

Banking - Cyprus

Bank of Cyprus issues two milestone decisions

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On January 30 2014 the board of directors of the Bank of Cyprus Public Company Ltd approved two important decisions, thereby meeting the expectations of its depositors and the general public in Cyprus for enhancing liquidity in the economy.

The bank's board of directors has decided to release the six-month time deposits that were blocked under the decrees relating to the recapitalisation of the bank in July 2013. The deposits matured on January 31 2014. Despite the bank's right to automatically renew these deposits for another six months, in accordance with the relevant decree, the board of directors has released the deposits, following consultations with the Ministry of Finance and the Central Bank of Cyprus. The released funds will be subject to the general restrictive measures applicable to the Cypriot banking system.

Additionally, the bank's board of directors has approved the procedure for transferring the bank's shares resulting from implementation of the Bailing-In of Bank of Cyprus Public Company Limited Decrees 2013 (up to Decree 3/2013). The decrees were issued by the resolution authority (ie, the Central Bank of Cyprus and the minister of finance) under the Resolution of Credit and Other Institutions Law 2013 (as amended). This procedure relates only to such non-listed and non-dematerialised shares and will be in force until the shares are admitted for trading on the exchange.

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