

DECREE

No. 309/2017

of 11 September 2017

on applications and notifications under the Capital Market Undertakings Act

The Czech National Bank stipulates, pursuant to Article 199(2) of Act No. 256/2004, on Capital Market Undertakings, as amended by Act No. 296/2007, Act No. 230/2008, Act No. 139/2011, Act No. 188/2011, Act No. 241/2013 and Act No. 204/2017, on the implementation of Article 7(5), Article 14h(c) to (e), Article 19(4), Article 20(4), Article 28a(4), Article 30a(3), Article 38(4), Article 39 (7), Article 45(4), Article 46(4), Article 47(2), Article 90a(5), Article 192b(4) and Article 198(5):

Article 1

Subject of regulation

- (1) This Decree regulates
- a) the details of applications for
 - 1. authorisation to act as an investment intermediary,
 - 2. authorisation to act as a regulated market operator,
 - 3. authorisation to operate a settlement system with settlement finality,
 - 4. authorisation to act as a central counterparty,
 - 5. authorisation to provide investment services through a branch of a foreign person,
 - 6. the registration of other business activities of an investment firm or a regulated market operator,
 - 7. accreditation, change of accreditation, and extension of accreditation,
 - 8. authorisation for transformation or to conclude a contract for the transfer, suspension or lease of a business or part thereof,
 - 9. consent to acquire or increase a qualifying holding in or to control a regulated market operator,
 - 10. entry in the list of receivers and liquidators,
 - b) details of notifications of a change to the accreditation conditions.
- (2) This Decree further regulates the formats and other technical requisites for applications and notifications.

Article 2

Definition of terms

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

- a) a certificate of integrity issued by a foreign state shall mean a document similar to an extract from the criminal records no older than 3 months, issued by a foreign state
 - 1. of which a foreign natural person is a citizen, as well as by a foreign state in which this person or a natural person who is a citizen of the Czech Republic was continuously resident for over 6 months in the past 3 years, or
 - 2. in which a foreign legal person has or had in the past 3 years its registered office, as well as by a foreign state in which a foreign legal person or legal person with registered office in the Czech Republic has or had in the past 3 years a branch of a business establishment, if the legislation of that foreign state regulates the criminal liability of legal persons,

- b) documents for verification of trustworthiness shall mean a certificate of integrity issued by a foreign state, a statement containing information enabling the securing of an extract from the criminal records, and data and documents on the activity of the person over the last 10 years, especially about
 - 1. the imposition of an administrative penalty in connection with employment, function, or business activity,
 - 2. a decision on bankruptcy,
 - 3. the suspension or revocation of a license for business or other activity, unless done based on a request by the person who is the holder of the license,
 - 4. refusal of approval by a court or administrative authority with the election, appointment, or other designation to a function, or with the acquisition of a qualifying holding, or with the controlling of a person, if such approval was required,
 - 5. exclusion from a professional chamber, club or association of persons operating on the financial market,
- c) a document relating to the acquisition of a qualifying holding shall mean a statement by the person intending to acquire or increase a qualifying holding as to whether
 - 1. they will acquire the interest in their own name and for their own account,
 - 2. they exercise, or will exercise, voting rights on behalf of a third party,
 - 3. they intend to transfer, on the basis of concluded contract or other arrangement, the voting rights to another person,
 - 4. there exists, or should exist in the future, a fact based on which they are or will become a controlled person,
 - 5. they are acting in concert with another person to whom the voting rights were transferred or who should exercise a significant influence over the management,
 - 6. they have debts that exceed 5% of the equity or assets, or that may have such effect,
- d) financial statements shall mean
 - 1. annual reports and financial statements for the last 3 accounting periods, or for the period during which the person has been carrying on business if that period is less than 3 accounting periods; if the person is part of a consolidated group, also the consolidated annual reports and financial statements for the same period, and if, under the Accounting Act, the financial statements have to be audited, the presented financial statements must be audited,
 - 2. proof of income for the last 3 years, assets and debts in the case of a natural person,
- e) information about persons having close links shall mean
 - 1. the identification details of all persons having close links; if a person with close links is a foreign person with a registered office in another European Union Member State, also information as to whether it is a person with authorisation from the supervisory authority of the other Member State to act as a credit institution, an electronic money institution, an insurance undertaking, a reinsurance undertaking, a management company or investment services provider, or any other person with activity subject to the approval of that authority, or is a controlling person of such a person,
 - 2. a description of the structure of the group and the method of interconnection, with a graphical representation of the relationships between the closely related persons with an indication of the subject of their activity,
- f) information about professional practice shall mean
 - 1. information about the type of professional practice,
 - 2. the identification data of the person with which the professional practice is or was performed,
 - 3. identification of the job description and, if the practice is important for activity on the financial market, also a description of the activity performed, including the extent of

- the powers and responsibilities associated with this activity and the number of managed persons,
4. a definition of the time during which the activity in accordance with item 3 was performed,
 5. agreement with the performance of the work required by other legislation, if such agreement was necessary,
- g) information about education shall mean
1. the name and type of educational institution, study program, the focus of the study program, the duration of the study program, the method and date of termination of studies, any degrees obtained where relevant,
 2. an overview of professional examinations, courses, internships, and study stays relevant for activity on the financial market, with an indication of their focus and the year in which they were performed.

Details of an application for authorisation to act as an investment intermediary

Article 3

(Re Article 30a(3) of the Act)

(1) The details of an application by a legal person for authorisation to act as an investment intermediary pursuant to the Capital Market Undertakings Act (the “Act”) shall mean the data and documents relating to the applicant and the data and documents relating to the performance of the activity of investment intermediary.

(2) The data and documents relating to the applicant shall be

- a) the founding legal acts,
- b) an extract from the Commercial Register or other similar register of entrepreneurs, not over 3 months old,
- c) the actual registered office, if different from the applicant’s registered office,
- d) a list of proposals for the annulment of resolutions of the General Meeting for which legal proceedings were not finally completed at the date of filing of the application, if such proposals were raised and could have a significant effect on the further functioning of the company,
- e) documents demonstrating the trustworthiness of the applicant,
- f) a list of members of the management body of the applicant and for each member of the management body
 1. identification data,
 2. documents demonstrating trustworthiness,
 3. information about their education and information about their professional experience, including the relevant supporting documents,
 4. an overview of membership in the elected bodies of other legal persons for the last 10 years, for each legal person identification data and also an indication of the function performed and the period of its performance in such legal person,
 5. a list of functions in the elected bodies of other legal persons that this person intends to exercise concurrently with the position of member of the management body of the applicant, for each legal person the identification data and also an indication of the function that is to be performed in this legal person, and whether it is an executive or non-executive function,
 6. a brief description of the performance of the function in terms of delegated powers and responsibilities of a member of the management body of the applicant, and

7. a report by the applicant on the results of the evaluation of the proposed person from the point of view of fulfillment of the conditions pursuant to Article 10(3)(c) and (f) of the Act,
- g) the amount of initial capital and documents proving its origin,
- h) the financial statements of the applicant, if the legal person has already been established,
- i) a list of persons with a qualifying holding in the applicant and a graphical illustration of the relations between these persons,
- j) for each person specified in the list under letter (i)
 1. identification data,
 2. the share in the registered capital or voting rights, expressed as a percentage and the absolute value, or an indication and description of another form of exercise of significant influence over the applicant's management,
 3. documents demonstrating trustworthiness,
 4. an extract from the Commercial Register or other similar register of entrepreneurs, not over 3 months old, if a legal person or natural person engaged in business,
 5. proof of acquisition of the qualifying holding,
 6. an overview of membership of the person in the elected bodies of other legal persons for the last 10 years, for each legal person identification data and also an indication of the function performed and the period of its performance in such legal person,
 7. an overview of the financial and personnel relationships of that person and the persons close to them, including at least the members of the management body of the applicant and the legal person that controls the applicant,
 8. the financial statements,
 9. identification of the supervisory authority if the person is subject to supervision by an authority of a state other than the Czech Republic,
- k) a list of persons who are members of the elected body of the legal person indicated in the list of persons with a qualifying holding under (i), and for each member
 1. identification data,
 2. a description of the function performed,
 3. documents demonstrating their trustworthiness, and
 4. information within the scope of letter (j) item 6,
- l) an opinion by the authority that supervises the person indicated in the list referred to in letter (i) in the country of its registered office, if the person with a qualifying holding in the applicant is a legal person with registered office outside the territory of the European Union Member State over which such supervision is performed in the country of its registered office, relating to
 1. the intention of that person to establish asset participation in the Czech Republic in the activity of the legal person whose authorisation to carry on business is being sought, and
 2. the possible exchange of information necessary for the performance of supervision over the applicant,
- m) information about persons with close links; if a person with a close link is a person with a registered office in a state that is not a European Union Member State, also an analysis containing a comparison of the relevant legislation to establish whether the legislation of that state and the manner of its application, including law enforceability, prevents effective supervision of the applicant, and
- n) a description of the fact based on which the person indicated in the list pursuant to letter (i) becomes the person controlling the applicant if such control takes place.

(3) If a person with a qualifying holding included in the list referred to in paragraph 2 (i) is a legal person with a registered office in another European Union Member State and this

person is subject to supervision by a competent authority in the European Union Member State of its registered office, the applicant, instead of the data and documents referred to in paragraph 2(j) items 3, 4, 6 to 8 and (k) and (l), may provide confirmation by that supervisory authority that it is a person subject to its supervision whose trustworthiness it has examined and that it has no current evidence of any lack of trustworthiness.

(4) The data and documents related to the performance of the activities of an investment intermediary shall be

- a) a business plan pursuant to Article 30(1)(f) of the Act for the first 3 accounting periods of activity within the scope of the financial statements pursuant to the Accounting Act, including a commentary on its individual items, which contains the basic points on which the plan is built; in defining the activities performed, the applicant will indicate which main investment services referred to in Article 29(1) of the Act will be exercised and in relation to which financial instruments pursuant to Article 29(3)(a) to (e) of the Act the activity will be performed,
- b) a description of the method of fulfilling the material, personnel and organisational prerequisites for the performance of the activity based on the anticipated scope of activities and the business plan,
- c) drafts of internal rules governing the rules for dealing with customers and rules for the prudent provision of investment services, including
 1. the organisational structure,
 2. control of the persons through whom it acts as an investment intermediary,
- d) a description of the method of meeting the requirements pursuant to Article 10 of the Act, and if it intends to use tied agents, also the meeting of the obligations of the represented person pursuant to Article 32k of the Act and
- e) a compulsory insurance contract pursuant to Article 31 of the Act or a draft of such a contract with confirmation from an insurance company or other similar person authorised to conclude an insurance contract that the contract will be concluded in the event of authorisation to act as an investment intermediary.

Article 4

(Re Article 30a(3) of the Act)

(1) The details of an application by a legal person for authorisation to act as an investment intermediary shall be the data and documents relating to the applicant and the data and documents related to the performance of the activity of investment intermediary.

(2) The data and documents relating to the applicant shall be

- a) the registered office, if different from the place of residence,
- b) a declaration of legal capacity,
- c) documents demonstrating trustworthiness,
- d) information about their education and information about their professional experience, including the relevant supporting documents,
- e) an overview of membership in the elected bodies of other legal persons for the last 10 years, and for each legal person identification data and also an indication of the function performed and the period of its performance in such legal person, and
- f) a list of functions in the elected bodies of legal persons that the applicant intends to exercise concurrently with the activity of investment intermediary, for each legal person the identification data and also an indication of the function that is to be performed in this legal person, and whether it is an executive or non-executive function.

(3) The data and documents related to the performance of the activities of an investment intermediary shall be

- a) a business plan pursuant to Article 30(2)(c) of the Act for the first 3 accounting periods of activity within the scope of the financial statements pursuant to the Accounting Act, including a commentary on its individual items, which contains the basic points on which the plan is built; in defining the activities performed, the applicant will indicate which main investment services referred to in Article 29(1) of the Act will be exercised and in relation to which financial instruments pursuant to Article 29(3)(a) to (e) of the Act the activity will be performed,
- b) a description of the method of fulfilling the material, personnel and organisational prerequisites for the performance of the activity based on the anticipated scope of activities and the business plan,
- c) drafts of internal rules governing the rules for dealing with customers and rules for the prudent provision of investment services, including
 - 1. the organisational structure,
 - 2. control of the persons through whom it acts as an investment intermediary,
- d) a description of the method of meeting the requirements under Article 32k of the Act concerning the obligation of the represented person, if the applicant intends to use tied agents, and
- e) a compulsory insurance contract pursuant to Article 31 of the Act or a draft of such a contract with confirmation from an insurance company or other similar person authorised to conclude an insurance contract that the contract will be concluded in the event of authorisation to act as an investment intermediary.

Article 5

Details of an application for authorisation to act as a regulated market operator

(Re Article 38(4) of the Act)

The details of an application for authorisation to act as a regulated market operator shall be the data and documents on the applicant pursuant to Article 3(2) and (3) and the following data and documents related to the performance of the activity of a regulated market operator:

- a) a business plan pursuant to Article 38(1)(g) of the Act for the first 3 accounting periods of activity within the scope of the financial statements in accordance with the Accounting Act, including a commentary on its individual items that contains the basic points on which the plan is built,
- b) drafts of internal regulations governing
 - 1. the organisational arrangements with a definition of activities and their associated competences and decision-making powers, including the work of bodies and committees of the regulated market operator, and
 - 2. the activities of individual organisational units and a rough indication of the number of employees,
- c) a draft of the rules
 - 1. for trading on the regulated market,
 - 2. for access to the regulated market,
 - 3. for receiving financial instruments for trading on the regulated market,
 - 4. for enforcing compliance with the determined rules in accordance with items 1 to 3, including possible sanctions for breach of these rules, and
 - 5. the control of the persons through whom it performs the activity of regulated market operator, including the method of ensuring that these persons are trustworthy and have the necessary knowledge, skills, and experience, and the manner of verification of the legal capacity of these persons,
- d) measures to prevent market abuse,

- e) the method of settling transactions,
- f) the technical provision of the proposed range of services,
- g) principles and procedures to ensure the proper operation of business and other systems, including measures in the event of disruption of the operation of such systems and emergencies,
- h) a draft of rules for managing the information system, including security rules and data backup and storage rules,
- i) a draft of rules for making information available pursuant to Article 48(1)(i) items 3 and 4 of the Act to participants in market it organises,
- j) administrative, control and security procedures for data recording and processing, the handling of confidential information according to the directly applicable European Union regulation on market abuse¹⁾ and of personal data protected under another legal regulation,
- k) a draft of rules to ensure the fulfillment of obligations under the Act governing measures against money laundering, including their provision in organisational, technical, and personnel terms,
- l) a description of the organisational, technical, and personnel ensuring of control activities aimed at monitoring
 1. compliance with legislation, trading rules, and rules for access to the regulated market by market participants,
 2. compliance with legislation and the internal regulations of the applicant by its employees,
 3. compliance with the conditions for accepting financial instruments for trading determined by the Act and the rules for accepting financial instruments for trading for financial instruments accepted for trading, and
 4. compliance with the reporting obligation determined by the Act for an issuer of investment securities accepted for trading or for a third party in the event of subsequent acceptance of a financial instrument for trading without the consent of the issuer,
- m) procedures for monitoring trading on an organised market and evaluating the emergence of an extraordinary market situation or behavior that may be considered as the use of internal information or market manipulation; analysis of the different types of crisis situations in the development of the capital market and the applicant's business that may have an adverse impact the functioning of the capital market, and the procedures for dealing with such situations,
- n) procedures for the management of risks related to the proposed range of services provided, their evaluation, and measures to limit these risks; insurance contracts, bank guarantees, and similar instruments designed to cover those risks, or documents demonstrating the willingness of other entities to accept a commitment to cover such risks are considered as such measures, as long as the relevant legal actions have not yet been taken,
- o) procedures for detecting and addressing any adverse impacts on the activity of the operator of the regulated market or its participants that might arise from a conflict between the interests of the operator of the regulated market or its members and the proper functioning of the regulated market, including an internal regulation for transactions concluded by employees for their own account or the account of close persons,
- p) a draft of rules pursuant to Article 38(1)(l) of the Act, and a description of the operation of

¹⁾ Regulation (EU) No 596/2014 of the European Parliament and of the Council.

the multilateral trading system according to the directly applicable European Union regulation²⁾, if it is the subject of the authorisation to operate a multilateral trading system, and

- q) a draft of rules pursuant to Article 38(1)(m) of the Act, and a description of the operation of the multilateral trading system according to the directly applicable European Union regulation²⁾, if it is the subject of the authorisation to operate a multilateral trading system.

Article 6

Details of an application for authorisation to operate a settlement system with settlement finality

(Re Article 90a(5) of the Act)

(1) The details of an application for authorisation to operate a settlement system with settlement finality, if the applicant is a legal person with a registered office in the Czech Republic, shall be data and documents about the applicant and data and documents related to the operation of the settlement system.

(2) The data and documents about the applicant shall be the data and documents pursuant to Article 3(2) and (3), with the exception of the report for a member of the management body pursuant to Article 3(2)(f) item 7.

(3) The data and documents related to the operation of the settlement system shall be

- a) a business plan for the first 3 accounting periods of activity within the scope of the financial statements in accordance with the Accounting Act, including a commentary on the individual items that contains the basic points on which the plan is built, and a description of the method of ensuring the individual activities,
- b) a definition of the financial instruments that may be the subject of receivables and debts from transactions, which it will be possible to settle in the settlement system operated by the applicant,
- c) a draft of the rules of the settlement system pursuant to Article 85 of the Act,
- d) a draft of the rules for the functioning of the settlement system, including a description of the roles of each participant, their obligations and responsibilities,
- e) the contractual arrangements for the functioning of the settlement system, including a specimen draft contract with a participant in the settlement system,
- f) a description of the technical, organisational, and personnel provision of the proposed scope of activity of the settlement system with settlement finality,
- g) a draft risk management system, which must cover in particular the determination of methods for identifying, measuring, monitoring and managing the risks arising from individual activities, a determination of the obligations and responsibilities in risk management, the method of setting limits, the frequency of measurements and the continuous monitoring of individual risks, and the procedure for dealing with critical situations when the set limit is exceeded; the applicant will further submit insurance contracts and other instruments designed to cover those risks, and contracts with third parties involved in the process of measuring, monitoring, managing or evaluating such

²⁾ Commission Implementing Regulation (EU) 2016/824 of 25 May 2016 laying down implementing technical standards with regard to the content and format of the description of the functioning of multilateral trading facilities and organised trading facilities and the notification to the European Securities and Markets Authority according to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.

- risks,
- h) an analysis of the individual types of crises in the operation of a system with settlement finality, and potentially other business activities, including procedures for their resolution and including a definition of liability in such a situation,
 - i) administrative, control and security procedures for data recording and processing, the handling of internal information according to the directly applicable European Union regulation on market abuse¹⁾ and of personal data protected under another legal regulation,
 - j) a draft of rules to ensure the fulfillment of obligations under the Act governing measures against money laundering, including their provision in organisational, technical, and personnel terms, and
 - k) a draft of internal regulations governing
 1. the organisational arrangements, with a definition of activities and their associated competences and decision-making powers, including the work of bodies and committees of the settlement system operator, and
 2. the activities of individual organisational units and a rough indication of the number of employees.

(4) The details of an application for authorisation to operate a settlement system with settlement finality, if the applicant is a legal person established in another European Union Member State, shall be the following documents:

- a) an extract from the records of entrepreneurs demonstrating the existence of the applicant and identifying the person who can act for the applicant, and the scope and manner of such conduct, unless this is clear from the submitted document,
- b) authorisation to operate a settlement system with settlement finality issued by the supervisory authority of the country of the applicant's registered office, unless this is apparent from the document referred to in letter (a),
- c) documents for evaluation of the applicant's trustworthiness, or confirmation by the supervisory authority of the country of the applicant's registered office that it is a person subject to its supervision whose trustworthiness it has verified and that it has no current evidence as to any lack of trustworthiness, and
- d) a draft of the rules of the settlement system with settlement finality pursuant to Article 85 of the Act.

Article 7

Details of an application for authorisation to act as a central counterparty

(Re Article 192b(4) of the Act)

The details of an application for authorisation to act as a central counterparty shall be the data and documents about the applicant pursuant to Article 3(2) and (3) and the following data and documents related to the performance of the activity of a central counterparty:

- a) a business plan for the first 3 accounting periods within the scope of the financial statements in accordance with the Accounting Act, including a commentary on the individual items that contains the basic points on which the plan is built, and a description of the method of ensuring the individual activities connected with the operation of a central counterparty,
- b) a determination of the scope of activities and services, including the categories of financial instruments for which the applicant is applying for authorisation,
- c) the design of a management and control system, which shall include in particular
 1. the organisational structure,

2. a risk management system, including the detection and restriction of potential conflicts of interest,
 3. an internal control system,
 4. a capital and capital adequacy strategy, and
 5. the system for remunerating employees, which contributes to and is in accordance with sound and effective risk management,
- d) a draft of rules for participation and access to the clearing system of the central counterparty,
 - e) a draft of rules for the settlement of transactions through a central counterparty,
 - f) a draft of procedures for keeping accounts of members of the clearing system,
 - g) a proposal for the technical securing of the proposed scope of action of the central counterparty,
 - h) a draft of procedures for managing the information system, including data security, backup and storage,
 - i) a draft of procedures for the maintenance of operations and a recovery plan for the operation of the central counterparty,
 - j) a draft of procedures applied in the event of a failure of a clearing system member,
 - k) a list of persons who, as the heads of organisational units or as an independent persons, will ensure
 1. the activity of the clearing system,
 2. continuous monitoring of compliance with central counterparty obligations arising from legislation and the internal rules of the central counterparty and from contractual relations,
 3. risk management,
 4. internal audit performance,
 - l) for each person referred to in letter (k), data about the person, an indication of the activity performed, data about their education, and data about their professional experience,
 - m) a list of activities that the applicant intends to perform through another person, and the method to ensure compliance with the conditions of performance of the activity through another person and the appropriate checks.

Article 8

Details of an application for authorisation to provide investment services through a branch of a foreign person (Re Article 28a(4) of the Act)

(1) The details of an application for authorisation to provide investment services through a branch of a foreign person shall be data and documents about the applicant and data and documents related to the performance of the activity of the branch in the Czech Republic.

(2) The data and documents relating to the applicant shall be

- a) an extract from the records of entrepreneurs demonstrating the existence of the applicant and identifying the person who can act for the applicant, and the scope and method of such conduct, unless this is clear from the submitted document,
- b) the actual registered office, if different from the applicant's registered office,
- c) authorisation for the applicant's activities issued by the supervisory authority of the State in which the applicant has its registered office and actual registered office, indicating the scope of the authorised activity, unless this is apparent from the document referred to in letter (a),

- d) the decision of the competent body of the applicant on the intention to establish a branch in the Czech Republic, an indication of the amount of funds allocated for that branch corresponding to the scope of the investment services provided in the Czech Republic, documents about their origin, and the method of their transfer to that branch,
- e) documents demonstrating the trustworthiness of the applicant,
- f) a list of members of the management body of the applicant, and for each member of the management body data about that person and documents demonstrating their trustworthiness,
- g) the financial statements of the applicant,
- h) a list of persons with a qualifying holding in the applicant, and a graphical illustration of the relations between these persons, and for each person with a qualifying holding in the applicant
 1. identification data,
 2. the amount of the interest in the applicant, or indication of another form of exercise of significant influence over the applicant's management,
- i) the opinion of the supervisory authority regarding
 1. the intention of the applicant to provide investment services in the Czech Republic through a branch, or proof that this authority was informed of the intention of the applicant to provide investment services in the Czech Republic through the branch,
 2. the persons with a qualifying holding in the applicant referred to in letter (h) from the perspective of their trustworthiness,
 3. the possibility of exchanging information necessary for the supervision of a branch established in the Czech Republic,
- j) data about persons with close links; if a person with a close link is a person with registered office in a state that is not a European Union Member State, also an analysis of whether the legislation of that state and the method of its application, including law enforceability, prevents effective supervision pursuant to the Act,
- k) a draft of internal rules governing the management of branches in another state, and
- l) proof of participation in the guarantee system for persons providing investment services of which the applicant is a participant, and a description of the guarantee system, including the method and scope of the compensation paid.

(3) The data and documents related to the operation of a branch in the Czech Republic are

- a) identification of the branch in the Czech Republic, its registered office or location, and information about the petition for the registration of the branch in the Commercial Register,
- b) identification of the investment service to be provided by the branch and in relation to which financial instruments, and whether it will receive client funds or financial instruments in connection with the performance of its business,
- c) a business plan pursuant to Article 28a(1)(f) of the Act for the first 3 accounting periods of activity within the scope of the financial statements in accordance with the Accounting Act, including a commentary on its individual items that contains the basic points on which the plan is built,
- d) a description of the material, personnel and organisational prerequisites demonstrating the fulfillment of the conditions pursuant to Article 28a(1)(g) of the Act to ensure the activity of the applicant and the business plan,
- e) for persons in the branch management, the data and documents within the scope pursuant to Article 3(2)(f) items 1 to 6,
- f) a draft of rules pursuant to Article 28a(1)(n) of the Act, and a description of the operation of the multilateral trading system according to the directly applicable European Union regulation²⁾, if the subject of the authorisation to operate a multilateral trading system, and

- g) a draft of rules pursuant to Article 28a(1)(o) of the Act, and a description of the operation of the organised trading system according to the directly applicable European Union regulation²⁾, if the subject of the authorisation to operate an organised trading system.

Article 9

Details of an application to register another business activity of an investment firm or a regulated market operator

(Re Article 7(5) and Article 39(7) of the Act)

Details of an application to register another business activity of an investment firm or a regulated market operator are the following data and documents related to the performance of other business activities:

- a) an indication of the other business activity to be registered,
- b) the anticipated impacts of the other business activity on the applicant's activity, especially in terms of the material, personnel and organisational provision of the other business activity,
- c) drafts for internal rules that take into account the performance of the other business activity, in particular internal rules governing risk management procedures, their evaluation, and risk mitigation measures,
- d) analysis of the different types of possible crisis when carrying out the other business activity that may adversely affect the proper provision of services, and procedures to deal with such situations, and
- e) an updated business plan that takes into account the other business activity that will newly be performed.

Article 10

Details of an application for accreditation or change of accreditation, for extension of accreditation and for notification of changes in accreditation conditions

[Re Article 14h(c) to (e) of the Act]

(1) Details of an application for accreditation shall be the following data and documents related to the accreditation:

- a) an extract from the Commercial Register or other similar register of entrepreneurs, not over 3 months old,
- b) documents demonstrating the trustworthiness
 1. of the applicant,
 2. of the members of the board of directors, the statutory and supervisory body, or any other similar authority of the applicant, if the applicant is a legal person,
- c) a declaration of legal capacity, if the applicant is a natural person,
- d) documents demonstrating the fulfillment of material, qualification, organisational and personnel prerequisites for organising the professional examinations stipulated by an implementing legal regulation governing professional qualification for distribution on a capital market, especially
 1. a list and description of the premises where the professional examinations will be conducted, including information as to the number and capacity of the examination rooms,
 2. a description of the technical and software resources for organising the professional examinations,
 3. draft organisational rules,

4. a list of members of the examination commission, and for each member of the examination commission their personal data, education data and professional experience, including the relevant documents confirming the above facts, and documents demonstrating trustworthiness,
- e) a draft of the examination rules in accordance with the requirements laid down in an implementing legal regulation governing professional qualification for distribution on a capital market,
- f) data about a person representing the controlling person, if the applicant is a legal person,
- g) an extract from the Commercial Register or other similar register of entrepreneurs, not over 3 months old, for the controlling person if the controlling person is a legal person or natural person engaged in business,
- h) a description of the facts based on which the person referred to in item (f) is the controlling person, or, where applicable, a document confirming this fact, and
- i) documents for evaluating the trustworthiness of the controlling person and, if the controlling person is a legal entity, documents for the evaluation of the trustworthiness of the members of its board of directors, the statutory body and the supervisory body, or other similar body of that legal person; if the controlling person is a legal person with its registered office in another European Union Member State and this person is subject to supervision by a competent authority in the European Union Member State of its registered office, instead of documents for the evaluation of trustworthiness of the controlling person, the applicant may submit confirmation from that supervisory body that it is a person subject to its supervision whose trustworthiness it has verified and that it has no current evidence as to its lack of trustworthiness.

(2) The details of an application for a change of a granted accreditation to hold professional examinations shall be the following data and documents:

- a) identification of the change requested by the accredited person, and
- b) the data or document referred to in paragraph 1 which relates to this change and demonstrates that the statutory conditions for performing the activity of the accredited person have been met.

(3) The details of a notification of a change to the conditions under which the accreditation for holding professional examinations was granted shall be an indication of the change that the accredited person is notifying and information or the document referred to in paragraph 1 which relates to this change and demonstrates the fulfillment of the statutory conditions for performing the activity of the accredited person.

(4) The details of an application for extension of accreditation to hold professional examinations shall be the declaration of the accredited person that the data and documents proving compliance with the statutory conditions attached to the application for accreditation under paragraphs 1 and 2 or to the notification under paragraph 3 are up to date.

Article 11

Details of an application for authorisation for transformation, to conclude a transfer agreement, to pledge or lease the business of an investment firm or a regulated market operator

(Re Article 19(4), Article 20(4), Article 45(4) and Article 46(4) of the Act)

(1) The details of an application for authorisation for transformation, to conclude a transfer agreement, to pledge or lease the business of an investment firm or a regulated market operator or part thereof shall be the following data and documents connected with the transformation:

- a) indication of the type of transformation,
- b) a list of the participating and successor companies, which includes information whether it is the undertaking being dissolved, the successor company, the transferring company or the acquiring company, and for each person their identification data, the amount of registered capital, the amount of paid-up registered capital, the number, amount, and purpose of each deposit through which the registered capital was subscribed or paid up, and also the number, nominal value, and the form of the shares and the number of interests,
- c) the project for the transformation, including in particular the reasons for the transformation, the changes that will be made to the business plan, the schedule, a description of the effects on the performance of the activities and services, a description of the integration of organisational departments and job classifications in the new organisational structure, and a description of the transfer of powers, unless such information is already contained in other submitted documents,
- d) the joint reports of the statutory bodies or reports of the statutory bodies of the participating companies about the transformation, and agreements to waive their preparation where relevant,
- e) an expert report or reports, potentially agreements to waive the preparation of expert reports or reports,
- f) an expert opinion or opinions, if they are not part of the expert report or reports, if required,
- g) the financial statements of the participating companies,
- h) the final financial statements of the participating companies, the opening balance sheet of the successor company, and the auditor's reports on their verification, if required, or interim financial statements and auditor's reports on their verification, if required,
- i) data on the aggregate assets, rights and liabilities indicated in the accounts of the transferred business, or its part,
- j) the identification of groups of persons, among whom and the legal successors of the persons participating in the transformation, close links will arise as a consequence of the transformation, and the identification data for each person who, as a result of the transformation, will gain a qualifying holding in the legal successor of the participating companies,
 - 1. identification data,
 - 2. the amount of the interest, or indication of another form of exercise of significant influence over the management of the legal successor, and
- k) a list of members of the management bodies of the successor or acquiring companies, and for each member of the management body the data and documents pursuant to Article 3(2)(f).

(2) The details of an application for authorisation to change the legal form means the project for the change of legal status under legislation governing transformations of trading companies and cooperatives³⁾ drawn up in the form of a notarial act in the wording stored in the collection of documents of the Commercial Register.

Article 12

Details of an application for consent to acquire or increase a qualifying holding in or to control a regulated market operator

(Re Article 47(2) of the Act)

³⁾ Act No 125/2008, on the transformation of companies and cooperatives, as amended.

(1) The details of an application for consent to acquire or increase a qualifying holding in or to control a regulated market operator are the following data and documents related to the qualifying holding or control:

- a) information about the person of the regulated market operator in which the qualifying holding is to be acquired or increased or that should be controlled,
- b) an indication of the existing, newly acquired and resulting amount of the qualifying holding in the registered capital or voting rights expressed as a percentage and absolute value,
- c) an extract from the Commercial Register or other similar register of entrepreneurs, not over 3 months old, if the applicant is a legal person or natural person engaged in business,
- d) documents demonstrating the trustworthiness of the applicant,
- e) the financial statements of the applicant and other documents demonstrating the origin of the financial resources from which the acquisition or increase in the qualifying holding should be paid,
- f) proof of the acquisition of the qualifying holding,
- g) an overview of the financial and personnel relationships of the applicant and the persons close to them, including at least the members of the management body of the regulated market operator and the legal person that controls the regulated market operator,
- h) a list of persons who, by acting in concert with the applicant have, will acquire or will increase a qualifying holding in the regulated market operator or will control it, a graphical representation of the relationships between them, and for each person indicated on this list
 1. identification data,
 2. documents demonstrating trustworthiness,
 3. the size of the interest in the regulated market operator,
 4. a description of the facts on the basis of which concerted action takes place,
 5. the supervisory authority, if a person subject to a supervisory authority in a state other than the Czech Republic,
- i) a list of members of the elected body of the applicant, if a legal person, and for each member of an elected body of the applicant
 1. identification data,
 2. a description of the function performed,
 3. documents demonstrating their trustworthiness, and
 4. information about the personal interconnection of a member of the elected body of the applicant with another legal person within the scope of letter (j),
- j) information about the applicant's personal interconnection with another legal person, concerning the applicant's membership in the elected bodies of legal persons for the last 10 years, and for each legal person with whom the personal interconnection has taken place,
 1. identification data,
 2. the functions performed and the period of office of the applicant in this legal person,
- k) a strategic plan, which contains
 1. the period during which a qualifying holding is to be held or during which the regulated market operator is to be controlled,
 2. anticipated changes in the size of the qualifying holding in the short and long term,
 3. the anticipated level of involvement in the management of the regulated market operator,
 4. readiness to financially support the regulated market operator through own funds, if necessary for the development of activity or to address a worsening financial condition,

5. information about whether an agreement has been or should be concluded with another member of the regulated market operator,
 6. the anticipated changes in the activities of the regulated market operator, in the method of financing further development, in the dividend distribution policy, in the method of distributing funds and the loss settlement policy, as well as the anticipated changes in the management and control system, in the strategic development and staffing of the management body of the regulated market operator; the strategic plan includes this information only if the qualifying holding exceeds 20% of the interest in the registered capital or voting rights,
- l) data on persons with close links that make up a group of which the regulated market operator should become part after the acquisition or increase in the qualifying holding by the applicant; if a person with a close link is a person with registered office in a state that is not a European Union Member State, also an analysis containing a comparison of the relevant legislation to establish whether the legislation of that state and the manner of its application, including the law enforceability, prevents effective supervision pursuant to the Act,
 - m) an opinion by the authority that supervises the applicant in the country of its registered office, if the applicant is a legal person with registered office outside the territory of the European Union Member State over which such supervision is performed in the state of its registered office, relating to
 1. the intention of this person to establish asset participation in the Czech Republic in the activity of regulated market operator, and
 2. the possible exchange of information necessary for the performance of supervision over the regulated market operator, and
 - n) a description of the fact leading to the control of the regulated market operator if such control is to take place, and proof of origin of the funds that should be used to purchase the interest of a shareholder that is not a controlling person,

(2) If the applicant is a legal person with a registered office in another European Union Member State, and this person is subject to supervision by a competent authority in the European Union Member State of its registered office, the applicant may provide, instead of the data and documents referred to in paragraph 1(c) to (e), (g), (i), (j) and (m), confirmation by that supervisory authority that it is a person subject to its supervision whose trustworthiness it has examined and that it has no current evidence of any lack of trustworthiness.

(3) Where, in connection with the acquisition or increase of a qualifying holding or control, there should be a change to the member of the management body of the regulated market operator, the applicant for this person shall submit

- a) the data and documents pursuant to Article 3(2)(f),
- b) an indication of the function to be performed,
- c) an indication of whether it is a change in the number of members of the management body or the replacement of an existing member of the management body; in the event of a change in the number of members of the management body, indicate whether and to what extent the proposed change is linked to a change of powers and responsibilities; in the event of the replacement of an existing member of the management body, the member of the management body being replaced shall also be indicated, and
- d) the updated organisational structure, if it is changed in relation to a change in the number of persons of the management body or a change in powers and responsibilities.

Article 13

Details of the requisites for an application for entry in the list of receivers and liquidators

(Re Article 198(5) of the Act)

The details of the requisites for an application for entry in the list of receivers and liquidators for a person that should be entered onto such list shall be the following data and documents about the receiver and liquidator:

- a) a declaration of legal capacity,
- b) documents demonstrating their trustworthiness, and
- c) information about the education and professional experience of the persons, including the relevant supporting documents.

Article 14

Formats and other technical requisites of an application and notification

Applications and notifications shall be in the Portable Document Format (.pdf extension). If this format cannot be used, another data format commonly used in electronic communication that does not permit changes to the content shall be used.

Article 15

Common provisions

If the nature of the matter prohibits submission of data or a document relating to an application or notification required by this Decree, and if the reasons are not obvious, the applicant shall indicate this fact in the application or notification. Failure to provide data or documents shall be justified and the reasons adequately demonstrated.

Article 16

Effect

This Decree shall come into effect on 3 January 2018.

Governor:

per pro. Tomšík, duly signed

Vice-Governor