



# KARATZAS & PARTNERS

Capital Markets Alert

## **Omnibus Accounts officially alive: a modified holding system applies to #ATHEXCSD, as of today, in line with the measures implementing #CSDR and transposing #SRD2 in Greek law.**

The CSD license under Greek Law 4569/2018, which has been granted by the Hellenic Capital Market Commission (**HCMC**) to the Hellenic Central Securities Depository (**ATHEXCSD**), enters into force on April 12, 2021. The most notable innovations are:

- the 'end-investor' principle no longer applies; the holder of a security registered with the ATHEXCSD vis-à-vis the issuer of the securities is the one identified as such by the ATHEXCSD or, as the case may be, the relevant ATHEXCSD participant;
- an accordingly modified securities holding system applies, whereby securities registered with the ATHEXCSD can be held either in the investor's name or in the name of an intermediary (on behalf of an investor) which may be or may not be an ATHEXCSD participant (securities intermediation);
- different types of 'securities accounts' and 'securities account shares' (according to the Rulebook of the ATHEXCSD) are foreseen, ensuring inter alia the segregation of securities held directly by investors from securities held by participants in own name and from securities held by participants on behalf of investors;
- specific rules and processes are provided for with respect to the dematerialization or immobilization of securities (initial recording service);
- multiple new services can be offered by the ATHEXCSD to issuers (settlement service, registrar and shareholder identification services, collateral management etc.)
- special provisions regulating direct and indirect CSD links.

The newly established regime and new services offered by the ATHEXCSD are intended to enhance time and cost efficiency, while protecting the interests of shareholders and issuers.

Shareholding transparency is ensured pursuant to Greek Law 4706/2020 requirements according to which intermediaries disclose to listed companies the identity of their shareholders; in case several intermediaries are involved (as in the case of a chain of custody arrangements), the request of the issuer is forwarded to all intermediaries involved, but the entity holding the relevant information can reply directly to the issuer.

Intermediaries are also required to facilitate the exercise of shareholders' rights and to disclose charges for their services, which must be non-discriminatory and proportionate in relation to the actual costs.

Proxy advisors, asset managers and institutional investors (i.e. life insurance and reinsurance companies and pension funds) are also subject to provisions promoting transparency and long-term shareholder engagement.

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