

**SUPPLEMENT DATED 6 APRIL 2020
TO THE OFFERING CIRCULAR DATED 4 DECEMBER 2019**



Republic of Cyprus

acting through the Ministry of Finance

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the Offering Circular dated 4 December 2019 (the "**Offering Circular**"), as may be further supplemented from time to time, prepared by the Republic of Cyprus acting through the Ministry of Finance (the "**Republic**" or "**Cyprus**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**"). Terms given a defined meaning in the Offering Circular shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement does not comprise a supplement for the purpose of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Accordingly, this document has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Regulation (in particular no submission has been made to the United Kingdom Financial Conduct Authority, in its capacity as the competent authority for the purposes of the Prospectus Regulation).

IMPORTANT NOTICES

The Republic accepts responsibility for the information contained in this Supplement and declares that, to the best of its knowledge, the information contained in this Supplement is, in accordance with the facts and does not omit anything likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement, including any statement incorporated by reference into the Offering Circular by this Supplement, and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Offering Circular.

AMENDMENTS OR ADDITIONS TO THE OFFERING CIRCULAR

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Offering Circular shall be amended and/or supplemented in the manner described below.

- a) A copy of the Macroeconomic Monitor of Cyprus March 2020 Report, as updated on 20 March 2020 (the "**Report**") is incorporated by reference in and forms part of this Supplement in its entirety.

Copies of the Report are available at:

http://mof.gov.cy/assets/modules/wnp/articles/202001/569/docs/macro_monitor_mar_20.pdf.

- b) A copy of the market communication titled "*Market Communication - Cyprus Macro/fiscal prospects*" dated 6 April 2020 (the "**Market Communication**") is incorporated by reference in and forms part of this Supplement in its entirety.

Copies of the Market Communication are available at:

[https://www.mof.gov.cy/mof/pdmo/pdmo.nsf/All/6DA2EC303353D32AC2258542004388F1/\\$file/Market%20Communication%2006%20April%202020.pdf](https://www.mof.gov.cy/mof/pdmo/pdmo.nsf/All/6DA2EC303353D32AC2258542004388F1/$file/Market%20Communication%2006%20April%202020.pdf).

- c) On Friday 3 April 2020 Fitch Ratings revised the outlook on Cyprus's Long-Term Foreign-Currency Issuer Default Rating (the "**IDR**") to Stable from Positive and affirmed the IDR at 'BBB-'.

Accordingly, in the section entitled '*Economy*' on page 38 of the Offering Circular, the words "Fitch: BBB- (positive)" shall be deleted and replaced with "Fitch: BBB- (stable)".

- d) The following wording shall be included at the end of the section entitled "*Public Finances*" on page 48 of the Offering Circular:

"Developments in 2020

Exceptional circumstances and expected severe economic downturn due to the COVID-19 pandemic

The outbreak of Novel Coronavirus ("**COVID-19**") has led to a major economic shock. Whilst the direct and indirect impact of the COVID-19 outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. It is extremely difficult to evaluate the financial impact of the pandemic, or the impact of the measures aimed at containing the pandemic. Concerns also remain as to whether such measures will be sufficient to counter anticipated macro-economic risks. The uncertainties relating to the duration of the pandemic indicate that the forecasts will be subject to extensive changes.

All these measures together with the expected fall in economic activity will contribute to a substantial worsening of the budgetary position. Additionally, in the event of weaker than expected budgeted growth, driven by decreased external or domestic demand or other COVID-19 consequences, the Government may need to implement further cost-reduction

or revenue raising measures in order to meet its targets. Such measures may further adversely affect economic growth.

Specifically, in the case of the Republic, the COVID-19 outbreak is expected to lead to increased unemployment, a contraction in GDP, increased external indebtedness, an increased budget deficit and reduced tax receipts, as well as increased expenditure on other government support measures. See the market communication titled "*Market Communication - Cyprus Macro/fiscal prospects*" dated 6 April 2020 for further details.

A prolongation of the outbreak could have a significantly adverse effect on economic growth, and impact business operations across the economy generally (within the Republic and that of its trading partners), as a result of weakened economic activity and the effect of the pandemic on the health and wellbeing of employees affected. Such weakening of the economy and/or operations could have a material adverse impact on the economic performance of the Euro area and the trading partners of the Republic, adversely affect economic growth in the Republic and, consequently, have an adverse effect on the Republic's fiscal position."

- e) The following wording shall be included immediately after the section entitled "*Enforcement of Civil Liabilities*" on page 35 of the Offering Circular:

"The enforcement of a judgment of an English court in Cyprus following the withdrawal of United Kingdom from the European Union

Following the United Kingdom's withdrawal from the European Union, Regulation (EU) No 1215/2012 of the European Parliament and the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (the "**Brussels Regulation**") will no longer apply to the enforcement of a judgment obtained in the courts of England in Cyprus after the end of the transition period under Article 50 of the Withdrawal Agreement concluded between the European Union and the United Kingdom, including any extension of that transition period. Unless another mechanism for the recognition and enforcement of judgments obtained in the courts of England becomes effective in Cyprus following the end of the transition period, a judgment of an English court will be subject to recognition and enforcement pursuant to Cyprus domestic law, which determines the necessary steps and documentation to commence enforcement, as well as the enforcement procedures.

Under Cyprus domestic law (which, as at the date hereof, would apply if the transition period had terminated without another mechanism for recognition and enforcement of judgments being implemented), a final judgement of an English court after the withdrawal of the United Kingdom from the European Union would be recognised under the Foreign Judgments (Reciprocal Enforcement) Law, cap.10 (as amended by law 130(I)/2000) (the "**Foreign Judgments Law**"), however, it would also be subject to an enforcement procedure thereunder. The Foreign Judgments Law also provides for possible defences to be raised in any application for a declaration of enforceability, including: (a) the original court lacked jurisdiction, (b) the judgment was obtained by fraud, (c) an appeal is pending or is intended to be filed, and (d) the judgment is contrary to public policy in Cyprus.

The recognition and enforcement of a judgment obtained in the English courts pursuant to Cyprus domestic law is likely to be more time consuming and costly than under the Brussels

Regulation, and make the enforcement of a judgment obtained in an English court against the Republic of Cyprus in Cyprus more difficult."