

**NATIONAL TRANSPARENCY AUTHORITY**

**ETHICS COMMITTEE OF ARTICLE 74 OF LAW 4622/2019**

**DECISION 17/2024**

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The Ethics Committee of Article 74 of Law 4622/2019 met in session on May 31, 2024, Friday, at 11:30 a.m, following the invitation of 17 May,2024, sent by the Acting Chairman of the Ethics Committee by email to the regular members, together with the agenda. The meeting was held by teleconference and was attended by the following members of the Committee: Nikolaos Douladiris, acting pursuant to the decision of the Management Board of the National Transparency Authority/*Management Board of the National Transparency Authority* (NTA) dated January 18, 2024, as Chairman of the Management Board and, by extension, in accordance with Article 74(par.2) of Law No. 4492/2016, as acting Chairman of the Ethics Committee (Chair), Konstantinos Georgakis, Legal Adviser to the State (regular member), Nikolaos Karagiorgis, Legal Adviser to the State (regular member), Dionysios Laskaratos, First Vice-President of Supreme Council for Civil Personnel Selection (ASEP) (regular member) and Andreas Pottakis, Ombudsman (regular member). Secretarial support was provided by Eleni Magkafa, a secondary education category employee with grade A, of the General Directorate of Financial and Administrative Services and e-Governance of the National Transparency Authority.

The purpose of the above meeting was to discuss the request with protocol number 24/14.05.2024 submitted by Mr. ...., who served from 05.09.2019 to 31.12.2023 as First Vice-Chairman of the Hellenic Capital Market Commission. The applicant resigned from the above position on 19.12.2023, and his resignation was accepted by decision of the Minister of National Economy and Finance dated February 28, 2024, but with effect from December 31, 2023, and published in the Government Gazette on February 28, 2024 (Government Gazette, YODD182/28-2-2024). Prior to the application under consideration, the applicant had submitted three more applications to the Ethics Committee.

With incoming reference number 55364/27.12.2023 application, he asked the Ethics Committee for an opinion on whether he could work for investment companies, without even roughly describing the duties of a specific position in a specific company. As a result, the Committee was unable to assess the substance of the request and determine whether there was a conflict of interest between the applicant's previous position and a position in any investment company. This application was deemed to be vague and was therefore unanimously rejected as



inadmissible by Decision No. 10/2024 of the Ethics Committee.

Thereafter, he submitted an application, registered under incoming number 7938/21.02.2024, requesting the Ethics Committee's permission to take up the position of Managing Director and to become a shareholder in the public limited and unlisted company under the name ....., which was established on ..... and whose object is the provision of investment services. This application was also rejected by the Ethics Committee by its decision No. 13/2024 by a majority vote as inadmissible and premature, because at the time of its submission, the condition of active legalization of the applicant, as specified in paragraph 1 of Article 73 of Law 4622/2019, was not met, given that both the decision of the competent body (Minister of Finance) which accepted the applicant's resignation and the Government Gazette in which that decision was published were issued after the application was filed.

Finally, in his application with incoming reference number 16/14.03.2024, the applicant requested permission to take up the position of Managing Director and to become a shareholder in the public limited company not listed on the stock exchange under the name ....., which was established on ..... and whose object is the provision of investment services. By its decision No. 15/2024, the Ethics Committee unanimously decided not to grant the applicant the requested permission, because, on the one hand, there was a relationship of supervision between the applicant's former and current institution of employment and, on the other hand, the responsibilities he had during his term of office at the Hellenic Capital Market Commission, showed several points of relevance to the field of investment companies, and specifically with the responsibilities of a management position in such a company, and, secondly, the applicant's desire to participate in the capital of a private legal entity, the object of which is related to the activity of the institution to which he was appointed, falls within the cases listed in Article 73(1)(b) of Law 4622/2019, in which there is a conflict of interest.

With the application currently under consideration, the applicant requests the permission of the Ethics Committee to be employed by the same investment services company, but exclusively and solely in the position of derivatives trader (Greek and foreign) in the Client Trading Department, without holding any shares and without a position on the company's Board of Directors or any other administrative position, as he expressly states. This position is consistent with his professional experience gained through his previous employment in brokerage firms from 1999 to 2019, when he took up the position of First Vice-Chairman of the Hellenic Capital Market Commission, and secondly, it is not a managerial or administrative position in general, but a position within the Customer Transactions Department, which is part of the Business Development Division of the company in question and is a separate department from the Investment Advisory Department, as shown in the company's organizational chart. According



to the applicant, the duties of this position consist of serving customers by telephone or electronic communication, during which he receives their orders and forwards them to the Athens Stock Exchange in the case of Greek derivatives or to another partner company in the case of foreign derivatives.

Pursuant to Article 73 of Law 4622/2019, it is stipulated, inter alia, that persons appointed to the positions referred to in Article 68 of the same law, namely (a) members of the Government and Deputy Ministers, (b) the General and Special Secretaries, as well as the Coordinators of the Decentralized Administrations, (c) the Presidents or heads of Independent Authorities and the Presidents, Vice-Presidents, Governors, Interim Governors, Sub-Governors, managing or executive advisors of legal entities of public law (L.E.P.L.) and private law (L.E.Pr.L.), whose selection is at the discretion of the Government, with the exception of bodies falling within the scope of Chapter B of Law 3429/2005 (A' 314), shall be required, for a period of one (1) year after leaving their position for any reason, to obtain permission for any professional or business activity related to the activity of the body to which they were appointed, since this may create a conflict of interest situation, within the meaning of Article 71 of Law 4622/2019. According to the provisions of this article, a conflict of interest is any situation in which the impartial performance of the duties of the persons being audited is objectively affected.

The impartial performance of duties is particularly affected when there is: (a) financial or other benefits for themselves, their spouses or cohabiting partners within the meaning of Article 1 of Law 4356/2015, their relatives by blood or marriage, whether in a direct line without limitation or in a collateral line, up to the second degree, as well as for natural or legal persons with whom they have a special bond or relationship, and (b) financial or other harm to natural or legal persons with whom there is a particular enmity. Such a situation arises in particular: (a) through the provision by them of services - under any legal relationship - to a natural or legal person governed by private law in Greece or abroad, or (b) through their participation in the capital or management of the above legal entities, except in cases of acquisition of shares, corporate shares or other rights through inheritance. In the case in question, the applicant, according to his explicit statement, does not intend to participate in either the capital or the administrative body of the above investment services company.

The above persons who intend to engage in an activity that may fall within the scope of paragraph 1 of Article 73 of Law 4622/2019 must submit a relevant application to the Ethics Committee referred to in Article 74 of the same law. The Committee, after considering the application of the person, shall issue a reasoned decision within an exclusive period of one (1) month. During this period, the person must refrain from engaging in the activity to which the application relates. If the Committee does not decide within the specified time limit, the permission shall be deemed to have been granted. The Committee, which, pursuant to Article



73(par.3), fourth subparagraph, of Law 4622/2019, may request from the applicant any additional information it deems necessary for taking a decision, may, by its decision, taken at its discretion,, pursuant to Article 73(par.4) of Law 4622/2019, which shall be published on the website of the National Transparency Authority: (a) allow the activity in question without restrictions or conditions, (b) allow it with the necessary restrictions and conditions, (c) prohibit it absolutely. Cases (b) and (c) may not exceed a time limit of one (1) year after the person has left the position referred to in Article 68 of Law 4622/2019 for any reason. In cases (b) and (c), the Committee may determine a reasonable compensation for the person, that is borne by the State Budget.

The application in question is admissible, as it has the required legal form of the application under Article 73(par.1) and (par.2) of Law 4622/2019 and is submitted by a person who is legally entitled to do so, because the applicant, in his capacity as Vice-President of a legal entity of public law (L.E.P.L.) falls within the scope of Article 68(par.1)(c) of Law 4622/2019, which includes in its personal scope of application Presidents, Vice-Presidents, Governors, Interim Governors, managing or executive directors of legal entities of public law (L.E.P.L.) and private law (L.E.Pr.L.), whose selection is the responsibility of the Government. In this case, the Capital Market Commission was established as a public legal entity under Law 1969/1991 and the applicant was appointed on 05.09.2019 as First Vice-Chairman of the Hellenic Capital Market Commission by a relevant decision of the Deputy Minister of Finance (Government Gazette YODD 697/5-9-2019), therefore, he is required to submit the above application to the Ethics Committee in accordance with Article 73(par.1) of Law 4622/2019, given that one year has not elapsed since the end of his term of office. Furthermore, at the time of submission of the application on May 14, 2024, the condition of the applicant's resignation from the position he held, which makes him subject to the obligation to obtain permission from the Ethics Committee, was met because, as stated above, his resignation from the above position was accepted by the Minister of National Economy and Finance on February 28, 2024, and this decision was published in the Government Gazette on the same day.

Next, it must be examined whether the applicant's previous position as First Vice-President of the Hellenic Capital Market Commission could, in view of the position he wishes to take up, create a conflict of interest situation, within the meaning of Article 71(par.2) and (par.3) of Law 4622/2019, as analyzed above. In order to investigate whether there is a connection between the object of the applicant's previous employment, i.e. the Hellenic Capital Market Commission



and the professional activity that he now wishes to pursue, it should be noted that Article 78 of Law 1969/1991 stipulates that the powers of the Hellenic Capital Market Commission are: a. the issuance of regulatory acts where provided for by law, such as on matters relating to the financial statements of public limited companies, portfolio investment companies, and mutual fund management companies, the establishment of new stock exchange matters and stock exchange transactions, securities depositories, and Mutual Fund Management Companies, on the establishment of new stock exchange matters and stock exchange transactions, capital requirements for stock exchange transactions, the limits of the investment policy of portfolio investment companies and mutual fund management companies, the methods of valuation of unlisted securities, the maximum number of members of the Athens Stock Exchange, determining the criteria for exercising their duties, specifying the criteria for granting operating licenses to Stock Exchange Companies, Portfolio Investment Companies and Mutual Fund Management Companies and the readjustment of the minimum share capital of the above companies, b. the granting and revocation of licenses for Public Limited Stock exchange Companies, Portfolio Investment Companies, and Mutual Fund Management Companies, and the maintenance of a register of such companies, the decision on the admission of companies to the Athens Stock Exchange in the cases referred to in Articles 3 et seq. of Presidential Decree 350/1985, the suspension of trading in shares, their delisting, the appointment of commissioners where provided for by law, the granting of licenses for the issuance of fixed-income securities and share capital increases through public subscription, licenses for the transfer of shares of public limited companies and portfolio investment companies, the approval and amendment of their regulations and articles of association and the appointment of stock exchange representatives and brokers, c. advising the Minister of National Economy on capital market issues, d. conducting audits of companies whose shares are listed on the Athens Stock Exchange, stock exchange companies, stock exchange investment advisors, portfolio investment and mutual fund management companies, and the Athens Securities Depository S.A., regarding the implementation of the provisions of the legislation in force, in particular, the audit of compliance with the rules of conduct by the executives of these companies and the announcement of the results of the audits, e. the imposition of disciplinary sanctions provided for by law, f. handling cases related to the exploitation of inside information, in accordance with the provisions in force, g. regulating any matter relating to the smooth functioning of the stock market, compliance with stock market legislation and any other matter arising from other provisions; supervising compliance with the provisions of Law 1969/1991 and seeking the information necessary for the performance of the Commission's tasks, i. cooperating with other competent authorities in the broader financial sector and with the corresponding authorities of other Member States of the European Union in the exercise of supervision and control; and j. the valuation of movable and immovable property serving the direct operational needs of portfolio investment companies.



In addition, pursuant to Article 11 of Presidential Decree 65/2009 (Organization of the Hellenic Capital Market Commission), the Office of the Chairman and the two Offices of the Vice-Chairmen are responsible for maintaining and handling their correspondence, for scheduling their meetings, visits, and contacts, as well as for any other matter that assists in the performance of their duties.

Furthermore, pursuant to Article 5 of Law 4514/2018, the Capital Market Commission is responsible for granting Investment Services Companies (A.E.P.E.Y.) license to companies wishing to operate in the field of investment services or to engage in investment activities as a regular business activity on a professional basis.

In addition, Law 4514/2018 contains provisions on the general supervision by the Hellenic Capital Market Commission of the operation of A.E.P.E.Y. and on the supervision of more specific issues relating to the operation of A.E.P.E.Y. Article 67 of this law stipulates that the Hellenic Capital Market Commission is responsible for supervising the implementation of the provisions of this law and has all the supervisory powers necessary to exercise its powers, including the powers to audit and impose corrective measures. Furthermore, with regard to the specific areas of supervision of the Hellenic Capital Market Commission over A.E.P.E.Y., pursuant to Article 18(par.6) of Law 4514/2018, the conditions and procedure for granting and revoking a multilateral trading facility (MTF) operating license, as well as the relevant obligations of A.E.P.E.Y., are specified by decision of the Hellenic Capital Market Commission, while pursuant to Article 31, A.E.P.E.Y.s that operate multilateral trading facilities (MTFs) immediately inform the Hellenic Capital Market Commission of any significant breaches of their rules.

Therefore, *prima facie*, the authorisation and supervision of the operation of A.P.E.E.Y. on an ongoing basis, the specification of their obligations, the regular collection of information from these companies, the imposition of additional requirements, conducting audits and imposing fines on these companies in the event of infringements fall within the competence of the Hellenic Capital Market Commission and, consequently, the company in which the applicant wishes to be employed belongs to the entities supervised by the Hellenic Capital Market Commission in general.

However, the applicant did not participate in the licensing procedure for the specific company during his term as First Vice-Chairman of the Hellenic Capital Market Commission, as this took place after the end of his term with retroactive effect from December 31, 2023. Furthermore, he does not wish to take up a position that includes the responsibility of representing the above investment services company vis-à-vis its supervisory authority, i.e. the Hellenic Capital Market Commission, either in the context of notifying the Commission of any changes to the terms of the licence or the fulfilment of any additional requirements relating to





the provision of information to the company's clients or potential clients, or in the context of the exercise of supervisory powers by the Hellenic Capital Market Commission over the company to ensure compliance with its obligations, in particular in the context of on-site inspections. exercise of supervisory powers by the Hellenic Capital Market Commission over the company to ensure compliance with its obligations, and in particular in the context of on-site audits, taking further measures and imposing fines in the event of infringements or in the context of the supervision of the operation of any branches and the adequacy of the natural persons providing investment advice. Therefore, the applicant does not wish to take on duties in the exercise of which he would be required to communicate, negotiate with or being by former subordinates or superiors and, in general, associates, and therefore it is not possible that a question of undue influence on these persons could arise in the performance of their duties. Furthermore, the Investment Advisory Department of the company where he intends to work is a separate department from the Client Trading Department, to which his position belongs, and therefore his scientific and professional competence will not be assessed by the Hellenic Capital Market Commission, as he will not be acting as an investment advisor.

Furthermore, with regard to the specific powers assigned to the applicant as First Vice-Chairman of the Hellenic Capital Market Commission, pursuant to Article 37(par.2) of Law 2324/1995, the responsibilities of the two Vice-Chairpersons regarding the supervision of the Directorates are determined by a decision of the Board of Directors of the Hellenic Capital Market Commission, upon recommendation of its Chairman. In particular, pursuant to Decision No. 1/851/9.9.2019 of the Board Directors of the Hellenic Capital Market Commission, the First Vice-Chairman is responsible for supervising the Listed Companies Directorate (except for corporate governance issues), the Research Department, the Administrative Services Department, the Communications Department of the Market Supervision Directorate, and the Markets and Systems Department of the Institutions Directorate (i.e., the Athens Exchange Group).

The Listed Companies Directorate has responsibilities relating exclusively to listed companies, while the Administrative Services Directorate deals with issues relating to the internal organization and staffing of the Hellenic Capital Market Commission. The Research Department of the Research Directorate, among other things, prepares, in cooperation with the other Directorates, proposals for the promotion of regulatory and legislative measures aimed at improving the institutional framework of the capital market. The Communications Department of the Market Supervision Directorate has the following responsibilities: responding to investor inquiries in cooperation with the relevant Directorates, as well as receiving and investigating complaints and grievances from investors and third parties regarding violations of capital market legislation, in cooperation with the relevant Directorates where necessary carries out on-site ad hoc audits, where there are serious grounds, in cooperation with the competent



Directorates, cooperates with the Banking and Investment Services Ombudsman, informs complainants of the outcome of their complaints, recommends, where appropriate, the imposition of fines for infringements of capital market legislation within its competence, in cooperation, where necessary, with the Legal Services Directorate. Finally, the Markets and Systems Department of the Institutions Directorate, among other things, collects and examines the information required by law and recommends the granting of authorisation for the operation of a multilateral trading facility ( MTF) to A.E.P.E.Y., market operators and credit institutions and, in addition, verifies that the criteria for determining systematic internalisers are met, maintains and publishes a list of A.E.P.E.Y.s acting as systematic internalisers. By virtue of the same decision of the Board of Directors of the Hellenic Capital Market Commission, the Second Vice-Chairman was assigned, among other things, supervising the Institutions Directorate, i.e. companies licensed by the Hellenic Capital Market Commission whose object is to provide investment services, while the Chairman was assigned as responsible for the Supervision Directorate (Transaction Control and Monitoring Departments). In addition, pursuant to Decision No. 2/851/9.9.2019 of the Board of Directors of the Hellenic Capital Market Commission, the applicant was appointed as a member of the Hellenic Capital Market Commission's Committee for the Adoption of Measures and Resolution.

Therefore, during his term of office, the applicant was responsible for departments that did not have powers directly related to investment firms, and the position of derivatives trader that he wishes to take up does not include. In any way, he may represent the company he wishes to work for vis-à-vis persons, who were previously his superiors or colleagues in the context of an investigation into the company's activities, in the context of an investigation into a complaint or allegation by an investor or third party for breach of capital market legislation against that investment firm or in the course of any on-site inspection, possibly accompanied by the imposition of fines, on that firm by the competent departments of the Hellenic Capital Market Commission. Furthermore, in exercising the duties of the position for which he wishes to be employed, he shall not cooperate in the submission/support of an application to the Hellenic Capital Market Commission for the granting of a license to operate a multilateral trading facility (MTF) to an A.E.P.E.Y.

Taking into account the above, there is no conflict between the general responsibilities of the Hellenic Capital Market Commission regarding A.E.P.E.Y. nor between the specific powers of the applicant as First Vice-Chairman of the Commission and the duties associated with the position he wishes to take up in the above investment services company.

In view of the above, the Ethics Committee unanimously decides to grant the applicant permission to pursue his desired professional activity, as specified in his application dated May 14, 2024, provided that he does not attend in person until one year after the end of his term as





First Deputy Chairman of the Hellenic Capital Market Commission, i.e. until 31.12.2024, in any meeting with or any on-site audit held by officials of the Hellenic Capital Market Commission.

Acting Chairman of the Ethics Committee

Nikolaos Douladiris