



**UNIDROIT COMMITTEE OF GOVERNMENTAL EXPERTS FOR  
THE PREPARATION OF A DRAFT CONVENTION ON  
SUBSTANTIVE RULES REGARDING INTERMEDIATED  
SECURITIES**

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## **Working Group on so called Transparent Systems – Intersessional Work**

### **The Greek Holding System**

Synoptic presentation

*(submitted by the Government of Greece)*

#### **1. Introduction**

The Greek holding system is one of the so called transparent ones, since it has an end investor structure, the investor being determined by the CSD records as provided by article 47 of law 2396/96. The CSD maintains accounts in the name of the investor.

The investor has a direct relation to its holdings as well as towards the issuer (he has direct rights against the securities held and against the issuer). In this point the Greek system resembles in some points to the Colombian and Finnish systems that have already been presented.

The Market is mostly of end investor structure as the legislator's will is to keep the legal system unchanged despite the dematerialisation as it flagrantly appears in the law 2396/96 which establishes it. The dematerialised status is thereby an exceptional situation to the rule of the security's embodiment into a certificate. Once a company is deleted from the AthEx, its shareholders regain the right to demand the issuance of embodied shares (art. 52 of law 2396/96).

#### **2. The CSD's mission**

The CSD has an extended notary function; this function comprises that of registrar according to law 2396/96 as well as that of being the only able to certify one's quality of shareholder (article 47 of law 2396/96), the keeping of the dematerialised securities and to certify to the investor the quality of shareholder (article 51 of law 2396/96) as well as to provide other services relating to the transactions on dematerialised securities such as clearing and settlement (at this stage processing of market claims is included)<sup>1</sup> as well as the constitution of collateral and usufruct on securities (art. 48 and 49 of law 2396/96) and services relating to the processing of corporate actions such as distribution of dividends etc (article 58 of law 2396/96).

The investor can interact with the Exchange only through a member of the Athens Exchange (an investment services firm). All ATHEX members are Account Operators for the Dematerialised Securities System of Hellenic Exchanges. In addition, custodian banks can become Account Operators of the DSS.

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<sup>1</sup> Law 2789/00 (art. 2) designates the system of dematerialised securities as a "system" in the meaning of directive 98/26/EC, system which is operated by the CSD.

Seen from a legal point of view, the Greek holding system does not provide for an express formal contractual relationship between the investor and the CSD, there is a contractual relationship between the investor and the account operator. After the investor's order, the account operator opens an account in its client's name before the CSD (art. 4 of CSD Regulation on the dematerialized securities system). In the system there is only one account per investor (article 12 § 2 of the CSD Regulation on the dematerialized securities system).

### 3. Illustration of the System

The Greek System is illustrated in the figure down below. It should be noted that the CSD is between the issuer and the -so called by the report on transparent systems "middle entity"-, the AthEx Members / CSD Account Operators who are executing the orders of investors and are not in any case considered as holders of securities.

Finally the last level of the figure comprises the investors who may be either physical (Investors A, B, C, D, E) or legal entities (Companies AA, BB SA). Both private individuals and legal entities may reside/have their seat in Greece or abroad.

In all cases, according to the law as it stands today, only he who appears in the CSD records has quality of shareholder before the issuer and third parties.

