AUTHORISATION OF THE ACTIVITIES OF INVESTMENT FIRMS

The procedure aimed at the licensing of the activity of investment firms falls within the competence of the Magyar Nemzeti Bank (**MNB**). The contact point on behalf of the MNB is the **Money and Capital Markets Licensing Department** (address: H- 1122 Budapest, Krisztina krt. 6; telephone number: + 36 1 489 9341; email: ptef@mnb.hu).

The regulatory environment applicable to investment firms has considerably changed after that 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 (**MiFID II**) has entered into force on 3 January 2018. In accordance with this, the requirements to be proved during the licensing procedure have also become broader, which have been stipulated in Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (**Investment Firms Act**) and in the directly applicable EU legal acts – not requiring transposition by the Member States – detailed later.

Pursuant to Act CIII of 2023 on the Digital State and on the Provisions for Supplying Digital Services (**Digital Services Act**) and Article 58 of Act XXXXIX of 2013 on the Magyar Nemzeti Bank (**MNB Act**), from 1 January 2018, in the matters belonging to its tasks and competence – and particularly in its licensing, registration and notification procedures – the MNB, as an organisation offering electronic administration, must provide the opportunity for electronic administration, while the enterprises acting as clients, and their legal representative, are obliged to use electronic administration.

According to Section 19 (5) of the Digital Services Act, if a law prescribes electronic communication or the method of electronic communication in respect of making a declaration, the declaration not complying with such requirement – with the exception of the cases stipulated in the Act and included in paragraph (4) – shall be void. According to section 19 of the Digital Services Act and to the justification added to it, the application submitted on paper – despite the related requirement – shall not be suitable for launching the procedure. Accordingly, in this case the procedure will not commence, since the **declaration submitted in breach of the obligation of electronic communication shall be void**.

In accordance with the foregoing, in the activity licensing procedure of investment firms, step zero shall be the registration for the ERA system (Electronic System for Receiving Authenticated Data), through which the activity licence application and the annexes thereto may be submitted on the relevant electronic form. The MNB communicates with the applicant also through the ERA system, and thus the orders and decisions passed during the procedure are also delivered through that.

Information material on electronic administration is also available on the MNB website:
https://www.mnb.hu/letoltes/tajekoztatas-az-e-ugyintezesrol-az-mnb-elotti-engedelyezesi-eljarasokban-1.pdf

I. GENERAL RULES

Pursuant to Section 7 (1) of the Investment Firms Act, investment services activity may be pursued – unless provided otherwise by the law – by investment firms and credit institutions. As it follows from Section 3 (2) of the Investment Firms Act, credit institutions performing investment services or rendering supplementary services shall be governed by the provisions applicable to investment firms. Similarly, the investment fund managers falling within Act XVI of 2014 on Collective Investment Trusts and Their Managers, and on the Amendment of Financial Regulations are entitled to render investment and supplementary services within a limited scope in accordance with the provisions of Section 3 (3) of the Investment Firms Act.

It should be noted that – in the absence of any express provision to this effect in the Investment Firms Act – the foundation of an investment firm is not subject to a foundation licence; accordingly, the procedure related to the foundation of the company may be conducted at the Court of Registration also before the issuance of the activity licence, with the proviso that the company may commence its activity subject to an official licence only after the issuance of the activity licence.

Based on Article 7 (4) and (5) of MiFID II, Commission Delegated Regulation 2017/1943/EU of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms (**Licensing RTS**) and Commission Implementing Regulation 2017/1945/EU of 19 June 2017 laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms according to Directive 2014/65/EU of the European Parliament and of the Council (**Licensing ITS**) have been framed. The two regulations are closely related to each other, since 'Standard form of application for licensing as investment firm', forming Annex I to the Licensing ITS must be filled in with the information specified in the Licensing RTS, and the declaration and documents specified in the latter must be attached to the standard form.

Pursuant to Article 2 of the Licensing ITS an applicant seeking authorisation as an investment firm in accordance with Title II of MiFID II shall submit to the competent authority its application by filling in the template set out in Annex I, and shall notify the competent authority of the information on all members of its management body (Board of Directors, Supervisory Board) by filling in the template set out in Annex II. The electronic form entitled 'Application for the licensing of the activity of an investment firm and for the amendment of its scope of activity' was altered to contain Annexes I and II of the Licensing ITS. The electronic form entitled 'Application for the licensing of the activity of an investment firm and for the amendment of its scope of activity' was altered to contain Annexes I and II of the Licensing ITS.

Pursuant to Article 3 of the Licensing ITS, within 10 working days from the receipt of the application, the MNB shall send an acknowledgement of receipt to the applicant, including the contact details of the designated contact point as referred to in Article 1. This acknowledgement of receipt shall stipulate the name, telephone number and e-mail contact of the administrator in charge of the matter.

Pursuant to Article 7 (3) of MiFID II, the applicant shall be informed, within six months of the submission of a complete application, whether or not the licence has been granted, and pursuant to Article 4 of the Licensing ITS where additional information is required to proceed with the assessment of the application, the competent authority shall send a request to the applicant indicating the information to be provided. The MNB shall send a call for supplementation within 45 days from the receipt of the application, in view of Article 49 (3) of the MNB Act. Pursuant to Article 49 (3) and (4) of the MNB Act, the administration deadline is three months from the receipt of the complete application, i.e. shorter than the deadline set forth in Article 7 of MiFID II.

Pursuant to Section 4 (1) a) of MNB Decree 32/2023 (VII. 19.) of the Governor of the Magyar Nemzeti Bank on the administrative service fees of the Magyar Nemzeti Bank applied in certain licensing and registration procedures in the context of the supervision of the financial intermediary system and with respect to fiduciary asset management companies, the conduct of the authorisation procedure is subject to the payment of an administrative service fee of HUF 1,900,000.

For further information about the administrative service fee see:
https://www.mnb.hu/letoltes/tajekoztatas-a-magyar-nemzeti-bank-altal-egyes-engedelyezesi-es-nyilvantartasbaveteli-eljarasokban-alkalmazott-igazgatasi-szolgaltatasi-dijrol.pdf

The applicant shall make a declaration on the relevant electronic form, based on Article 59 (2) of the MNB Act, to the effect that it has disclosed to the MNB all important facts, data and information required for the issuance of the licence.

II. ACTIVITIES THAT MAY BE PURSUED BY INVESTMENT FIRMS

Section 5 (1) of the Investment Firms Act contains the investment services activity that may be pursued as part of the regular economic activity in respect of the financial instruments listed in Section 6. These include:

a) accepting and forwarding orders,
b) execution of orders on behalf of the Client,
c) own-account trading,
d) Portfolio management,
e) Investment advice,

f) placement of a financial instrument with a commitment to purchase the instrument (security or other financial instrument) (underwriting)
g) placement of a financial instrument without a commitment to purchase the instrument (financial instrument) and
h) operation of multilateral trading facilities,
i) operation of organised trading facilities.

Section 5 (2) of the Investment Firms Act specifies the following supplementary services:
a) safekeeping and recording of financial instruments and managing the related client accounts,
b) custody and the related securities account management, and in the case of instruments in paper form, their registration and the maintenance of a client account, except for the maintenance of a top tier level (central) securities account as defined in Section A(2) of the Annex to Regulation (EU) No 909/2014,
c) granting of investment loans,
d) advice and services on capital structure, business strategy and related issues, mergers and acquisitions,
e) currency and foreign exchange trading related to the investment services activity,
f) investment analysis and financial analysis,
g) services related to underwriting,
h) investment services or supplementary services related to instruments underlying the derivative transactions specified in Section 6 *e)–g)*, *j)* and *k)*.

It should be noted that – pursuant to the provisions of Section 8 (4) of the Investment Firms Act – no licence for the rendering of supplementary services – unless the applicant is a central securities depository as specified in Act CXX of 2001 on Capital Markets (**Capital Markets Act**) – may be obtained independently, without the licence for the pursuance of investment services activity.

The range of financial instruments is included in Section 6 of the Investment Firms Act:
Financial asset – including its form issued through shared ledger technology –
a) transferable securities,
b) money market instruments,
c) securities issued by a collective investment undertaking,
d) options, futures, swaps, OTC forward rate agreements and any other derivative contracts relating to a security, currency, interest rate or yield, emission allowance or other derivative instrument, financial index or financial measure, which may be settled by physical delivery or in cash,
e) options, futures, swaps, OTC futures and any other derivative contract relating to a commodity that is to be settled in cash or, at the option of one of the parties to the contract, may be settled in cash other than by expiry of the settlement period or other termination reason,
f) options, OTC futures, swaps and any other derivative contracts relating to a commodity that can be settled by physical delivery, provided that they are traded on a regulated market, a multilateral trading facility or an organised trading facility, with the exception of wholesale energy products traded on an organised trading facility that must be physically settled (actually delivered) as defined in Article 5 of Commission Delegated Regulation (EU) 2017/565,
g) commodity-linked options, exchange-traded and OTC futures, swaps and any other derivative contracts not falling under point (f) that have the characteristics of other derivative financial instruments and that can be settled by physical delivery and are not for trading purposes as defined in Commission Delegated Regulation (EU) 2017/565,
h) derivative contracts for the transfer of credit risk,
i) financials agreement for difference,
j) options, futures, swaps, OTC forward rate agreements or any other derivative contracts linked to climate, weather variables, freight rates, inflation rates or other official economic statistics, which are to be settled in cash or which may be settled in cash at the option of one of the parties to the contract, other than by expiry of the settlement period or other termination grounds,
k) any other derivative contract relating to an instrument, right, obligation, index or measure not referred to in points (a) to (j) which has some of the characteristics of other derivative instruments, including the fact that it is traded on a regulated market or a multilateral trading facility, and derivative contracts as defined in Article 8 of Commission Delegated Regulation (EU) 2017/565,

l) greenhouse gas emission allowances and air pollutant emission allowances consisting of units that comply with the requirements of Act CCXVII of 2012 on participation in the Community greenhouse gas emissions trading scheme and implementation of the Effort Sharing Decision.

Pursuant to Section 8 (5) of the Investment Firms Act, in addition to the pursuance of investment services activity and rendering supplementary services, investment firms may only pursue the following activities:
a) the services listed in Section 9 (1), i.e. the activities that may be pursued by commodity exchange providers,
b) keeping the share register,
c) nominee activity,
d) mediation of payment services as defined in Section 3 (1)i) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (**Credit Institutions Act**), *e)* insurance mediation as an agent under the Insurance Act,
f) securities lending,
g) the sale of data or information relating to a financial instrument,
h) the group financing activity as specified in Section 6 (1) of the Credit Institutions Act,
i) may provide and market a pan-European personal pension product under Regulation (EU) 2019/1238 of the European Parliament and of the Council.

The aforementioned homogeneity requirements shall not apply to
a) electricity suppliers defined in Section 46 (1) of Act LXXXVI of 2007 on Electricity performing investment service activities or rendering supplementary services defined in Section 5 solely with respect to the financial instruments stipulated in Section 6 e)-g) and j) and k);
b) natural gas suppliers defined in Section 28 (1) of Act XL of 2008 on Natural Gas Supply performing investment service activities or rendering supplementary service defined in Section 5 solely with respect to the financial instruments stipulated in Section 6 e)-g) and j) and k);
c) an investment firm participating in trading in emission allowances defined in Section 1 (1)a) of Act CCXVII of 2012 on Participating in the Scheme for Greenhouse Gas Emission Allowance Trading Within the Community and in the Implementation of the Decision on Effort Sharing and in emission allowances consisting of units recognised for the airline industry, which performs investment service activities or provides supplementary services defined in Section 5 solely with respect to the financial instruments specified in Section 6 l) or to the related financial derivatives specified in Section 6.

It should be noted that legal provision above – related to the homogeneity of profile – does not apply to credit institutions and market operators operating multilateral trading facilities and organised trading facilities.

III. GENERAL ORGANISATIONAL AND START-UP CAPITAL REQUIREMENT

Pursuant to Section 16 (1) of the Investment Firms Act, investment firms may operate as a joint stock company or a branch office. Pursuant to Section 16 (2) of the Investment Firms Act the investment firms operating in the form of an enterprise shall be governed by the provisions related to legal entities of Act V of 2013 on Civil Code , while the branch office of foreign enterprises shall be governed by the provisions of Act CXXXIII of 1997 on the Hungarian branch offices and representative offices of enterprises registered abroad with the derogations specified in this Act.

Pursuant to Section 4(2) (32) of the Investment Firms Act, the initial capital is the start-up capital at the time of incorporation as defined in Section 13, consisting of the elements referred to in Article 9 of Regulation (EU) 2019/2033 **(IFR**).

Pursuant to Section 13(1) of the Investment Firms Act, an investment firm shall, as a general rule, have a start-up capital of not less than one hundred and fifty thousand euro for the commencement of its activity.

If the investment firm is authorised to carry out the investment service activity defined in point *c)* or *f)* of Section 5(1) of the Investment Firms Act, it shall have a start-up capital of at least seven hundred and fifty thousand euro. If the investment firm is authorised to carry out the investment service activity specified in points *a)*, *b)*, *d)*, *e)* or *g)* of Section

5(1) of the Investment Firms Act, but is not authorised to manage the client's financial assets and funds, it shall have start-up capital of at least seventy five thousand euro.

The start-up capital amount in euros must be converted into forints at the official exchange rate published by the MNB on the respective day.

The requirements related to the subscribed capital of the investment firm are included in Section 15 of the Investment Firms Act. The subscribed capital of the investment firm may only be provided in cash. It shall be equivalent to a cash contribution, if the subscribed capital is raised to the expense of the investment firm's capital resources exceeding its subscribed capital, or the amount of the subscribed capital is determined during an amalgamation, merger or fusion.

Section 15 (3) of the Investment Firms Act prescribes that the subscribed capital of the investment firm may only be paid up in a credit institution that does not participate in the foundation, in which the founder has no shareholding and which has no ownership interest in the founder. In the case of investment firms operating in the form of a branch office and commodity exchange providers subscribed capital shall mean the endowment capital. It should be noted that in the case of the credit institution branch office within the meaning of the Credit Institutions Act the endowment capital requirement must be applied.

According to Section 15 (6) of the Investment Firms Act, if the amount of the start-up capital insurance set forth in Section 13 of the Investment Firms Act is denominated in euro, it shall be converted into forint at the official exchange rate published by the MNB for the respective day.

Naturally, the credit institutions that also pursue investment services activity shall be governed, in respect of the organisational rules and subscribed capital, by the special rules stipulated in the Credit Institutions Act (Section 3 (2) of the Investment Firms Act). The organisation and subscribed capital of investment fund managers shall also be governed by the special rules stipulated in the Collective Investment Trusts Act (Section 3 (3) of the Investment Firms Act).

IV. INFORMATION TO BE PROVIDED BASED ON THE LICENSING RTS AND THE RELATED REQUIREMENTS UNDER THE INVESTMENT FIRMS ACT

The following information shall be provided on a mandatory basis in the electronic form prepared on the basis of Annexes I and II to the Licensing ITS or at least a reference should be made in the form to the annex to the application that contains the relevant information. The annexes to be submitted during the licensing procedure are listed in Section 28 of the Investment Firms Act, and thus – in addition to the information prescribed by the Licensing RTS – those documents must be also submitted as part of the procedure. The Licensing RTS and Section 28 of the Investment Firms Act differ from each other in several instances, but they also contain identical rules. Accordingly, the licensing guide has been formulated in such a way that the *information to be provided, expected by the Licensing RTS* (hereinafter printed in *italics*) has been linked to the annexes stipulated in Section 28 of the Investment Firms Act (or Section 37 of the Investment Firms Act in respect of the acquisition of qualifying holding).

Article 1 – General information

An applicant seeking authorisation as an investment firm in accordance to Title II of Directive 2014/65/EU shall submit to the competent authority an application that includes the following general information:

a) *its name (including its legal name and any other trading name to be used); legal structure (including information on whether it will be a legal person or, where allowed by national legislation, a natural person), address of the head office and, for existing companies, registered office; contact details; its national identification number, where available; as well as:*

i. for domestic branches: information on where the branches will operate; ii. for domestic tied agents: details on its intention to use tied agents;

In connection with this point, pursuant to Section 28 (1)a) of the Investment Firms Act, the investment firm shall make a declaration that it will be controlled from the head office to be established in the territory of Hungary. The declaration shall be submitted on the electronic form.

If the applicant wishes to have a domestic branch, pursuant to Section 28 (1)f) of the Investment Firms Act, the description of the material and technical conditions of the business site (in the terminology of the Licensing RTS: domestic branch office), where it wishes to pursue its activity.

b) *the list of investment services and activities, supplementary services and financial instruments to be provided, and whether clients' financial instruments and funds will be held (even on a temporary basis);*

According to Section 5 (1) and (2) of the Investment Firms Act, it is necessary to stipulate the aforementioned investment and supplementary services, and the financial instruments – listed in Section 6 of the Investment Firms Act – in respect of which the applicant wishes to render these services must be also specified. The requirement, specified in Section 28 (1)d) of the Investment Firms Act, according to which the applicant must describe the activity it wishes to pursue, must be fulfilled also in this point.

Pursuant to Section 28 (1)o) of the Investment Firms Act, the general terms and conditions and business regulations, developed in connection with the pursued activity, must be attached.

If the applicant applies for the licensing of activities involving *the safe custody of financial instruments* and the keeping of the related client account specified in Section 5 (2)a) of the Investment Firms Act and *the custody management* and the keeping of the related securities account, in the case of printed securities the registration thereof and keeping the client account, specified in Section 5(2)b) of the Investment Firms Act, *with the exception of maintaining securities accounts at the top tier level (central maintenance service) under Point 2 of Section A of the Annex to Regulation 909/2014/EU,* the following regulations shall be attached.

- the regulation, under Section 142/A (5) of the Capital Markets Act, stipulating the data security requirements related to the management of user IDs and passwords and the delivery of those to the account holder (according to Section 142/A (5) of the Capital Markets Act, the regulation shall be submitted to the MNB for approval by not less than 60 days prior to the amendment's planned entry into force. The MNB approves the regulation if it contains appropriate procedural and technical measures to prevent unauthorised persons from accessing the user IDs and the passwords. The mandatory content elements of the regulation are specified in MNB Decree 36/2015 (IX. 24.),
- the safe deposit, custody management and depository regulations specified in Section 28 (2) of the Investment Firms Act,
- the regulation specified in Section 5 of Government Decree 284/2001 (XII.26.) on the Method and security rules of producing and forwarding dematerialised securities, and the rules of opening and keeping securities accounts, central securities account and customer account.

If the applicant wishes to render the supplementary services of granting investment loans under Section 5 (2)c) of the Investment Firms Act, the confirmation on the accession to the Central Credit Information System (CCIS), as specified in Section 28 (3) of the Investment Firms Ac shall be attached to the application.

c) *copies of corporate documents and evidence of registration with the national register of companies, where applicable.*

Based on this section the register of shareholders, specified in Section 28 (1) of the Investment Firms Act, must be attached to the application. Pursuant to Section 28 (1a) of the Investment Firms Act, the instrument of incorporation specified in point a), and the amendment thereof shall be obtained by the MNB.

Article 2 – Information related to the capital

An applicant seeking authorisation as an investment firm in accordance to Title II of Directive 2014/65/EU shall provide to the competent authority information and, where available, evidence on the sources of capital available to it. The information shall include:

a) *details on the use of private financial resources including the origin and availability of those funds;*

In connection with this point, pursuant to Section 28 (1)c) of the Investment Firms Act, it must be proved that the amount necessary for the payment of the start-up capital comes from the legal income of the person participating in the foundation or the liability insurance policy should be attached, if the conditions stipulated in Section 13 (3) of the Investment Firms Act exist. In respect of the start-up capital it is necessary to examine the legal origin, also in respect of the person who have no qualifying holding in the applicant.

b) *details on access to capital sources and financial markets including details of financial instruments issued or to be issued;*

For the purposes of point b), information on types of capital raised shall refer, where relevant, to the types of capital specified under Regulation (EU) No 575/2013, specifically whether the capital comprises Common Equity Tier 1 items, Additional Tier 1 items or Tier 2 items.

If the investment firm is subject to the IFR, the following should be taken into account. Certain provisions of the IFR refer back to and apply certain provisions of the CRR. According to Article 9(1)(i) of the IFR, core tier 1 capital is defined in accordance with Chapter 2 of Title I of Part Two of the CRR, Tier 2 capital is defined in accordance with Chapter 3 of Title I of Part Two of the CRR and Tier 2 capital is defined in accordance with Chapter 4 of Title I of Part Two of the CRR. Accordingly, the capital categories under the CRR should also apply to investment firms subject to the IFR.

For the purposes of this subsection it is sufficient to classify the applicant's capital in accordance the IFR and provide the relevant information; no separate licensing procedure, under the IFR, shall be carried out. Where the investment firm remains within the scope of the CRR, the provisions of the CRR apply directly.

c) *any relevant agreements and contracts regarding the capital raised;*

d) *information on the use or expected use of borrowed funds including the name of relevant lenders and details of the facilities granted or expected to be granted, including maturities, terms, pledges and guarantees, along with information on the origin of the borrowed funds (or funds expected to be borrowed) where the lender is not a supervised financial institution;*

In connection with this point, pursuant to Section 28 (1)c) of the Investment Firms Act, it must be proved that the amount necessary for the payment of the start-up capital comes from the legal income of the person participating in the foundation.

e) *details on the means of transferring financial resources to the firm including the network used to transfer such fund.*

Pursuant to Section 28 (1) c) of the Investment Firms Act, the applicant must enclose proof of the payment of the start-up capital of the specified amount, a statement together with documentary evidence to this effect that the amount necessary for the payment of the start-up capital comes from the legal income of the person participating in the foundation.

Article 3 – Information on shareholders

An applicant seeking authorisation as an investment firm in accordance to Title II of Directive 2014/65/EU shall provide to the competent authority the following information on its shareholders:

a) *the list of persons with a direct or indirect qualifying holding in the investment firm, and the amount of these holdings and, for indirect holdings, the name of the person through which the stake is held and the name of the final holder;*

b) *for persons with a qualifying holding (direct or indirect) in the investment firm the documentation required from proposed acquirers for the acquisition and increases in qualifying holdings in investment firms in accordance with Articles 3, 4 and 5 of Commission Delegated Regulation 2017/1946 of 11 July 2017 supplementing Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for an exhaustive list of information to be included by proposed acquirers in the notification of a proposed acquisition of a qualifying holding in an investment firm;*

The procedure conducted for the acquisition of qualifying holding is described in a separate licensing guide; the information related to Articles 3, 4 and 5 of the aforementioned Commission Regulation is included in that.

c) *for corporate shareholders that are members of a group, an organisational chart of the group indicating the main activities of each firm within the group, identification of any regulated entities within the group and the names of the relevant supervisory authorities as well as the relationship between the financial entities of the group and other non-financial group entities;*

d) *For the purposes of point b), where the holder of a qualifying holding is not a natural person, the documentation shall also relate to all members of the management body and the general manager, or any other person performing equivalent duties.*

Pursuant to Article 9 of the Licensing RTS: *"The competent authority shall verify that the request of an applicant for authorisation as an investment firm, in accordance to Title II of Directive 2014/65/EU, offers sufficient guarantees for a sound and prudent management of the entity by assessing the suitability of proposed shareholders and members with qualifying holdings, having regard to the likely influence on the investment firm of each proposed shareholder or member with qualifying holdings, against all of the following criteria:*

a) the reputation and experience of any person who will direct the business of the investment firm;
b) the reputation of the proposed shareholders and members with qualifying holdings;
c) the financial soundness of the proposed shareholders and members with qualifying holding, in particular in relation to the type of business pursued and envisaged in the investment firm;
d) whether the investment firm will be able to comply and continue to comply with the prudential requirements set out in Article 15 of Directive 2014/65/EU and, where applicable, Directives 2002/87/EC and 2013/36/EU of the European Parliament and of the Council and in particular, whether the group of which it will become a part has a structure that makes it possible to exercise effective supervision, effectively exchange information among the competent authorities and determine the allocation of responsibilities among the competent authorities;
e) whether there are reasonable grounds to suspect that, in connection with the authorisation of the investment firm, money laundering or terrorist financing within the meaning of Article 1 of Directive 2005/60/EC of the European Parliament and of the Council is being or has been committed or attempted, or that the authorisation of the investment firm could increase the risk thereof.

Please note that as part of the activity licensing procedure, in respect of the persons with qualifying holding the other requirements set forth in Section 37 of the Investment Firms Act, and in the case of persons having (direct or indirect) controlling interest the other requirements stipulated in Commission Delegated Regulation (EU) 2017/1946 of 11 July 2017 supplementing Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for an exhaustive list of information to be included by proposed acquirers in the notification of a proposed acquisition of a qualifying holding in an investment firm (Articles 7-12) must be proved with the proviso that it is not necessary to submit repeatedly the information that already had to be provided in connection with other articles. A separate licensing guide has been prepared in relation to the authorisation of the acquisition of qualifying holding.

Article 4 – Information on the management body and persons who direct the business

An applicant seeking authorisation as an investment firm in accordance to Title II of Directive 2014/65/EU shall provide to the competent authority the following information:

a) *in respect of members of the management body and persons effectively directing the business and their related powers and any proxies:*

Pursuant to Section 4 (2) of the Investment Firms Act, the management bodies shall include the investment firm's Board of Directors and Supervisory Board. The information related to the members of the management body shall be submitted on the standard form specified in Annex II to the Licensing ITS, which is included in the aforementioned electronic form. In addition to the members of the management body, information on the managing directors specified in Section 4 (2)69a of the Investment Firms Act (pursuant to Section 22 (1) of the Investment Firms Act at least two) shall be provided also in this point.

Pursuant to Section 28 (1)n) of the Investment Firms Act, the applicant shall attach the copy of the instruments proving the fulfilment of the personnel conditions specified in this Act and in separate laws.

i. personal details comprising the person's name, date and place of birth, personal national identification number, where available, address and contact details;
ii. the position for which the person is or will be appointed; iii. a curriculum vitae stating relevant education and professional training, professional experience, including the names of all organisations for which the person has worked and nature and duration of the functions performed, in particular for any activities within the scope of the position sought; for positions held in the previous 10 years, when describing those activities, details shall be included on all delegated powers and internal decision-making powers held and the areas of operations under control; iv. documentation relating to person's reputation and experience, in particular a list of reference persons including contact information, letters of recommendation;

Pursuant to Section 22 (1a) b), c), d) and e) of the Investment Firms Act, any person may be elected or appointed as senior executive at an investment firm if he or she
b) holds a higher education degree;
c) has at least three years of professional experience in the relevant field, and at least three years of management experience in the fields of finance or economics (eligible professional experience is specified in Section 24 of the Investment Firms Act, while for the positions acceptable as management experience see the guide on the MNB's website),
d) is not barred from being employed in or engaging in any occupation or activity of an economic or financial nature;
e) confirms his or her good business reputation.

As part of the aforementioned subsections the documents proving the candidates' higher education degree, their curriculum vitae and the good business reputation questionnaire, filled in by the candidates, shall be attached to the application[1].

v. criminal records and information on criminal investigations and proceedings relevant civil and administrative cases, and disciplinary actions opened against them (including disqualification as a company director, bankruptcy, insolvency and similar procedures), notably through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document; for ongoing investigations, the information may be provided through a declaration of honour;

[1] The Good Business Reputation Questionnaire is available, without registration or logging in, on the ERA interface (Public Services/Forms/Select Forms/Good Business Reputation Questionnaires/Personal Licences), as a pdf file to be filled in, saved and validated. The filled in and electronically signed questionnaire can be attached to the prescribed electronic form as an annex. The questionnaire is available at: https://era.mnb.hu/ERA.WEB/PublicServices/Current?code=eraformanyomtatvany

Pursuant to Section 22 (1a)a) of the Investment Firms Act those persons may be elected or appointed as s senior executive at the investment firms who prove their clean record – considering the provisions of paragraph (6) – in respect of the criminal offences stipulated in Section 22 (5) of the Investment Firms Act, and is not prohibited from engaging in any economic or financial occupation or activity. As part of proving the good business reputation of the candidates (Section 22 (1a)e) of the Investment Firms Act) a certificate of clean record with enhanced content, i.e. also covering the effect of being from the exercise of civil rights or occupation, must be attached. Pursuant to paragraph (6), the clean record shall be proved by the extract from the judicial record obtained by the MNB or provided by the candidate. In view of Section 22 (6) of the Investment Firms Act, the MNB is entitled to ask for data from the competent authority only in respect of the clean record, and thus it is advisable that the certificate of clean record with enhanced content is attached to the application by the applicant. With regard to Section 71 (4a) of the PRJ Act[1], the MNB also accepts the extended certificate of good conduct if it contains information that the candidate has no criminal record and is not under a ban from exercising civil rights.

In respect of civil, administrative and disciplinary matters, and pending investigations the candidate shall make a declaration on the good business reputation questionnaire.

vi. information on refusal of registration, authorisation, membership or licence to carry out a trade, business or profession; or the withdrawal, revocation or termination of such a registration, authorisation, membership or licence; or expulsion by a regulatory or government body or by a professional body or association;

The candidate shall provide the information stipulated in this point on the good business reputation questionnaire.

vii. information on dismissal from employment or a position of trust, fiduciary relationship, or similar situation;

The candidate shall provide the information stipulated in this point on the good business reputation questionnaire.

viii. information on whether an assessment of reputation and experience as an acquirer or as a person who directs the business has already been conducted (including the date of the assessment, the identity of that authority and evidence of the outcome of this assessment);

The candidate shall provide the information stipulated in this point on the good business reputation questionnaire.

ix. description of any financial and non-financial interests or relationships of the person and his/her close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders;

The candidate shall provide the information stipulated in this point on the good business reputation questionnaire.

x. details of the result of any assessment of the suitability of the members of the management body, performed by the applicant itself; xi. information on the minimum time that will be devoted to the performance of the person's functions within the firm (annual and monthly indications);
For the purposes of point (ix) of point (a), financial interests include interests such as credit operations, guarantees and pledge, whereas non-financial interests may include interests such as family or close relationships.
xii. information on human and financial resources devoted to the induction and training of the members (annual indications); xiii. the list of executive and non-executive directorships currently held by the person.

[1] According to Section 71 (4a) of Act XLVII of 2009 on the Criminal Records System, the Register of Rulings by the Courts of the Member States of the European Union against Hungarian Citizens and on the Register of Biometric Data in Criminal and Law Enforcement Matters (Bnytv.), *if the applicant is prohibited from an occupation or activity, then the fact specified in Paragraph (3) (e)* (the occupation or activity from which the applicant is prohibited) *must be indicated in the official certificate of good conduct in the case of an application to prove the fact specified in Paragraph (3) (b)* (i.e. that the applicant has no criminal record), *even in the absence of such an application.*

b) *the staff of the internal management and control bodies.*

The persons to be indicated under point b) include the applicant's head of internal audit, risk management, compliance and complaint management function, and – if the applicant has any atypical internal bodies – the persons participating in those. The tasks and competence of such bodies shall be stipulated in detail in the organisational and operational regulations.

The MNB points out that the new MNB recommendation on the assessment of the suitability of members of the management body has been published and it is recommended that its provisions are followed in the procedure.[1]

Article 5 – Financial information

An applicant seeking authorisation as an investment firm in accordance to Title II of Directive 2014/65/EU shall provide to the competent authority the following information on its financial situation:

a) *forecast information at an individual and, where applicable, at consolidated group and sub-consolidated levels, including:*

i. forecast accounting plans for the first three business years including:
- forecast balance sheets,
- forecast profit and loss accounts or income statements;
ii. planning assumptions for the above forecasts as well as explanations of the figures, including expected number and type of customers, expected volume of transactions/orders, expected assets under management; iii. where applicable, forecast calculations of the firm's capital requirements and liquidity requirements under Regulation (EU) No 575/2013 of the European Parliament and of the Council[2] and forecast solvency ratio for the first year;

Pursuant to Section 28 (1)k) of the Investment Firms Act, the business plan must be attached to the application. The business plan shall cover the information included in Article 5 a) and Article 6 a) of the Licensing RTS.

b) *for companies that are already active, statutory financial statements, at an individual and, where applicable, at consolidated group and sub-consolidated levels for the last three financial periods, approved, where the financial statements are audited, by the external auditor, including: i. the balance sheet; ii. the profit and loss accounts or income statement; iii. the annual reports and financial annexes and any other documents registered with the relevant registry or authority in the particular territory relevant to the company financial statements and, where applicable, a report by the company's auditor of the last three years or since the beginning of the activity;*

c) *an analysis of the scope of consolidated supervision under Regulation (EU) No 575/2013, including details on which group entities will be included in the scope of consolidated supervision requirements post-authorisation and at which level within the group these requirements will apply on a full or sub-consolidated basis.*

Article 6 – Information on the organisation of the firm

An applicant seeking authorisation as an investment firm in accordance to Title II of Directive2014/65/EU shall provide to the competent authority the following information on its organisation:

Pursuant to Section 28 (1)m) of the Investment Firms Act, the instruments proving the fulfilment of the organisational conditions stipulated in this Act shall be attached to the application. The organisational requirements of investment firms are essentially determined by Chapter II of Commission Delegated Regulation 2017/565/EU of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational

[1] Recommendation No 1/2022 (I.17.) of the Magyar Nemzeti Bank on the assessment of the suitability of members of the management body and key personnel, is available at: https://www.mnb.hu/letoltes/1-2022-alkalmassagi-ajanlas.pdf

[2] The reference to the CRR is included in the text of the RTS unchanged, irrespective of the entry into force of the IFR.

requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (**Regulation**) and Chapter V of the Investment Firms Act. Compliance with the organisational requirements should be essentially stipulated in the organisational and operational regulations, specified in Section 28 (1)d) of the Investment Firms Act, also containing the applicant's decision-making and governance regime.

a) *a programme of initial operations for the following three years, including information on planned regulated and unregulated activities detailed information on the geographical distribution and activities to be carried out by the investment firm. Relevant information in the programme of operations shall include: i. the domicile of prospective customers and targeted investors; ii. the marketing and promotional activity and arrangements, including languages of the offering and promotional documents; identification of the Member States where advertisements are most visible and frequent; type of promotional documents (in order to assess where effective marketing will be mostly developed);*

iii. the identity of direct marketers, financial investment advisers and distributors, geographical localisation of their activity;

Pursuant to Section 28 (1)k) of the Investment Firms Act, the business plan must be attached to the application. The business plan shall cover the information included in Article 5 a) and Article 6 a) of the Licensing RTS.

b) *details of the firm's auditors, when available at time of application for authorisation;*

The applicant is expected to have an auditor with investment firm qualification (Section 97 (1) of the Investment Firms Act).

c) *the organisational structure and internal control systems of the company, comprising:*
i. the personal details of the heads of internal functions (management and supervisory), including a detailed curriculum vitae, stating relevant education and professional training, professional experience;

The detailed curriculum vitae of the heads of the applicant's internal audit, risk management and compliance functions must be attached to the application, which contains the aforementioned information.

ii. the description of the resources (in particular human and technical) allocated to the various planned activities; iii. in relation to holding client financial instruments and funds, information, specifying any client asset safeguarding arrangements (in particular, where financial instruments and funds are held in a custodian, the name of the custodian, and related contracts);

Concerning this subsection, the custody management and data security regulation, already mentioned in Article 1 b) of the Licensing RTS, must be attached.

iv. an explanation of how the firm will satisfy its prudential and conduct requirements.

d) *information on the status of the application undertaken by the investment firm to become a member of the investor compensation scheme of the Home Member State or evidence of membership to the investor compensation scheme, where available;*

Pursuant to Section 28 (1)w) of the Investment Firms Act, the confirmation of the Investment Protection Fund to the effect that the application for accession to the Fund has been submitted and the accession fee has been paid must be attached to the application, if it applies for a licence for the pursuance of insured activity and the law prescribes accession to the Fund.

e) *a list of the outsourced functions, services or activities (or those intended to be outsourced) and a list of the contracts concluded or foreseen with external providers and resources (in particular, human and technical, and the internal control system) allocated to the control of the outsourced functions, services or activities;*

With regard to the requirements applicable to outsourcing, provisions are included in Article 30-32 of the Regulation and Sections 79-81 of the Investment Firms Act. Compliance with the statutory requirements related to outsourcing must be proved in the licensing procedure.

f) *measures to identify and to prevent or manage conflicts of interest that arise in the course of providing investment and ancillary services and a description of product governance arrangements;*

Pursuant to Section 28 (1) o) of the Investment Firms Act, the draft conflict of interest policy must be attached to the application. Articles 33-34 of the Regulation contain rules related to the conflict of interest policy; however, it should be noted that in respect of the individual activities to be pursued, the Regulation may prescribe additional requirements, e.g. in respect of the investment services involving the placement of financial instruments (Articles 38-43 of the Regulation).

In addition, the regulation related to personal transactions (Article 28-29 of the Regulation) and remuneration policy (Article 27 of the Regulations) must be submitted within the conflict of interest requirements (or presented as part of the conflict of interest policy).

g) *a description of systems for monitoring the activities of the firm, including back–up systems, where available, and systems and risk controls where the firm wishes to engage in algorithmic trading and/or provide direct electronic access;*

Pursuant to Section 28 (1)l) of the Investment Firms Act, the detailed description of the fulfilment of the material and technical conditions stipulated in this Act shall be attached to the application.

Section 12 (1)-(2) and (4)-(10) of the Investment Firms Act prescribes stricter conditions, compared to the previous regulations, in respect of the investment firms' IT system. Section 12 is supplemented with paragraphs (12)-(14), which prescribe – among other things – that the adequacy of the IT system must confirmed by a certification organisation.

Section 12 (6) of the Investment Firms Act defines the minimum conditions that must be ensured, without exception, in proportion to the security risk.

Pursuant to Section 12 (7) of the Investment Firms Act) the investment firm and commodity exchange provider shall implement the protective measures, justified on the basis of the security risk analysis, for the performance of its activity and for the up-to-date and secure keeping of its registers, fulfil the additional requirements specified in paragraph (7) and ensure the permanent availability of the documents stipulated in paragraph (9).

Pursuant to Section 12 (12) of the Investment Firms Act investment firms and commodity exchange providers may only pursue their activity with the use of an IT system, which ensures the integrity of system components, prevents unauthorised access and undetected modification. The IT system must also comply with the general information security and system integrity requirements. To this end, investment firms and commodity exchange providers shall implement administrative, physical and logical measures to satisfy compliance with the overall information security integrity requirements.

Pursuant to Section 12 (13) of the Investment Firms Act, compliance with the requirements set out in (12) shall be certified by a certificate for the IT system issued by an external expert (hereinafter referred to as a "certification body"). The requirements imposed on the certification body, the certification and the maximum fee – excluding VAT – of the certification procedure are set out in a separate legislation, Government Decree No. 42/2015 (III. 12.) on the protection of the information system of financial institutions, insurance and reinsurance undertakings, investment firms and commodity exchange service providers **(Government Decree No. 42/2015**).

The fulfilment of the requirements applicable to the IT system may only be proved by a certificate issued by a certification organisation accredited for the certification of IT security software products and systems based on an acknowledged domestic or international security methodology.

In the case of IT systems that keep records of more than one thousand permanent clients only the certification organisation specified in the separate law may issue the certificate; however, **it is not necessary to attach the certificate during the licensing procedure, it is sufficient to submit it subsequently**.

Section 12 (1) of the Investment Firms Act defines the activities in relation to which it specifies the requirements for the IT system of the investment firm. All the requirements relating to the IT system set out in Section 12 of the Investment Firms Act and Government Decree 42/2015 shall apply to the following activities:
- accepting and forwarding orders,
- execution of orders on behalf of the Client,
- own-account trading,
- Portfolio management,
- placement of a financial instrument with a commitment to purchase the instrument (security or other financial instrument) (underwriting)
- placement of financial instruments without any commitment for the purchase of the instrument (financial instrument), and
- operation of multilateral trading facilities,
- operation of organised trading facilities,
- safekeeping and recording of financial instruments and managing the related client accounts,
- safe custody services and keeping the related securities accounts; in the case of printed securities keeping a register of those and keeping the client account, with the exception of maintaining securities accounts at the top tier level (central maintenance service) under Point 2 of Section A of the Annex to Regulation 909/2014/EU.

At the same time, it is clear from the above list that if an investment firm has applied for a licence to provide only investment advice as its principal activity pursuant to Section 5(1)(e) of the Investment Firms Act, Section 12(1) of the Investment Firms Act and any further paragraphs referring back to Section 12(1) of the Investment Firms Act do not apply. As before, the scope of application of Government Decree 42/2015 is also defined by the authorisation granted by the Investment Firms Act, and it only requires investment firms to comply with the requirements that are not linked to Section 12 (1) of the Investment Firms Act.

Taking all the above into account, investment firms that do not apply for authorisation to carry out any of the activities specified in Section 12(1) of the Investment Firms Act **must comply with the requirements set out in Section 12(6) and (12)–(14**) **of the Investment Firms Act** and **Section 5/B of Government Decree** 42/2015.

When the applicant wishes to apply an algorithmic trading system (Section 4 (2)1) of the Investment Firms Act) or wishes to provide direct electronic access (Section 4 (2)38a) of the Investment Firms Act), it shall prove that it complies with the provisions of Chapter VI/A of the Investment Firms Act and of Commission Delegated Regulation 2017/589/EU of 19 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading.

h) *information on the compliance, internal control, and, risk management systems (a monitoring system, internal audits and the advice and assistance functions).*

Pursuant to Section 28 (1) j) of the Investment Firms Act, the draft regulation related to its control regime must be attached to the application. Also based on Section 28 (1)r) and s) of the Investment Firms Act, the draft of the regulation related to the monitoring, measurement, control and management of risks, and to the keeping of the trading book shall be attached to the application. Please note that detailed rules applicable to the compliance, risk management, internal audit and complaint management function are included in Articles 22-24 and 26 of the Regulation.

i) *details on the systems for assessing and managing the risks of money laundering and terrorist financing;*

Pursuant to Section 28 (1)o) of the Investment Firms Act, the policies and procedures related to the prevention and combating of money laundering and terrorist financing, and to the implementation of the financial and asset restricting measures ordered by the European Union and the UN's Security Council shall be attached to the application.

Pursuant to Section 63 (4a) and (5) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (**AML Act**), the application must be accompanied by a document containing the results of the assessment of the suitability of the designated responsible manager (or the senior manager performing this function) and the compliance manager, approved by the board of directors/supervisory board/other body. If the compliance manager, as detailed in MNB Recommendation 3/2024[1]:

- is not appointed on the basis of proportionality,
- the related tasks are carried out by the designated responsible manager,
- only one compliance manager is appointed within the group, or
- his or her tasks are outsourced,

the relevant decision of the Board and the reasons for it.

j) *business continuity plans, including systems and human resources (key personnel);*

k) *record management, record-keeping and record retention policies;*

Pursuant to Section 28 (1)i) of the Investment Firms Act, the draft regulation related to the business hours shall be attached to the application. The detailed rules related to the registration systems are included in Articles 72-76 of the Regulation and Sections 55 of the Investment Firms Act.

l) *a description of the firm's manual of procedures.*

Article 7 – General requirements related to the central place of business, branch office and tied agents

(1) The information to be provided to the competent authority of the home Member State, as set out in Articles 1 and 6, shall refer to both the head office of the firm and its branches and tied agents. (2) The information to be provided to the competent authority of the home Member State, as set out in Articles 2 to 5, shall refer to the head office of the firm.

ADDITIONAL DOCUMENTATION TO BE SUBMITTED BASED ON SECTIONS 28 AND 37 OF THE INVESTMENT FIRMS ACT

This section lists only those documents the submission of which is prescribed by the Investment Firms Act as a condition of the licensing procedure, but the Licensing RTS does not prescribe it specifically, and thus they are not included in Section IV hereof.

Pursuant to Section 28 (1) of the Investment Firms Act, the applicant shall attach to its investment services activity licence application

g) the name, registered office and scope of activity of the company in which the applicant has any shareholding, indicating the rate of the shareholding,
h) the description of its accounting policies and accounting regime,
o) ... the draft cash and valuables management regulation and its execution policy,
p) unless the procedure is aimed at the amendment of the scope of activity, the detailed description of the ownership structure together with the documentary evidence, and – if possible – presentation of the beneficial owners,
q) confirmation issued by the auditor to the effect that the IT system of the investment firm is suitable for satisfying the requirements set forth in Section 18 (2),

[1] On compliance officers, their duties and responsibilities, and related internal procedures and controls to combat money laundering and terrorist financing. https://www.mnb.hu/letoltes/3-2024-aml-compliance-officer-ajanlas.pdf

t) in the case of investment firms subject to consolidated or supplementary supervision, the presentation of the rules applicable to the transfer of information related to consolidated or supplementary supervision and the declaration of the persons having close links with the investment firm to the effect that they shall transfer all data, facts and information necessary for the consolidated or supplementary supervision,
u) the declaration of the natural person being in close relationship with the investment firm to the effect that he or she consents to the forwarding of his or her personal data transferred to the investment firm for the purpose of processing such data to carry out the consolidated and supplementary supervision,
v) the identification data of the person or organisation having close links with the parent company of the investment firm subject to consolidated or supplementary supervision,
x) the rules of procedure, approved by the investment firm's Board of Directors, to be applied in situations that severely jeopardise the liquidity and solvency of the investment firm, and – if the investment firm is not covered by the consolidated supervision – its recovery plan specified in Section 102,
y) copy of the declaration on joining the Resolution Fund.

When submitting the application, the owners of the investment firm shall take into consideration the rules set out in the Investment Firms Act with regard to the acquisition of qualifying holding, and particularly the provision of Section 37 (4), according to which: "A qualifying holding may be held in an investment firm by a person,
a) the activity or the influence of whom exerted on the investment firm does not jeopardise independent, reliable and prudent owner's control over the investment firm,
b) the nature of whose business activity and relations or the structure of his direct and indirect ownership share outstanding in other companies do not hinder the supervisory activity,
c) who has good business reputation,
d) who – in the case of natural persons – has clean record in respect of the criminal offences specified in Section 22 (5) and confirms this fact by a certificate of clean criminal record,
e) who is not barred from being employed in or engaging in any occupation or activity of an economic or financial nature.

A separate licensing guide is issued in relation to the procedure conducted in respect of the acquisition of qualifying holding.

VI. OTHER SPECIAL RULES

Additional rules are specified in Section 28 (4)–(5) of the Investment Firms Act for non-resident applicants. Accordingly, non-resident applicants shall – in the investment activity licence application – indicate also the places, in addition to those included in paragraphs (1)-(3), where they pursue their activity, as well as the decision competence of the senior executives and of the body without the approval of which certain decisions are not valid. In addition, non-resident applicants shall attach to their investment activity licence application the confirmation of the supervisory authority having competence based on their registered office that no disqualifying reason exists in respect of the non-Hungarian citizen senior executive related to the filling this position and performing the related tasks.

If the investment firm uses cloud computing services within the framework of an outsourcing contract already at the start of its operation, its shall take into consideration the provisions of MNB Recommendation 2/2017.

VII. AMENDMENT OF THE SCOPE OF ACTIVITY

The form constituting Annex 1 to the Licensing ITS shall be also used for the amendment of the scope of activity, irrespective of whether it is broadened or narrowed.

Upon broadening the investment firm's **scope of activity**, of the documents specified in Section 28 (1) of the Investment Firms Act (referred to above) those shall be attached to the licence application that have not yet been submitted before; and also, of the information prescribed by the Licensing RTS those pieces of information shall be provided that will change due to the broadening of the scope of activity.

The following declarations shall be made also upon the amendment of the scope of activity:

- the applicant has disclosed to the MNB all material facts and data necessary for the issuance of the licence *(declaration to be made in the electronic form)*.

In addition to the foregoing, the following declarations shall be made also upon broadening the scope of activity:

- the company has the personnel, material and technical conditions related to its new activity *(declaration to be made in the electronic form)*,
- the company shall make a declaration on the start date of the new activity *(declaration to be made in the electronic form)*,
- the company shall make a declaration that it is well-prepared for the fulfilment of the statutory reporting requirements related to its new activity *(declaration to be made in the electronic form)*.

Upon **narrowing the scope of activity**, of the information prescribed by the Licensing RTS those pieces of information shall be provided that will change as a result of the narrowing of the scope of activity, and a declaration shall be made on the following:

- the applicant has disclosed to the MNB all material facts and data necessary for the issuance of the licence *(declaration to be made in the electronic form)*.
- pursuant to Section 31(2) of the Investment Firms Act the company has discharged its outstanding, acknowledged obligations towards its clients and the fulfilment of its contracts has been assumed by another investment firm *(declaration to be made in the electronic form)*.

Should, after carefully reading this guide, any further question – related to the respective, individual case, not possible to answer in the form of consultation over the phone or in writing – arise, the MNB provides the applicant with the possibility of personal consultation. For personal consultations, please contact the Secretariat of the Financial and Capital Markets Licensing Department (phone: +36 1-489-9731; e-mail: ptef@mnb.hu).

If the questions you have are purely IT-related, you may also contact the IT Supervision Department directly for a personal consultation (phone: +36 1-489-9780; e-mail: iff@mnb.hu).

Last amendment: November 2024