

REPUBLIC OF CYPRUS  
MINISTRY OF FINANCE  
PUBLIC DEBT MANAGEMENT OFFICE

GENERAL TERMS OF ISSUANCE OF GOVERNMENT BONDS OF THE REPUBLIC OF CYPRUS  
Issuance of six year government bonds for natural persons

The present General Terms of issuance of six year government bonds for natural persons are read with the corresponding Specific Terms of issuance of six year government bonds for natural persons.

It is understood that the present General Terms apply only in the case of issuance of six year government bonds for natural persons.

The issues of government bonds of the Republic of Cyprus are bound by the Public Debt Management Laws of 2012 and 2013 and the Public Debt Management (Collective Action Clauses) Regulations of 2012.

The government bonds are issued by the Public Debt Management Office, on behalf and on account of the Republic of Cyprus.

The Registry of Holders is maintained by the Cyprus Stock Exchange. The government bonds for natural persons are not listed for trading in the Stock Exchange.

**1. Series Issuance:** The issuance of each series of six year government bonds for natural persons through private placement will be executed on the first working day of each month. The maximum issued amount of each series and the terms that will bind each specific issue will be announced in the Specific Terms of issuance by the Public Debt Management Office.

**2. Submission and assessment of applications:** Applications can be submitted only by natural persons. Interested investors may submit the relevant application in the following ways:

- (i) In person at the Cyprus Stock Exchange at the specially created counters on the ground floor,
- (ii) By mail. The relevant document can be sent to the following address: Cyprus Stock Exchange, Lord Byron Avenue 71-73, 1096 P.O. Box 25427, Nicosia

Applications by two or more individuals that desire the joint ownership of government bonds must be signed by all holders.

Depending on the manner of submission of the application the Stock Exchange will send the relevant receipt of delivery of the application and at a later stage will inform the investor for the success or failure of the application.

2.1. Applications will be accepted during the period specified in the Specific Terms of issuance of each series.

2.2 The applications will be submitted for a minimum amount of €1.000 and beyond this minimum amount for multiples of €100.

Every applicant must state the nominal value of the bonds for which he/she applies. The bonds will be allocated at their nominal values.

2.3. Applications can be submitted only for own account or on behalf of a minor. It is noted that in the case of a minor any cash flows resulting from the investment must be debited to a banking account in the name of the minor except if there is a different arrangement by court order.

2.4. The purchasers of government bonds will have to pay the relevant funds corresponding to the value of the bonds in one of the following ways:

(a) Through bank transfer at the government account at the Central Bank of Cyprus with IBAN number CY59 0010 0001 0000 0000 0600 1012 (SWIFT code CBCYCY2N) or

(b) By check made out to the name of the Accountant General. The check must be dated at the latest on the date of the final date of the application period as it is defined in the Specific terms of issuance of each series.

2.5. The Republic of Cyprus does not pay any interest or other form of remuneration for the period between receiving any funds and the time of issuance or in the case that the application is not accepted the return to the applicant of the amount paid.

2.6. The Public Debt Management Office maintains the right to demand further proof of identity for any applicant for government bonds or for any person represented by the applicant.

2.7. In case of non-submission of any additional information that are requested by the Public Debt Management Office or

not submitted at the requested time or are not deemed by the Public Debt Management Office to be adequate the Public Debt Management Office has the legal power to reject the application or cancel the sale of bonds to any particular applicant and take any appropriate action.

2.8. With the receipt of the application the Cyprus Stock Exchange will issue a receipt for the application and at a later stage will send to the applicant a letter of acceptance or rejection of their application on behalf of the Public Debt Management Office. In case of partial or total rejection of an application the relevant funds will be returned to the applicant according to the payment instructions that the applicant includes in the application form.

2.9. The Public Debt Management Office has the absolute right to accept or reject applications either for the full or partial amount of application and its decision is final.

2.10. The applications will be accepted strictly based on the date of submission. In case of oversubscription of the maximum amount announced for the series the applications received in the day the oversubscription took place will be accepted on a pro-rata basis.

### **3. Interest payment:**

3.1 Interest Calculation: The interest is calculated on an annual basis according to the following formula: Coupon times the exact days of holdings divided by the exact days in a year (actual/actual).

3.2 Interest Period: The interest will be paid once a year on the date specified in the Specific Terms of issuance of each series.

(a) Regarding the government bonds included in the Registry of Holders under the name of a single holder the following terms apply:

(i) Method of interest payment: The interest payment will be made through a bank transfer to a bank or co-operative credit society according to the payment instructions of the holder as they are stated in the application submitted to the Cyprus Stock Exchange.

(ii) Interest remittance to a holder's representative: The holder may, if he so desires, appoint a representative to the account to which the interest is to be remitted.

(iii) Receipt for the collection of interest by the beneficiary: The credit of an account with a bank or co-operative credit society in accordance with paragraph 3.2(a)(i) and 3.2(a)(ii) equates to a receipt of the interest collected by the beneficiary and discharges the Republic of Cyprus from any liability as to payment.

(b) With regard to bonds recorded in the name of joint holders in the Registry of Holders, the following conditions shall apply:

(i) Instructions by holders: In the case where the security is registered in the name of joint holders, the instructions of holders with regard to the payment of interest must be signed by all the holders.

(ii) Method of interest payment: The interest payment will be made through a bank transfer to a bank or co-operative credit society according to the payment instructions of the holder as they are stated in the application submitted to the Cyprus Stock Exchange.

(iii) Interest remittance to a holder's representative: The holder may, if he/she so desires, appoint a representative to the account to which the interest is to be remitted.

(iv) Receipt for the collection of interest by the beneficiary: The credit of an account with a bank or co-operative credit society in accordance with paragraph 3.2(a)(i) and 3.2(a)(ii) equates to a receipt of the interest collected by the beneficiary and discharges the Republic of Cyprus from any liability as to payment.

(c) It is understood that in the case the holder is a minor the interest will be paid only to a bank or co-operative credit society account in the name of the minor unless there is another arrangement in place by a relevant Court Order.

**4. Purpose of the issue:** the proceeds from the issue of bonds shall be credited to the Consolidated Fund of the Republic.

**5. Registration and Transfer:** The securities shall be registered in the names of the beneficiaries in a Registry maintained by the Cyprus Stock Exchange. Transfer of the bonds may be effected for €100 or multiples thereof.

The transfer of bonds registered in the name of joint holders shall be effected following the written application of all the joint registered holders. The transfer of bonds held by a minor are not permitted unless otherwise provided in a Court Order. The bond can be pledged. The transfer of a bond to a legal person is not allowed. It is understood that in the case of a holder who is a minor the pledging of bonds requires a relevant Court Order.

**6. Tax treatment:**

- (a) According to the current tax legislation in force.
- (b) Special Defense Contribution is imposed only with regard to the income of persons who are resident in Cyprus.

**7. Exemption from Fees and Charges:**

- (a) No fees are payable for filing on the Registry of Holders and the issue of the relevant certificate
- (b) Agreements for the transfer of the bonds to be issued do not require stamp duty.

**8. Repayment:** The bonds shall be repaid at their nominal value on their maturity, provided they have not been previously cancelled either on the grounds of redemption or following an agreement with the holders for early repayment after an application by the holder as provided for in the Specific Terms of issuance.

After the issue of government bonds early repayment of bonds that are in the name of joint holders shall be executed only after written application of all joint holders.

**9. Security:** The capital and interest for the bonds shall be a charge to the Consolidated Fund of the Republic and shall have the same order of priority as all other debt of the Republic.

**10. Possibility of Repurchase or Exchange:** following an agreement with their holders, the said bonds may be redeemed or exchanged by the Public Debt Management Office prior to their maturity and cancelled according to the Specific Terms of the series.

**11. Entry into force:** The present General Terms of issuance of government bonds for natural persons enter into force from the date of their publication in the Official Gazette of the Republic.

Public Debt Management Office  
MINISTRY OF FINANCE  
Nicosia  
30 April 2014