
General Good for providers of cross-border investment services

In accordance with the Securities Market Act (hereinafter referred to as SMA; in Estonian: väärtpaberituruseadus) we hereby advise you of the rules on the provision of cross-border investment services in Estonia as well as of the conditions that are stated in Estonia in the interest of general good in order to safeguard the compliance of the activities and services to be provided in Estonia with the relevant requirements and for conducting financial supervision.

An investment firm from an EU Member State wishing to exercise the freedom to provide cross-border services by carrying on its activities in Estonia has to adhere thereto to the SMA and other legislation issued on the basis of SMA - Decrees of the Minister of Finance - as well as the relevant EFSA guidelines.

When providing investment services the rules of contract law and principles of consumer protection regulated in the Law on Obligations Act (in Estonian: võlaõiguseadus) and Consumer Protection Act (in Estonian: tarbijakaitseseadus) have to be followed, stating inter alia, that if services are marketed in Estonia to consumers or traders comparable to consumers, the terms, conditions and other information given to the applicant or client about the service must be provided in the applicant's or client's native language if it is Estonian. The complaints of customers can be treated by the Consumer Protection Board as well as by EFSA.

Regarding the prevention of money laundering and terrorist financing, the investment firm when exercising the freedom to provide cross-border services in Estonia has to follow the Money Laundering and Terrorist Financing Prevention Act (hereinafter referred to as: MLTFPA), other legislation issued on the basis of MLTFPA and FSA guidelines.

Apart from that, we would like to note that an investment firm exercising the freedom to provide cross-border services in Estonia has to follow other requirements that have not been referred to above, but are provided for in the Estonian legislation applicable to the providers of investment services in Estonia. The Estonian legal acts are available in the Estonian language on the websites www.estlex.ee and www.riigiteataja.ee, both in the Estonian and in the English language on the website of the Legal Translation Centre www.legaltext.ee. The EFSA guidelines are available on the website of the EFSA www.efsa.europa.eu.

Concerning financial supervision over the institutions exercising the freedom to provide cross-border investment services, EFSA is entitled to demand the termination of the violating acts or legal acts based on them. In case the demands of EFSA will be denied, EFSA shall inform the competent authority of the home country of the institution exercising the freedom to provide cross-border investment services in Estonia. If the measures taken by the competent authority of the home country of the institution deem to be insufficient to terminate the violation, EFSA is entitled to apply measures provided for in the SMA in order to terminate the violations and forbid the further exercise of the

freedom to provide cross-border services.

The competent authority of the home country will be informed in the due course of the procedures, unless there is a case of emergency.

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