



**Prague Stock
Exchange**

**The Prague Stock Exchange (PSE)
processes to verify and control the
fulfilment of duties and obligations
of issuers of investment instruments
admitted to trading on the regulated
market of PSE**



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List of Abbreviations

PSE – the Prague Stock Exchange

MAR – Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

MiFID II – Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

Regulation 2017/568 – Commission Delegated Regulation (EU) 2017/568 of 24 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the admission of financial instruments to trading on regulated markets

Relevant Laws and Regulations

Act No. 256/2004 Sb., the Capital Market Business Act

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

Commission Delegated Regulation (EU) 2017/568 of 24 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the admission of financial instruments to trading on regulated markets



I. Legal framework

According to Article 51, paragraph 3 of MiFID II, EU Member States shall require the regulated market to establish and maintain effective arrangements to verify that issuers of transferable securities that are admitted to trading on the regulated market comply with their obligations under European Union law in respect of initial, ongoing or ad hoc disclosure obligations.

According to the second paragraph of Article 51, paragraph 3 of MiFID II, Member States shall ensure that the regulated markets establish the necessary arrangements to review regularly whether the financial instruments that they admit to trading meet the requirements for admission to trading.

The above is implemented by Article 7 of Regulation 2017/568, which requires regulated markets to adopt procedures to verify the compliance of issuers of transferable securities admitted to trading on regulated markets with their obligations under applicable law. These procedures must describe:

- a) the processes the regulated markets employ to achieve the outcome specified above,
- b) how an issuer may best demonstrate compliance with the obligations referred to above to the regulated market.

In accordance with Article 7, paragraph 2 of Regulation 2017/568, regulated markets shall ensure that compliance with the obligations of issuers of transferable securities is checked effectively taking into account the supervisory tasks performed by relevant competent authorities. Under Article 8 of Regulation 2017/568, regulated markets shall also implement arrangements which are easily accessible, free of charge and published on their website to facilitate access of their members or participants to information which has been made public in accordance with Union law.

Section 48, paragraph 1 i) 3) of the Capital Market Business Act furthermore states that the organiser of a regulated market is obliged to implement measures for systematic monitoring and monitor whether issuers of transferable securities admitted to trading on a regulated market fulfil the information requirements set forth in Sections 57, 118, 119, 119a, 119b, 120 to 120c and 123 of the Capital Market Business Act.

PSE rules governing the admission of investment instruments to individual PSE markets also stipulate a certain scope of information obligations of issuers, and in some cases beyond the obligations stipulated by relevant legal regulations. Issuers undertake to fulfil these obligations by applying for the acceptance of an investment instrument to the relevant PSE market as well as under a written agreement with PSE.

This measure therefore constitutes a summary and description of the procedures developed by PSE in accordance with Article 7 of Regulation 2017/568 and also in accordance with Section 48, paragraph 1 of the Capital Market Business Act.



II. PSE measures

In order to fulfil the obligations, set out in Part I of this measure, PSE shall introduce and implement the following measures:

- it shall establish a secure web application located on the www1.pse.cz domain, which is used by issuers to send information and documents required by relevant legislation and exchange rules in electronic form,
- in the www1.pse.cz application it shall record information and documents sent to PSE via this application and provide issuers with an overview of the information and documents sent,
- PSE shall publish selected information and documents sent via the www1.pse.cz application directly on its website,
- PSE employees shall continuously check the fulfilment of issuers' obligations arising primarily from the Capital Market Business Act and other Czech legislation, relevant foreign legislation¹ or from directly effective European Union legislation²; in particular, they shall verify the same extent of information published through relevant media and other communication channels, on the issuer's website, sent to the Czech National Bank and sent to PSE via the www1.pse.cz application,
- PSE employees shall also analyse the content of relevant information sources and continuously verify that there is no disclosure of information or documents in violation of relevant legislation that stipulate the information obligation of issuers and the treatment of internal information,
- it shall set up the webhelp@pse.cz and listing@pse.cz email addresses, through which issuers and other relevant persons can contact PSE about matters related to the fulfilment of obligations arising from relevant legislation and exchange rules.

The www1.pse.cz application is a technical measure of PSE, which, in accordance with Article 7 of Regulation 2017/568, verifies that issuers of transferable securities admitted to trading on a regulated market organised by PSE fulfil their obligations under the relevant legislation and through which they can also demonstrate to PSE the fulfilment of their obligations. In accordance with Article 8 of Regulation 2017/568, PSE shall establish arrangements that are free of charge and easily accessible through which PSE members have access to information and documents that relevant entities send to PSE as part of the fulfilment of their information obligations laid down by applicable legislation and exchange rules. **This information and these documents are accessible consistently, easily and free of charge via the FTP server managed by PSE.**

However, sending information and documents via the www1.pse.cz application does not replace the disclosure of mandatory information or internal information in the manner stipulated by applicable law. The www1.pse.cz application is also not an officially designated central storage mechanism for regulated information within the meaning of Article 21 of Directive 2004/109/EC of the European Parliament and of the Council.

¹ This is primarily (but not exclusively) foreign legislation transposing the relevant provisions of Directive 2003/71/EC (the Prospectus Directive) and Directive 2004/109/EC (the Transparency Directive)

² This is mainly the MAR Regulation.



III. Contacts

In matters relating to the obligations of issuers of transferable securities admitted to trading on a regulated market organised by PSE under relevant legislation and relating to initial, ongoing or ad hoc disclosure obligations, PSE can be contacted using the contact details below:

- tel. + 420 221 832 169 for questions concerning legal and regulatory matters as well as compliance with information obligations by issuers,
- tel. +43 1 53 165 288 for questions concerning the dissemination of exchange information (communication in English or German),
- the email listing@pse.cz for matters concerning issuers' obligations and general inquiries,
- the email webhelp@pse.cz for technical questions and technical problems.