

DECREE
247
of 24 July 2013

on Applications According to the Act on Management Companies and Investment Funds

as amended by Decree No. 344/2014 Coll.

The Czech National Bank stipulates pursuant to Article 297(4), Article 314(6), Article 316(6), Article 318(6), Article 319(6), Article 320(3), Article 322(5), Article 324(4), Article 325(6), Article 454(1) and (2), and Article 532 of Act No. 240/2013 Coll., on Management Companies and Investment Funds, the following:

PART ONE
GENERAL PROVISIONS

Article 1

Subject of Regulation

(1) This Decree, in addition to the general essential elements pursuant to the Code of Administrative Procedure, stipulates the essential elements of an application, its form and the manner of lodging.

(2) In the area of management, performance of administration and related activities, the Decree regulates applications for

- a) an authorization to perform the activities of a management company, of an autonomous investment fund and of a foreign entity pursuant to Article 481 of the Act on Management Companies and Investment Funds (hereinafter the “Act”), and to perform the activities of a primary administrator;
- b) a change in an authorization to perform the activities of a management company or of an investment fund pursuant to Article 647 of the Act;
- c) a subsequent authorization to perform activities corresponding to investment services;
- d) a consent to the conduct of business pursuant to other legal regulations; and
- e) a consent to the performance of duties pursuant to Article 515 of the Act.

(3) In the area of qualified holdings and control, the Decree regulates applications for

- a) a consent to the acquisition of or increase in a qualified holding in a management company, in an autonomous investment fund or in a primary administrator, or a consent to control such entities; and
- b) a consent to the acquisition of or increase in a qualified holding by a management company **authorized to manage a collective investment fund** in another legal entity

(4) In the area of investment funds, the Decree regulates applications for

- a) a consent to a change of the manager of a standard fund, of the depository of a standard fund and in the statute of a standard fund;
- b) an entry in the lists maintained by the Czech National Bank, and changes in the information contained in such lists;
- c) a consent to each material change in the notification of the marketing of investments in another Member State;

- d) the determination of comparability of a foreign investment fund with a special fund; and
- e) an authorization for the purposes of designation of a unit trust and a trust fund.

(5) In respect of transformations and termination of activities, the Decree regulates applications for

- a) a permit for the transformation of a management company, a primary administrator and an investment fund;
- b) the revocation of an authorization to perform the activities of a management company, an autonomous investment fund, a foreign entity pursuant to Article 481 of the Act and of a primary administrator, and the revocation of an authorization to perform the activities of a management company or an investment fund pursuant to Article 646(1) of the Act; and
- c) the appointment of a liquidator of a management company.

Article 2

Definition of Terms

For the purposes of this Decree, the following definitions shall apply:

- a) *document on a business licence* means a full extract, or some other document, from the register of entrepreneurs or from another register pursuant to some other legal regulation¹⁾, or from similar registers abroad, containing data valid at the time of lodging an application, including information on a motion for registration in the relevant register that has been filed, but not yet executed as at the day of lodging an application;
- b) *document for an assessment of trustworthiness* means an affidavit of a person which containing personal data for the purposes of obtaining an extract from the Criminal Register and information on the professional and entrepreneurial integrity of the person in the last ten years and which relates in particular to
 1. a final decision on the imposition of a sanction for an administrative offence, or a comparable foreign final decision relating to the performance of employment, the position, or the professional activity of such person,
 2. a final decision on insolvency or dismissal of an insolvency petition due to lack of assets,
 3. a decision on the suspension or withdrawal of an authorization to perform business or other activities, unless it is on the basis of an application by the person holding such a authorization,
 4. a refusal by a court or an administrative authority to grant a consent to the election, nomination or appointment to a position, or a consent to the acquisition of a qualified holding, or a consent to control an entity, if such a consent is required; and
 5. a decision on expulsion from a professional association or chamber;
- c) *document on having no criminal record issued by a foreign country* means a document similar to an extract from the Criminal Register²⁾, not more than 3 months old, issued by the foreign country
 1. of which the natural person is a national, as well as by the foreign country where the natural person (has) resided for a period of more than 6 consecutive months during the last 3 years; or
 2. where the legal entity has or during the last 3 years had its registered office, as well as by the foreign country where the legal entity has or during the last 3 years had

¹⁾ For instance, Act No. 455/1991 Coll., on Trade and Entrepreneurial Activities (the Trades Act), as amended; Act No. 111/2009 Coll., on Basic Registers, as amended.

²⁾ Act No. 269/1994 Coll., on the Criminal Register, as amended.

- a branch, if the laws of this country provide for criminal liability of legal entities;
- d) *financial statements* mean
1. the annual reports and financial statements either for the last 3 accounting periods or for the period during which the applicant has been carrying on business, if the latter period is shorter than 3 accounting periods; if the applicant is part of a consolidated group, the consolidated annual reports and financial statements for the same period shall also be submitted; if, pursuant to some other legal regulation on accounting³⁾, the financial statements must be verified by an auditor, the audited financial statements shall be submitted;
 2. documents similar to the documents described in subparagraph 1 above, provided that a foreign legal entity or a foreign natural person operating a business is concerned; and
 3. documents on the income earned for the last 3 years and summary information on assets and liabilities, provided that a natural person is concerned;
- e) *identification data* means
1. the first name(s), surname, date of birth, residence address or, as the case may be, registered office address (if different from the residence address) and identification number (if assigned), provided that a natural person is concerned;
 2. the firm or corporate name, registered office address and identification number (if assigned), provided that a legal entity is concerned; and
 3. the name or designation, provided that a unit trust **or a trust fund** is concerned;
- f) *information on closely related persons*⁴⁾ means a list and identification data of closely related persons, a description of the group's structure and the manner of relatedness, including a graphic representation of relations among the individual closely related persons, including an indication of whether the laws of the country in the territory of which a closely related person has its registered office do not impede the conduct of supervision by the Czech National Bank; and also the lines of business of the individual closely related persons, including information on whether it is a person authorized by the supervisory authority of some other Member State to operate as a foreign entity performing activities similar to the activities of a regulated entity on the financial market or whether it is the controlling person of such an entity;
- g) *regulated entity on the financial market* means a legal entity that has its registered office in a Member State and that performs the activities of a bank, an investment firm, a management company, a pension management company, an insurance company, a reinsurance company, a payment institution, an electronic money institution or some other activities on the financial market that are subject to supervision by the competent authority of the Member State;
- h) *strategic plan* means the plan of an applicant who applies for a consent to the acquisition of or increase in a qualified holding in a legal entity, or for a consent to control the same, as regards
1. the period for which the qualified holding is to be held **or controlled**;
 2. estimated changes in the extent of the qualified holding in the short term and in the long term;
 3. the estimated degree of involvement in the strategic management of the legal entity;
 4. any potential support for the legal entity using the applicant's own additional funds, if necessary for the development of activities or for the maintenance of operations;
 5. agreements with other partners or members of the legal entity; and
 6. the estimated development of the activities of the legal entity with respect to the

³⁾ Act No. 563/1991 Coll., on Accounting, as amended.

⁴⁾ Article 624 of Act No. 240/2013 Coll., on Management Companies and Investment Funds.

existing business plan, and also the profit distribution and/or loss settlement policy, including the dividend policy, the manner of financing the further development of the legal entity, the management and control system, and any potential personnel changes and changes in the strategic development of the legal entity, if the qualified holding exceeds 20 % of the registered capital or voting rights of the legal entity or if the legal entity is to be controlled;

- i) *information on professional experience* means
 1. information on the type of professional experience;
 2. an identification of the entity where the professional experience has been or was obtained;
 3. the designation of the working assignment and, if the experience is relevant to activities on the financial market, also a description of the activities performed, including the extent of powers and responsibilities;
 4. a specification of the period of time during which the activities pursuant to subparagraph 3 above have been or were performed; and
 5. a consent to the performance of the working assignment required pursuant to other legal regulations, if such a consent was necessary;
- j) *information on education* means
 1. the name and category or type of educational institution, the learning programme and its focus (field of study), the learning programme's duration, the manner and date of the learning programme's completion and any academic degrees obtained; and
 2. a summary of training courses, short-term attachments and learning stays relevant to activities on the financial market, including their year of completion, focus, duration and any academic degrees obtained.

PART TWO

APPLICATION FOR AN AUTHORIZATION TO PERFORM ACTIVITIES, FOR A CONSENT TO A CHANGE IN AN AUTHORIZATION TO PERFORM ACTIVITIES PURSUANT TO ARTICLE 647 OF THE ACT, FOR A CONSENT TO THE PERFORMANCE OF OTHER BUSINESS ACTIVITIES, AND FOR A CONSENT TO THE PERFORMANCE OF DUTIES PURSUANT TO ARTICLE 515 OF THE ACT

Management Company (Article 479(1) and (2) of the Act)

Article 3

(1) The essential elements of an application for an authorization to perform the activities of a management company shall include

- a) the applicant's identification data;
- b) information on the amount of the applicant's **initial capital and** registered capital, and on the placement of the capital;
- c) the scope of activities pursuant to Article 485(1)(b) to (e) of the Act in respect of which the applicant applies for the authorization;
- d) a specification of whether the applicant applies for an authorization to exceed the assets under management threshold;
- e) a specification of the day as of which the authorization to manage pursuant to Article 13(1) of the Act or, as the case may be, the authorization to administer pursuant to Article 43(1) of the Act (if the applicant intends to perform administration) is to come into existence; and

f) annexes pursuant to paragraphs 2 to 6 below or, as the case may be, also pursuant to Article 4 hereof, if the applicant intends to perform activities corresponding to investment services.

(2) Annexes containing basic information on the applicant shall include

- a) the memorandum of association⁵⁾ to the extent set out by legislation;
- b) documents on the origin of the initial capital, including the registered capital or, as the case may be, of other financial resources of the applicant; and
- c) provided that an already existing legal entity pursuant to Article 15(1) of the Act is concerned, also
 1. a document on a business licence;
 2. the applicant's financial statements;
 3. a list of proposals to declare any resolutions of a general meeting invalid, where the court proceedings have not been concluded through a final decision by the day of lodging the application, if any such proposals have been raised;
 4. a document for an assessment of the applicant's trustworthiness and a document on the applicant's having no criminal record issued by a foreign country; and
 5. detailed information on the circumstances in which the assets under management threshold was exceeded, including a calculation of the value of the assets managed or administered pursuant to Article 16 of the Act, with a specification of the day as at which the exceeding of the assets under management threshold was ascertained.

(3) Annexes containing information on the applicant's senior officers⁴⁾ and on persons performing duties pursuant to Article 21(5) of the Act shall include

- a) a list of senior officers and of persons performing duties pursuant to Article 21(5) of the Act, including their identification data and a specification of the position that they are to perform and of the powers and responsibilities associated with the relevant position; for a person that is to actually manage the applicant in a different manner, the applicant shall also specify the fact on the basis of which the person is to actually manage the applicant;
- b) for each of the persons specified in subparagraph a) above
 1. a document for an assessment of trustworthiness;
 2. a professional curriculum vitae, containing information on education and information on professional experience **and a summary of any past and present membership of elected bodies of other legal entities;**
 3. a document on having no criminal record issued by a foreign country; and
 4. an affidavit of legal capacity.

(4) Annexes containing information on persons with a qualified holding⁴⁾ in the applicant, on persons acting in concert and on closely related persons shall include

- a) a list of persons with a qualified holding in the applicant and of persons who have a qualified holding in the applicant through acting in concert with another person, including a graphic representation of relations among these persons, including identification data of such persons and a specification of the extent of their qualified holding in the registered capital or voting rights expressed as a percentage, or of some other form of exercising a significant influence over the applicant's management; for persons acting in concert, the applicant shall also specify the fact on the basis of which they do act in concert; and information on the exercise of voting rights by each of the persons specified in this list;

⁵⁾ Article 629 of Act No. 240/2013 Coll.

- b) a list of **the senior officer of the legal entity specified to in subparagraph a), a document for an assessment of trustworthiness, and a document on having no criminal record issued by a foreign country for each of the persons specified in this list;**
- c) a document on a business licence, financial statements, a document for an assessment of trustworthiness and a document on having no criminal record issued by a foreign country for each of the persons specified in subparagraph a) above;
- d) information on persons closely related to the applicant;
- e) a statement of the authority that conducts supervision of the person with a qualified holding in the applicant in the country where the person has its registered office, regarding this person's intention to participate in property terms in the business activities of the applicant in the Czech Republic, if the person with a qualified holding in the applicant is a financial institution that has its registered office outside the territory of a Member State and that is subject to such supervision in the country where it has its registered office;
- f) an agreement on the basis of which the person specified in subparagraph a) above is to become the controlling entity of the applicant, if such an agreement has been entered into, or a draft of such an agreement; **and**
- g) **information on the person interconnection with a qualified holding in the applicant with another legal entity relating to the person's present and past membership of elected bodies of other legal entities for the last 10 years, and containing the identification data of the other legal entity, the designation of the position and the term of performance of the duties; if the person with a qualified holding in the applicant is a legal entity, such information shall be provided for the persons specified in the list referred to in subparagraph b).**

(5) Annexes containing information on the activities of a management company shall include

- a) the applicant's business plan⁶⁾ for the first 3 accounting periods of activities to the extent of the data that is to be contained in financial statements pursuant to some other legal regulation³⁾, along with comments on the individual items of the business plan, always containing the fundamental assumptions that the business plan is based on, and a description of the manner of ensuring that the activities are performed to the planned extent, including the focus of the investment strategy of the investment funds and of the foreign investment funds that the applicant intends to manage;
- b) a draft agreement on the performance of administration, if the applicant is not to perform the administration of an investment fund or of a foreign investment fund itself, including identification data of the administrator, unless contained in the draft agreement;
- c) the applicant's draft internal regulations containing, in particular,
 1. the management and control system⁷⁾;
 2. rules of conduct in performing activities and in providing other services⁸⁾; and
 3. rules for and the extent of making information and data accessible to investors⁹⁾;
- d) if the applicant intends to entrust a third party with the performance of activities, the applicant shall also specify the identification data of such a third party and enclose a draft agreement on its entrusting with the performance of activities;

⁶⁾ Article 479(1)(d) of Act No. 240/2013 Coll.

⁷⁾ Article 20 of Act No. 240/2013 Coll.

⁸⁾ Article 22(2)(a) to (i) of Act No. 240/2013 Coll.

⁹⁾ Article 241(1) or Article 293 of Act No. 240/2013 Coll.

- e) documents attesting to compliance with the requirements pursuant to the directly applicable regulation of the European Union governing European venture capital funds¹⁰⁾, if the applicant intends to manage qualified venture capital funds pursuant to Article 3(b) of the said regulation or comparable foreign investment funds; and
- f) documents attesting to compliance with the requirements pursuant to the directly applicable regulation of the European Union governing European social entrepreneurship funds¹¹⁾, if the applicant intends to manage qualified social entrepreneurship funds pursuant to Article 3(b) of the said regulation or comparable foreign investment funds.

(6) Annexes containing information on the personnel and organizational preconditions for the performance of activities shall include

- a) a list of persons who will ensure, as heads of organizational departments or as independent persons,
 1. the performance of the activities of a management company consisting in the management of investment funds or foreign investment funds;
 2. the performance of the activities of a management company consisting in the performance of administration;
 3. the compliance function;
 4. the management of risks; and
 5. the performance of internal audit;
- b) a curriculum vitae of each of the persons specified in the list pursuant to subparagraph a) above, containing information on education and information on professional experience; and
- c) the proposed manner of processing and keeping records of information, communication with owners of securities and dematerialized securities issued by investment funds or by foreign investment funds, of keeping accounts and economic records, of keeping other records pursuant to the decree stipulating the details of certain rules according to the Act on Management Companies and Investment Funds, and the proposed technical background for the performance of activities.

Article 4

If the applicant intends to perform activities corresponding to investment services pursuant to Article 11(1)(c) to (f) of the Act, annexes to the application shall also include

- a) the applicant's intention in the field of performance of such activities, and the scope of such activities in respect of the individual types of investment instruments;
- b) information on whether and what activities pursuant to Article 11(1)(c) to (f) of the Act the applicant intends to perform for a third party;
- c) rules for the preparation of investment strategies in managing client assets, possibilities for changing investment strategies, and opportunities for clients to affect such strategies;
- d) a description of the substantive, organizational and personnel measures aimed to ensure such activities;
- e) a list of persons who will ensure the performance of such activities as heads of organizational departments or as independent persons;

¹⁰⁾ Article 14 of the Regulation (EU) No. 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds.

¹¹⁾ Article 15 of the Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds.

- f) a curriculum vitae of each of the persons specified in the list pursuant to subparagraph e) above, containing information on education and information on professional experience; and
- g) rules for the internal control and management of risks in respect of the performance of such activities.

Article 5

(1) If the person with a qualified holding⁴⁾ in the applicant is a person that is a regulated entity on the financial market, the applicant shall not enclose the annexes pursuant to Article 3(4)(b) to (d) and (f) hereof.

(2) If the person with a qualified holding in the applicant is a person whose qualified holding in the applicant results from an indirect holding⁴⁾ through a regulated entity on the financial market, the applicant

- a) shall not enclose the annexes pursuant to Article 3(4)(b) to (d) and (f) hereof; and
- b) shall enclose the final decision of the competent supervisory authority whereby this person was granted a consent to the acquisition of a qualified holding in the regulated entity on the financial market; where no such decisions are issued by the competent supervisory authority, the applicant shall submit a statement of this authority to the effect that this person acquired a qualified holding in the regulated entity on the financial market with this authority's knowledge and in accordance with the laws of the country where the regulated entity on the financial market has its registered office.

Article 6

In the case of an application for an authorization to perform the activities of a management company which only intends to manage qualified venture capital funds pursuant to Article 3(b) of the directly applicable regulation of the European Union governing European venture capital funds, or qualified social entrepreneurship funds pursuant to Article 3(b) of the directly applicable regulation of the European Union governing European social entrepreneurship funds, or comparable foreign funds, and whose registered and actual office is or is to be situated in the Czech Republic, annexes to the application shall – depending on the type of the qualified fund concerned – only include the annexes pursuant to Article 3(5)(e) and (f) hereof.

Article 7

Change in an Authorization to Perform the Activities of a Management Company Pursuant to Article 647 of the Act

In the case of an application for a change in an authorization to perform the activities of a management company pursuant to Article 642 of the Act, which only manages a special fund that is a fund of qualified investors or a comparable foreign investment fund, the essential elements of the application shall include

- a) identification data of the applicant and of the funds managed by the applicant; and
- b) an annex containing information and data to substantiate that the applicant does not exceed the assets under management threshold, including a calculation of the value of the assets managed or administered pursuant to Article 16 of the Act, with a specification of the day as at which this data and information was obtained.

Autonomous Investment Fund
(Article 480 of the Act)

Article 8

(1) The essential elements of an application for an authorization to perform the activities of an autonomous investment fund shall include

- a) the applicant's identification data;
- b) the type of investment fund pursuant to Article 486(1)(b) of the Act in respect of whose activities the authorization is being applied for;
- c) information on the amount of the applicant's **initial capital and** registered capital, and on the placement of the capital;
- d) a specification of whether the applicant is to perform its own administration;
- e) a specification of whether the applicant applies for an authorization to exceed the assets under management threshold;
- f) a specification of the day as of which the authorization to manage pursuant to Article 13(1) of the Act or, as the case may be, the authorization to administer pursuant to Article 43(1) of the Act (if the applicant intends to perform its administration) is to come into existence; and
- g) annexes pursuant to paragraphs 2 to 6 below.

(2) Annexes containing basic information on the applicant shall include

- a) the memorandum of association;
- b) documents on the origin of the initial capital, including the registered capital or, as the case may be, of other financial resources of the applicant, and on the extent to which the registered capital has been paid up; and
- c) provided that an already existing legal entity is concerned, also
 1. a document on a business licence;
 2. a document for an assessment of trustworthiness; and
 3. a document on having no criminal record issued by a foreign country.

(3) Annexes containing information on the applicant's senior officers⁴⁾, on persons with a qualified holding⁴⁾ in the applicant, on persons acting in concert and on closely related persons shall include the annexes pursuant to Article 3(3) and (4) hereof. Annexes pursuant to Article 3(3) hereof shall also be submitted by a natural person who is authorized by a legal entity that is an individual statutory body of an investment fund to represent this legal entity in the statutory body of this investment fund, unless the natural person is a member of the statutory body or some other senior officer of this legal entity and unless the natural person has a previous consent of the Czech National Bank pursuant to Article 515 of the Act.

(4) Annexes containing information on the activities of an autonomous investment fund shall include

- a) the applicant's business plan⁶⁾ for the first 3 accounting periods of activities to the extent of the data that is to be contained in financial statements pursuant to some other legal regulation³⁾, along with comments on the individual items of the plan, always containing the fundamental assumptions that the business plan is based on, and a description of the manner of ensuring that the activities are performed to the planned extent;
- b) draft agreement on the performance of administration, if the applicant is not to perform its administration, including identification data of the administrator, unless contained in the draft agreement, **and further a confirmation of the autonomous investment fund that**

this contract will be made if the authorization to perform the activities of an autonomous investment fund is issued;

- c) draft internal regulations of an applicant in particular,
 - 1. the management and control system⁷⁾; and
 - 2. rules of conduct in performing activities⁸⁾;
- d) if the applicant intends to entrust a third party with the performance of activities, the applicant shall also specify the identification data of such a third party and enclose a draft agreement on its entrusting with the performance of activities;
- e) the depository agreement or, as the case may be, a draft thereof, along with a written promise of the depository to enter into this agreement or, as the case may be, the agreement on a future agreement entered into with the person that is to perform the activities of a depository for the autonomous investment fund;
- f) the draft statute of the autonomous investment fund;
- g) the proposed manner of making data accessible to investors pursuant to Article 241 of the Act or pursuant to Article 293 of the Act, provided that a special fund or a fund of qualified investors is concerned;
- h) the proposed manner of ensuring the preconditions pursuant to Article 248(1) of the Act, if the autonomous investment fund is to be a standard fund and provided that a feeder investment fund is concerned.

(5) Annexes containing information on the personnel and substantive preconditions for the performance of activities shall include

- a) a list of persons who will ensure, as heads of organizational departments or as independent persons,
 - 1. the performance of the activities of an autonomous investment fund consisting in the management of the autonomous investment fund;
 - 2. the performance of the activities of an autonomous investment fund consisting in the performance of administration, if the applicant is to perform the administration itself;
 - 3. the compliance function;
 - 4. the management of risks; and
 - 5. the performance of internal audit;
- b) a curriculum vitae of each of the persons specified in the list pursuant to subparagraph a) above, containing information on education and information on professional experience; and
- c) the proposed manner of processing and keeping records of information, communication with owners of securities and dematerialized securities issued by the autonomous investment fund, of keeping accounts and economic records, of keeping other records pursuant to the decree stipulating the details of certain rules according to the Act on Management Companies and Investment Funds, and the proposed technical background for the performance of activities.

(6) If the person with a qualified holding in an autonomous investment fund is a regulated entity on the financial market, Article 5 hereof shall apply *mutatis mutandis*.

Article 9

In the case of an application for an authorization to perform the activities of an autonomous investment fund that is to be a qualified venture capital fund pursuant to Article 3(b) of the directly applicable regulation of the European Union governing European venture capital funds, or a qualified social entrepreneurship fund pursuant to Article 3(b) of the directly applicable regulation of the European Union governing European social entrepreneurship funds, annexes to the application shall include

- a) the memorandum of association;
- b) a document on a business licence of a legal entity pursuant to Article 15(1) of the Act, if the applicant who applies for the authorization is such an entity;
- c) information on the applicant's registered office;
- d) documents attesting to compliance with the preconditions pursuant to Article 14(1) of the directly applicable regulation of the European Union governing European venture capital funds, if the applicant is to be a qualified venture capital fund pursuant to Article 3(b) of this regulation;
- e) documents attesting to compliance with the preconditions pursuant to Article 15(1) of the directly applicable regulation of the European Union governing European social entrepreneurship funds, if the applicant is to be a qualified social entrepreneurship fund pursuant to Article 3(b) of this regulation; and
- f) documents on compliance with the preconditions pursuant to Article 533(2) of the Act, if the applicant is a legal entity pursuant to Article 15(1) of the Act that is to exceed the assets under management threshold.

Article 10

Change in an Authorization to Perform the Activities of an Investment Fund Pursuant to Article 647 of the Act

In the case of an application for a change in an authorization to perform the activities of an investment fund pursuant to Article 643(2) of the Act, whose assets are not to be managed on the basis of an agreement, the essential elements of the application shall include

- a) the applicant's identification data; and
- b) an annex containing information and data to substantiate that the applicant does not exceed the assets under management threshold, including a calculation of the value of the assets managed or administered pursuant to Article 16 of the Act, with a specification of the day as at which this data and information was obtained.

Article 11

Foreign Entity as a Manager (Article 481 of the Act)

(1) The essential elements of an application for an authorization to perform activities for a foreign entity having its registered office in a country that is not a Member State, consisting in the management of special funds, comparable foreign investment funds, funds of qualified investors or comparable foreign investment funds, and in the marketing of investments in such funds, shall include

- a) the applicant's identification data;
- b) information on the amount of the applicant's registered capital and equity capital, and on the placement of the capital;
- c) a specification of whether the applicant is or is not comparable with an autonomous investment fund;
- d) the scope of activities pursuant to Article 485(1)(b) to (e) of the Act in respect of which the applicant applies for the authorization;
- e) identification data of the person who is to perform for the applicant the activities pursuant to Article 38(1)(d), (n) and (o) of the Act, including a confirmation of this person's preparedness to perform such activities;
- f) identification data of the administrator, if different from the applicant;

- g) a specification of whether the applicant applies for an authorization to exceed the assets under management threshold;
- h) a specification of the day as of which the authorization to manage pursuant to Article 13(1) of the Act or, as the case may be, the authorization to administer pursuant to Article 43(1) of the Act (if the applicant intends to perform administration) is to come into existence; and
- i) annexes pursuant to paragraphs 2 to 5 below.

(2) Annexes containing basic information on the applicant shall include

- a) a document on a business licence and an authorization issued by the supervisory authority of the country where the applicant has its registered office, to manage a foreign investment fund comparable with the investment fund that the applicant intends to manage in the Czech Republic, unless the data specified in this authorization is implied by the document on a business licence;
- b) a decision of the applicant's competent body regarding the intention to perform activities in the Czech Republic;
- c) a justification of compliance with the conditions for selecting the Czech Republic as the reference country¹²⁾;
- d) financial statements; and
- e) a document for an assessment of the applicant's trustworthiness and a document on the applicant's having no criminal record issued by a foreign country.

(3) Annexes containing information on the applicant's senior officers⁴⁾, on persons performing duties pursuant to Article 21(5) of the Act, and on the personnel and substantive preconditions for the performance of activities shall include annexes to the extent specified in Article 3(3) and (6) hereof.

(4) Annexes containing information on persons with a qualified holding⁴⁾ in the applicant, on persons acting in concert and on closely related persons shall include annexes to the extent specified Article 3(4) hereof.

(5) Annexes containing information on the applicant's activities shall include

- a) information pursuant to Article 3(5)(a) to (d) hereof;
- b) a strategy for the marketing of investments in the investment funds and foreign funds managed by the applicant;
- c) if the applicant intends to perform activities pursuant to Article 11(c) to (f) of the Act, also
 1. documents pursuant to Article 4 hereof;
 2. an authorization issued by the supervisory authority of the country where the applicant has its registered office, to perform activities corresponding to investment services;
 3. information on the manner of protecting investors;
 4. information on the manner of ensuring observance of capital requirements¹³⁾; and
 5. a description of the guarantee system in which the applicant participates and from which compensations are paid out to clients; and
- d) the proposed manner of making data accessible to investors pursuant to Article 241 of the Act or pursuant to Article 293 of the Act in the case of managing a special fund or a fund of qualified investors.

¹²⁾ Article 493 of Act No. 240/2013 Coll.

¹³⁾ Article 28(2)(h) of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended.

- (6) If the applicant intends to proceed
- a) pursuant to Article 481(2) of the Act, the applicant shall submit a confirmation issued by the supervisory authority of the country where the applicant has its registered office, of compliance with the preconditions pursuant to Article 481(1)(b) and (c) of the Act, and the applicant shall not submit annexes pursuant to paragraphs 2 to 4 above;
 - b) pursuant to Article 492 of the Act, the applicant shall enclose with the application documents to substantiate the facts pursuant to Article 492(1)(a) and (b) of the Act.

Primary Administrator
(Article 482 of the Act)

Article 12

(1) The essential elements of an application for an authorization to perform the activities of a primary administrator shall include

- a) the applicant's identification data;
- b) information on the amount of the applicant's registered capital and equity capital;
- c) the scope of activities comprising the performance of administration pursuant to Article 487 of the Act, in respect of which the applicant applies for the authorization;
- d) a specification of the day as of which the authorization to administer pursuant to Article 43(1) of the Act is to come into existence; and
- e) annexes pursuant to paragraphs 2 to 6 below.

(2) Annexes containing basic information on the applicant shall include information to the extent pursuant to Article 3(2) hereof, and also information on further business activities that the applicant is to perform or performs, unless this is implied by the document on a business licence.

(3) Annexes containing information on the applicant's senior officers⁴⁾, on persons with a qualified holding⁴⁾ in the applicant, on persons acting in concert and on closely related persons shall include information to the extent pursuant to Article 3(3) and (4) hereof.

(4) Annexes containing information on the activities of a primary administrator shall include

- a) the applicant's business plan¹⁴⁾ for the first 3 accounting periods of activities to the extent of the data that is to be contained in financial statements pursuant to some other legal regulation, along with comments on the individual items of the business plan, always containing the fundamental assumptions that the business plan is based on, and a description of the manner of ensuring that the activities are performed to the planned extent;
- b) the applicant's draft internal regulations containing, in particular,
 1. the management and control system¹⁵⁾; and
 2. rules of conduct in performing activities and in providing other services¹⁶⁾; and
- c) if the applicant intends to entrust a third party with the performance of activities, the applicant shall also specify the identification data of such a third party and enclose a draft agreement on its entrusting with the performance of activities.

¹⁴⁾ Article 482(d) of Act No. 240/2013 Coll.

¹⁵⁾ Article 47 of Act No. 240/2013 Coll.

¹⁶⁾ Article 49(2) and (3) of Act No. 240/2013 Coll.

(5) Annexes containing information on the personnel and substantive preconditions for the performance of activities shall include

- a) a list of persons who will ensure, as heads of organizational departments or as independent persons,
 1. the performance of administration;
 2. the compliance function;
 3. the management of risks; and
 4. the performance of internal audit;
- b) a curriculum vitae of each of the persons specified in the list pursuant to subparagraph a) above, containing information on education and information on professional experience; and
- c) documents on the manner of ensuring administration and of keeping other records pursuant to the decree stipulating the details of certain rules according to the Act on Management Companies and Investment Funds, and the technical background for the performance of activities.

(6) If the person with a qualified holding in a primary administrator is a regulated entity on the financial market, Article 5 hereof shall apply mutatis mutandis.

Article 13

Subsequent Authorization to Perform Activities Corresponding to Investment Services (Article 507 of the Act)

(1) The essential elements of an application for a subsequent authorization to perform activities corresponding to investment services pursuant to Article 11(1)(c) to (f) of the Act, for a management company or for a foreign entity pursuant to Article 481 of the Act that is not comparable with an autonomous investment fund, shall include

- a) the applicant's identification data;
- b) activities in respect of which the applicant applies for the authorization; and
- c) annexes pursuant to paragraphs 2 and 3 below.

(2) Annexes containing information relating to the performance of the activities referred to in subparagraph b) of paragraph 1 above shall include

- a) the applicant's business plan⁶⁾ for the first 3 accounting periods of activities to the extent of the data that is to be contained in financial statements pursuant to some other legal regulation³⁾, along with comments on the individual items of the business plan, always containing the fundamental assumptions that the business plan is based on, and a description of the manner of ensuring that the activities are performed to the planned extent; and
- b) annexes pursuant to Article 4 hereof.

(3) If the applicant who applies for an authorization to perform the activities referred to in subparagraph b) of paragraph 1 above is a foreign entity pursuant to Article 481 of the Act that is not comparable with an autonomous investment fund, the applicant shall also submit

- a) an authorization issued by the supervisory authority of the country where the applicant has its registered office, to perform activities corresponding to investment services;
- b) information on the manner of ensuring observance of capital requirements¹³⁾; and
- c) a description of the guarantee system in which the applicant participates and from which compensations are paid out to clients.

Article 14

Consent to the Performance of Other Business Activities

(Article 508(1) of the Act)

(1) The essential elements of an application for a consent to the conduct of business pursuant to other legal regulations, for a management company, **a primary administrator and** for a foreign entity with an authorization pursuant to Article 481 of the Act that is not comparable with an autonomous investment fund, shall include

- a) the applicant's identification data;
- b) a specification of such other business activities in respect of which the applicant applies for the consent; and
- c) annexes pursuant to paragraph 2 below.

(2) Annexes containing information relating to the performance of other business activities pursuant to other legal regulations shall include

- a) estimated impacts of the further business activities on the due and prudent performance of the applicant's activities;
- b) draft internal regulations reflecting the performance of the further business activities, particularly internal regulations stipulating the procedures for the management and evaluation of risks and the measures to reduce such risks; and
- c) an analysis of the individual types of crisis situations in performing the further business activities that might have an unfavourable impact on the due performance of the applicant's activities, and the procedures for the resolution of such situations.

Article 15

Consent to the Performance of Duties Pursuant to Article 515 of the Act

(1) **The essential elements of an application for a prior consent to the performance of duties pursuant to Article 515 of the Act shall include**

- a) **identification data of the person who is to be granted the consent, including a a) specification of whether the person is**
 - 1. a senior officer; or**
 - 2. a person pursuant to Article 21(5) of the Act;**
- b) **identification data of the entity at which the duties are to be performed; and**
- c) **annexes pursuant to paragraphs 2 and 3 below.**

(2) **Annexes to the application for the person referred to in subparagraph a) of paragraph 1 above shall include**

- a) **a document for an assessment of trustworthiness;**
- b) **a curriculum vitae, containing information on education and information on professional experience and a summary of any past and present membership of elected bodies of other legal entities;**
- c) **a document on having no criminal record issued by a foreign country; and**
- d) **an affidavit of legal capacity.**

(3) Other annexes relating to the application pursuant to paragraph 1 above shall include

- a) a description of the duties that the person referred to in subparagraph a) of paragraph 1 above is to perform, including the powers and responsibilities associated with these duties and the expected date of appointment to the relevant position; in respect of a person that is to actually manage the entity referred to in subparagraph b) of paragraph 1 above in a different manner, the applicant shall also provide a justification of the fact on the basis of which the entity is managed;**
- b) identification data and position of the person whom the person referred to in subparagraph a) of paragraph 1 above is to replace; and**
- c) the organizational structure of the entity referred to in subparagraph b) of paragraph 1 above, if it is to be altered in connection with the change of the senior officer.**

PART THREE

CONSENT TO ACQUISITION OF A QUALIFIED HOLDING OR TO CONTROL

Consent to the Acquisition of or Increase in a Qualified Holding in a Management Company, in an Autonomous Investment Fund or in a Primary Administrator, or Consent to Control Such Entities

Article 16

(Article 520(1)(a) to (c) of the Act)

(1) The essential elements of an application for a consent to the acquisition of or increase in a qualified holding in a management company, in an autonomous investment fund or in a primary administrator (hereinafter a “regulated legal entity”), or for a consent to control such entities, shall include

- a) the applicant’s identification data;**
- b) identification data of the regulated legal entity in which a qualified holding is to be acquired or increased, or which is to become controlled;**
- c) the existing, the newly acquired and the resulting total extent of a qualified holding in the registered capital or voting rights expressed as a percentage, or some other form of exercising a significant influence over the applicant’s management;**
- d) information relating to the exercise of voting rights, with a specification of whether**
 - 1. the holding is acquired in own name and on own account;**
 - 2. the voting rights will be exercised in favour of a third party;**
 - 3. the voting rights will be transferred to a third party pursuant to an arrangement or agreement;**
 - 4. the applicant is a controlled entity;**
 - 5. the applicant acts in concert with a person to whom the exercise of voting rights was transferred or who may exercise a significant influence over the regulated legal entity; and**
- e) annexes pursuant to paragraphs 2 to 4 below.**

(2) Annexes containing information on the applicant and on its intention to acquire or increase a qualified holding in a regulated legal entity, or to control a regulated legal entity, shall include

- a) a document on a business licence, provided that a legal entity or a natural person operating a business is concerned;**
- b) documents on the origin of the financial resources that are to be used to finance the acquisition of or increase in a qualified holding in the regulated legal entity or in another entity through which a qualified holding is to be acquired;**
- c) a description of the fact on the basis of which the regulated legal entity becomes controlled, and documents on the origin of the financial resources that are to be used to buy the interest of a partner who is not the controlling entity;**
- d) a strategic plan pursuant to Article 2(h) hereof, in relation to a qualified holding in the regulated legal entity, or in relation to the controlling of the regulated legal entity;**
- e) financial statements;**
- f) a document for an assessment of the applicant's trustworthiness, and a document on the applicant's having no criminal record issued by a foreign country;**
- g) information on persons closely related to the applicant;**
- h) a description of relations between the applicant and the regulated legal entity in which the applicant intends to acquire or increase a qualified holding or which the applicant intends to control, and of relations between the applicant and persons with a special relationship to this regulated legal entity, namely at least with respect to the persons who are senior officers or members of the supervisory body of the regulated legal entity;**
- i) a list of persons who own, will acquire or increase a qualified holding in the regulated legal entity, or who will control the regulated legal entity, through acting in concert with the applicant, with a specification of their identification data, the extent of their interest or other form of participation in the regulated legal entity, and a description of the fact on the basis of which they do act in concert;**
- j) a list and identification data of the applicant's senior officers, a document for an assessment of trustworthiness, and a document on having no criminal record issued by a foreign country for each of the persons specified in this list, if the applicant is a legal entity;**
- k) information on the applicant's personnel interconnection with another legal entity relating to the applicant's present and past membership of elected bodies of other legal entities for the last 10 years, and containing the identification data of the other legal entity, the designation of the position and the term of performance of the duties; if the applicant is a legal entity, such information shall be provided for the persons specified in the list referred to in subparagraph j) above; and**
- l) a statement of the authority that conducts supervision of the applicant in the country where the applicant has its registered office, regarding the applicant's intention to participate in the Czech Republic in property terms in the business activities of a regulated legal entity, or to control a regulated legal entity, if the applicant is a person having its registered office outside the territory of a Member State.**

(3) If, in connection with the acquisition of a qualified holding or with the controlling, the executive manager of a regulated legal entity is to be changed, the application shall also include annexes containing information on the newly proposed executive manager, namely

- a) identification data, including a specification of the position;**

- b) **information on whether a change in the number of executive managers or a replacement of the existing executive manager is concerned; in the event of a change in the number of executive managers, it shall be stated whether and to what extent it is to be accompanied by a change in the powers and competence; and in the event of a replacement of the existing executive manager, the executive manager who is to be replaced shall be stated;**
- c) **information for an assessment of trustworthiness;**
- d) **a curriculum vitae, containing information on education and information on professional experience and a summary of any past and present membership of elected bodies of other legal entities; and**
- e) **a document on having no criminal record issued by a foreign country.**

(4) If the applicant is a person that only applies for a consent by reason of administration, management and custody of client assets, the applicant shall not be obliged to enclose the documents pursuant to subparagraph b) of paragraph 2 above.

Article 17 is cancelled

Article 18

Special Provisions

(1) If the applicant who applies for a consent to the acquisition of or increase in a qualified holding in a regulated legal entity, or for a consent to control a regulated legal entity, is a person to whom the Czech National Bank has granted a consent to the acquisition of or increase in a qualified holding in a regulated legal entity, or a consent to control a regulated legal entity, during the last 5 years, the applicant shall enclose the following annexes with the application

- a) **a statement pursuant to Article 16(2)(1) hereof, the documents and supporting documents specified in Article 16(2) and (3) hereof in relation to which any change has occurred compared to the status under which the previous consent to the acquisition of or increase in a qualified holding in a regulated legal entity or to control a regulated legal entity was granted; and**
- b) an affidavit of the applicant to the effect that the other data and supporting documents submitted to the Czech National Bank as part of the previous application for a consent to the acquisition of or increase in a qualified holding in a regulated legal entity, or for a consent to control a regulated legal entity, remain unchanged.

(2) If the applicant who applies for a consent to the acquisition of or increase in a qualified holding in a regulated legal entity, or for a consent to control a regulated legal entity, is a regulated entity on the financial market, annexes to the application shall include

- a) a document on a business licence;
- b) the strategic plan;
- c) documents on the origin of the funds from which the acquisition of or increase in a qualified holding is to be financed; and
- d) **a description of the fact on the basis of which the applicant becomes a person controlling the regulated legal entity, and documents on the origin of the financial resources those are to be used to buy the interest of a partner who is not the controlling entity.**

(3) If the applicant is to acquire or increase a qualified holding in a regulated legal entity through a regulated entity on the financial market, the applicant shall only enclose with the

application the final decision of the competent supervisory authority whereby the applicant was granted a consent to the acquisition of a qualified holding in the regulated entity on the financial market. Where no such decisions are issued by the competent supervisory authority, the applicant shall submit a statement of this supervisory authority to the effect that the applicant acquired a qualified holding in the regulated entity on the financial market with this supervisory authority's knowledge and in accordance with the laws of the country where the regulated entity on the financial market has its registered office.

Article 19

Owning a Qualified Holding in Another Legal Entity by a Management Company Authorized to Manage a Collective Investment Fund (Article 509 of the Act)

(1) The essential elements of an application for a consent to the acquisition of or increase in a qualified holding in another legal entity (hereinafter a "target entity") by a management company authorized to manage a collective investment fund shall include

- a) identification data of the applicant and of the target entity in which a qualified holding is to be acquired or increased;**
- b) the existing, the newly acquired and the resulting total extent of a qualified holding in the target entity expressed as a percentage; and**
- c) annexes pursuant to paragraph 2 below.**

(2) Annexes to the application pursuant to paragraph 1 above shall include

- a) a document on a business licence of the target entity in which a qualified holding is to be acquired or increased or, as the case may be, information on the line of business of the target entity where no document on a business licence of such an entity is available;
- b) a decision of the applicant's competent body to acquire or increase an ownership interest in the target entity;
- c) the target entity's financial statements;
- d) a description of relations between the applicant and the target entity in which the applicant intends to acquire or increase a qualified holding, and of relations between the applicant and persons with a special relationship to this target entity; that is, at least with respect to the persons who are senior officers or members of the supervisory body of the target entity;
- e) a list and identification data of persons who own, will acquire or increase a qualified holding in the target entity through acting in concert with the applicant, with a specification of the extent of interest or other form of participation in the target entity, and a specification of the fact on the basis of which they do act in concert; and
- f) the strategic plan in connection with the acquisition of or increase in a qualified holding in the target entity.

PART FOUR **CHANGE OF THE MANAGER, OF THE DEPOSITORY AND IN THE** **STATUTE OF A STANDARD FUND**

Article 20

Change of the Manager of a Standard Fund (Article 525 of the Act)

(1) The essential elements of an application for a consent to a change of the manager of a standard fund shall include

- a) identification data of
 1. the applicant;
 2. the standard fund the management of which is to be transferred to another manager;
 3. the manager to which the management of the standard fund is to be transferred, if it is not the applicant; and
 4. the depository of the standard fund specified in item 2 above; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) a description of the conditions under and manner in which the standard fund is to be transferred to the management of another manager;
- b) the future manager's financial statements, prepared as at the last day of the calendar month preceding the lodging of the application;
- c) a statement of the standard fund's depository regarding the change of the manager;
- d) a document on a business licence, if the applicant is a foreign entity; and
- e) a statement of a foreign supervisory authority to the effect that the applicant is authorized to manage standard funds, unless this fact is implied by the document on a business licence.

Article 21

Change of the Depository of a Standard Fund

(Re: Article 527 of the Act)

(1) The essential elements of an application for a consent to a change of the depository of a standard fund shall include

- a) identification data of
 1. the applicant;
 2. the standard fund the depository of which is to be changed; and
 3. the future depository; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) the depository agreement or, as the case may be, a draft thereof, along with a written promise of the future depository to enter into this agreement or, as the case may be, the agreement on a future agreement;
- b) a document on termination of the existing depository agreement; and
- c) a confirmation of the depository of the standard fund that the preconditions for the performance of the duties of a depository of a standard fund arising from the Act have been ensured, if the future depository has not yet been the depository of a standard fund.

Article 22

Change in the Statute of a Standard Fund

(Article 529, Article 380 and Article 433 of the Act)

(1) The essential elements of an application for a consent to a change in the statute of a standard fund shall include

- a) identification data of the applicant and of the standard fund;
- b) annexes pursuant to paragraph 2 below; and
- c) annexes pursuant to paragraphs 3 to 5 below, depending on the nature of the change in the statute of the standard fund.

(2) Annexes to the application shall include

- a) the applicable and unabridged text of the statute of the standard fund with an indication of the proposed changes, along with their justification; and
- b) the new unabridged text of the statute of the standard fund.

(3) If the reason for a change in the statute of a standard fund is to enable the standard fund to invest as a feeder fund pursuant to Article 246 of the Act, or to change the master fund of an already existing feeder fund, annexes to the application pursuant to paragraph 1 above shall, in addition to the annexes specified in paragraph 2 above, also include

- a) an agreement pursuant to Article 251(1) of the Act, or a draft thereof, made between the manager of the feeder fund and the manager and administrator of the master fund regarding the rules of conduct between them, if required by legislation;
- b) an agreement pursuant to Article 257(1) of the Act, or a draft thereof, made between the depository of the feeder fund and the depository of the master fund regarding the rules of conduct between them, unless they are the same person;
- c) an agreement pursuant to Article 261(1) of the Act, or a draft thereof, made between the auditor of the feeder fund and the auditor of the master fund regarding the rules of conduct between them, unless they are the same person;
- d) an attestation of the competent authorities of the country where the master fund has its registered office, unless based in the Czech Republic, to the fact that this master fund or its investment compartment neither invests as a feeder fund nor invests in securities or dematerialized securities issued by feeder funds;
- e) the memorandum of association of the master fund, if based in another Member State;
- f) documents comparable with the statute of a master fund and with the notification of key information to investors of this master fund, if based in another Member State; and
- g) a draft notification to investors regarding the commencement of making investments as a feeder fund pursuant to Article 249 of the Act.

(4) If a change in the statute of a feeder fund occurs in connection with the dissolution of its master fund with liquidation or in a manner comparable to liquidation pursuant to the laws of a foreign country, the manager of such a feeder fund shall enclose with the application for a consent pursuant to Article 380 of the Act, in addition to the annexes specified in paragraph 2 above, also a decision of the manager on whether it intends to invest the assets in this feeder fund in securities or dematerialized securities issued by another master fund, or whether it intends to invest the assets in this feeder fund thenceforth as the manager of a standard fund that is not a feeder fund.

(5) If a change in the statute of a feeder fund occurs in connection with the involvement of its master fund in a merger by acquisition or in a consolidation, or in some other type of transformation permitted by the laws of a foreign country, or in connection with the dissolution of its master fund pursuant to the laws of a foreign country without liquidation, the manager of such a feeder fund shall enclose with the application for a prior consent pursuant to Article 433 of the Act, in addition to the annexes specified in paragraph 2 above, also a decision of the manager on whether it intends to invest the assets in this feeder fund in securities or dematerialized securities issued by the existing master fund or by another master fund, or whether it intends to invest the assets in this feeder fund thenceforth as the manager of a standard fund that is not a feeder fund.

PART FIVE

ENTRY IN THE LISTS MAINTAINED BY THE CZECH NATIONAL BANK AND CHANGE IN THE INFORMATION CONTAINED IN SUCH LISTS

Article 23

Entry in the List of Foreign Investment Funds, Investments in Which May be Marketed in the Czech Republic

(Article 597(d) or (e) of the Act, in conjunction with Article 316(6), Article 318(6), Article 319(6), Article 320(3), Article 322(5), Article 324(4) and Article 325(6) of the Act)

(1) The essential elements of an application for an entry in the list of foreign investment funds shall include

- a) identification data of
 - 1. the applicant;
 - 2. the foreign investment fund, investments in which may be marketed in the Czech Republic; and
 - 3. the depository of the foreign investment fund; and
- b) annexes pursuant to paragraphs 2 to 5 below, depending on the type of marketing of investments in the foreign fund.

(2) Provided that the marketing of investments in a foreign investment fund pursuant to Article 316(1) of the Act is concerned, annexes to the application shall include

- a) an authorization granted to the manager of the foreign investment fund by the supervisory authority of another Member State, to manage this fund **attesting to the legitimacy of the management company exceed the assets under management threshold**; and
- b) an agreement pursuant to Article 316(2)(b) of the Act, or another document attesting to the fact that such an agreement exists.

(3) Provided that the marketing of investments in a foreign investment fund pursuant to Article 319(1) of the Act and pursuant to Article 322(1) of the Act is concerned, annexes to the application shall include an authorization granted to the manager of the foreign investment fund by the supervisory authority of another Member State, to manage this fund.

(4) Provided that the marketing of investments in a foreign investment fund pursuant to Article 324(1) of the Act is concerned, annexes to the application shall include

- a) an authorization granted to the manager of the foreign investment fund by the supervisory authority of a country that is not a Member State, to manage this fund; and
- b) documents on the formation of the foreign investment fund.

(5) Provided that investments in a foreign investment fund pursuant to Article 325(3) of the Act are concerned, annexes to the application shall include

- a) an authorization granted by the supervisory authority of another Member State, that is comparable with the authorization pursuant to Article 481 of the Act, to the manager of the foreign investment fund to manage this fund; and
- b) an agreement with the supervisory authority of the country where the foreign investment fund has its registered office, if that country is not a Member State, and with the supervisory authority of another Member State which granted to the manager the authorization specified in subparagraph a) above, regarding an exchange of information required for the conduct of supervision and regarding an exchange of information in tax matters.

Article 24

Entry of a Standard Fund

(Article 511(1) of the Act, in conjunction with Article 597(a) and (b) of the Act)

(1) The essential elements of an application for an entry of a collective investment fund as a standard fund in the lists of investment funds pursuant to Article 597(a) or (b) of the Act shall include

- a) identification data of
 1. the applicant;
 2. the depository; and
 3. the standard fund;
- b) the actual registered office of the standard fund, provided that an investment fund with legal personality is concerned; and
- c) annexes pursuant to paragraphs 2 and 3 below.

(2) Annexes to the application shall include

- a) the statute of the standard fund, or a draft thereof;
- b) a confirmation of the person that is to be the depository of the standard fund, of the fact that the preconditions for the performance of the duties pursuant to the Act and pursuant to its implementing legal regulation have been ensured;
- c) in the case of a standard feeder fund, also documents on compliance with the preconditions pursuant to Article 248(1) of the Act;
- d) an authorization issued by the supervisory authority of the country where the standard fund has its registered office, if the entry is applied for by a foreign entity pursuant to Article 14(1) of the Act; **and**
- e) **annexes pursuant to Article 3 (5) and (6), which are affected by changes in connection with the management of a standard fund, for which entry is applied.**

(3) If the depository of an investment fund is to be a person that is not entered in the list of depositories maintained by the Czech National Bank pursuant to Article 596(e) of the Act, annexes to the application shall also include the information specified in Article 29(1)(b) and in Article 29(2) hereof.

Article 25

Entry of Information on an Investment Compartment of a Standard Fund

(Article 511(2) of the Act, in conjunction with Article 597(a) of the Act)

(1) The essential elements of an application for an entry of information on an investment compartment of a standard fund in the list of investment funds pursuant to Article 597(a) of the Act shall include

- a) identification data of the applicant and of the depository;
- b) the designation of the investment compartment pursuant to Article 166 of the Act; and
- c) annexes pursuant to paragraphs 2 and 3 below.

(2) Annexes to the application shall include

- a) the statute of the investment compartment, or the statute of the investment fund where the statute of the investment compartment is incorporated into the statute of this investment fund, or drafts thereof;
- b) a confirmation of the person that is to be the depository of the investment compartment, of the fact that the preconditions for the performance of the duties pursuant to the Act and

pursuant to its implementing legal regulation, in terms of the fact that the investment fund may create investment compartments, have been ensured;

- c) documents on compliance with the preconditions pursuant to Article 248(1) of the Act, provided that an entry of information on an investment compartment that is to be a standard feeder fund is concerned; and
- d) an authorization issued by the supervisory authority of the country where the standard fund has its registered office, if the entry is applied for by a foreign entity pursuant to Article 14(1) of the Act.

(3) If the depository of an investment compartment is to be a person that is not entered in the list of depositories maintained by the Czech National Bank pursuant to Article 596(e) of the Act, annexes to the application shall also include the information specified in Article 29(1)(b) and in Article 29(2) hereof.

Article 26

Entry of an Investment Fund That is Not an Autonomous Investment Fund (Article 513(1) and Article 514 of the Act, in conjunction with Article 597(a) of the Act)

(1) The essential elements of an application for an entry of an investment fund that is not an autonomous investment fund in the list of investment funds pursuant to Article 597(a) of the Act shall include

a) identification data of

- 1. the applicant;**
- 2. the person entered in the list pursuant to Article 596(f) of the Act, that manages the applicant's assets at the time of lodging the application, if the applicant is an already existing legal entity;**
- 3. the applicant's individual statutory body;**
- 4. the depository;**
- 5. the administrator, unless the administration of the investment fund is performed by the applicant's individual statutory body pursuant to item 3 above, that is or is to be the person authorized to manage the investment fund; and**

b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) the applicant's memorandum of association;**
- b) the statute of the investment fund; and**
- c) document on a business licence, if the applicant is an already existing legal entity.**

Article 27

Entry in the List of Investment Funds Having the Legal Form of a Trust Fund (Article 597(c) of the Act)

The essential elements of an application for an entry in the list of investment funds having the legal form of a trust fund shall include

a) identification data of

- 1. the applicant;**
- 2. the depository; and**
- 3. the investment fund having the legal form of a trust fund; and**

b) the annexes which shall include

- 1. the statute of the trust fund; and**

2. **the agreement of the establishment of the trust fund pursuant to Article 148 (1) of the Act.**

Article 28

Entry in the Lists of Investment Funds Pursuant to Article 597 of the Act

(1) The essential elements of an application for an entry in the lists pursuant to Article 597 of the Act in the cases to which Articles 23 to 27 hereof do not apply, shall include

- a) **the designation of the subject of entry pursuant to Article 597(a) to (d) of the Act;**
- b) **the applicant's identification data;**
- c) **identification data of**
 1. **the manager, unless the entity specified in subparagraph b) above is concerned;**
 2. **the investment fund to be entered, unless the entity specified in subparagraph b) above is concerned;**
 3. **the depository; and**
 4. **the administrator, unless the administration of the investment fund is performed by its manager;**
- d) **the type of entity and the legal form of the investment fund, unless it is clear from the identification data of the investment fund to be entered; and**
- e) **annexes pursuant to paragraph 2 below.**

(2) Annexes to the application shall include

- a) **document from which it is clear that the manager is authorized to manage the fund whose entry is being applied for;**
- b) **an authorization to perform activities or a similar document from which it is clear whether the manager of the investment fund to be entered is or is not authorized to exceed the assets under management threshold, unless a manager with an authorization granted by the Czech National Bank is concerned;**
- c) **the statute of the investment fund or a similar document;**
- d) **a document analogous to an extract from the commercial register or from a similar register in respect of a foreign investment fund;**
- e) **a document containing information for investors based in the Czech Republic within the meaning of Article 296 of the Act; and**
- f) **annexes specified in Article 312(2) of the Act, if marketing of investments in a foreign investment fund pursuant to Article 309 of the Act is concerned.**

Article 29

Entry in the List of Depositories of an Investment Fund

(Article 596(e) of the Act)

(1) The essential elements of an application for an entry in the list of depositories of an investment fund pursuant to Article 596(e) of the Act shall include

- a) **the applicant's identification data;**
- b) **information on whether the applicant intends to perform the activities of a depository for a standard fund, for a special fund or for a fund of qualified investors; and**
- c) **annexes pursuant to paragraph 2 below.**

- (2) Annexes to the application shall include**
- a) a document on a business licence;**
 - b) an authorization to perform activities, which implies that the applicant is authorized to perform the activities of a depository or to provide the investment services of custody and management of investment instruments, including related services, unless it is implied by the document pursuant to subparagraph a) above;**
 - c) the applicant's intention in relation to the performance of the activities of a depository and, if the applicant is a person that is subject to supervision by the Czech National Bank, also the estimated impacts of the performance of the activities of a depository on the applicant's business plan;**
 - d) the applicant's substantive and organizational measures aimed to ensure the activities of a depository, particularly the duties relating to the ensuring of the individual services which the applicant is to provide as a depository;**
 - e) a curriculum vitae, containing information on education and information on professional experience, of**
 - 1. the head of the organizational department, within the competence of which the activities of a depository fall, if the applicant is a legal entity; or**
 - 2. the applicant, if the applicant is a natural person; and**
 - 3. other persons who are to ensure the activities of a depository;**
 - f) internal regulations stipulating the procedures for the management and reduction of conflicts of interest pursuant to Article 64 of the Act, and the separation of the performance of other activities from the performance of the activities of a depository pursuant to Article 65 of the Act;**
 - g) a draft agreement on the entrusting of a third party with the performance of activities, if the applicant that is to become the depository of an investment fund intends to entrust a third party with the performance of the activities referred to in Article 71(1) of the Act, and the procedures for the control of the performance of the activities which such a third party is to be entrusted with; and**
 - h) other documents attesting to compliance with the preconditions for the performance of the duties of a depository arising from the Act and from directly applicable regulations of the European Union, if such regulations apply to depositories.**

Article 30

Entry in the List of Entities Performing Asset Administration Comparable with Management (Article 596(f) of the Act)

(1) The essential elements of an application for an entry in the list of entities performing asset administration comparable with management pursuant to Article 15 of the Act that are obliged to have themselves entered in the list pursuant to Article 596(f) of the Act shall include

- a) the applicant's identification data;**
- b) information on the value of the assets for each trust fund or similar institution that the applicant administers or intends to administer;**
- c) basic information on the determined strategy pursuant to Article 598(2) of the Act; and**
- d) annexes pursuant to paragraph 2 below.**

(2) Annexes to the application shall include

- a) a document on the applicant's business licence;**

- b) a list of the trust funds or similar institutions that the applicant administers or intends to administer;
- c) a description of the activities from which it is clear that the applicant performs or intends to perform activities that meet the definition of asset administration comparable with management pursuant to Article 15(1) of the Act and simultaneously do not constitute other regulated activities; and
- d) more detailed information on the determined strategy pursuant to subparagraph c) of paragraph 1 above.

Article 31

Entry in the List of Liquidators and Receivers

(Article 596(g) and (h) of the Act, in conjunction with Article 519 of the Act)

(1) The essential elements of an application for an entry in the list of persons who may be appointed as liquidators of a management company, of a collective investment fund with legal personality and of a primary administrator, and for an entry in the list of persons who may be appointed as receivers of a management company that manages a collective investment fund or a comparable foreign investment fund and of a collective investment fund with legal personality, shall include

- a) the applicant's identification data;
- b) a specification of whether an entry in the list of liquidators or an entry in the list of receivers is concerned;
- c) **an affidavit of legal capacity; and**
- d) annexes pursuant to paragraphs 2 and 3 below.

(2) Annexes to the application shall include

- a) a curriculum vitae of the applicant, containing information on education and information on professional experience;
- b) a document on having no criminal record issued by a foreign country; and
- c) a document for an assessment of trustworthiness.

(3) If the liquidator or receiver is a foreign entity, annexes to the application shall also include an authorization issued by the competent authority of another Member State, to act as a liquidator or receiver.

Article 32

Change in the Information Entered in the Lists

The essential elements of an application for a change in the information entered in a list maintained by the Czech National Bank pursuant to Article 596 and Article 597 of the Act shall include the applicant's identification data and the information that is to be changed in the list.

PART SIX

CHANGES IN A NOTIFICATION OF THE MARKETING OF INVESTMENTS IN ANOTHER MEMBER STATE, DETERMINATION OF COMPARABILITY OF A FOREIGN INVESTMENT FUND WITH A SPECIAL FUND, AND AUTHORIZATION FOR THE PURPOSES OF DESIGNATING A UNIT TRUST AND

A TRUST FUND

Article 33

Changes in a Notification of the Marketing of Investments in Another Member State (Article 314(6) of the Act)

(1) The essential elements of an application for a consent to each material change in the facts contained in a notification, or in annexes thereto, pursuant to Article 312 of the Act shall include

- a) the applicant's identification data; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) the facts contained in the notification pursuant to Article 312(2) of the Act that are to be changed; and
- b) information and documents pursuant to Article 314(5) of the Act.

Article 34

Determination of Comparability of a Foreign Investment Fund with a Special Fund (Article 297(3) of the Act)

(1) The essential elements of an application for an assessment of comparability of a foreign investment fund with a special fund shall include

- a) identification data of the applicant that is the manager of this fund, with a specification of whether it is authorized to exceed the assets under management threshold, and identification data of the foreign investment fund; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) **a document comparable with the statute of the fund;**
- b) **the current annual report of this fund;**
- c) **a document comparable with the memorandum of association;**
- d) **an agreement pursuant to Article 306(1) of the Act, or a draft thereof;**
- e) **the wording of the legal regulations governing the foreign investment fund and its manager, administrator and depository, to the extent necessary for an assessment of comparability, and a basic description of any amendments to such legislation being in progress or pending; and**
- f) **an analysis of comparability of the foreign investment fund's rules for asset offering, management, administration, investing and protection with the rules applicable to a special fund; in addition to the legal regulations significant for an assessment of comparability, this analysis shall also consider other relevant rules, and shall contain a conclusion regarding comparability within the meaning of Article 626(1) of the Act, and a description of the reasons why the applicant regards the individual rules as comparable.**

Article 35

Authorization for the Purposes of Designating a Unit Trust and a Trust Fund (Article 531 of the Act)

(1) The essential elements of an application for an authorization to designate a unit trust or a trust fund shall include

- a) the applicant's identification data;
- b) the amount of the resources to finance the unit trust or the trust fund; and
- c) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) a document on the applicant's business licence;
- b) documents attesting to a transparent and unobjectionable origin of the applicant's funding resources;
- c) a description of the structure of the consolidated group that the applicant belongs to;
- d) a document for an assessment of the applicant's trustworthiness and a document on the applicant's having no criminal record issued by a foreign country;
- e) if the applicant is a legal entity, a list of the applicant's senior officers and for each senior officer
 - 1. a document for an assessment of trustworthiness;
 - 2. a curriculum vitae, containing information on education and information on professional experience; and
 - 3. a document on having no criminal record issued by a foreign country; and
- f) if the applicant is a natural person, the applicant's affidavit of legal capacity and of non-existence of any fact that would constitute an obstacle to the operation of a trade pursuant to the act that regulates business in trade.

PART SEVEN

PERMIT FOR TRANSFORMATION

(Article 356(1), Article 360(1), Article 366(1), Article 370(1), Article 386(1), Article 402(1), Article 418(1), Article 427(1), Article 431(1), Article 441(1) and Article 449(1) of the Act)

Article 36

Transformation of a Management Company

(Article 356 of the Act)

(1) The essential elements of an application for a permit for merger or demerger of a management company that manages a collective investment fund, or for a permit for transfer of the assets to a partner that is a management company managing a collective investment fund, shall include

- a) the applicant's identification data;
- b) a specification of the type of transformation; and
- c) annexes pursuant to paragraphs 2 to 4 below.

(2) Annexes containing basic information on the persons involved in the transformation shall include

- a) a list of persons involved in the transformation, including the persons that are to be formed as a result of the transformation, and their identification data, with a specification of whether a successor person, a terminating person, a demerged person or an acquiring person is concerned; and

b) a document on a business licence for the persons involved in the transformation.

(3) Annexes containing information on the manner of implementation of the transformation shall include

- a) a project for the transformation pursuant to the act governing transformations¹⁸⁾, which is to be drawn up in the form of a notarial record, in the wording deposited in the Collection of Deeds of the Commercial Register, also containing
1. the intention and reasons for the transformation;
 2. changes that are to be made in the business plan of the successor or acquiring persons, including the ensuring of a sufficient amount of capital;
 3. the time and substantive schedule of implementation of the transformation, including a plan for the organizational, technical, operational and personnel integration or separation of the persons involved in the transformation;
 4. a description of the impact of the transformation on the performance of activities by the successor or acquiring persons;
 5. the draft organizational structure of the successor or acquiring person;
 6. information on which of the successor or acquiring persons is to manage collective investment funds or the client assets managed by the terminating or demerged person; and
 7. information on which person is to perform the administration of collective investment funds and the activities of a depository of collective investment funds following the transformation;
- b) insider report(s) reviewing the project for the transformation, prepared pursuant to the act governing transformations or, as the case may be, consents to such report(s) not being prepared;
- c) expert opinion(s) prepared pursuant to the act governing transformations, if required and unless they are part of the insider report(s);
- d) financial statements of the persons involved in the transformation; and
- e) closing financial statements of the persons involved in the transformation and the opening balance sheet of the successor or acquiring persons and the auditor's reports on their verification, if required; and interim financial statements and the auditor's reports on their verification, if required.

(4) Annexes containing the necessary consents and statements shall include

- a) (joint) reports of the statutory bodies of the persons involved regarding the transformation or, as the case may be, consents to such reports not being prepared;
- b) decisions of the general meetings of the persons involved regarding the transformation;
- c) information on the lodging of an application for an authorization to perform the activities of a management company pursuant to Article 479 of the Act by the successor or acquiring person, provided that a person that is to be formed as a result of the transformation is concerned or if the authorization to perform activities by the successor or acquiring person is to change in connection with the transformation;
- d) a consent pursuant to Article 515 of the Act to the performance of the duties of a senior officer, or of a person performing duties pursuant to Article 21(5) of the Act, in the successor or acquiring person; and
- e) a consent to the acquisition of or increase in a qualified holding in the successor or acquiring person, or a consent to control such a person, pursuant to Article 520 of the Act.

¹⁸⁾ Act No. 125/2008 Coll., on Transformations of Commercial Companies and Cooperatives, as amended.

Article 37

Change of the Legal Form of a Primary Administrator

(Article 360(1) of the Act)

The essential elements of an application for a permit for a change of the legal form of a primary administrator shall include the applicant's identification data and a project for the change of the legal form pursuant to the act governing transformations, which is to be drawn up in the form of a notarial report, in the wording deposited in the Collection of Deeds of the Commercial Register.

Article 38

Transformation of a Collective Investment Fund with Legal Personality

(Article 366(1) of the Act)

(1) The essential elements of an application for a permit for merger or demerger of a collective investment fund with legal personality, or for a permit for transfer of the assets to a partner that is a collective investment fund with legal personality, shall include

- a) identification data of the applicant and of the collective investment fund that is to be transformed;
- b) a specification of the type of transformation; and
- c) annexes pursuant to paragraphs 2 to 5 below.

(2) Annexes containing basic information on the persons involved in the transformation shall include

- a) a list of persons involved in the transformation, including the persons that are to be formed as a result of the transformation, and their identification data, with a specification of whether a terminating person, a successor person, a demerged person or an acquiring person is concerned;
- b) a document on a business licence for the persons involved in the transformation; and
- c) identification data of the manager, of the administrator and of the depository of all the collective investment funds involved in the transformation.

(3) Annexes containing information on the manner of implementation of the transformation and the necessary consents and statements shall include

- a) annexes specified in Article 36(3) hereof, except for Article 36(3)(a)(6) hereof;
- b) annexes specified in Article 36(4) hereof, except for Article 36(4)(c) hereof;
- c) information on the lodging of an application for an authorization to perform activities by the successor or acquiring collective investment fund, provided that an autonomous fund that is to be formed as a result of the transformation is concerned;
- d) a statement of the depository of the collective investment fund regarding the transformation in respect of each of the collective investment funds involved in the transformation, containing a declaration regarding the result of the verification of compliance of the information specified in the project for the transformation with the legislation, with the statute and with the memorandum of association of the collective investment funds involved in the transformation; and
- e) draft agreements between the administrator, the depository and the manager and the successor or acquiring collective investment fund with legal personality, if such agreements are to be made.

(4) If collective investment funds with legal personality that are standard funds, or foreign investment funds with legal personality that are comparable with standard funds, are involved in the transformation, annexes to the application shall include

- a) a list of Member States where the collective investment funds or foreign investment funds that are to be dissolved as a result of the transformation are authorized to market the securities or dematerialized securities issued by them; and
- b) a notification, addressed to the Czech National Bank, of the fact in which Member States investments in the successor fund are to be marketed, if this successor fund is to be a standard fund.

(5) In the case of transformation of a collective investment fund that is not an autonomous investment fund, the annexes pursuant to Article 36(4)(d) hereof may be replaced by a confirmation of the manager that is to manage the assets of the investment fund, of the fact that the senior officers of the investment fund are trustworthy and have the experience and knowledge necessary to manage such an investment fund.

Article 39

Transformation of a Collective Investment Fund Having the Legal Form of a Joint-Stock Company Into a Joint-Stock Company with Variable Registered Capital

(Article 370(1) of the Act)

(1) The essential elements of an application for a permit for transformation of a collective investment fund having the legal form of a joint-stock company into a joint-stock company with variable registered capital shall include

- a) identification data of
 - 1. the applicant;
 - 2. the fund that is to be transformed;
 - 3. the manager of the fund that is to be transformed; and
 - 4. the depository of the fund that is to be transformed; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) the draft memorandum of association of the joint-stock company with variable registered capital;
- b) the decision of the general meeting of the fund that is to be transformed regarding the change of the type of shares;
- c) a consent of all the shareholders of the fund that is to be transformed, whose shares are to become founders' shares following the transformation;
- d) a statement of the manager regarding the transformation, provided that a fund that is not an autonomous collective investment fund is concerned; and
- e) a statement of the depository of the fund that is to be transformed regarding the transformation.

Article 40

Consolidation of Unit Trusts

(Article 386(1) of the Act)

(1) The essential elements of an application for a permit for consolidation of collective investment funds having the legal form of unit trusts shall include

- a) identification data of

1. the applicant;
 2. the unit trust that is to be transformed;
 3. the manager of the unit trust that is to be transformed; and
 4. the depository of the unit trust that is to be transformed;
- b) a specification of the manner of consolidation pursuant to Article 382(1) of the Act; and
- c) annexes pursuant to paragraphs 2 and 3 below.

(2) Annexes to the application shall include

- a) the decision of the manager regarding the consolidation of the unit trusts;
- b) the agreement on consolidation, if more persons than one are to decide about the consolidation;
- c) a list and identification data of the unit trusts or foreign investment funds comparable with a standard fund that are involved in the consolidation and that are to be dissolved, and identification data of the unit trust or foreign investment fund comparable with a standard fund that is to be formed as a result of the consolidation;
- d) a project for the consolidation pursuant to Article 384 of the Act;
- e) a document on an approval of the project for the consolidation by all the administrators of the unit trusts that are to be dissolved as a result of the consolidation;
- f) a draft notification of consolidation pursuant to Article 389 of the Act, provided that a unit trust that is to be dissolved as a result of the consolidation is concerned; **and, unless a consolidation in respect of which no notification of consolidation is to be prepared is concerned, a draft notification of a right to purchase a unit, provided that a unit trust that is to be dissolved is concerned;**
- g) a statement of the depository of the unit trust regarding the consolidation in respect of each of the unit trusts involved in the consolidations, containing a declaration regarding the result of the verification of compliance of the information specified in the project for the transformation with the legislation and with the statute of this unit trust that is to be formed as a result of the consolidation;
- h) identification data of the manager, of the administrator and of the depository of the unit trust or foreign investment fund comparable with a standard fund that is to be formed as a result of the consolidation;
- i) draft agreements between the administrator, the depository and the manager of the unit trust or foreign investment fund comparable with a standard fund that is to be formed as a result of the consolidation; and
- j) information on the current amount of the equity capital of the manager that is to manage the unit trust or foreign investment fund comparable with a standard fund that is to be formed as a result of the consolidation, and on the current value of the assets of the investment funds managed by this manager.

(3) If unit trusts that are a standard fund, or foreign investment funds comparable with a standard fund, are involved in a transformation, and if such funds are to be dissolved as a result of a consolidation, annexes to the application shall include

- a) a list of Member States where these funds are authorized to market the securities or dematerialized securities issued by them; and
- b) a notification, addressed to the Czech National Bank, of the fact in which Member States investments in the fund that is to be formed as a result of the consolidation are to be marketed, if this fund is to be a standard fund.

Article 41

Merger of Unit Trusts by Acquisition

(Article 402(1) of the Act)

(1) The essential elements of an application for a permit for merger of collective investment funds having the legal form of unit trusts by acquisition shall include

- a) identification data of
 - 1. the applicant;
 - 2. the unit trust that is to be transformed;
 - 3. the manager of the unit trust that is to be transformed; and
 - 4. the depository of the unit trust that is to be transformed;
- b) a specification of the manner of merger by acquisition pursuant to Article 398(1) of the Act; and
- c) annexes pursuant to paragraphs 2 and 3 below.

(2) Annexes to the application shall include

- a) the decision of the manager regarding the merger of the funds by acquisition;
- b) the draft agreement on merger by acquisition, if more persons than one are to decide about the merger by acquisition;
- c) a list and identification data of the unit trusts or foreign investment funds comparable with a standard fund that are involved in the merger by acquisition;
- d) a project for the merger by acquisition pursuant to Article 400 of the Act;
- e) a document on an approval of the project for the merger by acquisition by all the administrators of the unit trusts involved in the merger by acquisition;
- f) a draft notification of merger by acquisition pursuant to Article 405 of the Act, provided that a unit trust that is to be dissolved as a result of the merger by acquisition is concerned;
- g) a statement of the depository of the unit trust regarding the merger by acquisition in respect of each of the unit trusts that are to be affected by the merger by acquisition, containing a declaration regarding the result of the verification of compliance of the information specified in the project for the merger by acquisition with the legislation and with the statute of this unit trust;
- h) identification data of the manager, of the administrator and of the depository of the acquiring unit trust or foreign investment fund comparable with a standard fund;
- i) draft agreements between the administrator, the depository and the manager of the acquiring unit trust or foreign investment fund comparable with a standard fund; and
- j) information on the current amount of the equity capital of the manager that is to manage the acquiring unit trust or the acquiring foreign investment fund comparable with a standard fund, and on the current value of the assets of the investment funds managed by this manager.

(3) If unit trusts that are a standard fund, or foreign investment funds comparable with a standard fund, are involved in a transformation, and if such funds are to be dissolved as a result of a merger by acquisition, annexes to the application shall include

- a) a list of Member States where these funds are authorized to market the securities or dematerialized securities issued by them; and
- b) a notification, addressed to the Czech National Bank, of the fact in which Member States investments in the acquiring fund are to be marketed, if this acquiring fund is to be a standard fund.

Article 42

Transformation of a Unit Trust Into a Joint-Stock Company

(Article 418(1) of the Act)

(1) The essential elements of an application for a permit for transformation of a collective investment fund having the legal form of a unit trust into a joint-stock company shall include

- a) identification data of
 - 1. the applicant;
 - 2. the unit trust that is to be transformed;
 - 3. the manager of the unit trust that is to be transformed;
 - 4. the depository of the unit trust that is to be transformed; and
 - 5. the persons that are to subscribe the founders' shares, provided that a transformation of a unit trust into a joint-stock company with variable registered capital is concerned; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) the decision of the manager regarding the transformation of the unit trust into a joint-stock company;
- b) a project for the transformation of the unit trust into a joint-stock company pursuant to Article 416 of the Act, supplemented with the changes that are to be made in the business plan and in the organizational structure of the joint-stock company;
- c) the current amount of the equity capital of the manager that is to manage the collective investment fund that is to be formed as a result of the transformation, and the current value of the assets of the investment funds managed by this manager;
- d) the memorandum of association of the joint-stock company that is to be formed as a result of the transformation, with a specification of the type of shares, provided that a transformation into a joint-stock company with variable registered capital is concerned;
- e) the obligation of the manager to subscribe the founders' shares of the future joint-stock company with variable registered capital, provided that a transformation into a joint-stock company with variable registered capital is concerned; and
- f) a statement of the depository of the unit trust that is to be transformed regarding the transformation.

Article 43

Transformation of a Closed-End Unit Trust Into an Open-End Unit Trust

(Article 427(1) of the Act)

(1) The essential elements of an application for a permit for transformation of a collective investment fund having the legal form of a closed-end unit trust into a collective investment fund having the legal form of an open-end unit trust shall include

- a) identification data of
 - 1. the applicant;
 - 2. the unit trust that is to be transformed;
 - 3. the manager of the unit trust that is to be transformed; and
 - 4. the depository of the unit trust that is to be transformed; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) a document on the decision of the manager regarding the transformation of the closed-end unit trust into an open-end unit trust;
- b) a project for the transformation, the content of which shall be appropriate to the essential elements pursuant to Article 416 of the Act;
- c) the statute of the transformed unit trust, provided that a standard fund is concerned; and
- d) a statement of the depository of the closed-end unit trust regarding the transformation.

Article 44

Transformation of a Special Fund Into a Standard Fund (Article 431(1) of the Act)

(1) The essential elements of an application for a permit for transformation of a special fund into a standard fund shall include

- a) identification data of
 - 1. the applicant;
 - 2. the special fund that is to be transformed;
 - 3. the manager of the special fund that is to be transformed; and
 - 4. the depository of the special fund that is to be transformed; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) a document on the decision of the manager regarding the transformation of the fund, or a consent of the manager of the fund that is to be transformed to the transformation;
- b) reasons for the transformation and the likely impacts on the interests of the unit-holders of the fund;
- c) the statute of the transformed standard fund;
- d) the memorandum of association of the transformed standard fund, provided that a joint-stock company with variable registered capital is concerned; and
- e) a statement of the depository of the fund that is to be transformed regarding the transformation.

Article 45

Transformation of an Investment Fund with Legal Personality Into a Foreign Investment Fund with Legal Personality (Article 441(1) of the Act)

(1) The essential elements of an application for a permit for transformation of an investment fund that is a collective investment fund with legal personality into a foreign investment fund with legal personality shall include

- a) identification data of
 - 1. the applicant;
 - 2. the investment fund that is to be transformed;
 - 3. the manager of the investment fund that is to be transformed; and
 - 4. the depository of the investment fund that is to be transformed; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) a project for the transformation, containing the essential elements pursuant to Article 447 of the Act;

- b) a document comparable with the statute and a document comparable with the memorandum of association of the transformed fund; and
- c) identification data of the manager, of the administrator and of the depository of the transformed fund, if such persons are to be changed in connection with the transformation or if the transformed collective investment fund is not to be an autonomous fund.

Article 46

Transformation of a Collective Investment Fund Without Legal Personality Into a Foreign Investment Fund Without Legal Personality (Article 449(1) of the Act)

(1) The essential elements of an application for a permit for transformation of a collective investment fund without legal personality into a foreign investment fund without legal personality shall include

- a) identification data of
 - 1. the applicant;
 - 2. the collective investment fund that is to be transformed;
 - 3. the manager of the collective investment fund that is to be transformed; and
 - 4. the depository of the collective investment fund that is to be transformed; and
- b) annexes pursuant to paragraph 2 below.

(2) Annexes to the application shall include

- a) the decision of the manager regarding the transformation;
- b) a project for the transformation pursuant to Article 447 of the Act;
- c) a document on the permissibility of the transformation pursuant to the laws of the foreign country that is to be the country where the transformed foreign investment fund is to have its registered office;
- d) identification data of the manager, of the administrator and of the depository of the transformed fund, if such persons are to be changed in connection with the transformation;
- e) information on the current amount of the equity capital of the manager that is to manage the transformed fund, and on the current value of the assets of the investment funds managed by this manager, unless the existing manager of the fund that is to be transformed is concerned; and
- f) a statement of the depository of the collective investment fund that is to be transformed regarding the transformation.

PART EIGHT

REVOCAION OF AUTHORIZATION

Article 47

Revocation of an Authorization to Perform Activities (Article 551(1)(d) of the Act)

(1) The essential elements of an application for the revocation of an authorization to perform the activities of a management company or of a foreign entity pursuant to Article 481 of the Act shall include

- a) the applicant's identification data; and
- b) annexes pursuant to paragraphs 2 and 3 below.

- (2) Annexes to an application for the revocation of an authorization shall include
- a) the decision of the competent body regarding the termination of activities for the performance of which an authorization is required pursuant to the Act, including a justification;
 - b) the applicant's financial statements, prepared as at the last day of the calendar month preceding the lodging of the application;
 - c) a list of all investment funds and foreign investment funds the management and administration of which the applicant is to terminate in connection with the lodging of the application for the revocation of an authorization;
 - d) documents on
 1. the transfer of the investment fund or foreign investment fund specified in the list pursuant to subparagraph c) above to the management of another manager or to the performance of administration by another administrator; or
 2. the merger by acquisition, or the consolidation, of the investment fund or foreign investment fund specified in the list pursuant to subparagraph c) above with an investment fund or foreign investment fund managed by another manager or administered by another administrator; or
 3. the liquidation of the dissolved investment fund or foreign investment fund specified in the list pursuant to subparagraph c) above;
 - e) a list of all clients to whom the applicant provided services specified in Article 11(1)(c) to (f) of the Act prior to the lodging of the application, unless the performance of the said activities was obviously not terminated in connection with the preparation for the termination of the applicant's activities and any liabilities with respect to such clients were settled at least 1 year prior to the lodging of the application pursuant to paragraph 1 above;
 - f) documents attesting to the fact that the applicant settled its liabilities with respect to the clients specified in the list pursuant to subparagraph e) above; and
 - g) the applicant's declaration to the effect that, as at the day of the lodging of the application pursuant to paragraph 1 above, the applicant manages no investment fund or foreign investment fund and performs no administration.

(3) Documents on the liquidation of the assets of a dissolved investment fund pursuant to item 3 of subparagraph **d)** of paragraph 2 above shall include

- a) a report on the course of the liquidation of the dissolved investment fund, containing information on the commencement of the liquidation, on the time and manner of the sale of the assets in the investment fund or foreign investment fund, information on the proceeds from the sale of such assets and on the proceeds from the sale of such assets after the settlement of any receivables and liabilities arising from the management of the assets in the investment fund or foreign investment fund, and information on the day when the settlement of any receivables and liabilities arising from the management of the assets in the investment fund or foreign investment fund was completed;
- b) extraordinary financial statements, prepared as at the day of the dissolution of the investment fund;
- c) a list of receivables and liabilities arising from the management of the assets in the investment fund, which were to be settled within the scope of the liquidation, including information on their settlement;
- d) a list of partners or unit-holders of the dissolved investment fund or foreign investment fund, including information on the paying out of units after any receivables and liabilities arising from the management of the assets in the investment fund have been settled, and including information on any units that were deposited into a judicial custody;

- e) a document attesting to the fact that the units pursuant to subparagraph d) above were deposited into a judicial custody, or a document attesting to the fact that any uncollected units were handed in to the State where such units shall fall upon the State; and
- f) a summary and features of any investors' complaints addressed to the applicant, and a summary and features of any legal actions brought in connection with the liquidation of the investment fund.

(4) The essential elements of an application for the revocation of an authorization to perform the activities of an autonomous investment fund shall include the applicant's identification data and the annexes pursuant to subparagraphs a) and b) of paragraph 2 above.

(5) The essential elements of an application for the revocation of an authorization to perform the activities of a primary administrator shall include

- a) the applicant's identification data;
- b) annexes pursuant to subparagraphs a) and b) of paragraph 2 above, and also
 1. a list of all investment funds and foreign investment funds for which the applicant performed administration; and
 2. the applicant's declaration to the effect that, as at the day of the lodging of the application, the applicant performs no administration.

Article 48

Revocation of an Authorization to Perform Activities Pursuant to Article 646 of the Act

(1) In the case of an application for the revocation of an authorization to perform activities lodged by a management company pursuant to Article 642 of the Act, which only manages a special fund that is a fund of qualified investors, or a comparable foreign investment fund, the essential elements of the application shall include

- a) identification data of the applicant and of the investment funds managed by the applicant; and
- b) an annex containing information and data to substantiate that the applicant does not exceed the assets under management threshold.

(2) In the case of an application for the revocation of an authorization to perform activities lodged by an investment fund pursuant to Article 643(2) of the Act, the assets of which are not to be managed on the basis of an agreement, the essential elements of the application shall include

- a) the applicant's identification data; and
- b) an annex containing information and data to substantiate that the applicant does not exceed the assets under management threshold.

PART NINE

APPLICATION FOR THE APPOINTMENT OF A LIQUIDATOR

Article 49

(Article 346(2) of the Act)

The essential elements of an application for the appointment of a liquidator pursuant to Article 346(2) of the Act shall include

- a) identification data of the applicant and of the liquidator whose appointment is being applied for; and

b) annexes which shall include

- 1. the decision of the applicant's body to dissolve the company with liquidation and to lodge an application for the appointment of a liquidator; and**
- 2. the applicant's declaration that the liquidator complies with the preconditions for the performance of duties pursuant to Article 349(2) of the Act.**

PART TEN

FORM AND MANNER OF LODGING AN APPLICATION

Article 50

(1) Applications, including required annexes, pursuant to this Decree shall be lodged in electronic form

- a) through the public data network to the data box;
- b) to the electronic address of the filing department of the Czech National Bank; or
- c) through the Internet application of the Czech National Bank for the registration of entities.

(2) Annexes to applications shall be in the Portable Document Format (.pdf suffix) or, if the Portable Document Format (.pdf suffix) is impossible to use, in some other data format commonly used in electronic communication that does not make it possible to alter the contents.

PART ELEVEN

COMMON AND FINAL PROVISIONS

Article 51

(1) If the nature of the matter makes it impossible to submit any annex required by this Decree to an application, the applicant shall state this fact in a separate annex to the application along with the reasons why such an annex cannot be submitted or why such information cannot be stated, which reasons shall be appropriately substantiated by the applicant.

(2) Where no extracts from the Criminal Register or equivalent documents are issued by a foreign country,

- a) a natural person shall submit an affidavit of having no criminal record, which is to be taken before a notary or an authority of the country of which the natural person is a national, or of the country where the natural person (has) resided for a period of more than 6 consecutive months during the last 3 years; and
- b) a legal entity shall submit an affidavit of having no criminal record, which is to be taken before a notary or an authority of the country where the legal entity has its registered office, or of the country where the legal entity has or during the last 3 years had a branch.

(3) The document pursuant to paragraph 2 above must not be older than 3 months.

Article 52

Effective Day

This Decree shall become effective on the day of its promulgation.

Governor:

Ing. Singer, Ph.D., signed