



# INFORMATION ON THE PROTECTION OF CUSTOMER ASSETS

Valid and effective from 1 April 2021

Citibank Europe plc, organizační složka  
Prague  
Czech Republic

Citibank Europe plc, a company established and existing under the laws of Ireland, with its registered office at North Wall Quay 1, Dublin, Ireland, registered in the Companies Registration Office of the Republic of Ireland, under No. 132781, conducting its business in the Czech Republic through Citibank Europe plc, organizační složka, with its registered office at Bucharova 2641/14, Prague 5 – Stodůlky, Postal code 158 02, ID No. 28198131, entered in the Commercial Register kept on file at the Municipal Court in Prague, Section A, Insert 59288 (hereinafter “**Bank**”) hereby announces to its customers, to whom it provides the investment services pursuant to the applicable legal regulations governing the capital market business, in particular Act No. 256/2004 Coll., on Undertaking on the Capital Market, as amended, certain information on the protection of customer assets.

The Bank, as a foreign person providing investment services in the Czech Republic and a participant in the guarantee system of persons providing investment services in the state where it has its registered office and headquarters (i.e. Ireland), does not participate in the guarantee system operated in the Czech Republic by the Securities Traders Guarantee Fund (*Garanční fond obchodníků s cennými papíry*).

The bank is a participant in a foreign guarantee system established and operating in Ireland - Investor Compensation Scheme (hereinafter “**the Guarantee System**”) operated by The Investor Compensation Company DAC (hereinafter “**ICCD**”). ICCD is a legal person (corporation) established and operating under the laws of Ireland and pursuant to the Investor Compensation Act of 1998 (hereinafter “**the Act**”). Details of operation and competence of ICCD are primarily governed by the Act.

## **I. INVESTMENT SERVICES AND PRODUCTS COVERED BY THE GUARANTEE SYSTEM**

The Guarantee System applies in principle to a large number of investment services and investment instruments offered by the investment firm. These services and instruments primarily include the following:

- public and private company shares;
- units in collective investment schemes;
- life insurance policies (including unit-linked funds);
- non-life insurance policies;
- tracker bonds; and
- futures and options.

Further information on the investment instruments included in the Guarantee System is available upon request or refer to Part 2 of the Irish Investment Intermediaries Act of 1995 and Section C of Annex I to the European Parliament and the Council Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments as amended (in particular by the European Parliament and Council Directives 2006/31/EC and 2007/44/EC).

The Bank notifies its customers that it may offer investment products or services which are not covered by the Guarantee System.

## **II. PERSONS NOT COVERED BY THE GUARANTEE SYSTEM**

The Guarantee System covers certain customers only, typically the natural persons. The Guarantee System does not cover the so called excluded investors as defined in the Act<sup>1</sup>.

## **III. DECISIVE EVENT FOR PAYMENT OF COMPENSATION**

The Guarantee System is used for payments of compensation to the customers of the authorized investment firm or registered investment firm if:

- the investment firm in question is unable to pay its debts owed to its customers (i.e. a member of ICCD becomes unable, due to their financial situation, to meet their obligations to deliver assets – financial funds or investment instruments - to customers) and concurrently
- the investment firm ceased to provide its services and concurrently
- a decision has been issued by the Central Bank of Ireland or a competent court, in result of which the compensation is paid from the Guarantee System. Such a decision is usually represented (i) in the case of the Central Bank of Ireland, by a decision that the investment firm is unable to meet its obligations to its customers, and (ii) in the case of a competent court, by a decision which prevents the investment firm from refunding the relevant funds or investment instruments to its customers (typically, on the appointment of a liquidator or a trustee in bankruptcy).

## **IV. COMMUNICATION TO THE CUSTOMERS**

As soon as the ICCD is informed by the Central Bank of Ireland about the occurrence of the decisive event for payment of compensation (see hereinabove), the ICCD shall advise all the customers of the investment firm known to ICCD, that they should be entitled to claim their compensation from the Guarantee System. Similar notification shall be published by the ICCD in a countrywide newspaper or in the so called Iris Oifigiúil (the official public journal with published official communications) and this notification is also available on the ICCD Internet website at: [http:// www.investorcompensation.ie](http://www.investorcompensation.ie).

## **V. DEADLINE TO CLAIM COMPENSATION**

The deadline to claim the payment of compensation from the Guarantee System is indicated in the notification of ICCD to the customers of their entitlement to claim the compensation from the Guarantee System. This deadline is within five months from the date of relevant decision issued by the Central Bank of Ireland or by a competent court, in result of which the compensation is paid from the Guarantee System.

## **VI. METHODS FOR CLAIMING COMPENSATION**

The claim for compensation shall be made exclusively by completing and submitting the appropriate form, provided to this end by the ICCD to the eligible investor. The ICCD also provide investors who are entitled to payment from the Guarantee System with the necessary assistance required to fill in the appropriate form including the submitting thereof.

---

<sup>1</sup> The term “excluded investor” refers mainly to:

- (a) professional or institutional customers (including investment firm, credit institution, financial institution, insurance company, investment fund, pension fund, etc.);
- (b) regional authority,
- (c) statutory body, director, manager or personally liable member of the investment firm, a holder of at least 5 per cent. of the capital of the investment firm, a person responsible for carrying out the statutory audit of the investment firm or a client with similar status in a group undertaking;
- (d) person acting on behalf of a person referred to in paragraph (c) or close relatives to the person referred to in paragraph (c);
- (e) another firm in a group undertaking;
- (f) customer who has any responsibility for, or has taken advantage of, facts relating to the investment firm which gave rise to the firm's financial difficulties or contributed to the deterioration of its financial situation;
- (g) company which is of such a size that it is not permitted to draw up abridged balance sheets under Article 11 of the Fourth Council Directive No. 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies, or
- (h) customer who has been designated as an excluded investor by the supervisory authority pursuant to paragraph 35 (8) of the Act.

## VII. CLAIM CONFIRMATION

The ICCD will request confirmation of respective investor's claim for payment from the Guarantee System. Such a claim shall be confirmed by the relevant administrator of the investment firm, be it a liquidator appointed by the law court or a trustee in bankruptcy or any other person appointed by the Central Bank of Ireland or the Irish High Court (hereinafter "**the Administrator**").

## VIII. PAYMENT OF COMPENSATION FROM THE GUARANTEE SYSTEM

The compensation is disbursed in the amount and under the conditions stipulated by the ICCD in compliance with the Act. The compensation is disbursed from the Guarantee system up to 90% of the loss incurred by the relevant investor, however not more than EUR 20,000 per one customer of the respective investment firm.<sup>2</sup>

Example:

Amount invested	Investment instrument	Investment result	Compensation from the Guarantee System
EUR 10,000	Share	Not purchased due to bankruptcy, the current market value of the relevant shares would amount to EUR 12,000	EUR 10,800 (EUR 12,000 x 90%)
EUR 10,000	Share	Purchased, the shares were returned to the customer after the bankruptcy of the investment firm, current market value of the shares amounts to EUR 2,000.	The share returned to the customer, no compensation paid
EUR 10,000	Share	Purchased, the shares were not returned to the customer after the bankruptcy of the investment firm, current market value of the shares amounts to EUR 30,000.	EUR 20,000 (EUR 30,000 x 90% = EUR 27,000, but the maximum compensation amount is EUR 20,000)

## IX. DEADLINE FOR PAYMENT

Payment of compensation from the Guarantee System will take place without undue delay, within three months from the date of confirmation of claims by the Administrator (see Article VII above) at latest; it is intention of the ICCD to make such payments usually within three weeks of receipt of the Administrator's confirmation of claims.

## X. FINAL PROVISION

This document is effective only in relation to the Bank's business operation in the Czech Republic.

Information in this document, (i) that is not intended for the Client personally, (ii) the provision of which using a remote access is a reasonable practice established or envisaged to be established between the Bank and the Client, and (iii) if accessible to the Client at any time for a period of time adequate to its purpose, and information about change thereof, if such a change is relevant to the service provided by the Bank to the Client, shall be provided by the Bank to the Client in a manner allowing a remote access, i.e. on its official Internet website [www.citibank.cz](http://www.citibank.cz).

---

<sup>2</sup> Nevertheless, such a loss is not considered to be a loss arising from the decrease in the market value of the relevant investment instruments due to adverse changes in the market conditions, economic situation or due to conditions of the relevant investment instrument, and also due to bad investment advice, poor investment management or misrepresentation.

Further information is available upon request at the Bank or on the ICCD website at:  
<http://www.investorcompensation.ie>.

ICCD Contact Details:

The Investor Compensation Company DAC,

c/o Central Bank of Ireland,

PO Box 11517,

Spencer Dock,

North Wall Quay,

Dublin 1,

Ireland

Phone: +353 (01) 244 4485

email: [info@investorcompensation.ie](mailto:info@investorcompensation.ie)