

Unofficial consolidated text of the Establishment and Operation of the Deposit Protection  
Scheme Regulations of 2000 to 2009 – English translation

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Regulations issued pursuant to section 34 of the Banking Laws, 1997 to 2008

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66(I) of 1997 "bank" has the meaning assigned to it by section 2 of the Banking Law and includes any other legal entity which carries out banking business, under any other law, but is subject to supervision as a bank by the Central Bank.

PART II  
STATUS AND OPERATION OF THE SCHEME

Purpose of the Scheme. 3. The purpose of the Scheme is to offer protection through the Fund and to compensate the depositors who maintain deposits with a bank participating in the Scheme, in the event that this bank is unable to repay its deposits.

Establishment of the Fund and Management Committee. 4.-(1) A Fund is established by these Regulations to be known as "Deposit Protection Fund" which shall constitute a separate legal entity.

(2) For the administration of the Fund a Management Committee is hereby established the composition, authorities, duties and responsibilities of which are determined in "PART IX" of these Regulations.

Participation in the Scheme. 5.-(1) Participation in the Scheme shall be compulsory for all banks established in the Republic of Cyprus pursuant to the Companies Law, Cap. 113 or any other law,, including their branches operating outside the Republic of Cyprus, as well as for banks established in a country other than the Republic of Cyprus pursuant to the corresponding legislation of that country and which are operating in the Republic of Cyprus through a branch, unless a bank or a branch of a bank is specifically exempted by a decision of the Committee.

- 9 of 1968
- 76 of 1977
- 17 of 1979
- 105 of 1985
- 198 of 1986
- 19 of 1990
- 14(I) of 1994
- 41(I) of 1994
- 15(I) of 1995
- 21(I) of 1997
- 82(I) of 1999
- 149(I) of 1999
- 2(I) of 2000
- 135(I) of 2000
- 151(I) of 2000
- 76(I) of 2001
- 70(I) of 2003
- 167(I) of 2003
- 92(I) of 2004
- 24(I) of 2005
- 129(I) of 2005
- 130(I) of 2005
- 98(I) of 2006
- 124(I) of 2006
- 70(I) of 2007
- 71(I) of 2007
- 131(I) of 2007
- 186(I) of 2007
- 87(I) of 2008.

(2)(a) The Committee may, at its discretion, exempt either in whole or in part and subject to any terms it may determine, a bank established in a country other than the Republic of Cyprus which operates in the Republic of Cyprus through a branch, as well as a branch of a bank established in the Republic of Cyprus but operating in a country other than a member state, provided that it is adequately covered by a corresponding scheme in the country of establishment or the country where the bank operates, respectively. In order to satisfy the above mentioned requirement, satisfactory documentary evidence must be submitted to the Committee.

(b) In particular, the Committee may exempt a bank established in another member state which operates in the Republic of Cyprus through a branch provided that it is adequately

covered by the corresponding deposit protection scheme operating in its home member state.

(3) In the case of a bank established in another member state and is additionally covered by the Scheme, or in the case of a branch of a bank, established in the Republic of Cyprus but operating in another member state which is additionally covered by a corresponding scheme of the country in which it operates, the Committee shall enter into a bilateral agreement with the authority responsible for the administration of the scheme in that country which shall stipulate, inter-alia, the rules and procedures to be followed for the payment of compensation to depositors.

(4) The banks exempted from the Scheme are specified in a list issued and updated by the Committee and is published in the Official Gazette of the Republic as well as on the website of the Central Bank. .

(5) Members participating in the Scheme are specified in a list issued by the Committee and is published in the Official Gazette of the Republic as well as on the website of the Central Bank. This list shall be updated by the Committee at regular time intervals and, in any case, no later than within one month from the day on which a change regarding the participating members occurs.

### PART III

#### CAPITAL, RESOURCES OF FUNDING AND INVESTMENT POLICY

- Basic capital. 6. The basic capital of the Fund shall be one hundred million euro (€100.000.000) and may be increased by a decision of the Committee from time to time
- Resources. 7. The resources of the Fund shall comprise of the following -
- (a) Contributions levied by the Committee, pursuant to these Regulations.
  - (b) Income arising from the investment of its assets.
  - (c) Proceeds from the liquidation of claims of the Fund.
  - (d) Money borrowed by the Committee.
  - (e) Donations and/or any other income.
- Contributions. 8.-(1) All banks participating in the Scheme must make the following contributions to the Fund:
- (a) Initial contribution.
  - (b) Supplementary contributions.
  - (c) Special contributions.
- (2) The level of contributions for each bank shall be calculated by applying a percentage determined by the Committee, based on the average deposit base as reported on the last day of each month of the year prior to the decision of the Committee to levy the contributions.
- (3) All contributions shall be paid upon receipt of a written notice served on each member by the Committee, specifying the amount due, which shall be paid within 21 days from the date on which the relevant notice is served.
- (4) A bank which has ceased to be a member of the Fund shall not be entitled to a refund of any contributions made from the date it became a member of the Fund, with the exception of the cases referred to in paragraph (2) of Regulation 11 and paragraph (2) of Regulation 27.
- Initial contribution. 9.-(1) The initial contribution for the creation of the basic capital shall be determined by the Committee and shall be paid by each bank participating in the Scheme from the

commencement of its operation in five instalments, in accordance with a time schedule determined by the Committee.

(2) The minimum amount of the initial contribution shall be fifty thousand euro.

Supplementary contributions.

10. If, at any time, the available capital of the Fund, including any contributions due, falls below the level of the basic capital in force at that time, the Committee may levy the payment of supplementary contributions, so as to restore the available capital of the Fund to the required level of the basic capital.

Special contributions.

11.-(1) If, at any time during a financial year, it appears to the Committee that the payments may exhaust the available capital of the Fund, the Committee may levy special contributions in order to meet the obligations of the Fund.

(2) In case at the end of the financial year, during which special contributions have been levied, part or the whole amount of these contributions have not been used and it is not expected that these will be used in the near future, the Committee may refund these amounts to the members pro rata, according to the amounts of special contributions made, provided that the available capital of the Fund will not fall below the level of the existing required basic capital.

Maximum contribution.

12. No member shall be obliged to make any supplementary or special contribution in case and to the extent that the total amount of its contributions to date (initial, supplementary and special), after deducting any refund of contributions made under paragraph (2) of Regulation 11 and paragraph (2) of Regulation 27 is greater than one percent (1%) of its deposit base, as determined by the Committee at the time and for the purpose for which the call for supplementary contribution was made:

Provided that the percentage referred to above may be fluctuate by amending these Regulations.

New members.

13.-(1) The Committee shall levy as soon as possible to a bank which becomes a member of the Scheme, an initial contribution of such amount to be determined as follows:

(a) In case a bank which becomes a member does not have any deposits at the time it becomes a member of the Scheme, its initial contribution shall be the minimum amount specified in paragraph (2) of Regulation 9.

(b) In case a bank which becomes member has deposits, the amount of its initial contribution shall be calculated on the basis of its deposit base at the time it becomes a member of the Fund at such a percentage as the Committee considers appropriate in order to put the bank which becomes a member on an equal footing (on a basis of equality) with the other members of the Fund, taking into account their initial and supplementary contributions up to the date the bank became a member of the Scheme, provided that the amount to be paid shall not be smaller than the minimum amount specified in paragraph 2 of Regulation 9.

(2) The Committee, taking into account the particular circumstances of each new member, shall determine a time schedule for the payment of the initial contribution.

Borrowing.

14.-(1) If, at any time, the available resources of the Fund are not adequate for the payment of compensation in order to serve the purposes of the Scheme, and pending the payment of supplementary or special contributions by members, or pending the payment by a liquidator pursuant to Regulation 26, the Committee may borrow the required amount with guarantees by the members of the Fund or in any other way decided by it, up to the amount necessary to serve the purposes of the Scheme.

Provided that the guarantee by members of the Fund is given only with their consent.

(2) For the purpose of calculating the level of available capital of the Fund any amounts derived from borrowing shall be disregarded.

Account with the Central Bank.

15. The Fund shall maintain an account with the Central Bank, through which all transactions concerning receipts and payments necessary for its operation and in relation to its purposes shall be effected.

Investments.

16. The Committee shall invest the available capital of the Fund, other than that which is necessary for the daily expenses relating to the operation of the Scheme, in treasury bills or other government securities in euro or equivalent foreign securities.

#### PART IV DEPOSITS PROTECTED BY THE SCHEME

Protected deposits.

17. Deposits covered by the Scheme include all deposits denominated in euro or other currency held with a bank and branches of a bank established in the Republic of Cyprus, which operate in another country but participate in the Scheme, and which belong to natural or legal persons, as well as any accrued interest thereon up to the date the deposit fell due or the date the deposit became unavailable depending on the type of deposit, with the exception of the deposits referred to in Regulation 18.

Exempted deposits.

18.-(1) The following categories of deposits shall be exempted from the payment of any compensation:

(a) (Deleted)

(b) Deposits by other banks held for own account as well as deposits of co-operative institutions whose main purpose is the carrying out of banking activities.

(c) Deposits by banking institutions established in other countries and which are licensed to carry out banking business under the relevant legislation of a country other than the Republic of Cyprus.

(d) Deposits by persons against which criminal proceedings have been instigated or for which a confiscation order has been made, under the Prevention and Suppression of Money Laundering Activities Law or of a corresponding law of another country.

(e) Deposits by government departments, semi-government organisations and local authorities.

(f) Deposits by provident and pension funds.

(g) Deposits by insurance companies either in their own name or in the name of trustees.

(h) Deposits by collective investment companies.

(i) Deposits belonging to persons who, in the opinion of the Committee, are responsible for the bank's bankruptcy or have profited out of circumstances which led to the bank's bankruptcy or any other similar situation so as to be unable to repay its deposits.

(2) The Committee may exempt any other category of deposits.

Determination of the level of compensation payment.

19. The Committee, in determining the total amount of compensation payable by a member to a depositor in order to fulfil its obligation towards the depositor, shall take into account the following:

- (a) All existing deposits in the name of the same person held with a bank will be considered as a single deposit.
- (b) In case two or more persons are jointly entitled to a deposit, for the purposes of compensation, each of them shall be treated as having a separate deposit of an amount calculated by dividing the credit amount in the account to which they are jointly entitled by the number of persons so entitled, unless specific evidence or special contractual terms determining the particular amount belonging to each of the beneficiaries of the joint account so exist.
- (c) In the case of a deposit to which two or more persons are entitled as members of a partnership, or a deposit which belongs to an association or any union of persons with or without legal personality, the deposit shall be treated as a single deposit for the purposes of calculating the amount of compensation.
- (d) In case a person is entitled to a deposit recorded together with other deposits on a clients' account, for the purpose of compensation the total amount on the account shall be treated as being made up of separate deposits with the corresponding amount being the amount each person is entitled to, in accordance with documentary evidence to be submitted to the Committee.
- (e) In case a person acts as trustee or nominee for one or more persons under the same deed of trust or other similar agreement, the deposit in question shall be deemed to belong to the other person or to the other persons equally, unless there exist specific contractual terms determining a different distribution for each beneficiary.
- (f) In case a person acts as trustee and maintains a deposit or a number of deposits in his capacity as trustee, under different deeds of trust, he shall be treated as a separate and distinct person with respect to each one of the trusts.

Right of set-off against claims by the bank.

20. The amount of any liability of a depositor to the bank in respect of credit facilities granted by the bank and any other counterclaim of the bank in respect of which a right to set-off exists shall be deducted from the total amount of the liability of a bank to any depositor.

## PART V COMPENSATION OF DEPOSITORS

21. (Repealed)

Maximum amount of the compensation.

22.-(1) In case deposits are rendered unavailable, according to Regulation 23 of these Regulations, the amount of compensation which may be paid to a depositor shall not exceed the amount of one hundred euro (€100.000). This amount shall include compensation for the principal amount and accrued interest up to the date of maturity of the deposit, or the date on which the deposit fell due and payable but was not repaid, or the date on which the member was determined as unable to repay its depositors, whichever comes first.

(2) In the case of deposits denominated in a currency other than the euro, for the purposes of calculating the amount of compensation, the foreign exchange reference rate of the relevant currency against euro as specified by the European Central Bank at the close of business of the date on which the deposits were rendered unavailable shall be used:



(3) In case a member, which is established in another member state and is additionally covered by the Scheme, the amount of compensation payable by the Fund shall be reduced by the amount of compensation paid or to be paid by the corresponding scheme in the other member state as provided in the bilateral agreement between the Committee and the competent authority responsible for the management and administration of the scheme in that member state.

PART VI  
ACTIVATION OF THE SCHEME FOR THE PAYMENT OF COMPENSATION

Unavailable deposits.

23. A deposit is rendered unavailable in one of the following circumstances:

- (a) The Central Bank has determined and decided that a member is unable to repay its deposits for reasons relating to its financial circumstances and foresees that the bank will not be able to do so in the near future.
- (b) In case a member is established in a country other than the Republic of Cyprus and such a determination has been made by the competent supervisory authority of the country in which the member is established.

9 of 1968  
16 of 1977  
17 of 1979  
105 of 1985  
198 of 1986  
19 of 1992  
41(I) of 1994  
15(I) of 1995  
21(I) of 1997.

- (c) An order has been issued by a Court in the Republic of Cyprus for the liquidation of the bank, pursuant to the Companies Law, or in the case of a member established in a country other than the Republic of Cyprus, a corresponding court order has been issued by the judicial authority of the country where the member is established.

Activation of the Scheme.

24.-(1) As soon as the Committee becomes aware of any of the events referred to in Regulation 23, it shall proceed with the following:

- (a) It shall publish an announcement in the Official Gazette of the Republic and the daily press concerning the inability of the member to repay its deposits and shall determine the way in which claims together with supporting documentary evidence should be submitted.
- (b) It shall prepare a list of depositors, based on the evidence submitted to it by the member or any other person that has assumed the management of its affairs, in accordance with a decision by the Central Bank, under paragraph (d) of sub-section (1) of section 30 of the Law, or by a liquidator.
- (c) It shall examine all evidence contained in the claims referred to in paragraph (a) above, verified against the evidence contained in the list of depositors referred to in paragraph (b) above, and subject to the provisions of these Regulations, it shall calculate the amount of compensation payable to each depositor:

Provided that the Committee may refuse to make a payment in respect of a deposit, until the person claiming to be entitled to the deposit informs the Committee of the capacity in which he is the beneficial owner of the deposit and provides satisfactory documentary evidence (proof of debt) and information in relation thereto, to enable the Committee to determine the amount of compensation payable;

- (d) It shall proceed with the payment of compensation within twenty working days from the date the deposits were rendered unavailable.

(2) In exceptional circumstances the Central Bank of Cyprus, following a relevant request by the Committee, may approve an extension of the time limit mentioned in paragraph (d) above, which may not exceed ten working days.

(3) A depositor's right to compensation payment shall not be forfeited in case of failure by the depositor to submit his claim within the prescribed time limit, provided that the Committee, after taking into account the circumstances which contributed to the delay, is satisfied that the delay was justified.

(4) In case a member is also covered by a deposit guarantee scheme in another country, the Committee shall proceed with the actions described in paragraphs (a) to (d) of sub-section (1) in co-operation with the authority responsible for the management and administration of the corresponding scheme in that country, as stipulated in the bilateral agreement signed between them.

Suspension of compensation payment.

25. In case the Committee is aware that a depositor or any other beneficial owner who is entitled to a deposit, is faced with a money laundering charge, as defined in the Prevention and Suppression of Money Laundering Activities Law or a corresponding law of another country, the Committee shall suspend any compensation payment to him until the judicial authority pronounces its decision.

Subrogation to the rights of depositors.

26.-(1) During liquidation proceedings, the Fund shall be subrogated to the rights and remedies of depositors from the moment the latter submit their claim for compensation payment to the Committee.

(2) Where the Fund recovers from the liquidator, in respect of any deposit, an amount greater than the amount paid as compensation, the Fund shall refund to the beneficiary of this deposit any amount in excess of the compensation paid.

(3) Notwithstanding the fact that the Committee has not yet proceeded with compensation payments, with respect to a member which is unable to repay its deposits -

(a) The Committee shall be entitled to receive any notice or any other document sent, pursuant to the Companies Law, to the creditors of any bank whose debt has been proven, and any other information deemed necessary for the performance of its duties.

(b) An authorised representative of the Committee may -

(i) Attend any meeting of the creditors of the bank and make representations relating to any matter brought for decision at that meeting.

(ii) Be a member of any committee established under the Companies Law.

Recovery.

27.-(1) In case the Fund recovers any money paid as compensation, such money shall not form part of the available capital of the Fund for the remainder of the financial year, but shall be placed in a separate account and invested at the discretion of the Committee in treasury bills, while any income arising therefrom shall be credited to the Fund.

(2) To the extent that moneys recovered are not necessary in order to restore the available capital of the Fund to the existing required level of the basic capital and the Committee is of the opinion that these will not be used in the near future, these shall be refunded to the members immediately after the end of the financial year during which the moneys were recovered, pro rata, based on the special or supplementary contributions effected by each member, in the order mentioned.

PART VII  
SANCTIONS

Non compliance of members and power to take measures.

28.-(1) In case a member fails to comply with its obligations pursuant to these Regulations, the Committee shall notify the Central Bank accordingly, which may take any of the measures referred to in paragraphs (a) and (b) of sub-section (1) of section 30 of the Law.

(2) In case the measures referred to in paragraph (1) of this Regulation fail to secure compliance of any member with its obligations, the Committee may, following the expressed consent of the Central Bank and in case a member established in a country other than the Republic of Cyprus following consultations with the supervisory authority of the country in which the member is established, declare its intention to exclude the member from the Scheme, giving at least twelve months notice. The balance of deposits made prior to the expiration of the notice period shall continue to be covered by the Scheme to the extent provided for by these Regulations. If following the expiration of the notice period the member continues not to comply with its obligations, the Committee may, after having obtained the expressed consent of the Central Bank, exclude the member from the Scheme, and is subsequently obliged to inform the depositors accordingly with a relevant announcement in the daily press.

Revocation of a banking license.

29.-(1) In case a bank is excluded from the Scheme the Central Bank shall revoke its banking license, as provided for in paragraph (e) of sub-section (1) of section 30 of the Law.

(2) In respect of a bank established in a country other than the Republic of Cyprus the provisions of paragraph (1) of this Regulation shall not apply, provided that the bank has made other arrangements for the protection of its depositors, at least to the level and the extent offered by this Scheme.

PART VIII  
MAINTENANCE OF BANKING SECRECY

Maintenance of banking secrecy.

30.-(1) The members of the Committee, the employees of the Fund and any other person who has access to the records of the Fund are obliged to maintain banking secrecy as provided in section 29 of the Law with regard to information coming to their possession in the exercise of their duties:

Provided that the provisions of this Regulation shall not apply in case of a communication of information to the Central Bank.

(2) Banking secrecy shall not apply, in accordance with the provisions of paragraph (1) of this Regulation, in the case of the exchange of information between the Committee and the competent supervisory authorities of banks in other countries or the competent authorities for the management and administration of corresponding deposit protection schemes in other countries, provided that the relevant information is necessary for the performance of their duties with respect to the protection and guarantee of deposits.

PART IX  
ADMINISTRATION AND MANAGEMENT OF THE FUND

Composition of the Committee.

31.-(1) The Committee shall consist of seven members, the chairman, the vice-chairman and five other members. The Chairman and vice-chairman shall be ex-officio the governor of the Central Bank and the Senior Director of the Central Bank responsible for matters relating to financial stability, respectively.

(2) In case the chairman of the Committee is absent or unable to attend, the vice chairman

shall act as his alternate, and a senior employee of the Central Bank responsible for matters relating to financial stability nominated by the governor shall act as alternate for the vice-chairman.

(3) The five other members of the Committee shall be appointed by a decision of the Governor of the Central Bank and shall be

- one representative of the Central Bank from the department of the Central Bank responsible for bank supervision,
- two representatives of the banks which are members of the Association of Cyprus Banks who are nominated by the Association of Cyprus Banks,
- one representative of the banks which are members of the Association of International Banks who is nominated by the Association of International Banks, and
- one representative of the Minister of Finance nominated by the Minister of Finance.

These members shall be persons of known ability, possessing broad experience and knowledge regarding banking matters.

(4) The governor of the Central Bank, on the recommendation of the respective bodies, shall appoint five other members as alternates for the members referred to in paragraph (3) of this Regulation, in the event that these members are unable to perform their duties due to illness or absence or other justifiable reason:

Provided that the alternates satisfy the requirements laid down in paragraph (3) of this Regulation.

(5) The term of office of the members of the Committee referred to in paragraphs (3) and (4) of this Regulation shall be five years. It may, however, be renewed or extended until the appointment of a new Committee, provided that such extension shall not exceed three (3) months.

(6) The term of office of any member of the Committee shall be discontinued only in the following cases:

- (a) in case the member, by his actions or omissions renders questionable the trustworthiness necessary for the performance of his duties or in the event he is unable to perform his duties for reasons of ill health or death;
- (b) due to the loss of the status that rendered him eligible for proposal for appointment by the respective body;
- (c) due to a change in his duties and responsibilities within the same body which has nominated him, the head of the respective body deems appropriate to replace him.

Provided that when a person ceases to be a member of the Committee before the expiry of the term of office of the Committee, the governor of the Central Bank shall appoint a new member nominated by the body which proposed the former member, for the remainder period of the term of office.

(7) No act or proceeding of the Committee shall be deemed to be void by reason of any vacancy in the Committee, provided that the number of its members is not less than five.

Duties and responsibilities of the Committee.

32. The Committee shall have full authority for the administration and management of the Fund pursuant to these Regulations, and specifically to -

- (a) Levy the contributions to be paid by members;

- (b) make compensation payments and any other payments including administrative or other expenses for the operation of the Fund:

Provided that the administrative and other operating expenses of the Fund shall not exceed the twenty five per cent(25%) of the income to be emanated from the investment of the assets of the Fund;

- (c) borrow when the need so arises;
- (d) have any other duties and responsibilities necessary for the operation of the Fund.

Representation of the Fund.

33.-(1) The Fund shall be represented by the chairman or his alternate who shall bind it by his signature.

(2) The chairman may, with the approval of the Committee, assign the representation of the Fund to one or more members of the Committee.

Meetings of the Committee.

34.-(1) The meetings of the Committee shall be convened by the chairman or by his alternate.

(2) The chairman convenes a Committee meeting at least four times a year and whenever he considers it necessary, but in any case he is obliged to do so if at least two members request so in writing.

(3) At least five of the members of the Committee shall form a quorum at any meeting.

(4) The decisions of the Committee shall be taken by absolute majority of the members who are present and in the event of equality of votes the chairman or the person chairing the meeting shall have a casting vote.

(5) Any person, the presence of which is considered necessary for the performance of its functions, may be present at Committee meetings without the right to vote.

(6) The Committee may also invite any person who in its opinion possesses specialised knowledge or expertise on a particular subject, to express an opinion or answer questions on matters pertaining to the functions of the Fund and the making of compensation payments.

Power to obtain information.

35. The Committee may request members, either directly or through the Central Bank, to submit such data and information which shall be relevant for serving the purpose of the Scheme, within such time as the Committee may require, and which may include -

- (a) Data regarding the deposit base for the purpose of calculating the amount of contributions;
- (b) balance sheet and profit and loss account;
- (c) any other information.

Balance sheet and publications.

36.-(1) The Committee must, within three months from the end of each financial year, prepare a report regarding the operation of the Fund for the year under review which shall include a balance sheet and an income and expenditure account.

(2) The Committee must retain documentary evidence for all the accounting transactions of the Fund so that its financial position may be ascertained with accuracy.

(3) The necessary documentary evidence, for the purposes of this Regulation, shall be kept for a period of ten years from the end of the financial year of the Fund to which it refers.

Audit of the Fund. 37. The financial management of the Fund and its final accounts for each financial year shall be audited by the Auditor-General of the Republic.

Responsibility of Committee members 37A. In case of legal proceedings in relation to any action or omission during the exercise of any functions or responsibilities of the Fund by virtue of these Regulations, the Committee and each one of its members can not be held responsible for any damages, unless it is proven that the action or omission was not in good faith or was the result of serious negligence.

#### PART X MISCELLANEOUS

Information to depositors. 38.-(1) All banks operating in the Republic of Cyprus shall publish and have at the disposal of depositors an informative leaflet, approved by the Committee, which shall include at least the following:

- (a) The name of the deposit protection scheme to which they participate;
- (b) the maximum amount of compensation;
- (c) categories of deposits which are exempted and not covered by the Scheme;
- (d) the bank's right of set-off in ascertaining the amount of compensation; and
- (e) a declaration that further information regarding the operation of the Scheme and the procedure for the payment of compensation may be provided to depositors on request.

(2) A branch of a bank, established in the Republic of Cyprus, operating in another country shall provide the information referred to in paragraph (1) of this Regulation in the official language or languages of the country, in which it operates.

(3) In case of advertising for the attraction of deposits, banks shall confine themselves to a factual reference to the deposit protection scheme in which they participate, the maximum amount of compensation and the percentage cover.

Financial year of the Fund. 39. The financial year of the Fund shall commence on the 1st January of each year and end on the 31st December of the same year with the exception of the first year of the operation of the Scheme when it shall begin on the date of the commencement of operation of the Scheme and end on the 31st December of the same year.

Commencement of operation of the Scheme. 40. The date of commencement of the operation of the Scheme shall be 1 September 2000.

Published in the Official Gazette of the Republic of Cyprus No. 3391 on the 3<sup>rd</sup> of March 2000.

Amendments published in the Official Gazette of the Republic of Cyprus on 3.3.2000, 23.11.2001, 2.5.2003, 25.7.2003, 16.7.2004, 34.3.2006, 24.7.2009.