



HELLENIC REPUBLIC
MINISTRY OF ECONOMY & FINANCE



BANK OF GREECE
EUROSYSTEM

Committee of Primary Dealers' Supervision and Control

Operating Rules of the Primary Dealers System

The current Regulation is effective as from January 1st 2024 and it has been approved by the joint decision n. 189878 ΕΞ 2023 /22.12.2023 of the Minister of Economy and Finance and the Governor of the Bank of Greece (Gov. Gazette 7328/B/2023).

This is a free translation of the Greek text, which is the only legally binding document

Article 1

General

- 1 As Primary Dealers are appointed institutions authorised as credit institutions or investment firms in a country which is a member of the European Union or authorised as such in another jurisdiction by a regulatory authority which, in the opinion of the Minister of Economy and Finance and the Governor of the Bank of Greece (hereinafter “the Competent Authorities”), imposes an adequate supervisory/investor protection regime. Primary Dealers are selected in order to provide specialised services in the government securities market, i.e., to participate in the syndications and auctions of Greek government securities in the primary market as well as to trade such securities in the Electronic Secondary Securities Market (hereinafter “HDAT”) at prices that they are obliged to announce.
2. The Primary Dealer status is granted for a calendar year, renewable.

Article 2

Selection Criteria

The selection of Primary Dealers takes place once a year based on the following criteria:

1. To have a minimum net worth of EUR 375 million. For Greek branches of foreign credit institutions, as “net worth” is considered the net worth of their parent in the home country. Subject to the regulations in force on professional confidentiality, the candidates’ general capital adequacy shall also be assessed.
2. To have an organised unit (Dealing Room and Back Office) in order to trade efficiently in the securities market and to abide by the obligations of Primary Dealers, in accordance with Article 4 hereof.
3. For the selection of Primary Dealers, the participation in HDAT, MTS and other trading venues according to the definition under MiFID II shall be taken into account in order of precedence and cumulatively as quantitative criteria. Additionally, the participation in the over-the-counter market, the activity in the respective European markets and the proposals regarding business plans concerning the year to which the selection refers shall be taken into account as qualitative criteria.

Article 3

Change of Selection Criteria

1. Within 20 calendar days before expiry of each calendar year, the Committee shall submit a written recommendation to the Competent Authorities to issue a joint decision amending, if necessary, the selection criteria and shall propose the number and the names of the institutions under Article 1.1 to be granted Primary Dealer status in the following year. For this purpose, the Committee shall evaluate and rank candidates according to their performance in the securities market during the calendar year under examination, on the basis of the applicable selection criteria under Article 2. The evaluation and the ranking of the candidates shall be based on the data regarding the performance of the Primary Dealers from the beginning of the calendar year until a predetermined date specified by the Committee. The results from the evaluation and ranking referred to above shall be attached to the recommendation.
2. If during any yearly term the total number of Primary Dealers is less than fifteen (15), either due to limited candidacies at the beginning of such term, or due to a Primary Dealer’s discharge or resignation pursuant to Articles 6 and 7 respectively, the Committee may consider the applications of other institutions under Article 1.1, in accordance with the selection criteria set during the current year.

Article 4

Primary Dealer Obligations and Evaluation Criteria

1. Primary Dealer Obligations

Primary Dealers assume obligations in the following areas:

- A. Primary Market
- B. Secondary Market

C. Yield Curve

D. Further contribution to the Greek government bond market

A. Primary Market

- a. Primary Dealers are required during the whole calendar year for which they have been granted the Primary Dealer status to participate actively in the auctions with competitive and non-competitive bids for an amount not less than 2% per year (duration weighted) of the total amount of successful bids at Government bond and Treasury-bill auctions.
- b. In addition, Primary Dealers participate in syndications of Greek government securities according to Article 12.

B. Secondary Market

- a. Primary Dealers have the right to carry out transactions in Greek government securities on trading venues within the meaning of Article 4 paragraph 1 point 24 of Directive 2014/65/EU (“MiFID II”). However, they are required, during the whole calendar year for which they have been granted Primary Dealer status, to achieve a minimum turnover not less than 2% of the total annual turnover (duration-weighted) on the trading venues approved by the Committee. The Committee shall consider on a case-by-case basis and may decide to also take into account, for the calculation of the 2% limit, transactions which are carried outside trading venues, as follows:

A) on multilateral trading systems/facilities which are based in the United Kingdom during the transitional period and until its end, namely at least until 31 December 2023, provided that they submit a statutory declaration, duly signed by their Manager, and a corresponding statement from their competent supervisory authority to the effect that all the following conditions are met:

- i) the current legislation applicable to this multilateral trading system/facility is in line with Directive 2014/65/EU (“MiFID II”);
- ii) the multilateral trading system/facility was a trading venue (as defined in MiFID II) before the exit date of the UK from the EU; and
- iii) the Operating Rules of the multilateral trading system/facility comply with the relevant provisions of MiFID II;

B) through investment firms based in an EU Member State that have obtained investment services authorisation specifically for the execution of orders on behalf of their clients and for the execution of transactions for own account (points 2 and 3, respectively, of section A of Annex I to Directive 2014/65/EU) and act as facilitators of matched transactions on their own account (“matched principal trading”), within the meaning of Article 4 paragraph 1 point (38) of the aforementioned Directive, and are supervised also for that activity by the competent supervisory authority of the Member State.

The trading venues (including those based in the UK as provided above) and the investment firms concerned shall send their request to the Committee at least 20 days before the end of the calendar year. For their selection, the daily provision of prices of all Greek government securities, their trading activity therein and the percentage of participation of the Primary Dealers shall be taken into account as quantitative criteria.

In addition, their trading activity in corresponding European securities and their operating model shall be taken into account. Lastly, UK-based entities shall inform the Committee without delay of any substantial change in conditions (i) and (iii) above.

- b. As of January 1st 2024, approved trading venues shall be HDAT, MTS, BGC, HPC/OTCex and Tradition and approved investment firm shall be ATHLOS CAPITAL.
- c. The transactions can be settled in the Bank of Greece Securities Settlement System (BOGS) or in any other Clearing and Settlement System approved by the Bank of Greece.

C. Yield Curve

- a. The Government requires the existence of a Greek government bond yield curve on a daily basis to represent a reference for a) the pricing of all Greek government securities used as collaterals at the European Central Bank and b) for the pricing of government securities portfolios held by financial institutions, mutual funds, insurance companies etc. The yield curve is obtained on the basis of the price quotes present in HDAT (which is a quote-driven system) and does not require transactions but only binding bid/ask quotes.
- b. For the construction of the yield curve Primary Dealers are required to provide continuously in HDAT binding bid and ask price quotes for securities of minimum quantity of 3 lots (where 1 lot = EUR 1,000,000) per transaction. During periods of so-called “Difficult Market Conditions” the Committee can change the minimum quantity per quote from 3 lots to 1 lot. The decision of the Committee will be immediately communicated to HDAT participants as well as to the Minister of Economy and Finance and to the Governor of the Bank of Greece.
- c. The minimum number of compulsory quotes to be displayed daily in HDAT by each Primary Dealer is periodically determined by the Committee. For such quotes the following applies: a) quotes for on-the-run benchmarks have to be entered in HDAT from the start of the trading day (10:15:00 a.m.) and b) quotes for compulsory bonds, apart from the on-the-run benchmarks, have to be entered during the time period 10:15:00 – 11:00:00 a.m.

D. Further contribution to the Greek government bond market

Besides the above obligations, Primary Dealers are required:

- a. To facilitate a broad distribution of Greek government securities domestically as well as internationally
- b. To provide the Ministry of Economy and Finance, the PDMA and the Bank of Greece with advice, information on and assessment of market conditions, and other information pertaining to their status as Primary Dealers

- c. To submit the monthly harmonised report on Primary Dealers activity on the primary and the secondary market, agreed by all the members of the EFC Sub-Committee on EU Government Bonds and Bills Market and by the European Primary Dealers Association (EPDA). The report has to be submitted within 10 days after the end of the month under consideration to the Secretariat of the Committee of Primary Dealers Supervision and Control (HDAT, Bank of Greece) that will forward it to the Public Debt Management Agency).

2. Primary Dealer Evaluation

Primary Dealer performance is rated according to the following point system:

A. Primary Market	20 points
B. Secondary Market	25 points
C. Yield Curve	37 points
D. Further contribution to the Greek government bond market	18 points

The evaluation of Primary Dealer performance is obtained by summing up all the points accumulated by each Primary Dealer in the above areas and the result is used for the ranking of all Primary Dealers.

More specifically the calculation of the points in each area is carried out as follows:

A. Primary Market **20 points**

The evaluation of Primary Dealer performance in the primary market is carried out according to the following criterion:

i. Trading volume (duration weighted) in the Primary market

i.a Calculation: it is based on the successful, competitive and non-competitive bids submitted by each Primary Dealer at bond and Treasury bill auctions that take place through HDAT and concerns Treasury bills and bonds issues and reissues. For each successful bid the nominal amount is duration weighted. In the case of Treasury bills the weight is equal to 1.

i.b Restrictions: On the day of the auction, the average secondary market (HDAT) price for the security auctioned is calculated between 11:45 a.m. and 11:55 a.m. (Greek time). Bid prices submitted by Primary Dealers at the auction cannot exceed the above average price plus 95 cents.

i.c Scoring: in descending order.

In the case where no Primary Dealer has a market share in the auction equal to or more than 10%, the first takes 20 points and all the others take points proportionally to the auction amount subscribed with respect to the amount of the best Primary Dealer.

In the case where one or more Primary Dealers have a market share in the auction equal to or more than 10%, all of them take 20 points and all the others take points proportionally to the

amount auctioned with respect to the amount corresponding to the 10% of the total amount auctioned.

In the case where Primary Dealers during the period under consideration have a market share in the auctions less than 2% they take 0 points.

B. Secondary Market

25 points

The evaluation of Primary Dealer performance in the secondary market is carried out according to the following criterion:

ii. Monthly turnover (duration weighted)

ii.a Calculation: takes into account Primary Dealer turnover on each trading venue or investment firm approved by the Committee according to article 4, par. 1, sub. B.b of this Regulation. The turnover in the approved by the Committee regulated markets according to Article 4 paragraph 1 point 21 of Directive 2014/65/EU (“MiFID II”) shall be taken into account with weight equal to 1 and the turnover to the rest trading venues or investment firms approved by the Committee shall be taken into account with weight equal to 0.8. Then, the percentage market share of each Primary Dealer is calculated on the basis of its total turnover (duration weighted) on the above approved trading venues and investments firms.

ii.b Scoring: in descending order on the basis of the percentage market share of each Primary Dealer.

In the case where no Primary Dealer has a market share equal to or more than 10%, the first takes 25 points and all the others take points proportionally to the turnover subscribed with respect to the turnover of the best Primary Dealer.

In the case where one or more Primary Dealers have a market share equal to or more than 10%, all of them take 25 points and all the others take points proportionally to the turnover subscribed with respect to the turnover corresponding to the 10% of the total turnover.

In the case where Primary Dealers during the period under consideration have a turnover market share less than 2% they take 0 points

ii.c In the case where Primary Dealers conduct reverse transactions on the same security, at the same price, within a period of one (1) minute, the Committee authorizes the Bank of Greece to exclude such transactions from the above calculation. If such practice reoccurs persistently, the Bank of Greece will inform accordingly the Committee. The Committee in its turn will give the involved parties the opportunity to provide written explanations about such transactions, upon which it may decide to deduct from the calculation above, trading amounts equal to multiples of the relevant reverse transaction, where such multiples will be decided by the Committee. When such penalties are imposed, the Primary Dealer Compliance and Back Offices will be informed accordingly.

ii.d During periods of “Difficult Market Conditions”, according to the definition under point v.e below, the turnover conducted by each Primary Dealer on HDAT will be multiplied by a factor equal to one (1) plus the ratio of the time period in which each Primary Dealer is present in the market under “Difficult Market Conditions” divided by the overall time period of “Difficult Market Conditions”:

$$1 + \frac{\text{Overall time period of "Difficult Market Conditions" - abstention time during that period}}{\text{Overall time period of "Difficult Market Conditions"}}$$

C. Yield Curve

37 points

The evaluation of Primary Dealer performance with respect to the yield curve is carried out according to the following criteria:

iii. Number of quotes displayed

10 points

iii.a Calculation: average daily number of all quotes, submitted by each Primary Dealer, that are active in HDAT during the period under consideration, apart from the quotes regarding compulsory bonds, Discount Margins (DM) and Strips (STPs).

iii.b Restrictions:

- For each quote submitted to HDAT the maximum abstention time is 2 hours, calculated from the moment the quote is entered on HDAT (this is considered in a flexible way up to 2 hours and 15 minutes).
- All quotes have to be active for at least four (4) hours during each trading day otherwise they will not be taken into account in the calculation (ex. If a quote is submitted at 13:01:00 it will not be considered in the calculation)

iii.c Scoring: in descending order on the basis of the average daily number of quotes of each Primary Dealer. The first takes 10 points and all the others take points proportionally to their average daily number of quotes and with respect to the average daily number of quotes of the best Primary Dealer.

iv. Abstention time

15 points

iv.a & iv.b Calculation – Restrictions:

Only quotes referring to on-the-run benchmarks are taken into account. According to this criterion, Primary Dealers must have active quotes for the whole trading day on the on-the-run benchmarks bonds, with a maximum aggregate abstention time of 30 minutes per quote. For each Primary Dealer the quotes on-the-run benchmarks are considered and, the time during which each quote was deactivated throughout the day is calculated. The time over the 30 minutes is considered as abstention time for the specific benchmark bond.

Then the average daily abstention time for all on-the-run benchmarks of each Primary Dealer is calculated and, on the basis of this, the average percentage abstention time, for the period under consideration.

- iv.c Scoring: in ascending order on the basis of the average percentage abstention time. The first takes 15 points and all the others take points in an inverse proportion to their average percentage abstention time with respect to the best Primary Dealer.

v. Bid-ask spread

5 points

- v.a The spread between bid and ask prices, can not exceed 100 cents for fixed-rate bonds with remaining maturity within 5 years as well as Treasury bills, 125 cents for fixed-rate bonds with remaining maturity between 5 and 11 years as well as floating-rate bonds regardless of maturity, and 180 cents for fixed-rate bonds with remaining maturity above 11 years. The Committee may periodically revise such spreads.
- v.b Calculation: for each category of securities (with remaining maturity less than 5 years, between 5 and 11 years and more than 11 years) and for each Primary Dealer, the bid-ask spreads are calculated. Then, the difference between each weighted-average spread and the maximum spread, as defined above, is computed for each category of securities. According to this difference, Primary Dealers are ranked by descending order. The first takes 5 points and all the others take points proportionally to their difference with respect to the difference of the best Primary Dealer.
- v.c Restrictions: only fixed-rate bonds are taken into account for this criterion.
- v.d Scoring: simple arithmetic average of each Primary Dealer's score in each category of securities.
- v.e Exceptionally, the above-mentioned (point v.a) spreads shall not be compulsory during periods that normal market conditions (as such term is generally accepted) have ceased to apply. In such cases, defined as "Difficult Market Conditions" the Committee convenes immediately in order to set new spreads. Specifically, the procedure called "Difficult Market Conditions" can be initiated at any moment during a trading day when the administrator of HDAT notices that three fourth (3/4) of Primary Dealers do not enter quotes on HDAT. In such circumstances, the following procedure is implemented:
 1. The administrator of HDAT confers with the PDMA to decide about the next steps.
 2. A poll is conducted amongst the Primary Dealers who are asked to vote via e-mail on whether market conditions are 'difficult'. All voters would have 15 minutes to vote.
 3. If 50% plus 1 of the total of Primary Dealers finds market conditions difficult, then the Committee, the Minister of Economy and Finance and the Governor of the Bank of Greece are informed. The Committee, following the proposal of the administrator of HDAT and the PDMA, decides whether the market is under difficult conditions. If the Committee decides that the market is under difficult conditions, then, following a new proposal of the administrator of HDAT and the PDMA containing indicative new spreads, it decides also by how much the

spreads must be widened. The decisions of the Committee will be immediately communicated to HDAT participants as well as to the Minister of Economy and Finance and to the Governor of the Bank of Greece.

4. Finally, if the administrator of HDAT notices that it is necessary to further change the spreads or to terminate the phase of difficult market conditions, steps 1, 2 and 3 are again implemented.

vi Daily Compliance Report

7 points

vi.a Calculation : For this criterion, the compliance of each PD is measured every day according to the following three criteria :

- Daily trading volume of at least 5 million €
- Maximum daily abstention time for the compulsory bonds 30 minutes
- The bid-ask spread for compulsory bonds does not exceed 70 cents for fixed-rate bonds with remaining maturity within 5 years, as well as for Treasury bills, 100 cents for fixed-rate bonds with remaining maturity between 5 and 11 years as well as floating-rate bonds regardless of maturity, and 150 cents for fixed-rate bonds with remaining maturity above 11 years. (The Committee may revise these spreads, if the bid-ask spreads of criterion v change accordingly.)

vi. b Restrictions: For the calculation of the trading volume only fixed-rate bonds will be taken into account. For the abstention time and the bid-ask spread only PDs quotes on compulsory bonds will be taken into account.

vi. c Scoring: every PD who daily complies with all three of the above criteria for at least 12 working days of the month, will receive 7 points in his monthly evaluation. In all other cases, he will receive 0 points.

D. Further contribution to the Greek government bond market

18 points

The evaluation of Primary Dealer performance with respect to their further contribution to the Greek government bond market will be provided two (2) times a year by the PDMA and will take into account the following parameters:

- Market information and research
- Advice on issuance policy and the management of public debt
- Performance on syndications, private placement, swaps, execution efficiency
- Promotion of Greek government bonds
- End customer flow excluding Banks. This information will be provided by the monthly harmonised report on Primary Dealers activity on the primary and the secondary market, agreed by all the members of the EFC Sub-Committee on EU Government Bonds and Bills Market and by the European Primary Dealers Association (EPDA) and that it is submitted to the Secretariat of the Committee of Primary Dealers Supervision and Control (HDAT, Bank of Greece).

3. Every six months, the Bank of Greece may publish in the press the ranking of the Primary Dealers resulting from the implementation of paragraph 2 of this Article and referring to the period elapsed from the beginning of the calendar year.

Article 5

Primary Dealer Rewards

1. Primary Dealers are granted:
 - a. The exclusive right to submit before the auction one non-competitive bid pursuant to Article 15.1.
 - b. The exclusive right to submit after the auction one additional non-competitive bid pursuant to Article 15.2.
 - c. The right to participate in the supervising bodies engaging in ensuring the smooth operation of the securities markets, evaluating the degree of market organisation as well as the performance of Primary Dealers.
 - d. Privileged access to information pertaining to the borrowing needs of the Hellenic Republic and issuance planning, new financial instruments and relating operating rules, securities in circulation, volume and turn-over as well as auction results.
 - e. Exclusive access to short-term securities lending mechanisms that may be created in order to facilitate hedging (short selling).
 - f. Privileged access to syndication pursuant to Article 13.
 - g. Privileged access to liabilities management. The Public Debt Management Agency shall take into account the credit rating of the counterparty with which it shall perform such transactions.
2. The relations of Primary Dealers with the Bank of Greece as well as their activities within the framework of such relations are set by Bank of Greece Governor's Acts.

Article 6

Primary Dealer Discharge

1. If during any term the Committee establishes that a Primary Dealer does not perform its duties or does not any more satisfy the selection criteria (in whole or in part) for any reason, the Committee may once serve such Primary Dealer with a 3-month written notice to comply. Such notice, which shall be communicated to the Competent Authorities, shall explicitly state the specific obligations not fulfilled by the Primary Dealer. In case of non-compliance, not later than 15 days from expiry of the 3-month notice, the Committee shall submit a written report to the Competent Authorities, with a justified recommendation to

impose penalties pursuant to Article 11.6, or even to discharge such Primary Dealer. The relevant decision is made by the Competent Authorities.

2. A Primary Dealer's discharge entails loss of re-appointment right in the two succeeding years.
3. A Primary Dealer's discharge shall have no effect on its rights and obligations in respect of contracts concluded on HDAT prior to the effective date of discharge.
4. As regards the renewal of the term of the Primary Dealers in the succeeding calendar year, the ranking of Article 4, paragraph 2 shall be taken into account. The financial institutions occupying at least the last four (4) places shall be subject to review for the Primary Dealer status, with the possibility of immediate removal of the Primary Dealers status. In addition, Primary Dealers who do not satisfy the minimum requirements under Article 4, paragraph 1 shall also be subject to review for the Primary Dealer status.

Article 7

Primary Dealer Resignation

1. Primary Dealers may resign subject to a 2-month written notice to the Committee.
2. A Primary Dealer's resignation entails loss of re-appointment right in the two succeeding years.
3. A Primary Dealer's resignation shall have no effect on its rights and obligations in respect of contracts concluded on HDAT prior to the effective date of resignation.

B. The Committee of Primary Dealers' Supervision and Control

Article 8

General

The supervision and control of Primary Dealers is assigned to the Committee whose term is two years.

Article 9

Members

The Committee is set up by a joint decision of the Competent Authorities and consists of 10 members representing the following institutions:

1. Two representatives of the Bank of Greece
2. Three representatives of the Ministry of Economy and Finance, at least two from the Public Debt Management Agency
3. Three representatives of the Primary Dealers

4. One representative of the Dealers
5. One representative of the Hellenic Bank Association

The Committee is presided over by one of the two representatives of the Bank of Greece. It meets and is in quorum when at least the two thirds (2/3) of its members are present and decides with a majority of at least two thirds (2/3) of its present members.

Article 10

Organisational Structure

The Committee is assisted by a Secretariat, comprising representatives of the Public Debt Management Agency and the Bank of Greece, which is responsible for:

1. Administrative support
2. Support of the Committee's projects
3. Processing of statistical data and drafting of reports

Article 11

Responsibilities

The Committee:

1. Evaluates candidate Primary Dealers on the basis of the applicable selection criteria and submits a recommendation pursuant to Article 3.1 to the Competent Authorities who jointly decide on the final selection of the Primary Dealers Group.
2. Evaluates the competence of Primary Dealers as regards their ability to cope with market conditions prevailing from time to time and recommends improving measures.
3. Mediates and recommends conciliatory settlement of disputes arising among Primary Dealers.
4. Determines and periodically recommends objectively the Competent Authorities on Primary Dealers, the maximum spread, the compulsory securities and the respective minimum trade amounts for which Primary Dealers are obliged to quote binding bid and ask prices in HDAT.
5. Sees to the issuance of the daily prices bulletin enabling the interested institutions to evaluate their portfolios in Greek government securities.

6. Ensures discipline and decides about the imposition of penalties to Primary Dealers in case of non-compliance with their respective obligations. Exceptionally, in cases of misconduct (collusion, obstruction of free price formation etc. set out in the Code of Conduct for the operation of The Hellenic Money, Foreign Exchange & Securities Markets), discipline shall be ensured by the Ministry of Economy and Finance in co-operation with the Bank of Greece, through any measures that shall be deemed appropriate for re-establishing smooth market operation. Such actions shall be communicated to all the Primary Dealers for information.
7. Sets general rules ensuring transparency of transactions and marketability of Greek government securities.
8. Compiles and processes statistical data required for the evaluation of Primary Dealers' performance in the Greek government securities market, which is quarterly submitted to the Competent Authorities.
9. Maintains and periodically publishes statistical data on market operation, prices, volumes and other information required for the formation of an objective opinion of the Greek Government securities market.
10. Prepares reports on the introduction of new financial instruments (swaps, options etc) in the secondary market and submits relevant recommendations to the Competent Authorities.

C. Syndications and Auctions

Article 12

General

1. To ensure the smooth operation of the Greek government securities market and competitive market conditions, in addition to auctions as the principal method of initial offering and re-opening of all securities in the domestic market, syndications may also be employed for the initial offering and exceptionally re-opening of benchmark bonds according to prevailing market conditions and at the full discretion of the issuer (the Hellenic Republic). The above issuance methods do not apply to private placements, savings bonds, equity capital increase or other issues under special laws etc.
2. Auctions shall be held on fixed dates in accordance with the pertinent tentative issuance calendar of the issuer and on terms previously announced. If the method of syndication is to be employed, this shall promptly be announced within the framework of the above calendar.
3. Competitive and non-competitive auction bids under Articles 14 and 15.1 are submitted not later than 12:00 noon (Greek time) on the auction day and the results must be announced to participants by 12:45 on the same day.
4. For Treasury bills and for bonds , additional non-competitive bids after the auction (under Article 15.2) are submitted not later than 12:00 noon (Greek time) on the first business day

following the auction day and the results must be announced to participants by 12:45 on the same day.

5. Representatives from the Ministry of Economy and Finance, the Public Debt Management Agency, the Bank of Greece, the Hellenic Bank Association and the Primary Dealers shall meet to review prevailing market conditions and to provide the issuer with the information required for the smooth and successful conduct of auctions as well as for bond issues abroad.

Article 13

Participation in Syndications

1. Participation in syndications is open to Primary Dealers. If Primary Dealers rejects participation, which shall be submitted in writing, the issuer has the right to approach credit institutions or investment firms other than Primary Dealers.
2. Additionally, the issuer has the right to approach, besides the Primary Dealers, other international credit institutions or investment firms when concluding foreign-currency denominated loans or when concluding foreign-currency or euro denominated loans for specific purposes under special laws.

Article 14

Participation in Competitive Auctions

Participation in competitive auctions is exclusively open to Primary Dealers who submit no more than 5 bids each. The minimum bid amount cannot be less than EUR 1 million while the maximum bid amount cannot exceed the level of the auctioned amount. For competitive bids, amounts will be allotted at the last bid accepted in the auction (cut-off price).

Article 15

Participation in Non-competitive Auctions

1. Non-competitive bids may be submitted only by Primary Dealers. The minimum bid amount cannot be less than EUR 1 million. The aggregate amount thus offered by the issuer shall not exceed 30% of the auction amount per security category and shall be allotted pro rata to Primary Dealers' non-competitive bids at the last competitive bid accepted at the auction (cut-off price).
2. After the announcement of auction results, Primary Dealers may submit one additional bid in order to acquire securities, at the last competitive bid accepted in the auction (cut-off price), not later than 12:00 noon (Greek time) on the first succeeding business day for Treasury bills and for bonds. The aggregate amount of this facility shall equal 30% of the auction amount. If the aggregate nominal amount of additional bids exceeds such percentage, allotment is made pro rata to the weighted average of each Primary Dealer's

accepted competitive bids in the six immediately preceding auctions. Any undisposed part of this facility shall be allotted equally among interested Primary Dealers.

Article 16

Covering of auction amount

1. All the submitted bids, ranked in descending price order, are either accepted up to the auction amount or the auction is cancelled entirely. The issuer has the right to repeat the cancelled auction.
2. Exceptionally, if prices given for 80% of the auction amount diverge significantly from those given for the remaining 20%, the issuer has the right to accept only 80% of the auction amount.

Article 17

Commissions

In case of payment of commissions, these are determined by decision of the Minister of Economy and Finance.