



# **CSOB Systematic Internaliser Commercial Policy**

Effective date 16/2/2021, replaces all previous versions.

This Commercial Policy is made available at <https://www.csob.cz/portal/csob/information-for-clients-according-to-mifid>

Please note that this Policy may be updated or modified from time to time.

## 1. Purpose

This document (“the Policy”) has the goal to provide information on the commercial policy and the pre-trade obligations of Československá obchodní banka, a.s. (“CSOB”) operating in the European Economic Area.

This Policy sets out CSOB’s standards in an objective non-discriminatory way, for governing access to its firm quotes in certain financial instruments, when acting as a Systematic Internaliser (“SI”)<sup>1</sup> under the following Market Identifier Code (“MIC”): CESI.

An SI is an investment firm which, on an organized, frequent, systematic and substantial basis, deals on own account by executing client orders outside a trading venue.

## 2. Scope

This Policy applies to CSOB’s activity in Bonds traded on a trading venue as defined in the relevant regulations.

The instruments in which CSOB is an SI may change in conjunction with CSOB exceeding thresholds set out in the relevant regulations or to CSOB’s decision to opt-in for any given issuer or sub-asset class.

A list of the instruments in which CSOB is currently an SI can be obtained <https://www.csob.cz/portal/csob/information-for-clients-according-to-mifid>.

CSOB reports all SI transactions in scope as required under MiFID II<sup>2</sup> through its APA (Bloomberg).

---

<sup>1</sup> Act No. 256/2004 Sb., on Capital Market Business, as amended.

Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“MiFIR”).

<sup>2</sup> 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

### 3. Publication of quotes

In relation to instruments for which there is a liquid market, CSOB will make public firm quotes when the following conditions are fulfilled:

- CSOB is prompted for a quote by a client;
- CSOB agrees to provide a quote.
- The quote is in a size that is below the “Size Specific to The Instrument” as specified in art. 18(10) of MiFIR.

In relation to instruments for which there is not a liquid market, CSOB will not make public firm quotes, but shall:

- disclose quotes to its clients on request only
- if CSOB agrees to provide a quote.

The prices quoted reflect prevailing market conditions, i.e. prices at which transactions are concluded for the same or similar instrument on a trading venue. However, in justified cases, CSOB may execute orders at a better price provided that the price falls within a public range close to market conditions.

### 4. Clients access to quotes

#### 4.1. Quote publication

Quotes will be made public towards our clients across a range of electronic platforms.

Quotes will be provided during the normal trading hours of the market for the instruments CSOB has obligations for.

Quotes will remain available for a timeframe that is reasonable for a client to transact, with respect to the normal market practice, in that particular instrument. CSOB may update quotes at any time in line with changes in the price of the relevant related market instruments or general market volatility.

#### 4.2. Access to quotes

Clients who fulfill the following requirements can have access to quotes:

- The clients must be on-boarded for the particular product for which they wish to access the quotes i.e. CSOB's terms and conditions, MiFID II classification, relevant master and/or clients agreements must be in place to trade the relevant financial instrument.
- The client, according to CSOB, is not engaging or attempting to engage in activities leading to market abuse<sup>3</sup>,
- The client must be in line with any technical or connectivity requirements in order to be able to receive CSOB's firm quotes.

CSOB may also deny access to quotes based on the regulatory status of the client (e.g. Embargoes) or the trading type (e.g. algorithm trading).

CSOB reserves the right to refuse to enter into or to discontinue business relationship with clients based on commercial or risk considerations, including (but not limited to) client credit status, counterparty risk and the final settlement of the transaction. These considerations are laid down in the relevant master agreements, client agreements and CSOB Terms and Conditions which apply between CSOB and the client.

#### 4.3. Quote limitations

CSOB will limit the number of transactions it undertakes to enter into with clients to one transaction for one quote.

---

<sup>3</sup> 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.

#### **4.4. Withdrawal of quotes**

C SOB reserves the right to withdraw its quotes:

- under exceptional market conditions that would be contrary to prudent risk management, and in particular in situations as defined under article 14 of the Commission Delegated Regulation (EU) 2017/567<sup>4</sup>
- which are the result of a technical or human error.

Furthermore, the quoting obligations in relation to instruments with a liquid market are suspended where the liquidity of a class of instruments falls below a certain threshold and the Competent Authority of the trading venue where that class of instruments is traded temporarily suspends pre-trade transparency obligations on that venue in accordance with Article 9(4) of MiFIR.

#### **5. CSOB Bank SI identifier**

Clients will be able to identify CSOB SI quotes with the MIC of CESI and the LEI Q5BP2UEQ48R75BOTCB92.

---

<sup>4</sup> Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions