

REGULATION

on investor protection and the business conduct of financial undertakings

CHAPTER I

Scope and definitions

Article 1

Contents and scope

This Regulation applies to financial undertakings and contains rules on the application of the provisions of Chapter II of Act No. 108/2007 on securities transactions.

Article 2

Definitions

For the purposes of this Regulation the following terms shall have the meanings hereinafter assigned to them:

- 1) Employee of a financial undertaking:
 - a) director, partner or equivalent, manager or tied agent of the financial undertaking;
 - b) director, partner or equivalent, or manager of any tied agent of the financial undertaking;

c) an employee of the financial undertaking or of a tied agent of the undertaking, or any person whose services are placed under the control of the financial undertaking or a tied agent of the undertaking and who is involved in the provision by the undertaking of services in the area of securities transactions;

d) a natural person who is directly involved in the provision of services to the financial undertaking or to its tied agent under an outsourcing arrangement for the purpose of the provision by the undertaking of services in the area of securities transactions;

2) Person with whom an employee of a financial undertaking has a family relationship:

a) the spouse, registered partner or co-habiting partner of the employee of a financial undertaking;

b) a dependent child, adoptive child or stepchild of the employee of a financial undertaking;

c) any other relative of the employee of a financial undertaking who has shared the same household as that employee for at least one year on the date of the

transaction concerned.

3) Distribution channels: Channels through which information is, or is likely to become, publicly available, for instance if the information is distributed to a large number of persons.

4) Personal transactions: A trade in a financial instrument effected by or on behalf of the employee of a financial undertaking, where at least one of the following criteria are met:

- a) the transactions in question take place outside the scope of the activities that the employee of a financial undertaking carries out in that capacity;

- b) the trade is carried out for the account of any of the following persons:

- i. the employee of the financial undertaking;
 - ii. any person with whom the employee of the financial undertaking has a family relationship, or with whom he has close links;
 - iii. a person whose relationship with the employee of a financial undertaking is such that the latter has a direct

or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.

5) Financial undertaking: A financial undertaking within the meaning of the Act on financial undertakings.

6) Securities financing transaction: Stock lending or stock borrowing, the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

7) Financial analyst: An employee of a financial undertaking who produces the substance of investment research.

8) Market under Articles 44 and 46 means: A regulated market, multilateral trading facility, systematic internaliser, market maker, any other party who brings together the buyers and sellers of financial instruments, or a party playing an equivalent role to any of the aforesaid in a state outside the European Economic Area.

9) Group: In relation to a financial undertaking, the group of which that undertaking forms a part, consisting of a

parent undertaking, its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a relationship within the meaning of paragraph 1 of Article 12 of Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts.

10) Durable medium: Any instrument which enables a client to store information addressed personally to that client in a way accessible for future reference for a specific period of time and which allows the unchanged reproduction of the information stored.

11) Outsourcing: An arrangement of any form between a financial undertaking and a service provider by which that service provider performs a service or an activity which would otherwise be undertaken by the financial undertaking itself.

12) Senior management: The directors, chief executive officer or managing directors of a financial undertaking.

Article 3

Conditions applying to the provision of information