

Banking, Finance & Capital Markets Briefing: Special Edition

9th Amendment of the Athens Stock Exchange Rulebook

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A. Introduction

1. On 21 May 2024, the Athens Stock Exchange Rulebook (the **ATHEX Rulebook**) was amended following approval by the Hellenic Capital Market Commission.¹
2. The 9th Amendment's targets include:
 - a. attracting new listings by loosening the listing requirements;
 - b. creating a new trading segment for professional investors;
 - c. improving market structure, transparency and integrity by also strengthening the minimum free float requirements; and
 - d. updating the rules on trading suspension, delisting and surveillance.

B. Rules for Listing and Remaining on the Main Market

1. The prerequisites for an initial listing on the Main Market have been loosened by abolishing minimum profitability criteria and the tax audit/tax certificate previously required. Special requirements applicable under the previous regime to certain sectors (i.e. insurance firms,

¹ This was adopted by the Steering Committee of the Athens Stock Exchange (Resolution nr. 201/15.04.2024) and enforceable as of that date (unless otherwise provided)

construction companies and car dealerships) have also been abolished.

2. ATHEX may further request and examine additional information about issuers, such as operational profitability (EBIT), outstanding tax issues, industry sectors and governance.
3. In connection with an initial listing on ATHEX, the issuer's free float must stand at, as before, a minimum of 25% of the total stocks of the same share class, and be allocated to at least (i) 500 persons, or (ii) 300 persons, provided at least two market makers are appointed by the time listing approval is obtained.
4. Two intermediary free float thresholds have also been introduced allowing for a free float of:
 - a. 15% for companies with a minimum capitalization of €200m; or
 - b. 10% for companies already listed or scheduled for listing in other regulated markets outside Greece (dual/parallel listing).
5. Market capitalization and shareholder equity must be at least €40m and €1m respectively.
6. Any new entity resulting from a Back-Door Listing (i.e. a material change in ownership as a result of, for instance, a corporate action or corporate transformation of the issuer) must fulfill all the requirements for primary listings, including the free float requirement.
7. Ongoing Minimum Free Float Requirements of 25% and 15% apply throughout the time issuers having a market capitalisation of below €200m and above €200m respectively remain listed, and their fulfilment must be verified biannually by way of checks, the details of which are to be determined by an ATHEX Resolution.
8. Issuers whose shares are not traded in the so called 'High Trading Activity Category', can reconstitute any failure to pass the Ongoing Minimum Free Float Test within 6 months, but are obliged to appoint at least two market makers within three months for a term of at least 1 year until their free float is reconstituted. If the issuer concerned does not so appoint these market makers, its shares will be placed on the Under Surveillance Segment. Any stocks under suspension due to a free float below 10% are delisted, unless they are moved to the Alternative Market (EN.A.) as discussed in C.4 below.

C. Surveillance, Suspension, Delisting and Resumption of Trading

1. The reasons for an issuer's shares falling into the Under Surveillance Segment are partially amended, by also including an additional trigger, i.e. if an issuer's unsettled overdue debt obligations are more than 50% of its or its group's shareholder equity, including minority rights.
2. New reasons for suspension are introduced, including:
 - a. shares remaining in the Under Surveillance Segment for longer than two consecutive years;
 - b. failure by issuers to respond appropriately and within the prescribed time limit to any question raised by ATHEX; and
 - c. failure by issuers to notify ATHEX in a timely manner regarding any Back-Door Listings before the relevant announcement to investors.

3. The maximum period of suspension as a result of an issuer's free float having fallen below 10% is 12 months (an initial suspension of 6 months plus an extension of another 6 months upon a reasoned request from the issuer).
4. An alternative to delisting has also been introduced, whereby ATHEX can choose to transfer securities of issuers to the EN.A. instead of delisting them, if, in particular:
 - a. the issuer's shares remain in the Under Surveillance Segment for longer than two consecutive years; or
 - b. the issuer has failed to reconstitute its free float levels.
5. If the reasons leading to the suspension of a security have been reconstituted or the HCMC so requests, ATHEX may resolve to allow resumption of trading with an announcement, which will include all the details necessary to fully inform investors.

D. Certain Reporting Obligations of the Issuers and Corporate Actions

1. In advance of issuing a public announcement, issuers are required to inform ATHEX of the occurrence of a Back-Door Listing and the fulfilment (or not) of the applicable listing requirements.
2. Issuers must set an ex-rights date for dividends, falling after the expiry of the closest series of a stock or index derivative where their shares are the underlying products of that derivative.

E. The Securities Lending Mechanism

1. The provisions of the Rulebook and Resolutions 17, 20, 22 and 24 concerning the addition of Method 4, Hit & Take to the Securities Lending Mechanism have also been updated.

F. Establishment of a New Trading Segment

1. The newly established Professional Investors Segment allows only professional and certain private investors to trade orders with a minimum value of €100,000 for:
 - a. units in open-ended AIFs that resemble ETFs and are permitted for sale in Greece; and
 - b. Eurobonds.

G. Next Steps

We would be delighted to assist you with the immediate next steps affecting your business:

1. Issuers currently passing the Minimum Free Float Test must set up mechanisms to ensure they fulfil the requirements introduced on an ongoing basis and observe their reporting obligations.
2. Issuers currently marginally passing or failing the Ongoing Minimum Free Float Test should take measures to reconstitute within the next 6 months. The first free float check will take place in July 2025 on the basis of the average capitalization and average free float for the first half of 2025.

3. Issuers in the Under Surveillance Segment may avoid their securities being suspended by taking measures to break the two-year check by May 2025, at which time ATHEX's regular review will take place.
4. Entities contemplating listing on ATHEX should plan their offering structure, terms and overall strategy to reach a wide pool of investors.



KEY CONTACTS

Nikos Papachristopoulos

Partner

npapachristopoulos@bernitsaslaw.com



Maria Nefeli Bernitsa

Partner

mnbernitsa@bernitsaslaw.com



Maria Sofia Sfika

Senior Associate

mssfika@bernitsaslaw.com

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