

Investment Services and Investment Instruments

Investment services are, in accordance with the Capital Market Undertakings Act (ZPKT), investment services and supplementary investment services provided for the sake of business.

According to the Capital Market Undertakings Act, the main investment services are:

- receipt and transmission of orders related with investment instruments,
- execution of orders related to investment instruments at the client's expense,
- trading investment instruments at the security trader's own account,
- management of client's assets under a contract with the client if an investment instrument is part of such assets,
- investment-related consultancy of investment instruments,
- running a multi-purpose trading system,
- running an organised trading system,
- underwriting or placing investment instruments with an underwriting commitment,
- placing investment instruments without an underwriting commitment.

According to the Capital Market Undertakings Act, supplementary investment services are:

- safekeeping and administration of investment instruments for the customer, care-taking and related services, except for keeping accounts by a central depository or a foreign central depository,
- granting of credits or loans to clients to allow them to carry out a transaction with an investment instrument in which the credit or loan provider is involved,
- consultancy regarding capital structure, industrial policies and related matters and consultancy and services related with corporate transformations, trade companies transfers or acquisitions of shares in a business corporation,
- investment research and financial analyses or other forms of general recommendations related with trading investment instruments,
- foreign exchange services related with the provision of investment services,
- services related with underwriting of investment instruments,
- a service similar to an investment service applying to matters to which the value of the investment instrument stated in § 3 par. 1 letters g) to k) of the Capital Market Undertakings Act is related and related with the provision of investment services.

According to the Capital Market Undertakings Act, investment instruments are:

- investment securities,
- securities of collective investments,
- money market instruments,
- derivatives.

Investment securities are securities traded on the capital market, primarily:

- stocks and shares or similar securities representing a share in a company,
- bonds or similar securities representing a right to repayment of a certain outstanding amount,
- depository receipts representing the ownership of shares and bonds
- securities entitling to the acquisition or disposal of investment securities stated in the first two points
- securities entitling to cash settlement and those whose value is determined by the value of investment securities, exchange rates, interest rates, proceeds on interest, commodities or financial indices or other quantitative indicators.

According to the Capital Market Undertakings Act, derivatives shall mean:

- options and 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 enabling the transfer of credit risk,
- any other instruments entitling to cash settlement and those whose value is derived in particular from the price of an investment security, index, interest rate, exchange rate or commodity price.

Investment services provided by Citfin – FT based on the CNB permit

Citfin – FT provides investment services to its clients in accordance with the Capital Market Undertakings Act and based on the framework agreement, with General Terms being an integral part of it.

Main investment services provided by Citfin - FT:

- receipt and transmission of orders related with investment instruments
- execution of orders related to investment instruments at the client's expense
- trading investment instruments at the security trader's own account

Supplementary investment services provided by Citfin – FT:

- safekeeping and administration of investment instruments including related services

The securities trader is authorised to receiving cash or investment instruments from clients.

Investment services provided by Citfin – FT:

- forwards and swaps, the value of which is related to the exchange rate

The terms and conditions for trading investment instruments offered by Citfin – FT can be found at www.citfin.cz.