

Investment Services and Investment Instruments

According to the Capital Market Undertakings Act (CMUA), **investment services** are core investment services and ancillary investment services provided to third parties as part of a business activity.

According to CMUA, core investment services are:

- the receipt and transmission of orders in relation to investment instruments,
- execution of orders in relation to investment instruments on another person's account,
- dealing in investment instruments on own account,
- management of assets of a client under a contract with the client, if an investment instrument is part of such assets,
- underwriting or placing of issues of investment instruments.

According to CMUA, ancillary investment services are:

- administration of investment instruments,
- safekeeping of investment instruments,
- granting of credit or loan to a client to allow them to carry out a transaction in an investment instrument, where the provider of the credit or loan is involved in the transaction,
- advice on capital structure, industrial strategy and related matters and advice and services relating to corporate transformation or business transfers,
- advice on investing into investment instruments,
- carrying out of foreign exchange operations connected to the provision of investment services,
- services related to underwriting of issues of investment instruments,
- renting of safe deposit boxes.

According to CMUA, investment instruments are:

- investment securities,
- securities issued by a collective investment fund,
- securities that are usually traded on the money market (money market instruments),
- derivatives.

Investment securities are:

- shares or similar securities representing a share in a company; such shares or securities can be traded on the capital market,
- bonds or similar securities representing a right to receive repayment of an outstanding amount; such bonds or securities can be traded on the capital market,
- securities giving the right to the acquisition of the securities referred to in the two points above; these are regularly traded on the capital market, save for means of payment.

According to CMUA, derivatives are:

- options relating to investment instruments,
- financial futures contracts (especially futures, forwards and swaps) ,
- contracts for differences and similar instruments for the transfer of interest rate or foreign exchange risk,
- instruments for the transfer of credit risk,
- other instruments that give rise to the right to cash settlement and whose value is derived, in particular, from the price of an investment security, an index, an interest rate, an exchange rate or a commodity price.

Investment services provided by Citfin – FT are provided based on a permit by CNB

Citfin – FT provides its clients investment services pursuant to CMUA based on a written signed General Contract, which includes General Terms and Conditions and Investment Questionnaire as its integral parts.

Core investment services provided by Citfin - FT:

- the receipt and transmission of orders in relation to investment instruments
- execution of orders in relation to investment instruments on the client's account
- dealing in investment instruments on own account

Ancillary investment services provided by Citfin - FT:

- safekeeping and administration of investment instruments, including related services

The investment firm is authorised to receive cash funds or investment instruments of clients.

Investment instruments provided by Citfin – FT

- forwards and swaps with value relative to the exchange rate

Conditions for trading investment instruments offered by Citfin – FT can be found at www.citfin.cz.