the account, and

- d) arrange, whenever possible, for a personal interview with the applicant during which the applicant shall be requested to provide clarifications for the use of the account and the nature and volume of the transactions that will be executed through the account.

Doubts about the nature and character of the applicant.

20. Even if the conditions referred to in paragraphs (a) to (d) of Article 19 are satisfied, a bank or CCC shall not proceed to the opening of a current account if its responsible officers, who contacted the interview with the applicant, retain any doubt as to the nature and character of the applicant or as to the transactions to be executed through the account.

Signing of documents and undertaking of commitments by the applicant before he is provided with a cheque book

21. (1) A holder of a current account shall receive a cheque book, subject to the internal procedures and regulations of the bank or CCC, only after he receives a document with a short description of the contents of this Directive and of the obligations stemming from this, and after he signs, among others, a document containing the following declarations and clauses:-

- a) a declaration that he has been duly informed about the content of this Directive,
- b) a clause on his undertaking to return without delay any unused cheques as soon as called upon to do so by the bank or CCC,
- c) the applicant shall agree that, in the event of issuing a dishonoured cheque, his personal data shall be submitted to the MC of the CIR.

(2) Every bank and CCC shall inform the soonest possible the existing holders of current accounts and cheque books at the time this Directive enters into force, of the content of this Directive .

Supply of a new cheque book only after removal from the Central Information Register.

22. (1) A registered person may receive a new cheque book only after his removal from the CIR in accordance with the provisions of Article 15.

(2) If a bank or CCC receives an application for a new cheque book from a registered person claiming that he is entitled to be removed from the CIR, it shall refer this person to the MC in order to submit an application for his removal in accordance with paragraph (2) of Article 15.

PART G.- FINAL PROVISIONS

Notifications.

23. (1) Any notification, called upon by virtue of this Directive, may be made with the use of any suitable under the circumstances means of communication, including electronic means.

(2) When the notification is made or sent -

- a) with any electronic means, then it shall be deemed to have been received on the same day,
- b) by letter through the post, then it shall be deemed to have been received within a reasonable time after letter was posted.

Participation in the management and operational costs of the Central Information Register.

24. Every bank and every CCC participating in the operation of the CIR shall contribute to the management and operational expenses of the CIR, in accordance with a cost allocation plan decided by the Governor and the Commissioner.

Non-retroactive application.

25. The present Directive shall not have a retroactive application on any acts or measures taken or completed before this Directive entered into force.

**Annual Report by
the Central Bank
and the
Management
Committee.**

26. Within two months from the end of each year at the latest, the Central Bank shall submit to the House of Representatives a report regarding the operation of the CIR. Similarly, the MC shall submit to the Governor and the Commissioner a report regarding its operations and any other activities assigned to it by virtue of the present Directive. A copy of this report shall be attached to the report sent by the Central Bank to the House of Representatives.

Entry into force.

27. This Directive shall enter into force on 1 February 2003.

Issued by the Central Bank of Cyprus and the Commissioner of the Cooperative Societies Supervision and Development Authority
on 5 November, 2002.

(sig.) Chr. Christodoulou
Governor of the
Central Bank of Cyprus

(sig.) E. Chlorakiotis
Commissioner of the Cooperative
Societies Supervision and
Development Authority