



## Interactive Brokers Central Europe Zrt.

### Annexes to the Business Rules and General Terms and Conditions (GBR)

All Annexes to the Business Rules and General Terms and Conditions (GBR), except Annex 2, are incorporated into this document. Annex 2 can be obtained from our website. Below is the list of Annexes:

1. The register including the Company's data
2. The template contracts and declarations used by the Company and annexed to the Business Rules
  - a. Client Agreement and its annexes
  - b. Investment Loan Framework Contract
  - c. Securities Borrowing Contract
3. Business hours
4. Best Execution Policy
5. A summary description of the Conflict of Interest Policy
6. Complaint Management Policy
7. The list of outsourced activities and the persons performing them
8. The list of intermediaries
9. Additional Terms which apply to futures transactions entered into by retail clients domiciled in Germany
10. Physically deliverable futures



Interactive Brokers Central Europe Zrt.

**ANNOUNCEMENT**

Annex 1 to the GBR:

**The register including the Company's data**

Valid from: 1 March 2022

**The data of the Company**

Name: Interactive Brokers Central Europe Zrt.  
Registered office: 1075 Budapest, Madách Imre út 13-14.  
Company registration number: 01-10-141029  
Phone number: +36 (80) 088 400  
Website: <https://www.interactivebrokers.hu/>  
E-mail address: [ibce@interactivebrokers.com](mailto:ibce@interactivebrokers.com)

**Data of the parent company**

Name: IBG LLC  
Registered office: One Pickwick Plaza, Greenwich, CT 06830 USA  
Company registration number: 0538978 (by the Connecticut Secretary of State)  
Group's website: <https://www.interactivebrokers.com/>

**The supervisory authority of the Company**

Name: Magyar Nemzeti Bank (National Bank of Hungary)  
Registered office: 1013 Budapest, Krisztina körút 55.  
Phone number: +36 (1) 428 2600  
Customer Service: 1122 Budapest, Krisztina krt. 6.  
Phone number for customers: +36 (80) 203 776  
E-mail address: [info@mnb.hu](mailto:info@mnb.hu)  
Mailing address: Magyar Nemzeti Bank (National Bank of Hungary), 1850 Budapest  
Website: <http://www.mnb.hu>



Interactive Brokers Central Europe Zrt.

**ANNOUNCEMENT**

Annex 3 to the GBR:

**Business hours**

Valid from: 04 May 2023

**Interactive Brokers Central Europe Zrt.** (Registered office: 1075 Budapest, Madách Imre út 13-14., Company registration number: 01-10-141029, court of registry: Budapest Court of Registration, hereinafter referred to as “**Company**”) availability:

- electronic trading interface: every day from 00:00 to 24:00

Orders may be placed on the interfaces – with the exception of downtime – without any time limit, however, the execution time of each order is significantly influenced by the opening and trading days and hours of the trading venues. These dates may also vary between financial assets.

The general trading hours for each asset is included in the electronic trading interface.

- Complaints handling via telephone: Monday-Friday: 08:00-20:00 (CET)



Interactive Brokers Central Europe Zrt.  
(IBCE)

## **ANNOUNCEMENT**

Annex 4 to the GBR:

### **Best Execution Policy**

Applicable from: 22 April 2022

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## 1 PURPOSE

The purpose of IBCE's BEST EXECUTION POLICY ("Policy") is to establish the control framework and minimum standards for effective best order execution in accordance with applicable laws and regulations.

This Policy sets out the required standards to satisfy regulatory requirements for the best execution of client investment orders following the transposition of Markets in Financial Instruments Directive ("MiFID"), regime (implemented in 2007), as revised with the EU Markets in Financial Instruments Directive (2014/65/EU) ("MiFID II").

This Policy is designed to supplement and operationalize certain legal and regulatory requirements applicable to best order execution by IBCE and does not supersede, replace, or modify any such legal and regulatory requirements.

## 2 LEGAL / REGULATORY REFERENCE

This Policy establishes the rules and framework which is designed to assist IBCE with applicable laws and regulations relevant to best order execution, including:

- Markets and Financial Instruments Directive ("MiFID II") which is defined by EU Directive No 65/2014 of 15 May 2014;
- Markets and Financial Instruments Regulation ("MiFIR") which is defined by EU Regulation No 600/2014 of 15 May 2014;
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms (Article 66);
- Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 with regard to regulatory technical standards for the annual publication of information on the identity of execution venues and on the quality of execution ("RTS 28");
- The Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities ("Bszr.").

MiFID II, MiFIR, Commission Delegated Regulation (EU) 2017/565 and RTS 28 are a pan-European set of laws adopted by the Hungarian authorities that sets out business rules of conduct with regard to investor protection or products in financial markets. The rules aim to protect investors, apply to all investment service providers in Hungary, and the compliance to these rules are strictly supervised by the Central Bank of Hungary ("MNB").

MiFID II, MiFIR, Commission Delegated Regulation (EU) 2017/565 and the Bszr. require, that IBCE establishes an order execution Policy and takes all reasonable steps to obtain the best possible result when executing orders on behalf of its clients.

To avoid conflicts of interest between one client and IBCE's duties to other clients, IBCE does not give any preferential treatment to that client to the detriment of other clients and does not disclose the details of this order to other clients. The relevant controls are defined in the Conflicts of Interests Policy.

This Policy is designed to assist IBCE in taking into consideration the matters specified above and more generally complying with applicable laws and regulations relevant to best order execution.

## 3 SCOPE

The abbreviations used in this Policy to identify departments of IBCE are the same as the abbreviations used in the Organizational and Operational Charter (OOC or SZMSZ).



### 3.1 PERSONAL SCOPE

This Policy applies to all departments of IBCE and to all employees of IBCE without limitations and to all relevant Service Providers (whether being third party service providers or affiliates of IBG, IBCE) acting for or on behalf of IBCE.

It is the responsibility of each affected head of department of IBCE to ensure that this Policy is known and conformed to within his/her respective area of responsibility. Each affected IBCE employee is also responsible for ensuring their own compliance with this Policy.

### 3.2 MATERIAL SCOPE

This Policy applies to all events that involve order execution of retail clients and professional clients. This Policy does not apply to events involving clients in the Eligible Counterparty category.

## 4 KEY DEFINITIONS

Terms	Definitions
APA	Approved Publication Arrangements
CCO	Chief Compliance Officer
CEO	Chief Executive Officer
IBCE	Interactive Brokers Central Europe Zrt.
IBG	Interactive Brokers Group
MNB	Central Bank of Hungary (Magyar Nemzeti Bank)
MTF	Multilateral Trading Facilities
Order(s)	Investment firms either executing, receiving or transmitting client orders in financial instruments or making and decisions to buy/sell financial instruments.
OTF	Organised Trading Facilities
RTS	Regulatory Technical Standards of MiFID II.

## 5 BEST EXECUTION PROVISIONS

MiFID best execution requirements are important component of investor protection.

### 5.1 THE NATURE OF INTERACTIVE BROKERS' (IB) BUSINESS

IBCE is an affiliate of Interactive Brokers LLC ("IBLLC"), a SEC-regulated broker specializing in routing orders and executing and processing trades in securities, derivatives and foreign exchange instruments. IBCE does not have human brokers and does not provide investment advisory services or take responsibility of the suitability and appropriateness of specific client trades. IBCE does not engage in proprietary trading outside of executing transactions with clients on a riskless principal basis for CFDs (matched principal trading).

IBCE is licensed to provide investment services activities (i.e. execution of orders and safekeeping of assets). IBCE holds client assets, i.e. cash and financial instruments in accordance with the Hungarian rules relating thereto.

IBCE provides its services in relation to the following types of financial instruments:

- transferable securities;
- money-market instruments;
- units in collective investment undertakings;

- options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
- options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a Multilateral Trading Facilities (“MTF”), or an Organised Trading Facilities (“OTF”), except for wholesale energy products traded on an OTF that must be physically settled;
- options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in the preceding bullet point and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- derivative instruments for the transfer of credit risk;
- financial contracts for differences (“CFDs”);
- options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of de-fault or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in the present list, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, an OTF or an MTF;
- emission allowances consisting of any units recognised for compliance with the requirements of directive 2003/87/EC.

IBCE provides electronic brokerage services to its clients. The orders clients submit to IBCE through IBG trading platforms are routed to markets or dealers using IBG’s proprietary order routing technology. IBCE is a member of securities and commodities exchanges and trading networks as set out in Appendix C, where IBCE executes orders submitted by its clients or by clients of affiliates. Where the order routing identifies market centres for execution where IBCE is not a member, IBCE client orders are transmitted for execution to IBCE’s affiliates: collectively or individually (the “Executing Partners”).

### **5.1.1 EXECUTING PARTNER BY ASSET CLASS**

IBCE will execute or route orders to its Executing Partners based on the asset class the underlying client wishes to trade and the exchange memberships or trading relationships IBCE and the Executing Partners hold. We have listed the relevant venues and executing brokers in Appendix C. The given Execution Partner manages all the specified asset types, as well as both retail and professional clients.

The use of affiliates provides specific benefits to client executions, including enhanced governance, oversight and transparency of an order, consistency of order handling and front to back trade processing.

Note: IBCE does not use an Executing Partner for CFD transactions. See Appendix B, section 4.

## **5.2 IBCE EXECUTION POLICY AND PROCEDURES**

### **5.2.1 WHAT IS BEST EXECUTION**

IBCE and the Executing Partner should take all sufficient steps to obtain the best possible result for IBCE’s client taking into account best execution factors including price (net price), cost, speed, likelihood of execution, size, nature of an order and any other consideration relevant to the execution of the order such as the nature of the relevant market, prevailing market conditions and possible market impact (“Execution Factors”).

The relative importance of each of the execution factors may depend on:

- the characteristics and nature of the order, including any specific instructions the client might have given;
- the characteristics of the financial instruments that are the subject of the client’s order; and

- the characteristics of the execution venues (if there is more than one) to which the order can be directed.

The duty of best execution applies if the client has been classified as retail client or professional client.

### **5.3 HOW IS THE RELATIVE IMPORTANCE OF EXECUTION FACTORS DETERMINED?**

IBCE determines whether the clients are a retail or professional client at account opening in accordance with the Client Categorisation Policy. The clients are notified of the retail or professional category.

The other execution factors are applied on an asset class by asset class basis, taking into account whether the order is marketable or not. A marketable order is a buy order with a price at or above the lowest offer in the market or a sell order with a price at or below the highest bid in the market.

For marketable orders, one of the primary execution factors is either total consideration or price depending on the client's instruction. The total consideration represents the price of financial instrument and the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order, including execution fees, clearing and settlement fees and other fees paid to third parties involved in the execution of the order.

For non-marketable orders, one of the primary execution factors is typically likelihood of execution followed by cost.

Both in the case of marketable and non-marketable orders, the remaining execution factors –order size, nature of the order and any other consideration relevant to the efficient execution of your order – are generally secondary and applied where they may optimize the primary factors.

See Appendix B for the process by which IBCE will determine the importance of the execution factors for the relevant financial instruments and the weight accorded those different factors.

### **5.4 ORDER EXECUTION PROCESS**

When submitting order through IB trading platforms, the clients choose smart order routing (see section 5.5 below) or provide specific instructions to directly route their orders to a specific venue. The client's orders are filled in one or multiple market transactions across one or more execution venues. IBCE deals fairly and in due turn with all orders received from its clients during the execution and order routing to its Executing Partners. To the extent it is reasonably practicable to do so, IBCE deals with all orders in accordance with this Internal Regulation and its general terms and conditions.

### **5.5 SMART ORDER ROUTING**

IBCE, through its Executing Partners, offers clients the capability to utilize IBG's smart order routing ("Smart Routing") for products that are listed on more than one execution venue. Smart Routing is IBG's proprietary computerised order routing algorithm designed to optimise both speed and either price or total consideration, by continuously scanning the bids and offers at each of those competing execution venues and automatically routing orders directly to the best execution venues or dealer.

#### **5.5.1 APPROACH TO SMART ROUTING**

Smart Routing is premised upon the principle that an order is most likely to be executed at the optimal price, at the greatest speed and with highest levels of accuracy and certainty of completion if that order is submitted via direct access to a fully automated market venue. Moreover, to the extent that an order is associated with a product listed on multiple market venues, Smart Routing is achieved by constantly reviewing the bids and offers at each of those venues and by directing the order to the venue offering the best total consideration or the best price, if price has been selected as the primary execution factor.

For retail clients, the best possible result achievable for the client is determined by reference to the total consideration, which represents the price of the financial instrument and the costs related to execution. (The costs related to execution include all expenses incurred by the client directly related to the execution of the order, such as execution fees, clearing and settlement fees and other fees paid to third parties involved in the

execution of the order.) Total consideration is the prioritised factor where the “Cost-Considered when Routing” functionality is active in the IB trading platforms which is the default option unless client selects “Price”. Otherwise, Smart Routing will direct the order to the venue providing the best price.

## **5.5.2 CLIENT INSTRUCTIONS**

Clients may provide specific instructions for any given order. The IB trading platforms offer access to numerous order types, including both native (exchange supported order type) and simulated (order type created by IBG). The IBG trading platforms also enable clients to provide order instructions with respect to pricing, timing, speed, price improvement and other advanced trading functions.

Where clients provide specific instructions to route orders directly via the IB trading platforms to the order book of a particular venue of your choice, should be aware that any specific instructions may prevent IBCE from taking the steps that IBCE had designed and implemented in this Internal Regulation to obtain the best execution. To the extent that IBCE, either directly or through its Executing Partners, is able to accommodate such requests, IBCE will give the specific instructions precedence over the Smart Routing process, this may result in a different outcome for the trade than that which solely relies on Smart Routing. Where the clients specify the venue for an order, IBCE is considered to have satisfied its best execution obligation by directing the client’s order to the specified venue.

### **5.5.2.1 ORDER TYPES AND ALGORITHMS**

IBG trading platforms provide clients with the functionalities to choose their own order types based on the characteristics of the financial instrument, the characteristics of the order, and the clients’ own objectives and specific execution strategies.

IBG trading platform supports over sixty order types and algorithms that allow the clients to tailor their orders to, among other things, include specific instructions concerning pricing or timing of orders or to speed execution, provide price improvement, limit risk, time the market and allow privacy. IBCE’s best execution obligations would be limited to those elements of the execution not covered by the clients specific instructions. The information on order types and algorithms is made available on the IBCE website under the Trading menu option and then Order Types. Clients may find specific information on the order types and algorithms by sorting the order types and algorithms by product and/or category.

### **5.5.2.2 SPECIFYING A VENUE**

Each execution venue administers its own set of trading rules. Accordingly, if clients choose not to select Smart Routing, the clients should be familiar with the various trading and order handling rules of those market venues to which the client intends to direct their orders. A complete listing of market venues along with website links is made available on the IBCE website under Trading menu option and the Exchange Listings.

Clients cannot direct the fractional component of a shares order to specific venues.

Where IBCE is a member of a trading venue, IBCE also executes orders on behalf of IBCE affiliates (i.e., it would act as the Executing Partner to these affiliates). IBCE affiliates route their clients’ orders to IBCE and IBCE executes these orders as venue-specific orders.

### **5.5.2.3 MANDATORY TRADING OBLIGATION**

IBCE is subject to the trading obligation for investment firms under Article 23 of MiFIR when undertaking trades in shares that trade on a Trading Venue. This requirement may limit the Execution Venues we may access when we are executing relevant orders in shares.

## **5.6 EXECUTION VENUES**

IBG’s policy is to maintain a choice of venues and entities that are most likely to provide the clients of its operating subsidiaries, including IBCE, with best execution on a consistent basis. IBG considers a wide variety of execution venues and entities based upon the level of relevance the execution venues maintain within their particular region in addition to factors such as product breadth, liquidity, electronic access, costs and speed and likelihood of settlement.

IBG periodically considers the emergence of new venues which are currently unavailable or changes to existing venues with respect to the product offerings and takes into account the quarterly execution quality publications to compare possible competing venues. IBG conducts trading venues review when there is a material change and at least annually.

The venues typically fall into the classification of regulated markets, Multilateral Trading Facilities Organized Trading Facilities, systematic internalisers, and third-party investment firms, brokers and/or affiliates acting as a market maker or liquidity provider.

- A Regulated market (according to the Act CXX of 2001 on the Capital Market) is the stock exchange of a Member State of the European Union and any other market that meets the following conditions:
  - a multilateral system operated and/or managed by a market operator,
  - reconciles, in a non-discriminatory manner and in accordance with its rules, the intentions of several third parties to buy and sell financial instruments, or facilitates this by resulting in a contract for a financial instrument admitted to trading under its rules,
  - is authorized by the competent supervisory authority of the home Member State,
  - operates at regular intervals and at specified times,
  - included in the list of regulated markets published on the European Commission's website.
- A Multilateral Trading Facility (MTF) is a trading facility that brings together the intentions of third parties to buy and sell financial instruments in a non-discriminatory manner, resulting in a contract.
- An Organized Trading Facility (OTF) is a multilateral system that is not a regulated market or MTF and in which the intention to buy and sell multiple bonds, structured financial instruments, allowances and derivatives from third parties can be pooled within the system in such a way that results in the contract.
- A Systematic Internaliser can be an investment firm that – within an organized framework for a client – provides frequent, regular and significant trading opportunities on its own account by executing client orders outside a regulated market, an MTF and an OTF on a multilateral basis, without operating a system.

### **5.6.1 THIRD PARTY BROKERS OR IB'S AFFILIATES**

IBCE will execute through one or more of IB Group affiliates. Where we use a third-party broker (including an IB Group affiliate) to executed transactions we retain an overarching best execution obligation, subject to the facts and circumstances surrounding the relevant market and the terms and instructions provided by the clients. We satisfy this obligation by undertaking due diligence to validate the adequacy of the third-party broker's execution performance and connectivity and to ensure that there are satisfactory arrangements to ensure confidentiality of our order flow and execution instructions.

### **5.6.2 SINGLE VENUE**

For certain financial instruments IBCE executes on a single venue or with a single liquidity provider. In these cases, IBCE will consider whether IBCE can reasonably expect that the execution venue or liquidity provider will enable us to obtain results for the clients that are at least as good as the results that we can reasonably expect from using alternative execution venues or dealer.

### **5.6.3 OVER-THE-COUNTER TRADES EXECUTED BY IBCE**

When executing orders in Over-the-Counter ("OTC") products including bespoke products, clients may utilise the information made available on them on their selected IB trading interface (i.e. Trader Workstation, Web Trader, Mobile Trader) to check the price of the underlying financial instrument used in the estimation of the price of the OTC product and, where the clients subscribed for market data, provided by IBCE's affiliate GFIS<sup>1</sup>, by comparing with similar or comparable products to gauge the fairness of the price of the OTC products proposed to them.

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<sup>1</sup> Global Financial Information Services GMBH (GFIS) is the distributor of market data to IBG's clients inclusive of IBCE. IBCE does not receive any income or commission from GFIS or any of its service providers.

## **6 MONITORING AND REVIEW**

### **6.1 GENERAL ASPECTS**

IBCE periodically (at least annually) reviews this Policy.

IBG monitors the effectiveness of its Best Execution Policy regularly to identify and, where appropriate, correct any deficiencies. To satisfy this requirement, monitoring reports will be generated on a regular basis to monitor whether client trades satisfy the Best Execution Policy.

In order to monitor the effectiveness of its Best Execution Policy, IBCE is represented on the European Best Execution Committee ("EBEC") which assists the CEO in the monitoring of potential deficiencies relating to the delivery of best execution, including those identified through monitoring and venue selection reviews.

When reviewing the quality of execution of orders IBCE primarily relies on the EBEC and execution data provided by IBG.

### **6.2 EXECUTION POLICY**

The EBEC periodically reviews its venue selection and criterion for venue selection. The review is conducted on a quarterly basis or whenever a material change occurs that affects the consistency of the best possible result for the order execution which IBCE seeks to obtain for its clients.

Any proposals for improvement or potential deficiencies relating to the delivery of best execution, including those identified through monitoring and venue selection reviews, are considered by the EBEC and reflected in appropriate changes in policy and procedures and any supplementary information made available to IBCE clients in the knowledge base section, or more specifically in the Best Execution Policy.

### **6.3 VENUE REVIEW**

In order to obtain best execution result for a client, the EBEC should compare and analyses relevant data including any available best execution reports published. IBCE will continue to review quality and format of such reports to determine whether they can be used for meaningful and consistent comparison of execution data among different trading venues.

The quality of execution, which includes aspects such as the speed and likelihood of execution, fill rate and availability and incidence of price improvement, is an important factor in the delivery of best execution. Availability, comparability and consolidation of data related to execution quality provided by the various execution venues is planned to be utilised to identify those execution venues that deliver the highest quality of execution for their clients.

### **6.4 COMPLAINTS**

IBCE also uses client feedbacks as a data source from which any potential deficiencies are reviewed, both real-time in providing solutions to a trade execution queries or, collectively in identifying any emerging patterns in the execution process.

In the event of a client complaint regarding execution price, compliance is notified about the complaint and the outcome of investigation, and any remedial action taken, including any programmatic solutions. Additional teams can be involved in the review. Any issues which are caused by an underlying programmatic issue is generally further investigated and resolved at the level of developers.

Compliance is informed of any issues which may impact execution quality. Compliance escalates any emerging patterns pertinent to execution quality improvement or reviews of potential deficiencies in the execution process to the EBEC for consideration.

## 7 INFORMATION TO IBCE CLIENTS

### 7.1 EXECUTION QUALITY AND THE ANNUAL ONLINE PUBLICATIONS

Under the relevant EU Regulation IBCE is obliged to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained.

This annual publication includes all client orders executed on trading venues, systematic internalisers, market makers or other liquidity providers or entities that perform a similar function to those performed by any of the foregoing in a third country.

Regarding this publication, for each class of financial instruments investment firms are required to disclose the top five execution venues in terms of trading volumes of executed orders. This information includes:

- A. class of financial instruments;
- B. venue name and identifier;
- C. volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- D. number of client orders executed on that execution venue expressed as a percentage of total executed orders;
- E. percentage of the executed orders that were passive and aggressive orders (a passive order is an order entered into the order book that provided liquidity and an aggressive order is an order entered into the order book that took liquidity);
- F. percentage of orders that were directed orders (a directed order is an order where a specific execution venue was specified by the client prior to the execution of the order);
- G. confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

### 7.2 EXECUTION QUALITY ASSESSMENT SUMMARY

The summary of the analysis and conclusions drawn from IBCE's execution detailed monitoring of the quality of execution obtained on the execution venues where IBCE executed all client orders in the previous year.

The information is published for each class of financial instruments includes:

- an explanation of the relative importance given to the execution factors;
- factors which may potentially influence the order execution behaviour of investment firms such as close links, any conflicts of interests, and common ownerships between investment firms and execution venues used to execute orders. These factors should form part of the analysis in assessing the quality of execution obtained on all execution venues;
- a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- an explanation of the factors that led to a change in the list of execution venues listed in IBCE's Best Execution Policy, if such a change occurred;
- an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;
- an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
- an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any quarterly data publication published by the venues;
- where applicable, an explanation of how IBCE may use consolidated tape provider. This includes any use of any continuous electronic live data stream providing price and volume data per financial instrument as consolidated by regulated markets, MTFs, OTFs and Approved Publication Arrangements ("APAs").

Some of the information to be disclosed in the summary is provided on a consolidated basis where such information is common to several or all classes of financial instruments. In this regard, information on close links, conflicts or common ownership as well as information on payments, rebates and benefits of venues may be disclosed on a consolidated basis, where such information is common across several or all classes of financial instruments.

The EBEC considers the effectiveness of the best execution arrangement taking into account information included in the execution quality summary.



## **APPENDIX A - IBCE'S TOP 5 VENUE PUBLICATION**

### **Top 5 Venues for IBCE's Client Orders**

To enable the public and investors to evaluate the quality of IBCE's execution practices and to identify the top five execution venues in terms of trading volumes where IBCE executed client orders in the preceding year, IBCE will publish information required under RTS 28 in relation to trading venues, market makers or other liquidity providers or any entity that performs a similar function in a third country to the functions performed by any of the foregoing.

## **APPENDIX B - RELATIVE IMPORTANCE OF EXECUTION FACTORS BY ASSET CLASSES - APPLICATION BY BUSINESS AND PRODUCT**

In determining whether best execution is owed on particular transactions the context, means of interaction and nature of the order are also considered – further details on specific trading scenarios is provided below.

The below scenarios indicate the relative importance IBCE will assign to the various execution factors when transmitting or executing orders that are in-scope for the best execution obligation for trade orders that are:

1. In liquid instruments;
2. Under normal market conditions; and
3. For an average size order in that financial instrument.

Note: The relative importance assigned to the various execution factors may vary for large orders, illiquid instruments, or where market conditions are not normal, or for other rare scenarios including factors beyond those listed above. The receipt of specific instructions may also affect the relative importance assigned to the various execution factors.

### **1 EQUITIES AND EQUITY-LIKE INSTRUMENTS (INCLUDING WARRANTS, STRUCTURED PRODUCTS AND EXCHANGE TRADED FUNDS)**

Equities are typically available to be traded on multiple venues and IBG's Smart Routing algorithm will determine which venue to execute against or place a non-marketable order.

Unless stated otherwise, across all equity products the ranking of the primary execution factors is typically as follows:

#### When routing Marketable Orders:

1. Price
2. Cost
3. Speed

The remaining execution factors –, likelihood of execution, order size, nature of the order and any other consideration relevant to the efficient execution of the client's order - are generally given equal ranking.

#### When routing Non-Marketable Orders:

1. Likelihood of execution and cost, weighted by customer preference
2. Size and market impact

The remaining secondary execution factors – speed, nature of the order and any other consideration relevant to the efficient execution of the customer's order - are generally given equal ranking.

NB For European equities cost is factored into price.

### **FRACTIONAL SHARES**

Whilst the same considerations apply to the fractional component of a shares order, due to the different nature and conditions of the product's execution, IBCE will only execute marketable orders, non-marketable orders will not be routed until they become marketable. Fractions of shares are not available on an exchange in their own right, and they incur proportionally greater execution costs than whole shares. In consideration of such elements, the order will be initially routed to a limited number of venues selected based on execution factors aimed at favouring lower overall costs of execution over best price.

## **2 EXCHANGE TRADED DERIVATIVES – EQUITIES AND FIXED INCOME, COMMODITY AND CURRENCY FUTURES AND OPTION FUTURES AND OPTIONS**

These instruments are typically traded only on the Execution Venue of their listing and therefore the customer selects the venue in deciding which instrument he wishes to trade. Application of best execution is therefore limited to liquidity available on the relevant Execution Venue for the instrument, as there is no discretion regarding the market to which to route the order.

Unless stated otherwise, across all exchange-traded derivative products the ranking of the primary execution factors are as follows:

When routing Marketable orders:

1. Price and cost
2. Speed of execution

The remaining execution factors –order size, nature of the order and any other consideration relevant to the efficient execution of the customer’s order - are generally given equal ranking.

When routing Non-Marketable orders:

1. Likelihood of execution and cost, weighted by customer preference
2. Size and market impact

The remaining secondary execution factors –speed, nature of the order and any other consideration relevant to the efficient execution of your order - are generally given equal ranking.

## **3 FIXED INCOME (DEBT INSTRUMENTS, CREDIT AND RATES PRODUCTS)**

Within the EEA, Regulated Markets, MTFs, OTFs and Systematic Internalisers will generally provide transparency on bids/offers placed through their systems and outside of Europe, similar trading platforms or online, auction-type venues (e.g., MarketAxess, Tradeweb, "BWIC"/"OWIC" functions) will provide market transparency and/or provide the opportunity for simultaneous, competitive bids/offers which enable price discovery. These venues typically are the preferred venues in which to effect fixed income transactions and are accessed through IBLLC, an affiliate. In general, the use of these venues essentially performs the price discovery function and enables firms to seek the best price, by initiating competition among multiple independent third parties. These venues typically charge no execution fees for marketable orders.

Unless stated otherwise, across all fixed income products the ranking of the predominant execution factors is typically as follows:

When routing Marketable orders:

1. Price
2. Order size

The remaining secondary execution factors –cost, likelihood of execution, speed, nature of the order and any other consideration relevant to the efficient execution of your order - are generally given equal ranking.

When routing Non-Marketable orders:

1. Price
2. Likelihood of execution

The remaining secondary execution factors – speed, cost, nature of the order and any other consideration relevant to the efficient execution of your order – are generally given equal ranking.

## **4 CFD'S**

IBCE is the counterparty to clients in a CFD trade and will issue the client facing CFD. To offset the market risk, each such CFD trade is hedged with a CFD traded against IBUK, which acts as IBCEs liquidity provider. IBUK in turn hedges its exposure to IBCE with a CFD or swap trade against its own liquidity providers.

When a client places an order for a CFD, the IBKR trading system places orders for the hedge trades of IBUK and IBCE. When IBUKs hedge fills it fills IBCEs hedge at the same price, and, in turn, IBCE fills the client's order at the identical price. IBCE does not widen the quote on the CFD executed with the client and therefore earns no markup. IBCE charges a transparent commission for its role in the execution.

IBUKs liquidity providers meet best execution obligations by Smart Routing their own hedges among available venues for stock CFDs or among liquidity providing banks for FX and Metals CFDs. The liquidity providers do not widen the market spreads, earning commissions from IBUK instead. Since Index CFDs are quoted in fractions of the size of the reference future they are necessarily market made. IBUKs liquidity provider bases its quotes on a proprietary synthetic index derived from the reference future. The quotes match the spreads and price-changes of the future tick for tick. The index CFD liquidity provider's income, as for other CFDs, consists of commissions paid by IBUK.

## **5 MUTUAL FUNDS (COLLECTIVE INVESTMENT SCHEMES)**

Subscriptions or redemptions of investment funds are transacted at the applicable net asset value for the particular transaction, using relevant transactional platforms, such as FundSettle or Euroclear, to this end, or, in limited cases, dealing directly with the fund administrator.

The only relevant best execution factor is speed, in that the prevailing price quoted by the fund manager or administrator is available until a certain time of day, and orders should be submitted by the client and IBCE to IBLLC for processing before the cut off.

## APPENDIX C - RELEVANT VENUES AND EXECUTING BROKERS (as from 26 May 2023)

Execution Venues, Execution Partners								
	Exchange	Stocks	Bonds	Options	Futures	FOPs	ETPs	Listed Structured Products
Interactive Brokers LLC								
EUROPE								
	Bolsa Madrid	X					X	
	Euronext : Lisbon	X						
	ICE: IPE				X			
AMERICAS								
	American Stock Exchange	X		X			X	
	BATS Global Markets	X		X			X	
	BMV: Mexican Stock Exchange	X					X	
	Boston Options Exchange			X				
	CME: CBOE				X			
	CME: CBOT				X	X		
	CME: NYMEX				X			
	Chicago Stock Exchange	X					X	
	Direct Edge	X					X	
	ICE: US				X			
	IEX	X					X	
	ISE			X				
	ISE: Gemini			X				
	ISE: Mercury			X				
	MEMX: Members Exchange	X					X	
	MIAX			X				
	MIAX: Emerald			X				
	MIAX: Pearl	X		X			X	
	NASDAQ OMX	X		X			X	
	NYSE	X					X	
	NYSE: ARCA	X					X	
	NYSE: ArcaEdge	X					X	
	NYSE: Liffe US			X	X	X		
	Philadelphia Stock Exchange			X				
	Small Exchange				X			
	Other Market Centers	X	X					
Interactive Brokers (U.K.) Limited								
EUROPE								
	Aquis Exchange UK	X						
	Borsa Italiana	X		X	X		X	X
	CME: CBOE Europe	X						
	ICE: EU			X	X	X		
	London Stock Exchange	X					X	
	Moscow Exchange	X					X	
	Tel Aviv Stock Exchange	X					X	
	Other Market Centers	X						
AMERICAS								
	BMV: Mexican Derivates Exchange					X	X	
	CME: MexDer				X			

Interactive Brokers Central Europe							
EUROPE							
	Aquis Exchange EU	X					
	Budapest Stock Exchange	X					
	Equiduct Exchange	X					
	MEFF			X	X		
	NASDAQ: Baltic	X					
	Tradegate Exchange	X					
	Warsaw Stock Exchange	X					
	Other Market Centers	X					
Interactive Brokers Ireland Limited							
EUROPE							
	Citadel Securities GCS	X					
	Interactive Brokers Systematic Internaliser	X				X	
IBKR Financial Services AG							
EUROPE							
	CBOE Europe	X					
	Eurex			X	X	X	
	Euronext: Amsterdam, Brussels, Paris	X		X	X		X X
	Frankfurt Stock Exchange	X					X X
	Gettex	X					X
	NASDAQ: Nordic	X					
	NASDAQ OMX - Stockholm	X					X
	SIX Swiss Exchange	X					X X
	Stuttgart Stock Exchange	X					X X
	Turquoise	X					
	Vienna Stock Exchange	X					
	Xetra	X					X
	Other Market Centers	X					
APAC							
	Singapore Exchange	X		X	X	X	X
Interactive Brokers Canada Inc.							
AMERICAS							
	Chi-X Canada	X					X
	CSE	X					X
	TMX: Montreal Exchange			X	X		
	TMX: Toronto Stock Exchange	X					X
	TMX: TSX Venture Exchange	X					X
	Other Market Centers	X		X		X	
Interactive Brokers Corp							
AMERICAS							
	Chicago Board Options Exchange			X			
Interactive Brokers Hong Kong Limited							
APAC							
	HKEX: Hong Kong Futures Exchange			X	X		X X
	HKEX: Hong Kong Stock Exchange	X	X	X			X X
	KRX: Korea Exchange			X	X		
	Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect	X					
Interactive Brokers Securities Japan Limited							
APAC							
	Japannext	X					
	Osaka Exchange			X	X	X	
	Tokyo Stock Exchange	X					
Interactive Brokers Australia Pty Limited							
APAC							
	Australian Stock Exchange	X		X			X X
	Chi-X Australia	X					
	Sydney Futures Exchange				X		
Interactive Brokers (India) Private Limited							
APAC							
	National Stock Exchange of India	X		X	X		X



Interactive Brokers Central Europe Zrt.

**ANNOUNCEMENT**

Annex 5 to the GBR:

**Conflict of Interest**

Valid from: 11 January 2021

## 1. ENFORCEMENT

Interactive Brokers Central Europe Zrt (hereafter “IBCE” or “The Company”) are responsible for complying with the rules and procedures for Conflict of Interest.

The purpose of this Announcement is to set out how IBCE prevents, discovers and manages potential and actual conflicts of interest where IBCE provides investment services to its clients. This Announcement therefore sets out the company’s overall approach in properly identifying and managing conflicts of interest.

## 2. LEGAL / REGULATORY REFERENCE

The requirements related to the identification and management of conflicts of interest derive from the following regulatory texts:

- 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; and
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- Act CXXXVIII. of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities;
- Act CXX. of 2001 on capital markets;
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)

## 3. SCOPE AND EFFECT

The conflict of interest rules apply to all employees and persons who are in a legal relationship with the Company for the purpose of performing work (hereinafter jointly: employees) and to all service providers (including those that perform outsourced services to the Company) and affiliates of Interactive Brokers Group (IBG) acting for or on behalf of IBCE (hereafter the “Service Providers”).

## 4. KEY DEFINITIONS

TERMS	DEFINITIONS
ED	Executive Directors
CEO	Chief Executive Officer
SB	Supervisory Board
MNB	Magyar Nemzeti Bank (Central Bank of Hungary)
CCO	Chief Compliance Officer
IBG	Interactive Brokers Group
IBCE	Interactive Brokers Central Europe Zrt.

## 5. IDENTIFICATION OF CONFLICT OF INTEREST

### 5.1. DEFINITION OF A CONFLICT OF INTEREST

A conflict of interest is a conflict that can arise in any area of business, in the course of providing an investment service or a services auxiliary to investment services, and whose existence may damage the interests of a client. A conflict of interest arises when one’s work could be affected by one’s personal financial matters or a close personal relationship. A conflict of interest could also arise if one’s work could be affected by a personal interest of



one's close family or any other close personal relationship with an individual. A conflict of interest becomes significant if any person - within or outside of the Company - might reasonably believe there is a risk of your actions, or those of a personal associate, being inappropriately influenced.

## 5.2. EXAMPLES OF SITUATIONS OF CONFLICT OF INTEREST

Conflicts of interest, or perceived conflict of interest, may arise in various ways, such as the ones described below.

The IBCE has identified the following areas as representing a greater risk given the nature of its business:

- The IBCE employees deceive clients while performing work in order to increase the profit or to avoid loss of IBCE to the disadvantage of the client.
- The IBCE employees trading for their personal accounts based on the client's transactions.
- The IBCE employees engaging in outside business interests that may be to the disadvantage of IBCE or its clients.
- IBCE employees fostering a (group of) client's interest over interests of other clients, causing possible financial loss to another such client.

Conflicts of interest, or potential conflict of interest, typically arise in the following cases:

- The IBCE, its employees Service Providers is likely to make a financial gain or avoid a financial loss to the detriment of the client,
- The IBCE, its employees, Service Providers has an interest in the result of the service provided to the client or in a transaction performed on behalf of the client, which interest is different from the client's interest in the result,
- The IBCE, its employees, Service Providers favors the interests of another client or group of clients over the interests of the client due to financial or other incentives,
- The IBCE, its employees, Service Providers has an interest in the same business as the client,
- The IBCE, its employees, Service Providers receives or will receive an incentive in the form of a cash or non-cash benefit or service from a person other than the client in connection with the service provided to the client,
- A client may benefit or avoid a loss to another client's probable disadvantage

The disadvantage is probable

- if it can be expected to occur with high certainty on the basis of known market developments,
- in case of a transaction for which the IBCE requests or accepts an incentive after the transaction and the amount or method of calculation of the incentive has not been disclosed to the client before the service is provided,
- in case of a transaction involving a financial instrument that's issuer or fund manager may be linked to the IBCE or to the same group as the IBCE and the fact has not been disclosed to the client before the service is provided.

The IBCE, its employees, Service Providers – by misusing inside information – may gain an illegal advantage, regardless of whether another company or a third party may suffer a loss as a result. The circumstances leading to conflict of interest are typically the following:

- interest in the transaction,
- remuneration, acceptance of incentives,
- accepting gifts,
- personal transactions of employees,
- parallel activities of employees,
- misuse of inside or confidential information,
- market manipulation,

- allocation.

## 6. DISCLOSURES OF CONFLICTS OF INTEREST

In view of the nature of the IBCE's business model, services offered, and activities performed, IBCE takes all appropriate steps to identify, prevent and manage circumstances which may give rise to real or potential conflicts within IBCE and also with respect to other relationships such as those between:

- (i) two clients;
- (ii) the IBCE's clients and IBCE or any employee of IBCE or existing outsourcing service provider, including a service provider within IBG;
- (iii) the IBCE and the IBCE group companies;
- (iv) the IBCE and employees of IBCE, including managers and executive employees;
- (v) the IBG's group companies, or any person directly or indirectly linked to the IBCE or the IBG group companies by control; or
- (vi) the IBCE and a potential or existing outsourcing Service provider, including a service provider within the IBG.

If measures taken by IBCE are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client can be prevented, IBCE's Compliance function discloses to the client the nature of the conflict of interest, the sources of the conflict of interest and the steps to be taken to mitigate those risks to the client before undertaking business for the client.

The disclosure is made via a durable medium with a sufficient specific description of the conflicts of interest that arise in the provision of IBCE's services, taking into account the nature of the client, and the risks to the clients that arise as a result of the conflicts of interest to enable the client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

## 7. REGISTER OF CONFLICTS OF INTEREST AND PERSONAL TRANSACTIONS

IBCE maintains and operates effective organizational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from adversely affecting the interests of our clients.

IBCE maintains a register of the investment services and ancillary services carried out by or on behalf of IBCE which could give rise to a conflict of interest and maintains a register on the personal transactions of the employees. This register serves to facilitate the management of potential conflicts of interest.

## 8. IBCE POLICIES TO PREVENT AND MANAGE ANY POTENTIAL CONFLICTS OF INTEREST

IBCE has identified within its conflicts of interest register a range of circumstances which may give rise to a potential conflict of interest, none of which are a material risk to IBCE clients. IBCE is of the view that the nature, scale and simplicity of IBCE's business model does not give rise to conflict of interests involving a material risk to IBCE customers. The conflict of interest is further mitigated by the relatively limited scope of IBCE's activities.

For example, IBCE:

- does not engage in portfolio managements services,
- does not issue investment advice to its customers, all of whom make their investment decisions,
- does not influence or encourage customers to utilize any strategies,
- and does not issue formal research and investment analysis.

IBCE has identified a range of circumstances which may give rise to a potential conflict of interest and, albeit not a material risk to IBCE clients, puts in place specific measures and controls to prevent, manage and mitigate conflicts of interest.

Employees follow written supervisory procedures to address conflicts of interest arising out of the normal course of business including, but not limited to: employee personal trading and outside business interests; information barriers; and, derivatives clearing.

### **8.1. PERSONAL CONFLICTS OF INTEREST**

To avoid personal conflict of interest employees of IBCE, other persons performing work for IBCE under other legal relationship and their close relative<sup>2</sup> may:

- not have a direct or indirect shareholding in another investment firm outside of IBG,
- not be a trader, an employee or an executive in another investment firm outside of IBG or any company that has a direct or indirect shareholding in another investment firm outside of IBG,
- not be an employee of the issuer of a listed security (excluding the case of a security issued and listed by a member of IBG).

### **8.2. SEGREGATION WITHIN THE ORGANIZATION**

IBCE uses information boundaries within its organization to avoid conflict of interest. Information boundaries are the means of preventing the flow of information between individual organizational units and IT systems, which are contained in the regulations referred to in these regulations.

The purpose of the separation of departments is to ensure that IBCE and its employee is not in a position to influence transactions between its customer, the various financial and capital market business lines and other market participants in the light of the information available to it in relation to its activities.

### **8.3. ACCEPTANCE OF GIFTS OR OTHER INCENTIVES**

Employees of IBCE, persons performing work for IBCE under other legal relationship and their close relative may not request, accept, or give material or non-material benefit, advantage, except if:

- to or from a client or any person proceeding on its behalf and the benefit is given in relation to the investment or ancillary services provided by IBCE
- the method used to calculate the material or non-material benefit, or the amount of the benefit, has been accurately, consistently and clearly disclosed to the client prior to the conclusion of the contract or order and the benefit is given for improving the quality of the activity performed or the service provided and IBCE proceeds on the primacy of the Client's interest
- the benefit is related to the investment or ancillary services provided by IBCE and IBCE proceeds on the primacy of the Client's interest
- the benefit's value is small or symbolic (e.g. flowers, invitation for coffee).

### **8.4. REMUNERATION POLICY**

The remuneration policy of IBCE is consistent with effective and efficient risk management, facilitates its application and does not encourage the Company or its employees to take risks in excess of its risk limits.

The Company develops the remuneration structure of the employees performing the internal regulation and control function in such a way that it does not compromise their independence or it does not create a conflict with their supervisory role or their advisory and reporting role that they perform towards the CEO and the SB.

The remuneration of the managers and employees of the internal regulation and control functions is directly independent of the performance of the departments supervised by them. The Company operates an incentive system that takes greater account of the risk-return ratio and compliance with risk management rules. The remuneration policy is in line with the Company's business strategy, the objectives, values and long-term interests, and includes measures to avoid conflicts of interest.

### **8.5. TRAINING**

The Compliance department conducts or organizes a conflict of interest training at least once a year. The scope of the training includes all the provisions that the Company has put in place to prevent conflicts of interest. The

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<sup>2</sup> Close relative under Hungarian law (the Civil Code of Hungary) is: the spouse, the direct relative, the adopted child, stepchild and foster child, the adoptive parent, stepfather and foster parent, the sibling, the life partner, the spouse and sibling of the direct relative and the spouse of the sibling.

Compliance department, with the involvement of the European Human Resources, ensures that all employees state in writing that they know and observe the conflict of interest rules.

## **8.6. OTHER POLICIES**

In addition to these regulations, the Company's internal policies, in particular the Best Execution Policy, the Remuneration Policy and the market abuse regulations, together ensure that conflicts of interest are avoided.

## **8.7. REPORTING OBLIGATION**

The Compliance Officer provides the CEO and the SB information on conflicts of interest at least annually, as part of its annual report.

The report shall include the cases of conflicts of interest from the register for which risk mitigation measures have been taken.

## **8.8. PUBLICATION OF THE EXTRACT OF THIS WSP**

The general business rules of IBCE shall contain a summary of this WSP as its annex and shall be published on the website of IBCE.

# **9. REVIEW AND MANAGEMENT OVERSIGHT**

## **9.1. MANAGEMENT ACCOUNTABILITY**

IBCE's CEO oversees that this Policy provides for the effective handling of conflict of interest within IBCE.

## **9.2. DISCLOSURES OF CONFLICTS**

In the unlikely scenario where a situation gives rise to conflicts of interest, IBCE employees are required to report in writing any conflict of interests to the IBCE Compliance department. Every disclosure and any related issue are reviewed and clearly documented. IBCE keeps a written record of the conflict of interest as well as of the process from when a conflict of interest is identified.

According to section 8 of this WSP, if the measures taken by IBCE are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client can be prevented, IBCE discloses the nature of the conflict of interest, the sources of the conflict of interest, a specific description of the conflict of interest and the steps to be taken to mitigate those risks to the client before undertaking business for the client. The description shall explain the general nature and sources of the conflicts of interest and the risks to the client as a result of the conflicts of interest and the steps taken to reduce those risks; all in sufficient detail to enable the client to make an informed decision regarding the investment or ancillary service in respect of which conflicts of interest arise.

The information should clearly state that the organizational and administrative solutions developed by the Company to prevent or manage conflicts of interest are not sufficient to ensure with sufficient reliability to prevent the risk of harm to the client's interests.

Such disclosure is made via a durable medium before undertaking business for the client and includes sufficient detail, taking into account the nature of the client, to enable him to take an informed decision with respect to the service in the context of which the conflict of interest arises.

Over-reliance on disclosure without adequate consideration as to how conflicts may appropriately be managed is not permitted. IBCE treats disclosure of conflicts as a measure of last resort to be used only where the effective organizational and administrative arrangements established to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client is prevented.

### **9.3. PERIODIC REVIEWS**

The CCO regularly reviews, any conflict of interest register to maintain effective and appropriate management.

### **9.4. RESPONSIBILITIES OF THE COMPLIANCE DEPARTMENT**

The Compliance Department is responsible for overseeing that conflicts of interest are considered in decisions made at senior management level and it reviews annually the conflicts risk assessment to ensure that risks are identified and that appropriate internal controls are in place.

## **10. RECORDS MANAGEMENT**

Records are created and maintained in a manner that ensures that they are clearly identifiable, accessible, and retrievable in order to be available when required. All records are complete and accurate to show proof of validity and authenticity. The length of time for retaining records depends on the type of record and its importance to business functions. It's a fundamental requirement that all the records are retained for a minimum period for legal, operational reasons.

It is made reference to the global record keeping retention rules maintained by Compliance Technology to define the retention period for the various categories of records.



Interactive Brokers Central Europe Zrt

## **ANNOUNCEMENT**

Annex 6 to the GBR:

## **COMPLAINTS HANDLING**

Procedure

Valid from: 29 June 2022

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## 1 PURPOSE

The purpose of IBCE's ("Company") Complaints Handling Procedure ("Procedure") is to establish the control framework and minimum standards for effective management of complaints handling in accordance with applicable laws and regulations.

This Procedure ensures that IBCE provides clear and up to date information on the complaints handling process. This Procedure allows this process to be implemented in an efficient and transparent manner in line with both the local legal requirements and those of IBCE.

This Procedure is designed to supplement and operationalize certain legal and regulatory requirements applicable to complaints handling by IBCE and does not supersede, replace, or modify any such legal and regulatory requirements.

## 2 LEGAL / REGULATORY REFERENCE

The key legal regulatory framework and requirements used for the Complaints Handling Procedure are as follows:

- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on Regulations Governing their Activities
- Act CXII of 2011 on the Right of Informational Self-Determination and on the Freedom of Information
- Government Decree 435/2016 (XII. 16.) on rules and procedures for the complaint handling of payment institutions, electronic money issuing institutions, voucher issuers, financial institutions and independent financial intermediaries
- MNB Decree 66/2021. (XII. 20.) laying down detailed rules concerning the form and manner in which complaints are to be dealt with by financial institutions
- MNB Recommendation 16/2021 (XI. 16.) on the complaint handling procedures for financial institutions

## 3 SCOPE

The abbreviations used in this Procedure to identify Departments of IBCE are the same as the abbreviations used in the Organizational and Operational Charter (OOC or SZMSZ).

### 3.1 PERSONAL SCOPE

This Procedure applies to all employees of IBCE without limitation and to all service providers and affiliates of Interactive Brokers Group (IBG) acting for or on behalf of IBCE (hereafter the "affiliates") and all activities undertaken by IBCE.

It is the responsibility of each affected department manager within IBCE to ensure that this Procedure is known and conformed to within his/her respective area of responsibility. Each affected IBCE staff member is also responsible for ensuring their own compliance with the Procedure.

### 3.2 MATERIAL SCOPE

The scope of the Procedure extends to complaints handling process of IBCE.



## 4 KEY DEFINITIONS

TERMS	DEFINITIONS
CCO	Chief Compliance Officer
CEO	Chief Executive Officer
FAB	Financial Arbitration Board
IBCE	Interactive Brokers Central Europe Zrt.
IBG	Interactive Brokers Group
MNB	Magyar Nemzeti Bank (Central Bank of Hungary)

## 5 WHAT IS A COMPLAINT?

A complaint is an expression of dissatisfaction made by or on behalf of a client to IBCE where a response or resolution is explicitly or implicitly expected by the complainant.

At times, complaints can be expressed by way of negative feedback, which may not require a resolution or formal follow-up. While IBCE recognizes that this type of feedback is valuable, this Procedure does not apply to feedback of this nature.

Requests for the resolution of technical, primarily IT issues do not qualify as complaints.

## 6 HOW TO MAKE A COMPLAINT?

A complaint can be made directly to IBCE in written form or verbally.

IBCE publishes this Procedure on the opening page of its website ([www.interactivebrokers.hu](http://www.interactivebrokers.hu)).

IBCE provides written information to the complainants on their complaint handling Procedure when acknowledging receipt of a complaint. In the case of a verbal complaint, IBCE draws the complainant's attention to the availability of this Procedure.

### 6.1 WRITTEN COMPLAINT

This can be in the form of the following:

- Using a form downloaded from the IBCE or MNB website. (See Appendix 'A' for the form)
- Via post by means of a signed letter sent to IBCE (1075 Budapest, Madách Imre út 13-14.), free of formalities, or using a form downloaded from the IBCE or MNB website.
- By email, free of formalities.
- By creating a Web-ticket in Client Portal.

Note: the creation of a Web-ticket is the preferred IBCE method for logging a complaint as the tickets are processed faster than emails or letters. This does NOT mean however that complaints logged through other means are not handled in a timely manner.

## 6.2 VERBAL COMPLAINT

A verbal complaint may be made:

- By telephone: On 36 (80) 088 401 from Monday to Friday from 8:00 to 20:00.

In the case of a verbal complaint made by telephone, the Company must act in the manner that would normally be expected in a given situation in order to check in live within 5 minutes of the start time of the call being initiated.

An audio recording of a verbal complaint over the telephone is made and must be kept by IBCE for 5 years.

A verbal complaint should be investigated and, if possible, remedied immediately.

If it is not possible to investigate and remedy the complaint immediately, or if the client does not agree with the handling of the complaint, the complaint transmitted verbally by a client, will be summarised in written form when the client indicates he / she wishes to register a complaint. The verbal complaint is summarised in two copies, one of which will be handed over to the client after signing and logged in the client's file and the complaints system before signing.

In the case of a complaint submitted by telephone, after completing the summary, IBCE will send a copy of the summary to the complainant together with the response to the complaint. At the client's request, IBCE provides a replay of the audio recording and will provide the transcript of the audio recording or a copy of the audio recording free of charge within the time limit set by law (currently 25 calendar days). The summary of the complaint shall include at least the following:

- the name of the client,
- the client's address/registered office and, if necessary, mailing address,
- the place, time and manner of submitting the complaint,
- the name and address of the company and its intermediary involved in the complaint,
- the detailed description of the complaint, recording each element of the complaint separately,
- the number of the contract affected by the complaint, depending on the case, the client number or other identifier,
- the list of documents and other evidence presented by the client,
- the place and time of the recording of the summary; and

If a complaint is logged by a third party (e.g. family member, introducing broker), IBCE agents will ask that the IBCE client submits the complaint in writing as this will avoid misinterpretation of what the client's issue is. In both instances the client is informed by IBCE that the complaint will be reviewed in line with the IBCE Complaints Procedure that is also available on the Interactive Brokers website. The client will also be informed in case IBCE's Compliance Function needs additional information.

## 6.3 HANDLING OF A COMPLAINT

The investigation of the complaint is free of charge. The complaint will be investigated taking into account all relevant circumstances.

When the complaint is received, it goes through the following process:

A written acknowledgement is sent to the client, without undue delay, informing him of the complaint's individual identification number, the next steps and the timeline he / she can expect to get a response to advise the complaint is still being investigated or a final response from IBCE. The deadline for resolving the complaint or informing the complainant is not more than 30 calendar days

If additional information available to the client is required, IBCE will contact the client immediately and obtain it.

If IBCE needs additional information during the complaint handling, the following data and documents can be requested from the clients and can be recorded:

- the name of the complainant and the complainant - if they do not match,
- contract number, client identification number given by IBCE,

- the registered office, address and mailing address of the complainant,
- the telephone numbers of the complainant,
- the method of notification,
- the product or service complained of;
- description of the complaint, reason;
- complainant's claim;
- a copy of the documents in the complainant's possession required in support of the complaint, which are not available at the department handling the complaint;
- a power of attorney (and details thereof) for a complainant acting through a third party;
- other data necessary for the investigation and response of the complaint.

Once the complaint has been fully investigated a final response is sent to the client by the complaints team summarising the investigation and providing a detailed explanation of how IBCE reached its final decision. The reply to the client, whether it be positive or negative, must indicate the reasons for the decision, a copy is kept in the client's file and the complaints log must be updated accordingly.

The CCO is assigned to oversee client complaints (responses to clients will be provided under his/her authority and responsibility). Should the client feel that they did not obtain a satisfactory answer at the level at which the complaint was submitted in the first instance, the client has the right to appeal directly to IBCE's CEO. In this respect, the staff member provides a generic email address which is routed to IBCE's CEO.

All communications to clients regarding complaints and the complaint process must be in clear and plain language that is easy to understand. The complaints submitted in Hungarian will be handled and responded in Hungarian.

The complainant's personal data are subject to personal data protection regulations, the GDPR and the Infotv. and shall be handled in accordance with IBCE's internal data protection regulations.

## 7 COMPLAINANT'S RIGHT OF RECOURSE TO THE FAB, MNB OR COURT

If the complaint is rejected or the 30-calendar-day deadline for investigating the complaint is not met, the client may initiate proceedings before the MNB, the Financial Arbitration Board (FAB) or the court.

- If the client seeks an investigation into a breach of consumer protection provisions, he / she may seek redress to the Financial Consumer Protection Centre of the MNB (registered address: 1122 Budapest, Krisztina krt. 6., mailing address: 1534 Budapest, BKKP Pf. 777, phone: +36-80-203-776, e-mail address: [ugyfelszolgalat@mnbn.hu](mailto:ugyfelszolgalat@mnbn.hu), <https://www.mnb.hu/fogyasztovedelem/penzugyi-panasz#mit-tegyunk-ha-penzugyi-panaszunk-van>),

For the request to Financial Consumer Protection Centre of the MNB, please see Appendix B.

- If the client disputes the conclusion, validity, effects and termination of a contract, as well as a breach of contract and its effects, he / she may seek redress to the FAB (registered office: 1013 Budapest, Krisztina krt. 55., customer service: 1122 Budapest, Krisztina krt. 6., mailing address: H-1525 Budapest Pf. 172, phone: +36-80-203-776, e-mail address: [ugyfelszolgalat@mnbn.hu](mailto:ugyfelszolgalat@mnbn.hu), <https://www.mnb.hu/fogyasztovedelem/penzugyi-panasz#mit-tegyunk-ha-penzugyi-panaszunk-van>) or to the court competent according to the registered office of IBCE.

For the request to the FAB, please see Annex C.

The procedure of the FAB and the MNB can be initiated by anyone who qualifies as a consumer.

A consumer is a natural person who is acting for purposes other than his own occupation and economic activity. It does not qualify as a consumer, therefore the procedure of the FAB or the MNB cannot be initiated by sole proprietors, sole proprietorships, companies, legal entities, organizations without legal personality, condominiums.

If the client is a consumer, and its complaint is rejected by the IBCE, the company will inform the client of the remedies (including the mailing address and telephone number of the MNB and the FAB) in accordance with its reply letter.

In the reply letter, IBCE is obliged to inform the client whether IBCE has made a general submission declaration to the FAB's procedure, by which it has accepted the decision made by the FAB as binding and enforceable.

If the client's complaint concerns the settlement of a consumer dispute related to a product / service purchased with an online sales / online service contract concluded between the client and IBCE (hereinafter: online shopping) and the complaint is rejected, the above-mentioned consumer dispute may be settled out of court.

## **8 MONITORING / REPORTING**

It is the responsibility of the authorized employee to record the complaint and the process of resolving the complaint. The employee is obliged to record the data of the complaint and the resolution process in the complaint management register of IBCE.

Correspondence and other (electronic and printed) documentation related to the complaint, the document containing the complaint and the answer to it must be retained for 5 years and presented at the request of the MNB, as supervisory authority.

IBCE monitors the complaints on the basis of the register of complaints and

- groups them at reasonable intervals according to their subject matter,
- reveals and identifies the facts and events giving rise to the complaint,
- examines whether the identified facts and events may affect another process, product or service,
- initiates proceedings to correct the identified facts and events, and
- summarizes recurring or systemic problems and legal risks.

The CCO consults the customer complaints log on a regular basis (at least monthly) and performs the following tasks:

- Review the complaints log to ensure complaints are being logged correctly,
- Ensure the complaints Procedure is being complied with,
- Carry out a root cause analysis on logged complaints to ensure the on-going improvement of internal processes and Procedures in order to avoid the same mistakes being repeated,
- Escalate to CEO immediately if it becomes apparent that the complaint results from a major deficiency that requires immediate rectification,
- Produce a monthly report that is provided to management including Risk Management.

## **9 REVIEW AND MANAGEMENT OVERSIGHT**

### **9.1 MANAGEMENT ACCOUNTABILITY**

IBCE's management body oversees that this Procedure provides for the effective handling of complaints within IBCE. IBCE's management body endorses this Procedure and must endorse any future updates to it.

### **9.2 PERIODIC REVIEWS**

The Compliance function periodically reviews the updates on complaints handling.

### **9.3 RESPONSIBILITIES OF COMPLIANCE**

The Compliance Function analyses independently the data relating to complaints and complaints handling by IBCE, on an on-going basis, in order to enable the identification and treatment of any recurring or systemic issues, as well as any potential legal and operational risks, for example:

By carrying out an analysis on registered complaints in order to identify the root cause of certain types of complaints and correcting identified issues at source.

By considering whether the root cause may also affect other processes or products, including those to which the complaints do not relate directly.

Moreover, IBCE's CEO should be informed by Compliance on an on-going basis of any recurring or systemic problems as part of their overall oversight on the IBCE Complaints Procedure.

## **10 RECORDS MANAGEMENT**

IBCE keeps register about the records of each complaint and the measures for their settlement and resolution, which includes:

- the description of the complaint, indicating the event or fact which is the subject of the complaint,
- the date on which the complaint was lodged,
- the description of the action taken to resolve the complaint, or, in the event of rejection, the reasons for it,
- the time limit for completion of the action and the name of the person responsible for implementation,
- the date on which the reply letter to the complaint was sent.

The retention period of related records is 5 years, in compliance with legal requirements.

**APPENDIX 'A'**

**COMPLAINT to be filed with the financial organisation (bank, insurer etc.)  
FOR RESOLVING DISPUTES ASSOCIATED WITH THE FINANCIAL ORGANISATION**

<b>Financial organisation affected by the complaint</b>	
<b>Name:</b>	

**The parties' data**

<b>Client</b>	
<b>Name:</b>	
<b>Contract/client number:</b>	
<b>Residential address/registered office/postal address:</b>	
<b>Telephone:</b>	
<b>Notification method (mail, email):</b>	
<b>Attached documents</b> (e.g. invoice, contract, power of attorney)	

**Center of management (e.g. branch office, headquarters, registered office, intermediary):\***

--

\* if the complaint is filed in person

## APPENDIX 'B'

You may file a petition with the Magyar Nemzeti Bank, if all of the following conditions are concurrently satisfied:

- **You are a consumer**, i.e. you are using/have used the financial services for purposes falling outside your economic or professional activity, i.e. typically as a private person,
- **you have attempted to resolve the dispute directly with the financial service provider** (i.e. you have filed a complaint with the service provider) to no avail,
- **the financial service provider has acted illegally or deceitfully,**
- **less than five years have passed** since the infringement,
- **you have attached copies of the complaint filed with the financial service provider and the response you received** to your petition,
- if you are acting via a proxy, **you have attached the original Power of Attorney,**
- **you have signed** your petition and **have indicated your residential address.**

### CONSUMER PETITION

#### ADDRESSED TO THE

#### MAGYAR NEMZETI BANK

Please complete the boxes marked with an asterisk, as a minimum, and sign your petition. In addition, please attach all documents pertaining to your case.

Please send your petition to the following address:

Magyar Nemzeti Bank

1534 Budapest, BKKP Postafiók: 777.

\*Name:

\*Place of residence:

Telephone:


Fax:

E-mail:

\*The financial service provider concerned (e.g. bank, insurer):

Type of service (e.g. home loan, MTPL):

## APPENDIX 'C'

	<b>150. GENERAL CONSUMER PETITION</b>	place of bar code
CASE NUMBER:		
	<i>To be submitted in 1 copy to the Financial Arbitration Board</i>	
Place of receipt	<p>You may download this form from the website of the Financial Arbitration Board (<a href="http://www.penzugyibekeltetotestulet.hu">www.penzugyibekeltetotestulet.hu</a>) and fill in legibly or by typewriter. You may ask for the assistance of the Network of Financial Advisory Offices for filling in the form; for contact details see <a href="http://www.penzugyifogyaszto.hu">www.penzugyifogyaszto.hu</a>.</p> <p>You may send the filled in form to our postal address (Pénzügyi Békéltető Testület 1525 Budapest, Postafiók 172) or submit in person at the customer service desk of the Magyar Nemzeti Bank (address: H-1013 Budapest, Krisztina krt. 39.).</p> <p>The petition may also be submitted via the designated Bureaus of Civil Affairs or in electronic form via the e-government portal. (<a href="http://www.magyarorszag.hu">www.magyarorszag.hu</a>)</p>	

**1A. PETITIONER'S data:** (Any person qualifying as a CONSUMER, i.e. a natural person acting for purposes falling outside his independent occupation and economic activity, may be a petitioner.)

1A.1	Petitioner's name:														
1A.2	Residential or postal address:														
1A.3	Date of birth:	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>													
1A.4	Telephone number:														
1A.5	Capacity: Please mark with X as applicable	<input type="checkbox"/> debtor	<input type="checkbox"/> demand guarantee provider	<input type="checkbox"/> mortgager	<input type="checkbox"/> heir										
		<input type="checkbox"/> in the case of insurance contracts contractor	<input type="checkbox"/> insured	<input type="checkbox"/> beneficiary	<input type="checkbox"/> fund member										
		<input type="checkbox"/> other (please describe)													

**1B. ADDITIONAL PETITIONER'S data:** (Any person qualifying as a CONSUMER, i.e. a natural person acting for purposes falling outside his independent occupation and economic activity, may be a petitioner.)

1B.1	Petitioner's name:														
1B.2	Residential or postal address:														
1B.3	Date of birth:	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>													



<b>1B.4</b>	<b>Telephone number:</b>				
<b>1B.5</b>	<b>Capacity:</b> Please mark with X as applicable	<input type="checkbox"/> debtor	<input type="checkbox"/> demand guarantee provider	<input type="checkbox"/> mortgager	<input type="checkbox"/> heir
		<input type="checkbox"/> in the case of insurance contracts contractor	<input type="checkbox"/> insured	<input type="checkbox"/> beneficiary	<input type="checkbox"/> fund member
		<input type="checkbox"/> other (please describe)			

<b>150-A</b>	Name of petitioner as per point 1A.: _____	Date of birth: <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>								

## 2. PROXY'S data

If you wish to act via a proxy, please also fill in and sign the POWER OF ATTORNEY form, obtain the signature of two witnesses and attach the original copy as annex to the petition.

<b>2.1</b>	<b>Proxy's name:</b>			
<b>2.2</b>	<b>Residential or postal address:</b>			
<b>2.3</b>	<b>Telephone number:</b>			

## 3. Data of the FINANCIAL SERVICE PROVIDER:

<b>3.1</b>	<b>Name of the financial service provider:</b>			
<b>3.2</b>	<b>Address of the financial service provider:</b>			

Data of ADDITIONAL SERVICE PROVIDER (Please fill in this section only, if you request that the procedure be launched against the additional service provider.)

<b>3.3</b>	<b>Name of the additional financial service provider:</b>			
<b>3.4</b>	<b>Address of the additional financial service provider:</b>			

## 4. DECLARATION ON DISQUALIFYING REASONS HINDERING THE INSTITUTION OF PROCEEDINGS:

Please be informed that the Financial Arbitration Board may only start the proceeding, if none of the disqualifying reasons listed below exists. It is important to indicate your response for each item.

Based on the same factual data and for the same right

<b>4.1</b>	– a Financial Arbitration Board proceeding has been initiated before	<input type="checkbox"/> no / <input type="checkbox"/> yes
<b>4.2</b>	– a mediation procedure has been initiated before	<input type="checkbox"/> no / <input type="checkbox"/> yes
<b>4.3</b>	– there is a pending civil action	<input type="checkbox"/> no / <input type="checkbox"/> yes

4.4	– already a final judgement has been passed in the case, or there is a binding warrant for payment	<input type="checkbox"/> no / <input type="checkbox"/> yes
4.5	– the petitioner has formerly submitted an equity petition to the Financial Arbitration Board	<input type="checkbox"/> no / <input type="checkbox"/> yes

#### 5. Data related to the COMPLAINT SUBMITTED TO THE FINANCIAL INSTITUTION:

Please be informed that the Financial Arbitration Board may only start the proceeding, if you have attempted to resolve the dispute directly with the financial service provider and your complaint (equity petition) has been rejected. If you have not lodged a complaint (equity petition) with the financial service provider, you may not initiate the proceeding of the Financial Arbitration Board.

5.1	When did you submit your complaint/equity petition to the financial institution?	..... day ..... month 201... year
5.2	Please mark with X, if the financial institution <u>did not respond</u> to your complaint/equity petition and already 30 days have elapsed since the receipt of the complaint.	<input type="checkbox"/> yes
5.3	When did you receive the financial institution's letter on the rejection of the complaint/equity petition?	..... day ..... month 201... year

<b>150-B</b>	Name of petitioner as per point 1A.: _____	Date of birth: <table border="1"> <tr> <td> </td><td> </td><td> </td><td> </td> <td> </td><td> </td> <td> </td><td> </td> </tr> </table>								

#### 6. SUBJECT OF THE PETITION AND DESCRIPTION OF THE REASONS:

##### 6.1 Describe the subject of the petition and indicate the amount involved:

6.1.1	Reference number of the contract being the subject of the petition:	
6.1.2	Petition of equity:	<input type="checkbox"/> yes
6.1.3	Description of the petition:	
6.1.4	Amount involved in the petition:	HUF



<b>150-C</b>	Name of petitioner as per point 1A.: _____	Date of birth: <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>								

**7. ANNEXES TO THE PETITION:**

The launch of the proceeding is **conditional upon** attaching the documents supporting your allegation to the petition. In the case of Points 7.1.1-7.1.4 and 7.2.1-7.2.3 it is sufficient to mark with X on the form that you have attached the instrument, while in the case of Point 7.2.4, please list the additional instruments you have attached.

<b>7.1</b>	<b>Annexes related to Points 2-5 of the petition:</b>	
7.1.1	<b>Complaint/equity</b> petition you have submitted to the financial institution	attached: <input type="checkbox"/>
7.1.2	Letter of the financial institution on the rejection of the <b>complaint/equity petition</b>	attached: <input type="checkbox"/>
7.1.3	If you have not received a response to your complaint from the financial institution, the document evidencing the submission of the complaint (e.g. the post office receipt of the registered mail)	attached: <input type="checkbox"/>
7.1.4	<b>Original copy</b> of the filled in and signed <b>Power of Attorney</b> form, if you have filled in Point 2 of the petition	attached: <input type="checkbox"/>

<b>7.2</b>	<b>Annexes related to Point 6 of the petition:</b>	
7.2.1	Document confirming the legal relationship pertaining to the financial services (e.g. contract, insurance proposal, insurance policy)	attached: <input type="checkbox"/>
7.2.2	Documents related to the insurance service claim (e.g. claim assessment protocol, expert opinion, quotation or invoice)	attached: <input type="checkbox"/>
7.2.3	<b>Warrant for payment, litigation and foreclosure instruments</b> related to the subject matter of the petition	attached: <input type="checkbox"/>
7.2.4	<b>Additional documents supporting the petition:</b> (Please list the attached additional documents.)	

<b>150-D</b>	Name of petitioner as per point 1A.: _____	Date of birth: <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> <td style="width: 20px; height: 20px;"> </td> </tr> </table>							

**8. I submit the following definite petition for the decision of the Financial Arbitration Board, based on which I request that the procedure be conducted.**

Performed on ....., .. day .....month ..... 201.... year

.....  
**Signature of the Petitioner specified in Point 1A.\***

.....  
**Signature of the Petitioner specified in Point 1B.\***

*\* By signing this form I also declare that the Financial Arbitration Board may manage my data in the proceeding launched on the basis of this petition for the necessary time as specified in Section 5(2) of Act CXII of 2011 on the Right of Informational SelfDetermination and on Freedom of Information, and may transfer it to third parties if it has a statutory obligation to do so.*

*Please be informed that the petitioner may receive information on the personal data managed in respect of him/her at any time, and in the case of any infringement he/she may initiate court action or the proceedings of the Hungarian National Authority for Data Protection and Freedom of Information.*

## POWER OF ATTORNEY

I, the undersigned:

<b>Petitioner's (principal's) name:</b>													
<b>Residential address:</b>													
<b>Date and place of birth:</b>	<table style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> </tr> </table> <span style="margin-left: 10px;">Place of birth:</span>												

hereby authorise:

<b>Proxy's name:</b>													
<b>Residential address:</b>													
<b>Date and place of birth:</b>	<table style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> <td style="width: 20px; height: 20px; border: 1px solid black;"></td> </tr> </table> <span style="margin-left: 10px;">Place of birth:</span>												

to act on behalf of me and in my name with full powers in the proceedings started with a view to resolve the financial consumer dispute between myself and

<b>Name of financial service provider:</b>	
<b>address:</b>	

at the Financial Arbitration Board.

This power of attorney is valid until recalled and applies solely to the above financial dispute.

*Performed on ....., .... day .....month 201.. . year*

..... Principal's signature	..... Proxy's signature
<b>Witnesses:</b>	
Name:	Name:
Address:	Address:
Mother's maiden name:	Mother's maiden name:
Signature:	Signature:



Interactive Brokers Central Europe Zrt.

## **ANNOUNCEMENT**

Annex 7 to the GBR:

**The list of outsourced activities and the person performing them**

Valid from: 9 October 2023

Referring to Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (Bsz.) we notify our Customers on the following.

I.

**Interactive Brokers Central Europe Zrt.** has entered into an outsourcing agreement with external service providers within the IB group for the following services:

1. Online customer support and via telephone; security and fraud prevention services; handling order and execution inquiries from exchanges or execution venues and oversight of risk monitoring systems (oversight of position liquidations, closing of short positions, monitoring of negative equity, preparation of risk reports); accounting and treasury support; handling of inbound and outbound customer funds; account opening (application support, risk assessment, application processing and approval) and account maintenance tasks; corporate actions processing activities; support of global account transfers and shareholder services; conduct of sanctions/list screenings and support of enhanced due diligence reviews, fraud investigations, trade surveillance activities; litigation support; IT procurement and vendor management; IT and cyber risk management; business continuity (disaster recovery) activities; brokerage system monitoring and issue management; IT infrastructure services (network, Windows, Linux and macOS engineering, web infrastructure); software services (design, development, testing, hosting, maintenance and support); data center operations; security engineering and information security services; marketing and advertising activities; and regulatory trade reporting activities are performed by **IB LLC** (headquarters: One Pickwick Plaza, Greenwich, CT 06830 USA).
2. Online customer support and via telephone; security and fraud prevention services; accounting, accounts payable, tax and treasury services; handling of inbound and outbound customer funds; support of global account transfers; counterparty risk evaluations; account opening (application support, risk assessment, application processing and approval) and account maintenance tasks; payroll and benefits support; conduct of sanctions/list screenings and support of enhanced due diligence reviews as well as trade surveillance activities are performed by **IBG LLC** (headquarters: One Pickwick Plaza, Greenwich, CT 06830 USA).
3. Online customer support and via telephone; security and fraud prevention services; translation and localization support; advising regarding data protection obligations and carrying out the Data Protection Officer function; account opening (risk assessment and application processing) and account maintenance tasks; regulatory and platform management surveillance, and trade surveillance activities are performed by **Interactive Brokers (U.K.) Limited** (headquarters: Level 20 Heron Tower, 110 Bishopsgate, London EC2N 4AY).
4. Online customer support and via telephone; security and fraud prevention services; translation and localization support; account opening (risk assessment, application processing and approval) and account maintenance tasks; support of AML governance and testing, compliance quality assurance tasks as well as trade surveillance activities are performed by **Interactive Brokers Ireland Limited** (headquarters: North Dock One, 91/92 North Wall Quay, Dublin 1 D01 H7V7, Ireland).
5. Online customer support and via telephone; security and fraud prevention services; oversight of risk monitoring systems (oversight of position liquidation, setting of hedging rules, closing of short positions, monitoring of negative equity, preparation of risk reports); accounts payable and treasury services; payroll and benefits support; corporate actions processing activities; support of global account transfers and shareholder services; business continuity (disaster recovery) activities; brokerage system monitoring and issue management; IT infrastructure services (network, Windows, Linux and macOS engineering, web infrastructure); data center operations; as well as and regulatory trade reporting activities are performed by **IBKR Financial Services AG** (headquarters: Gubelstrasse 28/3rd Floor, Zug, 6300, Switzerland).



6. Online customer support and via telephone; security and fraud prevention services; translation and localization support; trade surveillance activities are performed by **Interactive Brokers Canada Inc.** (headquarters: 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6, Canada).
7. Online customer support and via telephone; security and fraud prevention services; handling order and execution inquiries from exchanges or execution venues and oversight of risk monitoring systems (oversight of position liquidations, closing of short positions, monitoring of negative equity, preparation of risk reports); account opening (application support, risk assessment, application processing and approval) and account maintenance tasks; trade surveillance activities; as well as corporate actions processing activities are performed by **Interactive Brokers Hong Kong Limited** (headquarters: 88 Queensway, Suite 1512, Two Pacific Place, Hong Kong, SAR).
8. Online customer support and via telephone; security and fraud prevention services; trade surveillance activities; as well as corporate actions processing activities are performed are performed by **Interactive Brokers Securities Japan, Inc.** (headquarters: Kasumigaseki Building 25F, 2-5 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo, 100-6025, Japan).
9. Online customer support and via telephone; security and fraud prevention services; trade surveillance activities; as well as corporate actions processing activities are performed are performed by **Interactive Brokers Australia Pty Limited** (headquarters: 225 George Street, Level 40, Grosvenor Place, Sydney, New South Wales, Australia).
10. Online customer support and via telephone; security and fraud prevention services; trade surveillance activities; as well as corporate actions processing activities are performed are performed by **Interactive Brokers Singapore Pte. Ltd.** (headquarters: 8 Marina View 40-02A, Asia Square Tower 1, Singapore).
11. Identification of providers/vendors, onboarding process, relationship management, sample checks and reviews in relation to investment research and financial analysis services are performed by **Global Financial Information Services GmbH** (GFIS) (headquarters: Gewerbestrasse 11, Cham, 6330, Switzerland).

## II.

**Interactive Brokers Central Europe Zrt.** has entered into an outsourcing agreement with external service providers outside the IB group for the following services:

1. Providing complex information technology solution for the direct electronic customer due diligence and processing personal data of clients subject to direct electronic customer due diligence are performed by **FaceKom Kft.** (headquarters: 1052 Budapest, Deák Ferenc tér 3.).



Interactive Brokers Central Europe Zrt.

## **ANNOUNCEMENT**

Annex 8 to the GBR:

### **The list of Intermediaries**

Valid from: 11 January 2021

**Interactive Brokers Central Europe Zrt.** does not use intermediary services in connection with its investment services provided.



Interactive Brokers Central Europe Zrt.

## **ANNOUNCEMENT**

Annex 9 to the GBR:

**Additional terms which apply to futures transactions entered into by  
retail clients domiciled in Germany**

Valid from: 14 February 2023

## 1. BACKGROUND

The terms of this **Annex 9** shall apply to a Client if such Client: (i) intends to enter/enters into a Futures Transaction (as defined below); and (ii) is a retail client domiciled in Germany (a Client who falls under both categories (i) and (ii) is a “**German Retail Client**”).

A “**Futures Transaction**” is a transaction in an instrument that is a “**Future**”, namely a financial instrument within the meaning of Article 4.1 (15) of Directive 2014/65 on markets in financial instruments, in conjunction with numbers 4 to 7 and 10 of Section C of Annex 1 of that Directive and tradable through the Company with the Futures Trading capability.

The terms of the Client Agreement/Main Agreement (including the GBR, as amended from time to time) (“**Agreement**”) continue to apply to all Futures Transactions unless and to the extent that there is a conflict between those terms and the terms of this Annex 9, in which case the terms of this Annex 9 shall prevail.

Unless otherwise stated, terms defined in the Agreement have the same meaning in this Annex 9.

This Annex 9 does NOT apply to a Client:

1. who is not a retail Client;
2. who is a retail Client but is not domiciled in Germany; or
3. to Futures Transactions entered into by a German Retail Client for the purposes of settling or closing out a Futures position held on the German Retail Client’s Account which the German Retail Client entered into before 1 January 2023 (“**Effective Date**”).

## 2. EXCLUSION OF AN ADDITIONAL PAYMENT OBLIGATION

In accordance with the requirements of the Federal Financial Supervisory Authority’s General Administrative Act – Product Intervention Regarding Futures (the “**Futures Measures**”), the Company hereby excludes the application of an Additional Payment Obligation (to be defined below) to Futures Transactions executed by the Company for or on behalf of the German Retail Client on or after the Effective Date.

An “**Additional Payment Obligation**” is a contractual obligation of a German Retail Client to compensate the Company for a loss after the forced liquidation of the German Retail Client’s open Futures positions by the Company by providing additional funds from the German Retail Client’s other assets (such as, but not exclusive to, a Client’s payment obligation referred to under section 6.7.8 of the GBR).

The Company acknowledges and confirms that the German Retail Client’s aggregate liability in respect of their Futures Transactions is limited to the funds that such German Retail Client has deposited with the Company for Futures trading.

The deduction of costs and charges from a German Retail Client’s account in connection with their Futures Transactions does not constitute an Additional Payment Obligation for the purposes of this Annex 9. This means that the Company may have recourse to all the assets in a German Retail Client’s Account for the purpose of discharging such costs and charges.

The Company may have recourse to the unrealised net profits of a German Retail Client’s open Futures positions to meet liabilities such German Retail Client has incurred in connection with their trades in financial instruments other than Futures, subject to compliance with applicable laws.

If the Client is not a retail client or if the Client is not domiciled in Germany, the Futures Measures will not apply to such Client and such Client may be subject to an Additional Payment Obligation in connection with their Futures Transactions.

If the Client is a German Retail Client then the Futures Measures will not apply to Futures sold with the purpose of settling or closing out an existing Futures position held on such German Retail Client’s Account which such German Retail Client entered before the Effective Date, and such German Retail Client may be subject to Additional Payment Obligation in connection with such Futures Transactions.

### 3. FUNDS DEPOSITED FOR FUTURES TRADING

The German Retail Client agrees that from the Effective Date, the Company has the right to treat the following as funds that such German Retail Client has deposited with the Company for Futures trading:

- any cash in such German Retail Client's Account used to meet the initial Margin Requirements for a Futures Transaction,
- the unrealised net profits from such German Retail Client's open Futures positions.

The Company will treat the German Retail Client's realised profits on Futures positions as being deposited for Futures trading even after such German Retail Client has closed all their open Futures positions unless such German Retail Client subsequently uses those profits to open a non-Futures position. This means that if such German Retail Client enters into a new Futures Transaction, the Company has recourse to those realised profits to offset any liabilities associated with that Futures Transaction.

A German Retail Client may further elect to authorise the Company to treat all cash in such German Retail Client's Account that does not support margin requirements for other assets ("**Free Cash**"), as being deposited for Futures trading.

### 4. MARGIN REQUIREMENTS

Futures Transactions are subject to the margin-related provisions described in the Agreement to the extent that those policies are compatible with the terms of this Annex 9.

The Company applies bespoke margin rates to Futures Transactions entered into by German Retail Clients, which are set out on the Company's website. The Company may modify those margin rates at any time at the Company's sole discretion. The Company may determine the initial and/or variation "**Margin Requirements**" applicable to a Futures Transaction at any time in the Company's sole discretion.

The German Retail Client acknowledges that:

- when such German Retail Client enters into a Futures Transaction, all the cash held in such German Retail Client's Account may be used by the Company to meet the initial Margin Requirement for that Futures Transaction as well as the unrealised net profits from such German Retail Client's existing Futures positions; and
- If such German Retail Client has insufficient funds in such German Retail Client's Account to meet initial Margin Requirement the such German Retail Client will not be able to open a new Futures Transaction, even if such German Retail Client's Account otherwise has available equity; and
- in order to determine whether such German Retail Client has sufficient funds to meet the variation Margin Requirements associated with one or more of such German Retail Client's Futures Transactions, the Company will take into account the funds that such German Retail Client has used to meet the initial Margin Requirements for such German Retail Client's Futures Transactions at portfolio level, any additional unrealised net profits from such German Retail Client's open Futures positions, and any realised profits from such German Retail Client's closed Futures positions unless such German Retail Client subsequently used those profits to open a non-Futures position.

If the German Retail Client has authorised the Company to consider Free Cash as part of such German Retail Client's funds deposited for Futures trading, the Company will also be able to have recourse to such German Retail Client's Free Cash to meet variation Margin Requirements.

The Company may liquidate the open positions of a German Retail Client, if such German Retail Client does not meet Margin Requirements.

If at any time the funds that a German Retail Client deposited for Futures trading are insufficient to meet such German Retail Client's Margin Requirements, the Company is authorised to liquidate some or all of such German Retail Client's Futures positions immediately without notice or margin call to such German Retail Client. The Company will only liquidate Futures positions to cover a Futures margin deficit and will not liquidate such German Retail Client's positions in other financial instruments.



Interactive Brokers Central Europe Zrt.

## **ANNOUNCEMENT**

Annex 10 to the GBR:

**Physically deliverable futures**

Valid from: 12 May 2023

With reference to section 6.4 of the GBR, this Annex 10 sets forth the terms under which Clients may be permitted to make or take delivery of certain physically delivered futures contracts, as listed below, that are traded on certain designated contract markets (such markets collectively, the "**Exchanges**").

## 1 Terms

### 1.1 List of Covered Contracts

- GC @ COMEX (COMEX Gold Futures)
- MGC @ COMEX (COMEX Micro Gold Futures)
- SI @ COMEX (COMEX Silver Futures)
- SIL @ COMEX (COMEX Micro Silver Futures)

1.2 The Company may permit the Client to make or take delivery on Covered Contracts at the Company's sole discretion, in reliance on the Client's acknowledgements contained herein, and subject to the following conditions:

- The Client acknowledges that all deliveries of Covered Contracts are governed by, and will be made in accordance with, (i) the contract specifications for the relevant Covered Contract as specified by the relevant Exchange, and (ii) the rules and delivery procedures of the relevant Exchange governing such Covered Contract.
- The Client will not be permitted to carry long positions in Covered Contracts into the delivery month of such contracts unless the Client has more than sufficient account equity to satisfy the maximum payment obligation (assessed based on the mark price) upon delivery on any such contracts (the "**Payment Obligation**").
- In accordance with the previous paragraph above, the Client acknowledges that the required maintenance margin on long Covered Contracts that are within the delivery month will at all times be not less than the Payment Obligation on such contracts, and that the Client's long position in such contracts is subject to immediate liquidation if at any time the Client's account does not have sufficient equity to meet the Client's total maintenance margin obligation.
- The Client acknowledges that after taking delivery of the underlying commodity (the "**Delivered Commodity**") in connection with a long position in a Covered Contract, the value of the Delivered Commodity will continue to vary with the price of such commodity, and that the Client will accordingly continue to be exposed to fluctuations in the value of such commodity.

1.3 The Client acknowledges that:

- there may be no ready market for the Delivered Commodity;
- the Company may assign collateral value to the Delivered Commodity in our sole discretion or



not at all; and

- the Company may not be able to liquidate the Delivered Commodity (apart from opening a short position in the relevant Covered Contract and carrying such position into the delivery month) even if the Client wishes to do so.