

CZECH REPUBLIC

CZECH REPUBLIC FUND TYPES:

The Czech National Bank (CNB) maintains an official list of registered investment funds (excluding money market funds) for regulatory and statistical purposes. This list is updated monthly and available on the CNB website. [cnb.cz]

Standard Funds

- Designed for retail investors.
- Fully regulated under UCITS rules.

Special Funds

- Available to retail and qualified investors.
- More flexible than standard funds but still regulated.

Qualified Investor Funds (QIFs)

- For professional or high-net-worth investors.
- Minimum investment: EUR 125,000 or CZK 1 million.
- allowing alternative strategies.

Specific Structures

- Mini Funds
 - Simple, low-cost option for qualified investors.
 - Max AUM: EUR 100 million (or EUR 500 million without leverage).
- Self-Managed Investment Funds
 - Operate independently as legal entities (often SICAV form).
 - Require CNB license and a depositary.
- Funds Managed by Management Companies
 - Use external managers for portfolio and risk management.
 - Can later convert to self-managed funds.

Czech investment funds follow EU standards (UCITS and AIFMD), ensuring investor protection and regulatory compliance. Regulated primarily by the Act on Investment Companies and Investment Funds (ZISIF) and supervised by the Czech National Bank (CNB).

CZECH REPUBLIC HOLDING RESTRICTIONS:

Threshold-Based Restrictions

If an investor acquires shares in an investment fund or management company and crosses certain thresholds of voting rights or share capital, prior approval from the Czech National Bank (CNB) is required:

- 10%, 20%, 30%, or 50% of voting rights or share capital.

Non-compliance consequences:

- Loss of voting rights.
- Possible financial penalties imposed by CNB

Notification for Decreasing Holdings

If holdings fall below these thresholds (10%, 20%, 30%, or 50%), the CNB must be notified without delay.

DISCLOSURE:

Background and Legal basis:

Czech law requires disclosure of significant holdings in regulated entities.

Requests for disclosure may be forwarded to investors by intermediaries such as IFSAM under local law.

Important Information:

Disclosure requirements

The client shall respond to any information and/or disclosure request in all cases. Any such request, including requests originating from the fund, the asset manager, a competent governmental or regulatory authority, or any other relevant third party, shall be forwarded by IFSAM to the client for response without assessing the validity or merits of the request. The client's obligation to respond applies either where a response is required under applicable laws, regulations, and mandatory legal or regulatory requirements, or, in the absence of such mandatory obligations, on a voluntary basis following a valid disclosure request forwarded by IFSAM in accordance with the fund's legal documentation and applicable local laws. In all cases, the client shall provide all information necessary in this context.

Clients agree not to unreasonably withhold consent to such requests and undertake to indemnify and hold harmless IFSAM from any damages, liabilities, or claims arising directly from non-compliance with mandatory local disclosure obligations.

In most jurisdictions, disclosure obligations stem from domestic equivalents of the Companies Act, Investment Funds Act, or Anti-Money Laundering legislation, and typically apply to all fund types.

In certain cases, client-related data (including personal and tax information) may be disclosed to the asset manager, fund, distributor, or competent authorities, including tax authorities, if there is a legal or reasoned basis for doing so.

The Disclosure Requirements are provided for informational purposes only and do not constitute legal advice. Clients are strongly encouraged to seek independent professional counsel regarding securities held with IFSAM particularly in jurisdictions where disclosure obligations may apply directly to clients, shareholders, or beneficial owners, even if IFSAM is not subject to such obligations.

Please note that IFSAM may not always receive comprehensive updates or notifications regarding changes to local disclosure requirements.

Ultimately, it is the client's sole responsibility to ensure compliance with all applicable disclosure obligations. Failure to comply may result in penalties, for which the client will be fully liable. Clients are therefore advised to obtain independent legal advice on the existence and interpretation of relevant local disclosure rules.

Note: In all jurisdictions, if a breach of disclosure obligations is suspected—such as exceeding a reportable holding threshold without notification—regulators and authorities may initiate investigations. Disclosure obligations may also be triggered by enforceable judgments issued by competent courts in the relevant jurisdiction.

Cooling Off Period

Distributors using the IFSAM platform are classified exclusively as eligible counterparties / professional clients or professional investors and act as principals vis-à-vis their respective end-clients.

Where such distributors offer products to retail investors—including, for example (but not limited to), ELTIFs subject to a statutory cooling-off (withdrawal) period, the application, monitoring and management of the relevant retail investor protections are entirely the responsibility of the distributor, in accordance with applicable regulatory requirements.

U.S. Person Restrictions

Clients are advised that units of the funds must not be, directly or indirectly, marketed to, offered to, subscribed for, or purchased on behalf of U.S. Persons. If a client becomes aware that any investor qualifying as a U.S. Person has subscribed to units of funds, the client must notify IFSAM immediately.

The term “U.S. Person” refers to the definition provided in the fund's prospectus, which is based on Rule 902 of Regulation S under the U.S. Securities Act. It explicitly excludes any “Non-United States person” as defined in Rule 4.7 under the U.S. Commodity Exchange Act, as amended.

Holding Restrictions Disclaimer:

The information provided under Holding Restrictions reflects the current legal and regulatory environment and may be supplemented by additional holding restrictions as set out in the prospectus and/or other official fund documentation. While IFSAM believes the information to be accurate, it does not guarantee its completeness or correctness and disclaims any liability in this regard.

In the event of any discrepancy between the information provided by IFSAM, the prospectus and/or official fund documentation and applicable local laws or regulations, the latter shall prevail.

The Holding Restrictions are for informational purposes only and do not constitute legal advice. Clients are strongly encouraged to seek guidance from independent professional counsel to ensure compliance.

Clients are solely responsible for adhering to the applicable holding restrictions including any additional holding restrictions set out in the prospectus and/or official fund documentation and agree to indemnify and hold harmless IFSAM from any loss, expense, liability, damage, or claim—whether direct or indirect—arising from non-compliance.