Law no. 126 of 11 June 2018 regarding financial instruments[1]

Romanian Parliament adopts the present law.

TITLE I: Field of application, competent authorities and definitions

Art. 1 The present law applies to financial investment service companies, hereafter referred to as S.S.I.F. , market operators, data reporting service providers, central depositaries, central counterparts, investment companies from other member states that operates on Romanian territory based on the freedom of provision of services or by establishing a subsidiary, and also companies from third countries which are providing investment services or performing investment activities in Romania by establishing a subsidiary.

Art. 2 (1) Financial Supervisory Authority, hereafter referred to as A.S.F. , is the competent authority that applies the provision of the present law, of the Regulation (EU) no. 600/2014 of the European Parliament and the Counsel from 15 May 2014 regarding the financial instruments markets and the modification of the Regulation (EU) no. 648/2012, published in the Official Journal of the European Union, L series, no. 173/84 of 12 June 2014, hereafter referred to as Regulation (EU) no. 600/2014, and of the European provisions issued in applying Directive 2014/65/UE of the European Parliament and the Counsel from 15 May 2014 regarding the financial instruments markets and the modification of the Regulation 2002/92/CE and Directive 2011/61/UE, published in the Official Journal of the European Union, L series, no.173/349 from 12 June 2014, hereafter referred to as Regulation 2014/65/UE, and of the aforementioned regulations, by exercising the powers provided by the present law, as well as the Government Emergency Ordinance no. 93/2012 regarding establishing, organizing and functioning of the Financial Supervisory Authority, approved with amendments and additions by the Law no. 113/2013, with subsequent amendments and additions.

(2) By exceptions from the provisions of paragraph (1), National Bank of Romania hereafter referred to as N.B.R, is the competent authority that supervises the enforcements of the provisions of the present law, of the Regulation (EU) no. 600/2014 and of the European provisions issued in applying Directive 2014/65/EU and of the aforementioned regulation, by exercising regulation attributes, authorization, supervising and control regarding the following:

[1]The official text of Law no. 126/2018 regarding the financial instruments markets is the one published in the Official Gazette of Romania, Part I, no. 521 of 26.06.2018 and A.S.F. does not assume responsibility for the legal consequences of using this text

a) providing by credit institutions of services and activities specified in annex no. 1 made with the instruments specified at paragraph (3), in the case that the respective instruments are not traded on a regulated market;
b) places of trading organized by the credit institutions in the form of SMTs and SOTs under which are exclusively traded instruments provided in paragraph (3);
c) services and activities provided in Annex no.1under the SMTs and SOTs authorized by N.B.R or authorities from other states or outside the trading places, respectively OTC transactions, as well as in capacity of independent operators;
d) selling by the credit institutions of structured deposits regarding instruments provided at let. a)-c) of para. (3) and the provision of consultant services with these according to provisions of art. 5 para. (2).
(3) Falls under de provisions of para. (2):
a) monetary market instruments;
b) government bonds;
c) financial derivative instruments provided at pct. 4, 8 and 9 of section C from annex no. 1 which refers to monetary markets instruments, currency, interest rates or return and rates/indices published by N.B.R and Central European Bank.
(4) Authorization to provide by the credit institutions services and activities of investment with the financial instruments provided in annex no. 1 is done by N.B.R. upon consulting A.S.F. , according to the procedure provided at art. 10, para. (3).
(5) In carrying the tasks established in the sphere of competence of N.B.R., according to the provisions of para. (2), any reference to A.S.F. is considered to be made accordingly to N.B.R.
(6) Regarding the competencies provided in the present law, A.S.F. and N.B.R. adopts joint regulations and completes a protocol through which are established appropriate cooperation measures regarding credit institutions that carry out services and activities that enters under the incidence of the provisions of the present law, regarding joint competencies provided by the present law.
(7) The protocol provided at para. (6) includes the cooperation mechanism between A.S.F. and N.B.R. regarding at least the following aspects:
a) checking the fulfillment of the necessary conditions provided by de present law, provisions issued in applying it and the European legislation incident supplying of services and investment activities, of exchange of information and assistance in authorization of the credit institutions or of modifying of conditions imposed at authorization;
b) providing mutual assistance in making investigations, applying administrative measures, interdictions and sanctions for breaching the provisions of the present law or secondary legislation issued in applying it.
(8) A.S.F. and N.B.R. can issue, ex officio or at the request of an interested party, administrative papers that will include motivated assessments regarding the qualification of a person, institutions, situations, information, operations, legal acts or negotiable instruments regarding the inclusion or exclusion from the sphere of terms and expression with the significance provided by the present law.
(9) Within 30 days from the date of entry into effect of this law, A.S.F. shall notify the European Securities and Markets Authority, hereinafter referred to as ESMA, the European

Commission and the competent authorities of other Member States, of the competent authorities of Romania for the performance of the tasks referred to in paragraph (1) - (4).

(10) A.S.F. may delegate to other entities, subject to the conditions set out in paragraph (11) - (15) some of the duties provided for in the present law and in the regulations issued for its implementation, as well as in the European regulations issued in application of the Directive 2014/65 / EU.

(11) A.S.F. has the obligation that, before proceeding with the delegation provided for in paragraph (10), to take all reasonable steps to ensure that the entities to which the delegation is intended have the necessary capabilities and resources for the effective execution of all tasks and that the delegation is imperative in a clearly defined and documented framework which governs the exercise of delegated tasks and setting out the tasks to be performed and the conditions under which they must be carried out.

(12) The conditions under which delegated tasks are to be exercised in accordance with the provisions of paragraph (10) imply a clause that compels the entity to act and organize itself so as to avoid any conflict of interest and to ensure that the information obtained in the exercise of the delegated tasks is not used in an unfair manner or in a way that may affect competition .

(13) Including the delegation of powers provided in paragraph (10), A.S.F. has the responsibility to ensure compliance with the provisions of this law, the rules issued for its implementation, as well as the Directive 2014/65 /EU.

(14) The delegation provided for in paragraph (10) can not refer to the exercise of the authority conferred on A.S.F. by Government Emergency Ordinance no. 93/2012, approved with amendments and completions by Law no. 113/2013, as subsequently amended and supplemented, nor to the decision-making discretion of A.S.F.

(15) A.S.F. shall inform the European Commission, ESMA and the competent authorities of the other Member States of any agreement reached on the delegation of tasks under the provisions of this Article, including the precise conditions governing such delegation.

(16) A.S.F. and N.B.R .shall cooperate closely in the application of the provisions of this law and of Regulation (EU) 600/2014 and exchange any essential or pertinent information for the exercise of their functions and duties.

Art. 3 (1) For the purpose of this law, the terms and expressions below have the following meanings:

1. direct electronic access - procedure whereby a participant, a member or a client of a trading venue allows a person to use his trading code in order to be able to electronically send orders relating to a financial instrument directly to the trading venue; and includes agreements involving the use by that person of the infrastructure of that participant, member or customer, or another connection system made available by the participant, member or customer to transmit orders, representing direct market access, as well as agreements in which the respective infrastructure is not used by a person, representing sponsored access;

2. underlying asset - a financial instrument, a stock or exchange rate index, an interest rate, a commodity, basket or combination of these instruments or values, and any other asset, unit of measure or indicator whose return, value or size is the basis of the value of a derivative financial instrument;

3. portfolio management - discretionary and individualized portfolio management that includes one or more financial instruments in accordance with the client's mandate;
4. delegated Agent - Any natural or legal person who, under the full and unconditional responsibility of a single investment firm on whose behalf he is acting, promotes investment and / or ancillary services to prospective clients or customers, receives and transmits instructions or orders from clients to investment services or financial instruments, to place financial instruments or to provide clients or potential clients with advice on these tools or services;
5. competent authority - the authority designated by each Member State in accordance with Art. 67 of Directive 2014/65 / EU, unless this provision contains a contrary provision;
6.certificates - certificates as defined in art. 2 para. (1) point 27 of Regulation (EU) No. 600/2014;
7. deposit certificates - securities traded on the capital market which are the property of the securities of a foreign issuer and which may be admitted to trading on a regulated market and traded independently of the securities of the foreign issuer;
8. client - any natural or legal person to whom an investment firm or credit institution provides investment or ancillary services;
9. professional client - any client who meets the criteria set out in annex no. 2;
10. retail client - client that is not a professional client;
11. senior management - natural persons who exercise executive functions within an investment firm, market operator or data reporting service provider and are accountable to the management body for the entity's day-to-day management, including policy implementation on the distribution of customer service and products by the entity and its personnel;
12. investment consultant - natural or legal person authorized by A.S.F. who professionally provides investment advisory services relating to financial instruments;
13. investment advice - Providing personal recommendations to a client at his / her request or at the initiative of the investment firm in respect of one or more transactions in financial instruments;
14. consumer - consumer, as defined in Art. 2 point 2 of the Government Ordinance no. 21/1992 on consumer protection, republished, with subsequent amendments and completions;
15. energy derivative contracts as referred to in Section C, point 6 - option contracts, futures contracts, swap contracts and any other derivative contracts as set out in Annex no. 1 Section C point 6, relating to coal or crude oil, which are traded on an organized trading system and are to be physically settled;
16. central counterparty - entity, as defined in art. 2 (1) of Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on financial instruments OTC derivatives, central counterparties and trade repositories, published in the Official Journal of the European Union, L series, no. 201/1 of 27 July 2012, hereinafter referred to as Regulation (EU) No. 648/2012;
17. purchases and simultaneous sales on own account - a transaction in which the person facilitating the transaction itself is involved in a transaction between the buyer and the seller in such a way that it is at no time exposed to market risk throughout the execution of the transaction, both sides of the transaction being executed simultaneously, and the transaction is terminated at a price at which the person facilitating the transaction does not make any profit

or loss, except for a fee, fee or retention perceived for the transaction and communicated in advance ;

18. sovereign debt - debt instrument issued by a sovereign issuer;

19. structured deposit - deposit as defined in art. 3 para. (1) let. h) and para. (5) of the Law no. 311/2015 on Deposit Guarantee Schemes and the Bank Deposit Guarantee Fund, hereinafter referred to as Law no. 311/2015, which is fully repayable at maturity on the basis of conditions that an interest or premium is to be paid or is subject to risk according to a formula involving factors such as:

a) an index or combination of indices, excluding floating rate deposits whose return is directly linked to an interest rate index such as Euribor or Libor;

b) a financial instrument or a combination of financial instruments;

c)a commodity or combination of commodities or other physical assets or nonphysical non fungible;

d) a currency exchange or a combination of exchange rates;

20. central depository - a central depository of financial instruments other than derivatives, or the central depository, as defined in Art. 2 para. (1) point 1 of Regulation (EU) No. 909/2014, of the European Parliament and of the Council of 23 July 2014 on improving settlement of securities in the European Unionand on securities central securities depositories and amending Directives 98/26 / EC and 2014/65 / EU and Regulation (EU) No. 236/2012, as subsequently amended, and published in the Official Journal of the European Union, L series, no. 257/1 of 28 August 2014, hereinafter referred to as Regulation (EU) No. 909/2014;

21. issuer - an issuer, as defined in art. 4 let. a) of Law no. 24/2017 on issuers of financial instruments and market operations;

22. sovereign issuer - any of the following entities that issue debt securities:

(i)European Union;

(ii)a Member State, including a government service, an agency or a special investment vehicle of the Member State;

(iii)one of the federation members in the case of a federal member state;

(iv)a special investment vehicle for several Member States;

(v)an international financial institution set up by two or more Member States whose purpose is to mobilize the necessary funds and to provide financial assistance to its members who are affected or threatened by serious funding problems;

(vi)The European Investment Bank;

23. legal entity - a legal entity, as well as any entity without legal personality, registered under the law;

24 . the execution of orders on behalf of clients - the conclusion of agreements to buy or sell one or more financial instruments on behalf of clients and the conclusion of agreements for the sale of financial instruments issued by an investment firm or a credit institution at the time of issue thereof;

25. subsidiary - an entity controlled by a parent, including any subsidiary of the parent undertaking which directs them, including any subsidiary of a parent company of the parent company;

26. '**investment firm'** means any legal person whose regular occupation or business is the provision of one or more

investment services to third parties and/or the performance of one or more investment activities on a professional basis.

27. fund traded on a stock exchange - a fund that has at least one class of units or shares traded throughout the day in at least one trading venue and with at least one market maker taking steps to ensure that the price of the units or its shares at the trading venue do not vary significantly from its net asset value and, as the case may be, from the net asset value;

28. Market Maker - A person who is continuously available to trade on its own in the financial markets by selling and buying financial instruments by hiring equity at prices fixed by it;

29. provider of data reporting services - an approved publishing mechanism, a centralized reporting system provider or an approved reporting mechanism;

30. provider of centralized reporting systems, hereafter referred to as CTP - a person authorized under the provisions of this law to provide the service for collecting reports on transactions in financial instruments listed in art. 6, 7, 10, 12, 13, 20 and 21 of Regulation (EU) No. 600/2014 from regulated markets, multilateral trading systems, organized trading systems and approved publishing mechanisms and consolidating them into a continuous flow of live electronic data that provides data on prices and volumes for each financial instrument;

31. group - a parent company and all its subsidiaries;

32. credit institution - credit institution as defined in art. 4 para. (1) of Regulation (EU) No. 575/2013of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) 648/2012, as subsequently amended, published in the Official Journal of the European Union, L series, no. 176/1 of 27 June 2013, hereinafter referred to as Regulation (EU) No. 575/2013;

33. '**money-market instruments'** means those classes of instruments which are normally dealt in on the money market,
such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment;

34. '**financial instrument'** means those instruments specified in Section C of Annex I

35. derivative - derivatives as defined in art. 2 para. (1) point 29 of Regulation (EU) No. 600/2014;

36. derivative financial instruments - financial derivative instruments as defined in art. 2 para. (1) point 30 of Regulation (EU) No. 600/2014;

37. agricultural commodity derivatives - derivative contracts for the products listed in art. 1 and Annex no. 1 parts I-XX and XXIV / 1 of Regulation (EU) No. 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organization of agricultural markets and repealing Regulations (EEC) 922/72, (EEC) No. 234/79, (EC) No. 1.037 / 2001 and (EC) No. 1.234 / 2007, published in the Official Journal of the European Union, L series, no. 347/671 of 20 December 2013, hereafter referred to as Regulation no. 1,308 / 2013;

38. small and medium-sized enterprises, hereinafter referred to as SMEs - companies whose market capitalization, on the basis of the year-end quotations of the last 3 calendar years, was less than the equivalent in lei of EUR 200,000,000. The exchange rate envisaged in determining the RON equivalent of EUR 200,000,000 is the one valid for December 31 of each year in the last 3 calendar years;

39. ‘**close links’** means a situation in which two or more natural or legal persons are linked by:

a)participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking;

b) ‘**control’** which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to

in Article 22(1) and (2) of Directive 2013/34/EU, or a similar relationship between any natural or legal person

and an undertaking, any subsidiary undertaking of a subsidiary undertaking also being considered to be a

subsidiary of the parent undertaking which is at the head of those undertakings;

c) a permanent link of both or all of them to the same person by a control relationship;

40.‘**trading venue’** means a regulated market, an MTF or an OTF;

41. an approved reporting mechanism, hereinafter referred to as ARM - a person authorized under the provisions of this law to provide A.S.F. or ESMA on behalf of investment firms, transaction details reporting service;

42. an approved publishing mechanism, hereinafter referred to as "APA" - a person authorized under this law to provide the service of publishing transaction reports on behalf of investment firms pursuant to art. 20 and 21of Regulation (EU) No. 600/2014;

43. members or participants - people who have access to regulated markets or multilateral trading systems. Both terms can be used alternately. These terms do not include users accessing trading venues exclusively through direct electronic access;

44. clearing member - clearing member, as defined in art. 2 point 14 of Regulation (EU) No. 648/2012;

45. general clearing member - a clearing member that, in accordance with the operating rules of a clearing system, performs clearing operations on its own behalf on behalf of clients or on behalf of other entities that do not qualify as a participant in that clearing system;

46. public takeover bid - takeover bid, as defined in art. 2 para. (1) point 24 of the Law no. 24/2017;

47. independent operator - an independent investment firm which, on an organized, frequent, systematic and substantial basis, carries out own-account transactions in executing client orders outside a regulated market, of a multilateral trading system or an organized trading system without managing a multilateral system; the frequent and systematic nature is appreciated by the number of OTC transactions executed by the investment firm on its own account in executing client orders, in accordance with Commission Regulation (EU) No 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms of that Directive, published in the Official Journal of the European Union, L series, no. 87/1 of 31 March 2017.Substantial character is assessed either by the volume of OTC transactions made by the investment firm in relation to the total investment firm transactions for a particular financial instrument or by the volume of OTC transactions made by the investment firm in relation to the total transactions in the Union European Union for a specific financial instrument. The definition of an independent operator applies only if the default limit for the frequent and systematic nature and the substantive

nature are both exceeded or if an investment firm chooses the option to be treated under the regime applicable to independent operators;

48. market operator - one or more persons managing and / or operating a regulated market;

49. financial transaction operation, hereinafter referred to as SFT - the operation defined in accordance with the provisions of Art. 3 point 11 of Regulation (EU) No. 2015 / 2.365 of the European Parliament and of the Council of 25 November 2015on the transparency of financial operations by means of financial instruments and on the transparency of re-use, and amending Regulation (EU) 648/2012, published in the Official Journal of the European Union, L series, no. 337/1 of 23 December 2015, hereinafter referred to as Regulation (EU) No. 2015/2365;

50. binary option - a derivative financial instrument, whether or not traded on a trading venue, which meets the following conditions:

a) the payment of a fixed amount of money depends on whether one or more events specified in relation to the price, level or value of the underlying asset take place on or before the expiry date of the derivative;

b) must be settled in cash or may be settled in cash at the request of one of the parties, other than in the case of a breach of obligations or other incident leading to termination;

51. management body - the body or management and management bodies of an investment firm, a market operator or a data reporting service provider, who are appointed in accordance with the Company Law no. 31/1990, republished, with subsequent amendments and completions, empowered to establish the strategy, objectives and general direction of the entity that oversees and monitors the decision-making process and of which the persons who effectively direct the activity of the entity are involved;

52. governing body in its supervisory function - the governing body of an investment firm that fulfills its role of supervising and monitoring the management decision-making process and is represented by the board of directors, within the unitary management system, and by the supervisory board within the dual management system;

53. limit order - the order to buy or sell a financial instrument at the specified or more advantageous price limit and in a specified quantity;

54. qualifying holding - the holding, directly or indirectly, in an investment firm of a holding which represents at least 10% of the capital or of the voting rights, as provided for in art. 69 para. (1) - (3) and art. 70 of Law no. 24/2017, taking into account the conditions for the aggregation of these participations provided for in art. 72 para. (4) and (5) of the same law, or which allows the exercise of significant influence over the management of the investment firm in which that holding is held;

55. person - natural person or legal entity;

56. persons acting in concert - persons acting in concert, as defined in art. 2 para. (1) point 30 of the Law no. 24/2017;

57. key persons - those whose duties have a significant influence on the achievement of the strategic objectives of the investment firm or market operator that are not part of the management body, performing within that entity, as appropriate, the tasks of:

(i)risk assessment and management or risk management;

(ii)conformity;

(iii) internal audit;

58. growth market for SMEs - multilateral trading system registered as a growth market for SMEs according to the provisions of art. 108;

59. liquid market- means a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments:

a) the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instrument;

b) the number and type of market participants, including the ratio of market participants to traded instruments in a particular product;

c) the average size of spreads, where available;

60. regulated market - a multilateral system, operated and / or managed by a market operator, which ensures or facilitates the reunification within the system and in accordance with non-discretionary rules of the regulated market of multiple buying and selling interests of financial instruments third parties, in a manner which leads to the conclusion of contracts with financial instruments admitted to trading on the basis of its rules and / or systems and which is authorized and operates on a regular basis and in accordance with Title III;

61. cross selling practices - providing an investment service with another service or product as part of a package or to condition the deal or package;

62. a structured and insurance-based individual investment product, hereinafter referred to as PRIIP - the product defined in art. Article 4 (3) of Regulation (EU) No. 1.286 / 2014 of the European Parliament and of the Council of 26 November 2014 on essential information documents regarding individualized structured and insurance-based investment products (PRIIP), published in the Official Journal of the European Union, L series, no. 352/1 of 9 December 2014, hereinafter referred to as Regulation (EU) No. 1286/2014;

63. wholesale energy product - wholesale energy product within the meaning of art. 2 (4) of Regulation (EU) No. 1.227 / 2011 of the European Parliament and of the Council of 25 October 2011 on the integrity and transparency of the wholesale energy market, published in the Official Journal of the European Union, L series, no. 326/1 of 8 December 2011, hereinafter referred to as Regulation (EU) No. 1227/2011;

64. structured finance products - structured finance products as defined in art. 2 para. (1) point 28 of Regulation (EU) No. 600/2014;

65. investment services and activities - any service and any activity listed in appendix no. 1 Section A and relating to any instrument specified in annex no. 1 section C;

66. ancillary service - any service specified in annex no. 1 section B;

67. multilateral system - any system or mechanism in which multiple third party trading interests can interact with the purchase and sale of financial instruments;

68. multilateral trading system, hereinafter referred to as SMT - a multilateral system operated by an investment firm or a market operator that brings together, under the scheme and in accordance with non-discretionary rules of the system, multiple interests in the sale and purchase of financial instruments of third parties in a manner leading to the conclusion of contracts in accordance with Title II;

69. organized trading system, hereinafter referred to as a OTS, which is not a regulated market or a SMT, and in which many third party bond and bond interests may interact, structured finance products, emission allowances and derivatives, in a manner leading to the conclusion of contracts in accordance with Title II;
70. spread - average size of sale and purchase quotations;
71. investment management companies - investment management companies within the meaning of Art. 4 para. (1) and art. 5 para. (1) of Government Emergency Ordinance no. 32/2012 regarding undertakings for collective investment in securities and investment management companies, as well as for amending and completing the Law no. 297/2004 regarding the capital market, approved with amendments and completions by Law no. 10/2015, as amended and supplemented;
72. a company in a third country - a company which is a credit institution that provides investment services or carries out investment or investment firms if its principal place of business or its registered office is in the European Union;
73. parent company - entity controlling one or more subsidiaries;
74. S.S.I.F. - investment firm, Romanian legal person, formed in the form of a joint stock company, issuing nominative shares, according to the Law no. 31/1990, republished, as subsequently amended and supplemented, authorized by A.S.F. ;
75. Member State - any Member State of the European Union or the European Economic Area;
76. host Member State - Member State other than the home Member State in which an investment firm has a branch or provides investment services and / or carries out investment activitiesor the Member State in which a regulated market provides adequate facilities to allow members or participants established in that Member State to participate in remote trading within its system;
77. Member State of origin:
a) for an investment firm:
(i) Romania - in the case of S.S.I.F. ;
(ii) the Member State in which its head office is situated - in the case of investment firms from other Member States, in the case of a natural person;
(iii) the Member State in which its registered office is situated - in the case of investment firms in other Member States, in the case of a legal person;
(iv) the Member State in which its principal place of business is situated - where, in accordance with its domestic law, it does not have its registered office;
b) for a regulated market, the Member State in which the regulated market is registered or, in accordance with the national law of that Member State, it has no registered office, the Member State in which its head office is situated;
c) for a APA, CTP, or an ARM:
(i) the Member State in which its principal place of business is located - where the APA, CTP or ARM is a natural person;
(ii) the Member State in which its head office is located - where the APA, CTP or ARM is a legal person;
(iii) the Member State in which its head office is situated - if, under the national law of that Member State, the APA, CTP or ARM does not have its registered office;

78. branch - place of business other than headquarters, which is part of an investment firm, not having legal personality and which provides investment services and / or carries out investment activitiesand which may also provide ancillary services for which the investment firm has obtained an authorization; all the places of work established in the sameMember State of an investment firm whose head office is in another Member State is considered to be a single branch;

79. durable support - any instrument that:

a)allows a customer to store personally-addressed information in a way that enables that information to be subsequently consulted for a period of time appropriate to the purpose of that information

b)allows accurate reproduction of stored information;

80. high frequency algorithmic trading technique - algorithmic trading technique characterized by:

a) an infrastructure designed to minimize latency of the network or other types, which has at least one of the following facilities for the algorithmic introduction of orders: co-location, proximity hosting or direct high-speed electronic access;

b) determining by system the initiation, generation, direction, or execution of orders without human intervention for individual transactions or orders;

c) intraday high rates of me A.S.F. ges constituting orders, quotes, or cancellations;

81. algorithmic trading - trading of financial instruments on the basis of a computerized algorithm that automatically establishes, with minimal human intervention or without human intervention, some individual parameters of the orders, such as the initiation of the order, the moment of initiation, the price or quantity of the order or how the order is to be handled after it is sent, and does not include systems used exclusively for the purpose of directing orders to one or more trading venues, the processing of orders that do not involve the establishment of trading parameters, order confirmation or post-transaction processing of executed transactions;

82. self-dealing - the conclusion of transactions on one or more financial instruments through equity;

83. third country - any state not belonging to the European Union or the European Economic Area;

84. securities - securities classes that can be traded on the capital market, except for payment instruments, such as:

a) shares in companies and other securities equivalent to shares held in companies, partnerships or other entities, and stock certificates for shares;

b) bonds and other securitized debt securities, including deposit certificates for such securities;

c) any other securities which confer the right to buy or sell such securities or which lead to a cash settlement,fixed in relation to securities, currencies, interest or profit rates, commodities or other indices or units of measurement.

(2) For the purposes of the present law, **market abuse** means illegal financial market behavior, implying abusive use, unauthorized disclosure of inside information and market manipulation, as they are regulated by Law no. 24/2017 and Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (Market

Abuse Regulation)and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Commission Directives 2003/124 / EC, 2003/125 / EC and 2004/72 /EC of the Comission,published in the Official Journal of the European Union, L series, no. 173/1 of 12 June 2014, hereinafter referred to as Regulation (EU) No. 596/2014.

Art. 4 The present law regulates:
a) the licensing and operating conditions applicable to S.S.I.F. ;
b) the provision of investment services or the carrying out of investment activities on Romanian territory by investment firms from Member States;
c) the provision of investment services or the conduct of investment activities by third country companies through the establishment of a branch;
d) authorization and operation of market operators and regulated markets;
e) authorization and operation of data reporting service providers;
f) supervision and enforcement of the provisions of this law by A.S.F. and its cooperation with the competent authorities;
g) authorization and operation of central depositories;
h) authorization and operation of central counterparties;
i) special administration, liquidation and insolvency measures applicable to the categories of entities expressly provided for by this law.

Art. 5(1) The provisions of art. 2, art. 6 para. (4), art. 10-12, art. 14, 15, 18, art. 21 para. (1), art. 25, 48, art. 49-56, art. 60, 61, art. 62 para. (3) and (4), art. 63-65, art. 67-74, art. 76 para. (1), art. 77-103, art. 105-109, art. 110 para. (8) and (9), art. 111-113, art. 115, 116, art. 118-121, art. 236 para. (1)-(3), art. 238, 243, 244, art. 252-254, art. 257, art. 261-263 shall also apply to credit institutions authorized under Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, approved with amendments and completions by Law no. 227/2007, with subsequent amendments and additions, where they provide one or more investment services and / or carry out one or more investment activities, as well as branches of credit institutions from other Member States providing investment services and activities on the territory of Romania.
(2) The provisions of art. 2, art. 21 para. (1), art. 25, 48, 50, 51, 54, art. 78-90, art. 95-103, art. 236 para. (1) - (3), Art. 252-254, art. 261-263also applies to S.S.I.F. and credit institutions authorized under Government Emergency Ordinance no. 99/2006, approved with amendments and completions by Law no. 227/2007, as amended and supplemented.
(3) The provisions of art. 63-65 shall also apply to members or participants in regulated markets and SMTs which are not required to obtain an authorization in accordance with this law, pursuant to the provisions of Art. 6 para. (1) let. (a), (e), (i) and (j).
(4) Art. 156-161 and Art. 258 shall also apply to the persons exempted under art. 6.
(5) All multilateral financial instrument systems shall either operate under Title II in respect of SMTs or SOTs or under Title III in respect of regulated markets.
(6) S.S.I.F. which trades on its own, in an organized, frequent, systematic and substantial manner, in executing client orders outside a regulated market, an SMT or a SOT shall operate in accordance with Title III of Regulation (EU) 600/2014.

(**7**) Without prejudice to the provisions of Art. 23 and art. Article 28 of Regulation (EU) No. 600/2014, all transactions under para. (5) and (6) with financial instruments not concluded under multilateral systems or independent operators, shall comply with the corresponding provisions set out in Title III of Regulation (EU) No. 600/2014.
(8) Credit institutions administering a SMT or a SOT subject to N.B.R.the intention to set up the SMT or the SOT, in accordance with the provisions of art. 2 para. (2) let. b) and art. 66.

Art. 6 (1) The present law does not apply:
a) insurance companies or companies performing the reinsurance and retrocession activities provided by Law no. 237/2015 regarding the authorization and supervision of the insurance and reinsurance activity, as subsequently amended, if it carries out the activities provided for by that law;
b) persons providing investment services exclusively to their parent companies, subsidiaries or other subsidiaries of their parent company;
c) persons who provide investment services occasionally in the course of a professional activity where this is governed by national law or a code of ethics which does not exclude the provision of that service;
d) to persons trading on their own account other financial instruments than commodity-derivative financial instrumentsor emission allowances or derivatives on them and which do not provide any other investment serviceor does not engage in any other investment activity in financial instruments other than commodity derivatives, emission allowances or derivatives on them, unless they:
1. are market makers;
2. are participants or members of a regulated market or SMT or have direct electronic access to a trading venue, with the exception of non-financial entities that execute transactions that can be measured objectively as reducing the risks directly related to the commercial activity or treasury financing activity of these non-financial entities or their groups;
3. apply a high frequency algorithmic trading technique;
4. trades on their own in executing client orders;
e) operators who have obligations imposed by the Government Decision no. 780/2006 on establishing the scheme for greenhouse gas emission allowance trading, with the subsequent amendments and completions, and by Government Emergency Ordinance no. 115/2011 on the establishment of the institutional framework and the authorization of the Government, through the Ministry of Public Finance, to auction the greenhouse gas emission allowances allocated to Romania at the level of the European Union, approved by Law no. 163/2012, with subsequent amendments and additions, which, if trading in emission allowances, does not execute client orders and does not provide any other investment serviceand does not engage in any investment activity other than own-account trading, provided that those persons do not use a high-frequency algorithmic trading technique;
f) to persons providing investment services consisting exclusively in managing an employee participation system;
g) persons providing investment services consisting only in the management of a system of employee participation and in the provision of investment services exclusively to their parent company, their subsidiaries or other subsidiaries of their parent company;

h) members of the European System of Central Banks, hereinafter referred to as the ESCB, and of national bodies with similar functions in the European Union, other public bodies in the European Union responsible for managing public debt or intervening in this management and international financial institutions set up by two or more Member Statesin order to mobilize funds and provide financial assistance to the benefit of their members who are affected or threatened by serious funding problems;
i) collective investment undertakings and pension funds, whether or not managed at European Union level, and depositories and managers of such bodies;
j) to the persons:
1.which trades on own account commodity derivatives or emission allowances or derivative financial instruments, including market makers, with the exception of persons traded on their own account in the execution of client orders;
2.which provide investment services, other than own-account trading, of commodity derivatives or emission certificates or derivative financial instruments, to clients or their main activity providers, provided that:
(i)for each of the above cases, considered individually and aggregated, such activities are ancillary to their core business at group level and that the principal activity is not to provide investment services within the meaning of this law, carrying out banking activities within the meaning of Government Emergency Ordinance no. 99/2006, approved with amendments and completions by Law no. 227/2007, with subsequent modifications and additions, or market-maker activities for commodity derivatives;
(ii)those persons do not use a high-frequency algorithmic trading technique;
(iii)those persons notify annually to the relevant competent authority that they benefit from this exemption and, on request, report to A.S.F. the elements on the basis of which it considers that the activities referred to in points 1 and 2 are ancillary to their main activity;
k) persons providing investment advisory services in the exercise of another professional activity not provided for in this Law, provided that the provision of such advisory services is not remunerated;
l) the transmission system operators defined in art. 3 pt. 40 or art. 100 point 65 of the Law on Electricity and Natural Gas no. 123/2012, as subsequently amended and supplemented, if they perform their duties under the provisions of this law, pursuant to Regulation (EC) no. 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) 1.228/2003, as subsequently amended, published in the Official Journal of the European Union, L series, no. 211/15 of 14 August 2009, pursuant to Council Regulation (EC) 715/2009 of the European Parliament and of the Council of 13 July 2009on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No. 1.775 / 2005, as subsequently amended, published in the Official Journal of the European Union, L series, no. 211/36 of 14 August 2009, either on the basis of network codes or guidelines adopted in accordance with those regulations, to any person acting as service provider on their behalf in order to carry out their task and any operator or administrator of an energy balancing system, pipeline network or system designed to balance supply and demand for energy when performing these tasks.

(2) Discharged under para. (1) let. (l) apply to persons engaged in the activities referred to in this point only if they carry out investment activities or provide investment services related to commodity-derivative financial instruments for the performance of those activities. This exemption does not apply to the management of a secondary market, including a secondary trading platform with financial transfer rights.
(3) Persons exempted under paragraph (1) let. a), i) or j) shall not comply with the conditions set out in paragraph (1) let. d) to be exonerated.
(4) The rights conferred by the present law do not apply to the provision of services as a counterparty in transactions carried out by public institutions responsible for the management of public debtor members of the ESCB, within the framework of the powers conferred by the Treaty on the Functioning of the European Union and by Protocol No. 4 on the Statute of the European System of Central Banks and of the European Central Bank or, equivalently, those conferred on it under national law.
(5) The provisions of Titles I-V, VIII and Chap. II, IV and V of Title X shall not apply to central depositaries, with the exception of those referred to in Art. 73 of Regulation (EU) No. 909/2014.

Art. 7(1) The provisions of the present law on the authorization requirement as S.S.I.F. does not apply to Romanian natural and legal persons who fulfill the following conditions:
a) are not authorized to hold client funds or client securities and therefore can not at any time be debtors to them;
b) are not authorized to provide investment services except for the takeover and transmission of orders for securities and fund units of some collective investment undertakings and / or the provision of investment advisory services for these financial instruments;
c) in the provision of the service referred to inlet. b) are authorized to send orders only to:
1. S.S.I.F. authorized in accordance with this law and investment firms from other Member States providing services in Romania on the basis of the passport regulated by this law or by similar normative acts in the Member States transposing the provisions of Directive 2014/65 / EU;
2. credit institutions authorized in accordance with Government Emergency Ordinance no. 99/2006, approved with amendments and completions by Law no. 227/2007, as amended and supplemented, and credit institutions authorized in accordance with similar regulatory acts in the Member States transposing the provisions of Directive 2013/36 / EU of the European Parliament and of the Council of 26 June 2013with regard to access to credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87 / EC and repealing Directives 2006/48 / EC and 2006/49 / EC, published in the Official Journal of the European Union, L series, no. 176/338 of 27 June 2013, hereinafter referred to as Directive 2013/36 / EU, which provides services in Romania on the basis of the passport provided by this law or similar normative acts in the Member States transposing Directive 2014/65 / EU;
3. branches of investment firms or credit institutions which are authorized in a third country and are subject to prudential rules considered by the competent authorities to be at least as strict as those provided for by this law, similar regulatory acts in Member States transposing Directive 2014/65 / EU, Regulation (EU) No. 575/2013, Government Emergency Ordinance

no. 99/2006, approved with amendments and completions by Law no. 227/2007, as amended and supplemented, or similar regulatory acts in Member States transposing Directive 2013/36 / EU;

4. undertakings for collective investment authorized under Government Emergency Ordinance no. 32/2012, approved with amendments and completions by Law no. 10/2015, with subsequent amendments and completions, and of Law no. 74/2015 regarding Alternative Investment Fund Managers, as subsequently amended and supplemented, and under the right of a Member State to sell units and the managers of such bodies;

d) provide investment services exclusively on commodities, emission allowances and / or derivatives on the sole purpose of covering the commercial risks of their customers where such customers are exclusively economic operators in the electricity sector, defined in art. 3 point 42 of the Law no. 123/2012, as subsequently amended or supplemented, or economic operators in the natural gas sector, as defined in art. 100 point 67 of the same normative actand provided that such clients jointly own 100% of their voting rights or voting rights, exercise joint control and be exempted under art. 6 para. (1) let. j) if they themselves provide these investment services;

e) provides investment services exclusively on emission allowances and / or derivative financial instruments with the sole purpose of covering the commercial risks of their clients, if the respective clients are exclusively operators defined in art. 3 let. g) Government Decision no. 780/2006, as amended and supplemented, and provided that such clients jointly own 100% of their voting rights or voting rights, exercise joint control and be exempted under art. 6 para. (1) let. j) if they provide these investment services themselves.

(2) The natural and legal persons referred to in paragraph (1) let. b) who provide investment advisory services must be authorized by A.S.F. as investment consultants.

Art. 8(1) The persons referred to in art. 7 para. (1) are authorized by A.S.F. in accordance with the regulations issued in this respect, which will contain provisions equivalent to the following requirements:

a) the conditions and procedures for authorization and continuous supervision set out in Art. 10 para. (1) - (5), art. 12 para. (1) and (2), art. 15 para. (1), (2) and (4), art. 16, art. 17 para. (1) and (6), art. 19, art. 21 para. (1), art. 24 paragraph (6), art. 25-27, art. 28 para. (1) and (2), art. 34 let. a) -c), art. 35, 36, art. 76-80 of this Law, as well as in delegated acts adopted by the Commission in accordance with art. 89 of Directive 2014/65 / EU;

b) the rules of professional conduct provided by art. 81 paragraph (1), art. 82 para. (1) - (4), art. 83 para. (2), art. 85 para. (4), art. 87 para. (3) and (4), art. 89 para. (1) - (6), art. 97-101 of this Law, as well as the related implementing measures;

c) the organizational requirements provided in art. 51 para. (1), (6) and (7), art. 54, 55 of this Law, as well as in the corresponding delegated acts adopted by the Commission in accordance with art. 89 of Directive 2014/65 / EU.

(2) Taking into account the size, the risk profile and the legal nature of the persons referred to in art. 7 para. (1), they are required to have professional indemnity insurance to provide clients with an equivalent degree of protection to that provided by an investor-compensation schemerecognized in accordance with Directive 97/9 / EC of the European Parliament and of

the Council of 3 March 1997 on investor-compensation schemes, published in the Official Journal of the European Union, L series, no. 084/22 of 26 March 1997.
(3) The persons referred to in art. 7 para. (1) shall not enjoy the freedom to provide services or to carry out activities, nor the freedom to set up branches in accordance with the provisions of art. 109-118.

Art. 9(1) All authorizations granted under art. 8 para. (1) contain the mention that they are granted according to the provisions of art. 7 and 8.
(2) A.S.F. inform the European Commission and ESMA of the exclusions provided in Art. 7.
(3) A.S.F. ESMA communicates the legal provisions regarding the requirements imposed in accordance with art. 8 para. (1) and (2).

TITLE II: Terms of authorization and operation

CHAPTER I: Authorization conditions and procedures

SECTION 1: Authorization requirements

Art. 10(1) The provision of investment services and / or the carrying out of investment business activities and the provision of ancillary service provided for in point 1 of Section B of Annex no. 1are made only on the basis and within the limits of the authorization previously granted by A.S.F. in the case of S.S.I.F. and N.B.R., in the case of credit institutions.
(2) Each authorization shall be notified to ESMA by A.S.F.
(3) N.B.R. requires A.S.F. to verify that the credit institution complies with the provisions of this law applicable to it in the following circumstances:
a) the credit institution requires N.B.R. the constituent approval and has included in the scope of activity subject of approval the provision of investment services and / or the carrying out of investment activities with financial instruments other than those provided by art. 2 para. (3);
b) the credit institution shall submit to N.B.R .modification of the object of activity with a view to its completion with the investment services and activities, as well as with the auxiliary services and / or the carrying out of investment activities with financial instruments other than those provided by art. 2 para. (3).
(4) A.S.F. grants the authorization of S.S.I.F. in accordance with the provisions of this Title, and in accordance with EU regulations issued pursuant to Directive 2014/65 / EU.
(5) S.S.I.F. works only on the basis of A.S.F. and provides, within the limits of the authorization granted, for the services and investment activities provided for in Section A of Annex no. 1 and the ancillary services provided in Section B of Annex no. 1.
(6) Credit institutions may provide the ancillary services referred to in Section B of Annex no. 1 only with the investment services and activities set out in Section A of Annex no. 1.
(7) A.S.F. issues regulations on the categories of activities that may be provided by a SFSF other than those set out in Sections A and B of Annex no. 1, including those that can be carried out according to the provisions of art. 776 of Law no. 287/2009 on the Civil Code, republished, as amended.

(8) The activities provided in paragraph (7) subject to authorization, approval or endorsement may be conducted by S.S.I.F. only after obtaining them.
(9) A.S.F. supervises S.S.I.F. and credit institutions only on the scope of activity falling within its sphere of competence, as provided by the Government Emergency Ordinance no.93/2012, approved with amendments and completions by Law no. 113/2013, as amended and supplemented.
(10) By way of exception to the provisions of paragraph (1), A.S.F. may authorize any market operator to manage an SMT or a CTM, subject to prior verification that the operator concerned duly complies with the provisions of Art. 12-16, art. 17 para. (1), art. 19-28, art. 34-56 and art. 61-74.
(11) By way of exception to the provisions of paragraph (6), credit institutions registered in the A.S.F. Register. may provide the auxiliary service referred to in point 1 of Section B of Annex no. 1 without providing the services and investment activities provided in Section A of Annex no. 1.

Art. 11(1) The provision of services and the carrying out of the investment activities are performed by natural persons, employed by S.S.I.F. , who carry out their activity on behalf of a single S.S.I.F. and which can not provide investment services and activities on their own behalf.
(2) The persons providing services and investment activities are registered in the A.S.F. Register. or is notified to A.S.F. , depending on the services and investment activities performed, and must meet, as the case may be, the experience and training criteria established by A.S.F. in accordance with the requirements imposed by the ESMA regulations issued in accordance with the provisions of Art. 16 para. (1) of Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision no. 716/2009 / EC and repealing Commission Decision 2009/77 / EC, published in the Official Journal of the European Union, L series, no. 331/84 of 15 December 2010, hereinafter referred to as Regulation (EU) No. 1095/2010.

Art. 12(1) A.S.F. register all S.S.I.F. and credit institutions operating under the provisions of this law in the A.S.F. Register.
(2) The A.S.F. Register is publicly available, regularly updated, and contains information about services or activities for which S.S.I.F. and credit institutions are authorized.
(3) In all official documents, S.S.I.F. and the credit institution must indicate, in addition to its identification data, the number and date of the entry in the A.S.F. Registry.

Art. 13 S.S.I.F. is authorized by A.S.F. to provide investment services or to carry out investment activities if it has its registered office in Romania.

SECTION 2: Scope of the authorization

Art. 14(1) The authorization granted by A.S.F. to an S.S.I.F. , respectively the authorization granted by N.B.R.in the case of a credit institution, expressly mentions the investment

services or activities, as well as the ancillary services which it is authorized to provide and can not include exclusively auxiliary services, as set out in Annex no. 1 section B.
(2) Any S.S.I.F. intending to expand its activity with other investment services or activities or other ancillary services or to restrict the activity foreseen at the time of the initial authorization, sends to A.S.F. , prior to the registration with the National Trade Register Office, a request for modification of the initial authorization.
(3) The authorization granted by A.S.F. is valid in the European Union and permits a S.S.I.F. to provide the investment services or to carry out the investment activities for which it has been authorized in the European Union either by the right of establishment, including through a branch or under the freedom to provide services.

SECTION 3: Procedures for approving and rejecting applications for authorization

Art. 15(1) A.S.F. shall not grant the authorization before the company for which the authorization is requested complies with all the requirements laid down by the provisions of this law and the regulations issued by A.S.F. in its application, as well as the provisions of the European Union regulations issued pursuant to Directive 2014/65 / EU.
(2) N.B.R.does not grant a credit institution authorization for the provision of services or the carrying on of investment activities until after the confirmation by A.S.F. the fulfillment by that credit institution of all the requirements laid down by the provisions of this law and the regulations issued in its application and by the provisions of European Union regulations issued pursuant to Directive 2014/65 / EU.
(3) N.B.R. immediately informs A.S.F. on the granting of authorization to a credit institution for the provision of services and the pursuit of investment activities.
(4) S.S.I.F. provides all the information, including a business plan detailing among other things the types of operations envisaged and the organizational structure so that A.S.F. be able to ensure that S.S.I.F. has taken all necessary measures, at the time of initial authorization, to comply with the obligations under this law, the regulations issued in its application, and the European Union regulations issued pursuant to Directive 2014/65 / EU.
(5) For the purpose of authorization by A.S.F. , the information and documents that must be submitted by S.S.I.F. according to para. (4) are laid down in the European regulations issued pursuant to Directive 2014/65 / EU.
(6) A.S.F. is entitled not to grant the authorization for the provision of investment services or the carrying out of investment activities to a S.S.I.F. if, although the requirements set out in paragraph (5) are met, it is proven that it can not insure a healthy and prudent administration of S.S.I.F. .
(7) The provisions of para. (2) regarding the confirmation by A.S.F. shall apply only if the credit institution provides investment services and / or carries out activities with financial instruments other than those provided by art. 2 para. (3).

Art. 16(1) Within 6 months from the date of submission of all the documents referred to in art. 15 para. (5) and full information requested by A.S.F. for authorization, A.S.F. grants the authorization of S.S.I.F. or, if the application is rejected, issues a reasoned decision that can be appealed within 30 days from the date of its communication.

(2) Within 6 months from the date of provision of the information provided in Art. 15 para. (4), N.B.R. grant authorization to a credit institution for the provision of services or carry out investment activities, or issue a duly motivated decision if the application is rejected, within 30 days of its communication.

SECTION 4: Withdrawal of authorizations

Art. 17(1) A.S.F. is entitled to withdraw the authorization of any S.S.I.F. which:
a) does not use the authorization within 12 months from the date of its communication, expressly renounces the authorization, has not provided any investment service or has carried out any investment activity in the last 6 months, unless A.S.F. suspended the authorization during this period;
b) obtained the authorization by making false statements or by any other incorrect way;
c) no longer meets the conditions under which the authorization was granted, such as the initial minimum capital requirements, in accordance with the requirements of this law or with the requirements of Regulation (EU) No 575/2013 and the A.S.F. Rules. issued in its application;
d) has seriously and systematically violated the provisions of this law, the regulations issued by A.S.F. in its application or European regulations issued pursuant to Regulation (EU) No. 600/2014, as regards the operating conditions applicable to S.S.I.F.
(2) In the cases provided in paragraph (1) let. a), b) and d), A.S.F. immediately informs N.B.R.in order to withdraw the authorization of the credit institution granted under the provisions of art. 10 para. (1).
(3) At the express request of a S.S.I.F. , following the decision of the Extraordinary General Meeting of Shareholders, A.S.F. withdraws authorization to provide investment services and activities in accordance with the regulations issued for that purpose.
(4) From the date of publication in the Official Journal of Romania of the decision of the extraordinary general meeting of the shareholders provided in paragraph (3) until the date of withdrawal by A.S.F. of the authorization granted under Art. 10, S.S.I.F. may only perform operations necessary to complete the withdrawal procedure.
(5) During the period provided for in paragraph (4), S.S.I.F. is exempted from the fulfillment of the capital requirements provided in art. 47.
(6) A.S.F. notifies ESMA of any withdrawal of the authorization of a S.S.I.F. or a credit institution providing investment services and activities.

Art. 18(1) Where a credit institution no longer complies with the conditions imposed by this law for the provision of services and investment activities with financial instruments other than those provided by art. 2 para. (3), A.S.F. immediately notify N.B.R .regarding this situation.
(2) In the situation foreseen in para. (1), N.B.R.is entitled to withdraw from the respective credit institution the authorization to provide the services and investment activities provided by the present law.
(3) At the time of suspension or withdrawal of the authorization of a credit institution, N.B.R.notifies A.S.F. with regard to the adoption of this measure.

SECTION 5: The governing body

Art. 19 In order to obtain the authorization in accordance with art. 10, S.S.I.F. and their governing body must meet the conditions set out in art. 21-24, as laid down in ESMA's regulationsissued in accordance with the provisions of art. 16 para. (1) of Regulation (EU) No. 1.095 / 2010, as well as in the regulations issued by A.S.F. in the application of the provisions of the European regulations.

Art. 20 A.S.F. establishes by regulation the criteria on the basis of which it considers that S.S.I.F. is significant in terms of size and internal organization as well as the nature, extent and complexity of the activity.

Art. 21(1) The governing body of a S.S.I.F. defines, supervises and is responsible for implementing the governance mechanisms of S.S.I.F. to ensure the efficient and prudent administration of S.S.I.F. ., including the separation of responsibilities within it and the prevention of conflicts of interest in a way that promotes the integrity of the market and the interests of its clients.
(2) For the purposes of paragraph (1), the organizational structure of a S.S.I.F. must ensure compliance with the following principles:
a) the governing body must be fully accountable for S.S.I.F. and must approve and oversee the implementation of strategic objectives, risk management strategy and organization of S.S.I.F. ;
b) the management body must ensure the integrity of accounting and financial reporting systems, including financial and operational controls and compliance with relevant legislation and standards;
c) the governing body must oversee the process of publishing information and communicating;
d) the governing body should be responsible for ensuring effective supervision of senior management.
(3) The chairman of the governing body in his position of supervising a S.S.I.F. must not simultaneously perform an execution function within the same S.S.I.F. , unless this overlapping of functions is justified by S.S.I.F. and is authorized by A.S.F.
(4) By way of exception to the authorization provided for in paragraph (3), S.S.I.F. , which are not significant in terms of size, internal organization, the nature of the expansion and the complexity of their activities, transmit to the A.S.F. a justification of the need to cumulate the two functions within the organizational structure.
(5) The governing body of a S.S.I.F. approves and reviews periodically the strategies and policies for assuming, managing, monitoring and mitigating the risks to which S.S.I.F. is or might be exposed, including those from the macroeconomic environment in which S.S.I.F. operate and are related to the stage of the economic cycle.

Art. 22 The management body monitors and periodically evaluates the effectiveness of the organizational structure of S.S.I.F. and take appropriate action to remedy any deficiency.

Art. 23(1) S.S.I.F. which are significant in terms of size and internal organization, as well as the nature, extent and complexity of their activity, establishes a nomination committee composed of members of the governing body that does not exercise any executive function in that S.S.I.F.

(2) The nomination committee has the following tasks:

a) identifies and recommends for approval to the governing body or the general meeting of the shareholders candidates for filling vacant positions within the management body, assesses the balance of knowledge, skills, diversity and experience within the management body, prepares a description of roles and capabilities for appointment to a particular post, and assesses the expectations of the time allocated to it;

b) periodically assess, at least once a year, the structure, size, composition and performance of the management body and make recommendations to the latter regarding any changes;

c) evaluate at regular intervals, at least once a year, the knowledge, skills and experience of each member of the management body and of the management body as a whole and report to the management body in an appropriate manner;

d) periodically reviews the policy of the management body as regards the selection and appointment of senior management and makes recommendations to the management body.

(3) For the purposes of the provisions of paragraph (2) let. a) the nomination committee also decides on a target for representing the under-represented gender in the governing body, and develops a policy on how to increase the number of under-represented sex in the governing body to achieve that target. The target, policy and implementation should be published in accordance with art. 435 para. (2) let. c) of Regulation (EU) No. 575/2013.

(4) In carrying out its duties, the nomination committee shall, as far as possible and on a permanent basis, take into account the need to ensure that the decision-making process of the governing body is not dominated by any person or group of persons in a manner which is detrimental to S.S.I.F. 's interests overall.

(5) The nomination committee may use any resources it considers appropriate, including external consultancy, and receive appropriate funding in this respect.

Art. 24(1) Members of the management body shall at all times be of good repute and have sufficient knowledge, skills and experience to carry out their duties. The entire composition of the management body reflects a sufficiently wide range of experiences. Members of the management body shall in particular meet the requirements set out in paragraph (2) - (8).

(2) All members of the management body must devote sufficient time to carry out their duties within the S.S.I.F.

(3) The number of managerial positions that may be held simultaneously by a member of the management body shall be determined in the light of the specific circumstances and the nature, scale and complexity of the activities of the S.S.I.F. unless it represents the Member State, the members of the governing body of a S.S.I.F. which is significant in terms of size, internal organization and the nature, object and complexity of its activities, at the same time holds only one of the following combinations of management functions:

a) an executive management function with two non-executive leadership functions;

b) 4 non-executive leadership functions.

(4) For the purposes of the provisions of paragraph (3), the following are considered to be a single driving function:
a) executives or non-executive directors held within the same group;
b) executive or non - executive positions held within the:
(i) S.S.I.F. which are members of the same institutional protection system, if the conditions provided in art. 113 para. (7) of Regulation (EU) No. 575/2013;
(ii) companies, including non-financial entities, in which S.S.I.F. has a qualifying holding.
(5) Governing functions in organizations that do not predominantly pursue commercial objectives are not considered within the meaning of paragraph (3).
(6) At the justified request of S.S.I.F. , A.S.F. may authorize members of the management body to hold an additional non-executive function. A.S.F. it shall periodically inform ESMA of such authorizations.
(7) S.S.I.F. allocate adequate human and financial resources for the integration and training of members of the management body.
(8) S.S.I.F. and their nominating committees should use a wide range of qualities and skills when recruiting members of the governing body and, in doing so, implementing a policy of promoting diversity within the governing body.
(9) The governing body of a S.S.I.F. possesses, as a whole, appropriate knowledge, skills and experience to be able to understand S.S.I.F. activities, including the main risks.
(10) Each member of the governing body of a S.S.I.F. act with honesty, integrity and independence of mind to effectively evaluate and challenge senior management decisions if necessary and to effectively supervise and monitor senior management decision-making.
(11) The terms and expressions of good repute, the possession of sufficient knowledge, competence and experience, dedication of sufficient time, diversity promotion policy, honesty, integrity and independence of mind contained in this article have the meaning provided by ESMA regulations issued in accordance with the provisions of art. 16 para. (1) of Regulation (EU) No. 1095/2010.

Art. 25(1) Without prejudice to the requirements of Art. 21 and 22, the mechanisms provided for in paragraph (2) ensure that the governing body defines, approves and supervises:
a) the organization of S.S.I.F. for the purpose of providing investment services and carrying out investment activities as well as ancillary services, including the skills, knowledge and experience required of the personnel, the resources, procedures and mechanisms for providing services and carrying on activities, taking into account the nature, scale and complexity of the S.S.I.F. activity profile, as well as the requirements it has to meet;
b) policies relating to services, activities, products and operations offered or provided in accordance with the level of risk tolerance of S.S.I.F. ., with the profile and needs of S.S.I.F. to whom they are offered or provided, including, where appropriate, crisis simulations;
c) the remuneration policy of persons involved in the provision of customer service, aimed at encouraging responsible professional conduct, fair treatment of clients, and avoidance of conflicts of interest in customer relations.
(2) The management body monitors and periodically evaluates the adequacy and implementation of the strategic objectives of the S.S.I.F. in respect of the provision of investment services and the conduct of investment activities and the provision of ancillary

services, the effectiveness of the governance mechanisms of S.S.I.F. and appropriateness of policies on customer service provision and takes the necessary steps to address possible shortcomings.
(3) Members of the management body shall have adequate access to the necessary information and documents for the supervision and monitoring of the management decision-making process.

Art. 26 A.S.F. is entitled not to grant authorization to a S.S.I.F. if:
a) is not convinced that members of the governing body of S.S.I.F. have a sufficiently good reputation, possess sufficient knowledge, skills and experience and devote sufficient time to carry out their tasks within S.S.I.F. ;
b) there are objective and proving reasons to believe that the governing body of S.S.I.F. would risk compromising its effective, fair and prudent management and affecting the proper consideration of the interests of its clients and the integrity of the market.

Art. 27 S.S.I.F. are required to request A.S.F. authorizing all members of the management bodies before the start of their mandate, as well as informing A.S.F. with regard to any change in their composition, communicating all the information necessary to assess whether the requirements of Art. 19 and art. 21-25.

Art. 28(1) Effective leadership of S.S.I.F. the applicant is insured by at least two persons who meet the requirements of art. 19.
(2) By way of exception to the provisions of paragraph (1), A.S.F. may authorize a S.S.I.F. provided in art. 47 para. (3) and (4) be managed by a single individual in accordance with the regulations issued by A.S.F. with the obligation to fulfill at least the following conditions:
a) S.S.I.F. take additional measures to ensure its proper and prudent management with due regard to customer interests and market integrity;
b) compliance by the individual providing the administration of a S.S.I.F. good repute requirements, sufficient knowledge, skills and experience and sufficient time to carry out its tasks.
(3) The directors, respectively the members of the directorate, are the persons who, according to the constitutive documents and / or the decision of the statutory bodies of S.S.I.F. , are empowered to manage and coordinate its daily activity and are entrusted with the competence of assuming the responsibility of S.S.I.F. ; this category does not include persons who directly manage the departments of the S.S.I.F. , branches and other secondary establishments. In the case of branches of investment firms / credit institutions, foreign legal entities providing investment services and activities on the territory of Romania, directors are the persons empowered by the investment firm / credit institution to lead the branch activity and to legally engage in Romania the investment firm / credit institution.
(4) The directors and the members of the directorate must actually ensure the current management of the S.S.I.F. activity, exercise exclusively the function for which they have been appointed and fulfill the conditions imposed by the European regulations and by A.S.F.

Art. 29 Administration of a S.S.I.F. can only be provided by natural persons.

SECȚIUNEA 6: People holding key functions

Art. 30 S.S.I.F. establishes and maintains a compliance function in compliance with European regulations issued pursuant to Directive 2014/65 / EU, to oversee compliance by S.S.I.F. and its staff of the legislation in force affecting the capital market, as well as its own internal rules.

Art. 31 S.S.I.F. establishes and maintains a risk management function in compliance with European regulations issued pursuant to Directive 2014/65 / EU.

Art. 32 S.S.I.F. establishes and maintains an internal audit function in compliance with European regulations issued pursuant to Directive 2014/65 / EU.

Art. 33 The conditions to be fulfilled by persons holding key positions within a S.S.I.F. are provided by the European regulations issued in application of art. 16 of Directive 2014/65 / EU and the A.S.F. issued in application of the provisions of the European regulations.

SECTION 7: Shareholders and associates holding qualifying holdings

Art. 34 A.S.F. is entitled not to grant the authorization for the provision of investment services or the carrying out of investment activities to a S.S.I.F. if:
a) S.S.I.F. did not disclose the identity of the direct or indirect shareholders, natural or legal persons, who hold qualifying holdings, and the value of those holdings;
b) taking into account the need to ensure the correct and prudent administration of a S.S.I.F. , A.S.F. can not assess, on the basis of the information received, that shareholders holding qualifying holdings fulfill the conditions laid down by the applicable law in force;
c) if there are close links between S.S.I.F. and other natural or legal persons, these links prevent it from exercising its supervisory functions effectively;
d) any of its significant shareholders do not meet the eligibility conditions set out in A.S.F. implementing ESMA guidelines issued in relation to the provisions of Directive 2014/65 / EU.

Art. 35 A.S.F. may refuse to grant an authorization to provide investment services or carry out investment activitiesto a S.S.I.F. where the laws, regulations or administrative provisions of a third country applicable to one or more natural or legal persons with whom S.S.I.F. has close tiesor certain difficulties in the application of the abovementioned acts prevent it from effectively exercising its supervisory functions.

Art. 36(1) If the influence exercised by the persons provided in art. 34 let. a) may prejudice the correct and prudent administration of a S.S.I.F., A.S.F. adopt measures to stop this situation.
(2) The measures provided for in paragraph (1) may include referral to courts and application by A.S.F. sanctions to the administrators and persons responsible for the management of the

activity or suspension of the voting rights attached to the shares held by the respective shareholders.

SECTION 8: Notification of procurement projects

Art. 37(1) Any natural or legal person or such persons acting in concert, hereinafter referred to as the potential acquirer, who have decided to acquire, directly or indirectly, a qualifying holding in a S.S.I.F. or to increase, directly or indirectly, such a qualifying holding in a S.S.I.F. so that the proportion of voting rights or capital held is equal to or greater than 20%, 33% or 50% or so that S.S.I.F. to become their subsidiary, hereinafter referred to as the acquisition project, must first notify A.S.F. , in writing, indicating the value of the stake concerned and the relevant information, as provided in Art. 44 para. (3) first sentence and in European regulations issued pursuant to Directive 2014/65 / EU.
(2) Any natural person or legal entity that has decided to surrender, directly or indirectly, a qualifying holding in a S.S.I.F. , must first notify A.S.F. , in writing, indicating the size of the participating interest.
(3) The obligation to notify A.S.F. there is for the person stipulated in para. (2) and if it has decided to reduce its qualifying holding, so that the proportion of the voting rights or the capital held will fall below 20%, 33% or 50%, or so S.S.I.F. to cease being its subsidiary.
(4) In order to determine whether the criteria for qualifying holding referred to in Art. 34-36 and this Article shall not take into account the voting rights or shares held by investment firms or credit institutions as a result of the underwriting of financial instrumentsand / or the placement of financial instruments on a firm commitment basis as set out in Annex no. 1 section A point 6, provided that those rights are not exercised or otherwise used to intervene in the management of the issuer's activity on the one hand and ceded within one year from the date of acquisition on the other.

Art. 38(1) When carrying out the assessment provided for in Art. 43, A.S.F. consult with the competent authorities concerned if the proposed acquirer is:
a) a credit institution, an insurance undertaking, a reinsurance undertaking, an investment firm or an investment management company authorized in another Member State or in a sector other than the one covered by the acquisition;
b) the parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, company or management company authorized in another Member State or in a sector other than that covered by the acquisition;
c) a natural person or a legal entity controlling a credit institution, an insurance undertaking, a reinsurance undertaking, an investment firm or an investment management company authorized in another Member State or in a sector other than the target purchase.
(2) The consultation provided in paragraph (1) consists in the reciprocal provision of information essential or relevant for the assessment without undue delay between the competent authorities.
(3) A.S.F. at the request of another competent authority of an investment firm that is targeted by a potential acquirer, communicates any relevant information and is required to communicate on its own initiative any information that it considers essential.

(4) Any decision by A.S.F. with regard to S.S.I.F. proposed for acquisition will indicate any views or reservations made by the competent authority responsible for the proposed acquirer.

Art. 39(1) S.S.I.F. who are informed of any acquisition or disposal of holdings held in their capital that would cause such participations to exceed or fall below one of the thresholds set out in Art. 37 paragraph (1) shall promptly notify ASF.
(2) At least once a year, S.S.I.F. must forward to A.S.F. the names of the shareholders holding qualifying holdings and the value of these holdings, in accordance with the provisions of Law no. 24/2017.

SECTION 9: Evaluation term

Art. 40 Within two working days of receiving the notification provided in art. 37 paragraph (1) as well as from the eventual subsequent receipt of the information provided in art. 42 para. (1), A.S.F. communicates to the potential purchaser the acknowledgment of receipt in writing, also communicating the expiry date of the evaluation period.

Art. 41 A.S.F. shall carry out the assessment within 60 working days from the date of the written acknowledgment of receipt of the notification and of all documents required to be attached to the notification on the basis of the list provided for in Art. 44 para. (3).

Art. 42(1) During the evaluation period, but no later than the 50th working day of that term, A.S.F. may, if necessary, request additional information in writing in order to complete the assessment.
(2) The evaluation term is interrupted between the date of request for information by A.S.F. provided in paragraph (1) and the date of receipt of the potential purchaser's response to this request.
(3) The interruption foreseen in para. (2) may not exceed 20 working days.
(4) Any additional requests made by A.S.F. in order to complete or clarify the information, requested after the deadline stipulated in paragraph (1) shall not interrupt the assessment period.
(5) A.S.F. may prolong the period of interruption foreseen in para. (3) up to 30 business days if the proposed acquirer falls into one of the following categories:
a) natural persons or legal entities established or regulated by outside the European Union;
b) natural persons or legal entities that are not subject to supervision under this law or the Government Emergency Ordinance no. 32/2012, approved with amendments and completions by Law no. 10/2015, with subsequent amendments and completions, of Law no. 237/2015, as subsequently amended, or of Government Emergency Ordinance no. 99/2006, approved with amendments and completions by Law no. 227/2007, as amended and supplemented.
(6) If, on completion of the evaluation, A.S.F. decides to oppose the proposed acquisition, it shall issue a reasoned decision communicating it to the proposed acquirer within two working days and without exceeding the assessment period. A.S.F. shall make the reasons for the decision available to the public.

(7) In the event that A.S.F. does not oppose the proposed acquisition, expressing it in writing during the evaluation period, it shall be deemed approved.
(8) The acquisition shall be completed within 60 days of the date of its approval, which may be extended at the reasoned request of the proposed acquirer.
(9) A.S.F. does not impose more stringent requirements than those provided for by this law for the notification and approval by the competent authorities of direct or indirect acquisitions of capital or voting rights.

SECTION 10: Evaluation

Art. 43(1) To ensure the correct and prudent administration of S.S.I.F. targeting the acquisition plan and taking into account the potential influence of the potential purchaser on S.S.I.F., when examining the notification provided in art. 37 and the information provided in art. 42 para. (1) - (4), A.S.F. assesses the suitability of the proposed acquirer and the financial soundness of the proposed acquisition on the basis of the cumulative fulfillment of the following criteria:
a) the reputation of the proposed acquirer;
b) the reputation and experience of any person who will lead the work of S.S.I.F. following the acquisition project;
c) the financial soundness of the proposed acquirer, in particular as regards the type of activity pursued and envisaged to be carried out within the S.S.I.F. within the procurement project;
d) the capacity of S.S.I.F. to observe and continue to comply with the prudential requirements under this law and the Government Emergency Ordinance no. 98/2006 on the supplementary supervision of credit institutions, insurance and / or reinsurance companies, financial investment services companies and investment management companies from a financial conglomerate, approved with amendments and completions by Law no. 152/2007, with the subsequent amendments and additions, in particular the condition that the group to which it belongs will have a structure allowing the exercise of effective supervision, an effective exchange of information between the competent authorities and the division of responsibilities between competent authorities;
e) the existence of reasonable grounds to suspect that a money laundering or terrorist financing operation is under way in connection with the proposed acquisition, has been or is being attempted or that the proposed acquisition could increase the risk of it, within the meaning of Law no. 656/2002 on the prevention and sanctioning of money laundering, as well as for the introduction of measures for the prevention and combating of terrorist financing, republished, as subsequently amended and supplemented.
(2) In order to verify the integrity of a shareholder of a S.S.I.F. or an entity that intends to acquire, directly or indirectly, shares of a S.S.I.F. , A.S.F. may request the provision of identification data to any shareholder, natural person and / or legal entity that has, directly or indirectly, a qualifying holding.
(3) The terms and expressions of reputation and financial soundness of the proposed acquirer in this Article have the meaning of ESMA regulations issued in accordance with the provisions of Art. 16 para. (1) of Regulation (EU) No. 1095/2010.

Art. 44(1) A.S.F. may oppose the proposed acquisition only if there are reasonable grounds for doing so on the basis of the criteria set out in Art. 43, or where the information provided by the proposed acquirer is incomplete.
(2) A.S.F. does not impose preconditions with regard to the share of participation to be acquired nor does it examine the proposed acquisition in terms of the economic needs of the market.
(3) A.S.F. shall make public the list of information necessary for carrying out the assessment and shall be provided to it at the time of the notification referred to in Art. 37. The information requested by A.S.F. are proportionate to the nature of the proposed acquirer and the proposed acquisition and adapted to it. A.S.F. does not require information that is not relevant for a prudential assessment.

Art. 45 Without prejudice to the provisions of Art. 40, 41 and art. 42 para. (1) - (5), A.S.F. treats prospective purchasers in a non-discriminatory manner if notified in connection with two or more acquisition or increase of qualifying holdings for the same S.S.I.F.

SECTION 11: Initial capital provision

Art. 46 A.S.F. is entitled to refuse authorization if S.S.I.F. concerned does not have sufficient initial capital in accordance with the requirements of this law, Regulation (EU) No. 575/2013 and the A.S.F. issued in application thereof, taking into account the nature of the service or investment activity envisaged.

Art. 47(1) The initial minimum capital of a S.S.I.F. will be determined in compliance with the European Union regulations and may consist of one or more of the elements provided in art. 26 para. (1) let. (a) to (e) of Regulation (EU) 575/2013.
(2) S.S.I.F. which does not trade in financial instruments on its own account or does not subscribe to financial instruments on the basis of a firm commitment but which holds funds and / or financial instruments of clientsand provides one or more of the services listed in annex no. 1 Section A, points 1, 2 and 4 will have a minimum initial capital level equal to the equivalent in lei of the amount of 125,000 euros.
(3) S.S.I.F. which does not trade in financial instruments on its own account or does not underwrite on financial instruments under a firm commitment and does not own money and / or client financial instrumentsand provides one or more of the services listed in annex no. 1 Section A, points 1, 2 and 4 will have a minimum initial capital equal to the equivalent in lei of 50,000 euros.
(4) S.S.I.F. which does not provide the auxiliary services mentioned in Annex no. 1 Section B, point 1, which does not have the funds and / or financial instruments of the clients, which for this reason can not be in a debtor position towards the respective clientsand provides one or more of the services listed in annex no. 1 Section A, points 1, 2, 4 and 5 will have:
a) a minimum initial capital level equal to the lei equivalent of 50,000 euros;
b) professional indemnity insurance covering the entire territory of the European Union or another comparable guarantee of liability for professional negligence amounting to at least

1 000 000 EUR per claim and a total of 1 500 000 EUR per year for all applications of compensation;
c) a combination of initial capital and professional indemnity insurance in a form resulting in a level of cover equivalent to that provided for in subparagraph a) or b).
(5) S.S.I.F., other than those referred to in paragraph (2) - (4) shall have a minimum initial capital equal to the equivalent in lei of 730,000 EUR.
(6) By way of exception to the provisions of paragraph (2) and (3), S.S.I.F. who are authorized to carry out the activity provided in Annex no. 1 Section A (2) may hold financial instruments on its own account if the following conditions are met:
a) such positions occur only as a result of the incapacity of S.S.I.F. to execute exactly the orders of the investors;
b) the total market value of all such positions is subject to a ceiling of 15% of the initial capital of the S.S.I.F. ;
c) S.S.I.F. meets cumulatively the requirements of art. 92-95 and Part IV of Regulation (EU) No. 575/2013;
d) such positions are incidental and provisional and are strictly limited to the time required to carry out the transaction in question.
(7) Owning by S.S.I.F. of positions in financial instruments that are not in the marketable portfolio of that S.S.I.F. for the purpose of investing own funds shall not be considered as own-account trading in relation to the provisions of paragraph (2) and (3).
(8) The amount in lei of the initial minimum capital levels of S.S.I.F. , as determined in euros in accordance with this article, is determined by converting amounts expressed in euro on the basis of the annual average exchange rate communicated by BCN at the end of the fiscal year.

SECTION 12: Adhering to an accredited investor compensation scheme

Art. 48(1) Any entity requesting authorization as S.S.I.F. shall, at the time of issuing the respective authorization, comply with its obligations under the provisions of Art. 44-52 of the Law no. 297/2004 regarding the capital market, with subsequent amendments and completions.
(2) The obligation stipulated in para. (1) has to be respected in relation to structured deposits issued by credit institutions that are members of a Deposit Guarantee Scheme recognized under Law no. 311/2015.

SECTION 13: Organizational requirements

Art. 49 S.S.I.F. authorized in Romania must perform during the course of their activity the organizational requirements stipulated in this section and by the delegated Regulation(EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council as regards organizational requirementsand operating conditions applicable to investment firms and defined terms for the purposes of that Directive, hereinafter referred to as the Delegated Regulation (EU) 2017/565.

Art. 50 S.S.I.F. must establish appropriate policies and procedures to ensure that SFSF as well as its management body, employees and agents comply with the obligations under this law and the appropriate rules applicable to personal transactions by such persons.

Art. 51(1) S.S.I.F. maintain and apply effective organizational and administrative arrangements for the adoption of all reasonable measures designed to prevent the interests of its clients from prejudicing the interests of conflicts of interest as defined in Art. 78-80.
(2) S.S.I.F. who manufactures financial instruments to sell to customers regularly maintains, uses and revises a process for the approval of each financial instrument and produces significant adjustments to existing financial instruments before trading or distributing them to clients.
(3) The process of approving the products referred to in paragraph (2) specifies, for each financial instrument, a target market identified by end-customers within the relevant customer category and ensures that all the risks relevant to the identified target market are evaluated and that the proposed distribution strategy is in line with the target market identified.
(4) S.S.I.F. regularly reviewing the financial instruments offered or sold, taking into account any event that could significantly affect the potential risk for the identified target market, to assess at least whether the financial instrument is still in line with the identified target market needs and whether the proposed distribution strategy is still appropriate.
(5) S.S.I.F. who produces financial instruments shall make available to any distributor all appropriate information regarding the financial instrument and the product approval process including the identified target market of the financial instrument.
(6) If a S.S.I.F. offers or recommends financial instruments that it does not produce, it shall put in place adequate mechanisms to obtain the information provided in paragraph (5) and to understand the characteristics and the target market identified for each financial instrument.
(7) The policies, processes and mechanisms provided for in this Article are without prejudice to other requirements under the provisions of this law and of Regulation (EU) No. 600/2014, including those on publication, adequacy, identification and management of conflicts of interest, and incentives.

Art. 52 In order to ensure continuity and regularity in the provision of investment services and in the conduct of investment activities, S.S.I.F. take reasonable steps, using adequate and proportionate systems, resources and procedures for that purpose.

Art. 53(1) If S.S.I.F. entrusts to a third party the execution of the essential functions essential to providing a continuous and satisfactory service to customers and to carry out investment activities on an ongoing and satisfactory basis, it shall take reasonable steps to avoid unwarranted operational risk.
(2) The outsourcing of important operational functions can not be done in a way that would seriously impair the quality of the internal control of S.S.I.F. and to prevent A.S.F. to verify compliance with all obligations of S.S.I.F. .
(3) S.S.I.F. must have sound accounting and administrative procedures, internal control mechanisms, effective risk assessment techniques and effective procedures for controlling and protecting its IT systems.

(4) Without prejudice to the capacity of A.S.F. to request access to communications made in accordance with the provisions of this law and of Regulation (EU) no. 600/2014, S.S.I.F. must establish robust security mechanisms designed to guarantee the security and authentication of the means of transmission of information, minimize the risk of data corruption and unauthorized access and prevent leakage of information, while maintaining the confidentiality of data.

Art. 54 S.S.I.F. ensures that records are kept on all services rendered and on all activities and transactions made to allow A.S.F. to carry out its supervisory tasks and to carry out actions to ensure the implementation of the provisions of this law, of Regulation (EU) No. 600/2014, of Regulation (EU) No. 596/2014 and Title V of Law no. 24/2017 and in particular to attest the observance of all obligations of S.S.I.F. relevant, including potential clients or customers, and market integrity.

Art. 55(1) The records provided in art. 54 shall include at least the records of telephone conversations or electronic mail relating to self-signed transactions and the provision of services related to client orders relating to the reception, transmission and execution of client orders.
(2) The telephone conversations and electronic correspondence provided in paragraph (1) shall include those which are intended to lead to the conclusion of transactions through own-account trading or the provision of services related to client orders relating to the receipt, transmission and execution of client orders, even if such conversations and correspondence do not result in the conclusion of such transactions or the provision of services related to client orders.
(3) S.S.I.F. take all necessary steps to record relevant telephone conversations and e-mail, conducted, transmitted or received through equipment provided by S.S.I.F. an employee or contractor or whose use by an employee or contractor was accepted or permitted by S.S.I.F. .
(4) S.S.I.F. informs new and existing customers that telephone calls or electronic mail between S.S.I.F. and its customers, which result or may result in transactions, will be recorded.
(5) The information provided in paragraph (4) is performed prior to the provision of investment services to new and existing customers.
(6) S.S.I.F. can not provide investment services by telephone and can not carry out investment activities by telephone for customers who have not been previously informed of the recording of their telephone conversations or their electronic mail, where such investment services and activities are related to the receipt, transmission and execution of client orders.
(7) Orders may also be sent by customers in other ways if they are made on a durable medium, namely by post, fax, e-mail or through customer-related documentation drawn up during meetings. The content of relevant conversations that take place face to face with a client can be recorded by using records or written minutes.
(8) The orders provided in paragraph (7) are considered equivalent to orders received by telephone.

(9) S.S.I.F. shall take all necessary measures to prevent employees or contractors from making, transmitting or receiving relevant telephone and e-mail calls through private equipment that S.S.I.F. can not record or copy them.
(10) Records made in accordance with this Article shall be made available to the clients concerned at their request and shall be kept for five years and, if requested by A.S.F. , for a period of up to seven years.
(11) The application of this article is made in accordance with the provisions of art. 4 of Law no. 506/2004 on the processing of personal data and the protection of privacy in the electronic communications sector, as subsequently amended and supplemented.

Art. 56(1) If S.S.I.F. owns financial instruments belonging to clients, it shall adopt appropriate provisions to protect the property rights of those clients, in particular in the event of its insolvencyand to prevent the use of clients' financial instruments on their own account or on the account of another client, unless there is express customer consent.
(2) If S.S.I.F. holds funds belonging to clients, it shall take appropriate measures to protect the rights of those clientsand, with the exception of credit institutions, to prevent the use of these funds on their own.

Art. 57 Warranty, retention or clearing of financial instruments or client funds that allow a third party to dispose of financial instrumentsor client funds to recover unrelated debts or customer service are not allowed, unless this is provided for in the applicable law in the jurisdiction of the third country where the funds or financial instruments of the clients are held.

Art. 58 If against S.S.I.F. the forced execution procedure was started, the investors' assets provided under art. 56 are exempted from the forced execution procedure through attachment.

Art. 59 Prior to providing services and investment activities, S.S.I.F. and credit institutions will inform investors about funds or investor compensation schemes.

Art. 60(1) The provision of investment services and activities in the investors' account shall be based on a contract, drawn up in two copies, one of which shall be delivered to the client.
(2) The content and minimum clauses of the contracts concluded with investors, including for distance contracts, are stipulated in the A.S.F. regulations.
(3) A distance contract means any contract, relating to the provision of services and investment activities, concluded between a S.S.I.F. as a bidder and an investor as a beneficiary of services and investment activities, in the context of a system of sales or service and distance investment activities organized by the tenderer which, for the purposes of that contract, uses only one or more means of distance communication up to and including, and at the time of, which ends the contract.
(4) By means of distance communication means any means which, without requiring the simultaneous physical presence of the tenderer and the beneficiary of services and investment activities, may be used for the purpose of achieving the agreement of the parties.

(5) The investor has a 14-day term from the day of conclusion of the distance contract to denounce a unilateral contract without having to justify the withdrawal decision and without incurring punitive fees.
(6) The distance contract is executed only after the investor has expressly agreed to this effect.
(7) In the case of unilateral denunciation in accordance with the provisions of paragraph (5), the investor may be required to pay the services rendered up to that point in accordance with the terms of the contract.
(8) The right of withdrawal from a distance contract shall not apply to investment services and activities the price of which depends on the fluctuations in the financial markets that may occur during the withdrawal period of the contract and are independent of the service providers and investment activities, being related to:
a) currency exchange services;
b) money market instruments, including government bonds with a maturity of less than one year and deposit certificates;
c) Securities;
d) participation in collective investment undertakings;
e) financial futures contracts, including similar contracts with final settlement in funds;
f) forward rate agreements (FRA);
g) interest rate swaps, exchange rates and shares;
h) options on any financial instrument referred to at let. b) and c), including similar contracts with final settlement in funds; this category also includes options on the exchange rate and on the interest rate.

Art. 61 S.S.I.F. cannot enter into financial collateral arrangements with the transfer of ownership with retail clients in order to guarantee present or future customer obligations, whether these customer obligations are real, conditional or potential.

Art. 62(1) In the case of a branch established in Romania of an investment firm from another Member State, A.S.F. controls compliance with the obligations under art. 54 and 55in respect of transactions by the branch, without prejudice to the direct access of the competent authority of the home Member State of the investment firm to those registrations.
(2) In the case of a branch established in Romania of a credit institution from another Member State, the control of compliance with the obligations provided in art. 54 and 55 in respect of the transactions made by the branch is made, without prejudice to the direct access of the competent authority of the home Member State of the credit institution to the relevant records by the:
a) A.S.F., in the case of a branch executing transactions with financial instruments other than those provided under art. 2 para. (3);
b)B.N.R., in the case of the branch which deals with the financial instruments provided under art. 2 para. (3);
c) A.S.F. and B.N.R., in the case of a branch which carries out transactions both with the financial instruments provided under art. 2 para. (3) and other financial instruments.
(3) In exceptional circumstances, A.S.F. may impose S.S.I.F. requirements for the protection of the assets held by customers in addition to those referred to in art. 56 and 61, provided by

the Delegated Regulation (EU) 2017/565 and the regulations issued by A.S.F. in accordance with European regulations. The requirements must be objectively justified and must be proportionate to address, in situations where S.S.I.F. protects clients' assets and their funds, specific risks to investor protection or market integrity that are particularly important given the structure of the market.

(4) A.S.F. without undue delay, notify the Commission of any requirement it intends to impose in accordance with this Article at least two months before the date set for the entry into force of that requirement.The notification shall include a justification for that requirement. None of the additional obligations imposed restricts or affects in any way the rights of the investment firms referred to in art. 109-118.

SECTION 14: Algorithmic trading

Art. 63(1) S.S.I.F. who use algorithmic trading must have:

a) efficient systems and risk control mechanisms appropriate to the activities it carries out to ensure that its trading systems are resilient, have sufficient capacity and operate on the basis of appropriate thresholds and limits to prevent the transmission of erroneous orders or the malfunctioning of systems that may cause market failures or contribute to their occurrence;

b) efficient systems and risk control mechanisms to ensure that trading systems can not be used for purposes that are contrary to Regulation (EU) No. 596/2014 or the rules of the trading venue to which S.S.I.F. that;

c) effective mechanisms to ensure continuity of activities in order to cope with any malfunction of its trading system and ensure that its systems are adequately tested and adequately monitored to meet the requirements of this paragraph.

(2) S.S.I.F. who performs algorithmic transactions in a Member State shall notify this fact to A.S.F. and to the competent authority of the trading venue where S.S.I.F. performs its algorithmic trading activities as a member or participant in the trading venue.

(3) An investment firm of another Member State that carries out algorithmic trading as a member or participant in a trading venue in Romania has the obligation to notify this fact to A.S.F.

(4) A.S.F. can request S.S.I.F. :

a) to provide periodically or ad hoc a description of the nature of its algorithmic trading strategies, details of the trading parameters or the limits to which the system is subject, the main risk and compliance control mechanisms available to S.S.I.F. to ensure that the conditions set out in paragraph (1) and details of the testing of its systems;

b) additional information about its algorithmic trading activities and the systems used for that purpose.

(5) In the case of algorithmic transactions by S.S.I.F. as a member or participant in a trading venue located in another Member State, A.S.F. communicate unreasonable delays, at the request of the competent authority of that trading venue, the information referred to in paragraph (4) which he receives from S.S.I.F. concerned.

(6) S.S.I.F. take measures to ensure that records are kept on the issues referred to in paragraph (2) to (5) and ensure that such records are sufficient to allow A.S.F. to monitor compliance with the requirements of this law.

(7) S.S.I.F. which uses a high-frequency algorithmic trading technique keeps accurate and successive records of all its placed orders, including order cancellations, orders executed and quotes from trading venues, in an approved form established in accordance with the regulations issued pursuant to this Law or, as the case may be, in accordance with the delegated acts and implementing acts which are the subject of these provisions adopted by the European Commission and shall make them available to A.S.F. upon request.
(8) S.S.I.F. which uses algorithmic trading pursuing a market formation strategy, taking into account the liquidity, size and nature of the market and the characteristics of the traded instrument:
a) performs these market formation activities on a continuous basis during a specified segment of the trading venue program, except in exceptional circumstances, thereby ensuring, on a regular and predictable basis, liquidity at that trading venue;
b) concludes a binding written agreement with the trading venue, specifying at least the requirements of S.S.I.F. according to let. a);
c) has effective control systems and mechanisms in place to ensure that it can at any time fulfill its obligations under the agreement referred to at let. b).
(9) For the purposes of this article and the provisions of art. 138-143 of the present law, a S.S.I.F. who performs algorithmic transactions pursues the application of a market formation strategy if, as a member or participant in one or more trading venues, in the case of own-account trading, its strategy involves the firm, simultaneous placement of comparable bilateral quotations, at competitive prices, relating to one or more financial instruments in a single trading venue or in several different trading venues, with the result of providing liquidity regularly and frequently for the place (s) where the instrument (s) is (are) traded.

SECTION 15: Requirements for direct electronic access

Art. 64(1) S.S.I.F. which provide direct electronic access to a trading venue must have effective systems and control mechanisms which has:
a) to ensure proper assessment and analysis of the suitability of customers using this service;
b) to ensure that customers are not allowed to exceed predetermined trading and lending thresholds;
c) to ensure proper monitoring of the trading activities carried out by these clients;
d) to prevent, through appropriate risk control mechanisms, trading activities that could pose risks for S.S.I.F. , which could or could contribute to the disorderly functioning of the market or which could breach Regulation (EU) 596/2014 or the rules of the trading venue.
(2) Direct electronic access in the absence of the control mechanisms specified in paragraph (1) is prohibited.
(3) S.S.I.F. which provides direct electronic access has the following obligations:
a) to ensure and to comply with the requirements of this law and the rules of the trading venue by its own customers using that service;
b) monitor transactions to identify violations of trading venue rules, trading conditions that may affect the market or behavior which may involve market abuse and must be reported to A.S.F. or, where appropriate, to the competent authority of the trading venue;

c) to enter into a binding written agreement with the client on the main rights and obligations arising from the provision of the serviceand to ensure that, in accordance with the provisions of this agreement, S.S.I.F. it is the responsibility of the provisions of this law.
(4) S.S.I.F. which provides direct electronic access to a trading venue notifies this A.S.F. and, where appropriate, to the competent authority of that trading venue if the place of trading is located in another Member State.
(5) A.S.F. can ask S.S.I.F. to provide, on a regular or ad hoc basis, a description of the systems and control mechanisms provided for in paragraph (1) and evidence of their application.
(6) A.S.F. communicate without undue delay, at the request of the competent authority of the trading venue within which S.S.I.F. provide direct electronic access, the information provided in paragraph (5) it receives from S.S.I.F. concerned.
(7) S.S.I.F. take measures to ensure that records are kept on the matters referred to in paragraph (1) to (6) and ensure that such records are sufficient to allow A.S.F. to monitor compliance with the requirements of this law.
(8) The expression "disorderly functioning of the market" has the meaning provided by the European regulations issued in the application of art. 17 of Directive 2014/65 / EU.

Art. 65 S.S.I.F. acting as a general clearing member for others:
a) has effective systems and control mechanisms to ensure that clearing services are provided exclusively to the right people, which meet clear criteria and which are subject to appropriate mitigation requirements for S.S.I.F. and for the market;
b) concludes a written, binding agreement between S.S.I.F. and the person concerned about the main rights and obligations arising from the provision of such services.

SECTION 16: The process of trading and finalizing transactions in SMTs and SOTs

Art. 66(1) S.S.I.F. and the market operators administering an SMT or a SPC subject to the approval of A.S.F. the intention to set up the SMT or the SOT.
(2) It is subject to the approval of A.S.F. the management of the SMT or SOT, including a full description of their characteristics and operating rules of these systems, in compliance with the provisions of this law, of the A.S.F. issued in its application and the European regulations issued pursuant to Directive 2014/65 / EU.
(3) A.S.F. may request modification of the procedures issued by the market operator or by S.S.I.F. who administers an SMT or a SOT.
(4) A.S.F. establishes by regulation rules on:
a) the necessary documentation for approval of the establishment of the SMT or SOT;
b) the necessary documentation for the withdrawal of the approval of the establishment of the SMT or the SOT.

Art. 67(1) In addition to the organizational requirements provided in art. 49-62, S.S.I.F. and market operators that manage an SMT or SOT:
a) establish transparent and non-discretionary rules and procedures to ensure a fair and organized trading process;

b) establishes objective criteria for an orderly execution of orders;
c) establish arrangements for the correct management of the technical operations within the system, including effective procedures for exceptional situations, to counteract the risks of system failures.
(2) S.S.I.F. and the market operators administering an SMT or SOT establish transparent rules on the criteria for determining the financial instruments that can be traded within their systems.
(3) S.S.I.F. and market operators administering an SMT or SOT provide or, where appropriate, ensure that sufficient information is available to the public to enable its usersto formulate an opinion on the investment decision, taking into account the types of users and, at the same time, the types of instruments traded.
(4) S.S.I.F. and market operators administering an SMT or a SOT publish and implement transparent and non-discriminatory rules, on the basis of objective criteria, regulating access to their system and providing equal treatment to SMT or SOT participants.
(5) S.S.I.F. and market operators administering an SMT or SPS establish mechanisms to clearly identify and manage the potential negative consequences for SMT or SOT operationor for members or participants and users of any conflict of interest between SMT, SOT, S.S.I.F. or the market operator administering an SMT or a SOT and the proper functioning of the SMT or SOT.
(6) S.S.I.F. and market operators administering a SMT or a SOT have the obligation to comply with the provisions of art. 133 and art. 138-145 and to have effective systems, procedures and mechanisms for that purpose.

Art. 68(1) S.S.I.F. and market operators administering an SMT or a SOT shall clearly inform members or participants of their responsibilities with regard to the settlement of transactions executed under that scheme.
(2) S.S.I.F. and the market operators managing an SMT or SOT have the necessary mechanisms to facilitate efficient settlement of transactions through the SMT or SOT systems.
(3) SMTs and SOTs must have at least 3 active members or users, each of which has the opportunity to interact with everyone else in terms of price formation.

Art. 69 Where a security admitted to trading on a regulated market is traded at the same time on an SMT or a CTM without the issuer's consent, it is not subject to any initial, periodic or specific financial information requirement for that SMT or SMP.

Art. 70(1) S.S.I.F. and the market operators administering an SMT or a SOT shall comply immediately with any decision given by A.S.F. In accordance with Art. 236 para. (3) requiring the suspension or withdrawal of a financial instrument from the traders.
(2) S.S.I.F. and the market operators administering an SMT or SOT provide A.S.F. a detailed description of the operation of that SMT or SOT, including, without prejudice to the provisions of Art. 72 para. (1) and (6) to (8), on any links or participation of a regulated market, an SMT, an SOT or an independent operator owned by the same S.S.I.F. or by the same market operator as well as a list of their members, participants and / or users.

(3) A.S.F. make available to ESMA, upon request, the information referred to in paragraph (2). Any authorization issued to a S.S.I.F. or a market operator for the management of a SMT or a SOT shall be notified to ESMA.
(4) Updated list of all SMTs and SOTs in the European Union containing information on the services that SMTs or SOTs provide, as well as the unique identification code for each SMT or SOT used for reporting in accordance with art. 6, 10 and 26 of Regulation (EU) No. 600/2014, is public on the ESMA website.

SECTION 17: Specific requirements applicable to SMTs

Art. 71(1) In addition to the obligations under art. 50-62 and art. 67-70, S.S.I.F. and the market operators administering a SMT establish and implement non-discretionary rules for executing orders within the system.
(2) The rules provided in art. 67 paragraph (4) governing access to an SMT shall comply with the conditions set out in art. 151 para. (3).
(3) S.S.I.F. and market operators administering a SMT have mechanisms through which:
a) be adequately equipped to manage the risks to which they are exposed, to put in place adequate measures and systems to identify all significant risks to their functioning and to put in place effective mitigation measures;
b) to establish mechanisms aimed at facilitating the efficient and timely completion of transactions executed within their systems;
c) to have at its disposal and at any time sufficient financial resources to facilitate their proper functioning, taking into account the nature and extent of the transactions concluded on the market as well as the range and level of risks to which they are exposed.
(4) The provisions of art. 81, art. 82 para. (1) - (4), art. 83-89, art. 91, art. 92 para. (4) and (5) and art. 993-96 do not apply to transactions concluded in accordance with the rules applicable to an SMTbetween its members or participants or between the SMT and its members or participants in the use of the SMT.
(5) By way of exception to the provisions of paragraph (4), the members or participants of the SMT comply with the obligations set out in Art. 81, art. 82 para. (1) - (4), art. 83-89 and art. 91-96 in respect of their customers if, acting on behalf of their clients, executes their orders through the systems of an SMT.
(6) S.S.I.F. or market operators managing an SMT are not allowed to execute client orders by hiring equity or to engage in simultaneous purchases and sales on their own.

SECTION 18: Specific requirements applicable to SOTs

Art. 72(1) S.S.I.F. and market operators administering an SOT establish mechanisms to prevent the execution of client orderswithin a SOT with the equity capital of S.S.I.F. or of the market operator administering the SOTor the orders of any entity belonging to the same group or the same legal person as S.S.I.F. or the market operator.
(2) S.S.I.F. or the market operators administering a SOT may engage in simultaneous purchases and sales on bonds, structured finance products, certificate de emissions and certain derivative financial instruments only if the client has agreed to this process.

(3) S.S.I.F. or the market operator administering a SOT does not use simultaneous purchases and sales on its own account to execute client orders in a SOT in the case of derivatives transactions care belong to a class of derivatives that has been declared subject to the clearing obligation in accordance with art. 5 of Regulation (EU) No. 648/2012.
(4) S.S.I.F. or a market operator administering a SOT establishes mechanisms to ensure that it complies with the definition of simultaneous own purchases and sales provided for in Art. 3 point 16.
(5) S.S.I.F. or the market operators administering a CTM may engage in own-account trading, other than purchases and simultaneous sales on own account only in respect of sovereign debt instruments for which there is no liquid market.
(6) S.S.I.F. or, as the case may be, the market operator administering a SOT complies with the following:
a) the management of an SOT and an independent operator must not take place within the same legal entity;
b) a SPO can not connect to an independent operator in a way that allows for the interaction between the SPO orders and the orders or quotations of the independent operator;
c) no SOT can be connected to another SOT in a way that allows orders from different SOTs to interact.
(7) S.S.I.F. or the market operators administering an SOT can hire another S.S.I.F. to carry out market training activities in an SOT, independently.
(8) For the purposes of the provisions of paragraph (7) it is not considered that a S.S.I.F. performs market training activities in an SOT independently if S.S.I.F. has close links with S.S.I.F. or with the market operator administering that SOT.

Art. 73(1) The execution of orders on a SOT is carried out in a discretionary manner. S.S.I.F. or a market operator administering an SOT takes decisions in a discretionary manner only in one or both of the following circumstances:
a) if it decides to place or withdraw an order on the SOT it manages;
b) if it decides not to match a particular order of the client with other orders available in the system at a given time, provided that it is in accordance with the specific instructions received from a client and its obligations under art. 91-94.
(2) For the system that crosses customer orders, S.S.I.F. or the market operator can decide whether, at what point and to what extent it wants to correlate two or more orders within the system.
(3) In accordance with Art. 72 para. (1) to (4), (6) - (8) and without prejudice to the provisions of Art. 67-70, art. 72 para. (5) and Art. 91-94, in respect of a system that organizes transactions in securities other than those relating to equity securities, S.S.I.F. or the market operator administering the SOTmay facilitate negotiation between customers so as to bring together two or more potential trading interests in a single transaction.
(4) A.S.F. may request either a S.S.I.F. or a market operator requests to be authorized to administer a SOT, either ad-hoc, the following:
a) a detailed description of the reasons why the scheme does not correspond to a regulated market, SMT or an independent operator;

b) a detailed description of the arrangements for the exercise of discretionary power, in particular where an order to the SOT can be withdrawn;
c) description of the modalities and circumstances in which two or more customer orders will be correlated within the SOT.

Art. 74(1) S.S.I.F. or the market operator of a SOT informs A.S.F. about how they use simultaneous purchases and sales on their own.
(2) A.S.F. monitors the commitment of a S.S.I.F. or a market operator to use simultaneous purchases and sales on its own to ensure that this commitment continuesto be covered by the definition of these types of operations and to ensure that it does not give rise to conflicts of interest between S.S.I.F. or the market operator and their customers.
(3) S.S.I.F. or the market operators administering a SOT have the obligation to comply with the provisions of art. 81-89 and 91-96 in the case of transactions concluded within that framework.

SECTION 19: Other demands

Art. 75(1) S.S.I.F. have the obligation to present their financial statements as well as regular reports.
(2) A.S.F. shall issue regulations on the content, form and deadlines for transmission of the reports referred to in paragraph (1).

CHAPTER II: Operating conditions applicable to S.S.I.F. .

SECTION 1: General dispositions

Art. 76(1) S.S.I.F. has the obligation to always observe the conditions imposed on the initial authorization referred to in chap. I.
(2) S.S.I.F. subject to authorization or, as the case may be, notification to A.S.F. any significant change to the conditions considered at the time of the initial authorization in accordance with A.S.F. issued in application of this law.
(3) Credit institutions shall notify N.B.R.any significant change to the conditions envisaged at the time of the initial authorization under the A.S.F. / N.B.R. Joint Rules. issued in application of this law.
(4) N.B.R.immediately informs A.S.F. with regard to the modification provided for in paragraph (3).

Art. 77(1) A.S.F. monitors the activity of S.S.I.F. to verify compliance with the operating conditions provided by this law.
(2) S.S.I.F. provides A.S.F. the information necessary to verify compliance with the obligations set out in paragraph (1).

Art. 78 S.S.I.F. must take all appropriate measures to detect and prevent conflicts of interest that arise between them, including between directors, their employees or their agents, or any

person directly or indirectly linked to them through a control relationship and their clients or between two clients in the course of providing any investment serviceand of any ancillary service or combination of these services, including those caused by receiving third party incentives or by the own remuneration of a S.S.I.F. and other incentive structures.

Art. 79 If the organizational or administrative provisions adopted by a S.S.I.F. in accordance with art. 51 to prevent situations where conflicts of interest adversely affect the client's interests are not sufficient to guarantee, with reasonable certainty, that the risk of harming clients' interests will be avoided, S.S.I.F. clearly inform their customers before they act on their behalf, in relation to the general nature and / or sources of conflicts of interest and the measures taken to mitigate those risks.

Art. 80 The information provided in art. 79:
a) is carried out on a durable medium;
b) includes sufficient detail, taking into account the nature of the client, to enable him to make a documented decision on the service in which the conflict of interest arises.

SECTION 2: Provisions to ensure investor protection

Art. 81(1) If S.S.I.F. provides investment services to clients or, where appropriate, ancillary services, it has an obligation to act in an honest manner, fair and professional, best suited to the interests of the clients and in particular to comply with the principles set out in this Article and in Art. 82-89.
(2) S.S.I.F. who produces financial instruments to sell to customers ensures that those financial instruments are designed to meet the needs of a target marketidentified by end customers in the relevant customer category and that the distribution strategy of financial instruments is compatible with the target market identified.
(3) S.S.I.F. take reasonable steps to ensure that the financial instrument is distributed on the identified target market.
(4) S.S.I.F. understands the financial instruments it offers or recommends, assesses the compatibility of the financial instruments with the needs of the clients to whom it offers investment services, taking into account also the target market identified by the final customers provided in art. 51 and ensuring that financial instruments are offered or recommended only if this is in the best interests of the client.

Art. 82(1) All information, including advertising, addressed by S.S.I.F. customers or prospective customers are accurate, clear and non-existent. Advertising information is clearly identifiable as such.
(2) Clients or prospective customers are provided with timely information about the S.S.I.F. and its services, financial instruments and proposed investment strategies, places of execution, as well as information on all related costs and expenses. This information includes the following:
a) if investment advice is offered, S.S.I.F. inform the customer, in sufficient time before providing investment advice, on the following matters:

(i) whether or not the advice is provided independently;
(ii) whether the advice is based on a broad analysis or a narrower analysis of the different types of financial instruments, and in particular, if their range is limited to financial instruments issued or provided by entities that have with S.S.I.F. close ties or any other legal and economic relationship, such as contractual relationships that are sufficiently tight to affect the independence of the advice offered;
(iii) if S.S.I.F. will provide the client with a regular assessment of the adequacy of the financial instruments recommended to him / her;
b) appropriate guidance and warnings on the risks associated with the investment in these instruments or on certain investment strategies which must also specify whether the financial instrument is intended for retail clients or professional clients, taking into account the target market identified according to the provisions of art. 81 paragraph (2) - (4);
c) information on both investment services and ancillary services, including consultancy costs, if any, the cost of the financial instrument recommended or sold to the client and the payment arrangements available to the client, also indicating any payments made by third parties.
(3) Information on all costs and expenses, including the costs and expenses of the investment service and the financial instrument that are not generated by the occurrence of risk in the underlying asset market, are aggregated to allow the client to understand the overall cost and the cumulative effect of return on investment, and provide the customer with a detailed breakdown by component. Where appropriate, this information is provided to the client on a regular basis, at least annually, during the investment period.
(4) The information provided in paragraph (2) and (3) and art. 85 para. (1) to (3) are provided in comprehensible form so that customers or potential clients can understand the nature of the investment serviceor the specific type of financial instrument proposed and the risks associated with them and be able to make informed investment decisions. This information can be provided in a standardized form.
(5) It is forbidden to promote investment services and activities through external call center providers.
(6) Promotion of investment services and activities means any form of presentation by S.S.I.F., in order to attract its clients, who:
a) presupposes direct interaction with potential customers;
b) involves a payment based on the number of customers attracted or their activity.
(7) The direct interaction foreseen in para. (6) let. a) includes at least meetings with the client, telephone calls with or without human intervention, seminars and presentations that allow interaction with the client, phone me A.S.F. ges, email, chat, personalized letters, fax, websites owned by a person other than S.S.I.F. and containing a form of publicity of S.S.I.F. and allow redirection of the client potential to the S.S.I.F. and excludes press ads, audio and video ads, billboards, posters, catalogs, brochures.

Art. 83(1) Where an investment service is proposed in a financial product already covered by other legal provisions on credit institutionsand consumer credit in respect of information requirements, that service is also not subject to the obligations set out in Art. 82.

(2) If S.S.I.F. informs the client that the investment advisory service is provided in an independent manner, that is the S.S.I.F.

a)makes an analysis of a sufficiently large range of financial instruments available on the market, which must be sufficiently diverse in terms of type and issuersor product vendors to ensure that the client's investment objectives can be met appropriately and should not be limited to those financial instruments issued or provided by:

(i) S.S.I.F. itself or by entities having close links with S.S.I.F. ;

(ii) other entities with which S.S.I.F. has links of a legal and economic nature such as contractual relations sufficiently tight to affect the independence of the consultancy offered;

b)does not accept or retain any fees, commissions or other types of pecuniary or non-pecuniary benefits paid or granted by third parties or persons acting on behalf of third parties in connection with the provision of that service to the customer, with the exception of minor non-pecuniary benefits that may improve the quality of service provided to a client and which, by their size and nature, can not be considered as being capable of impairing compliance with the S.S.I.F. to act in the best interest of the client, which will be communicated clearly.

Art. 84(1) If it provides a portfolio management service, S.S.I.F. does not accept or retain any fees, commissions or other types of pecuniary or non-pecuniary benefits paid or granted by third partiesor by persons acting on behalf of third parties in connection with the provision of that service to the client.

(2) Minor non-pecuniary benefits that can improve the quality of the service provided to a client and which, by their size and nature, can not be considered as being capable of impairing compliance with the S.S.I.F. to act in the best interests of the client are clearly communicated and not covered by paragraph (1).

Art. 85(1) S.S.I.F. fails to fulfill its obligations under art. 78-80 or art. 81 paragraph (1) if it pays or charges any fee or commission or offers or benefits from any non-monetary benefitsin connection with the provision of an investment service or ancillary service to or from any person, with the exception of the customer or a person acting on behalf of the client, in other situations than when the payment or benefit:

a) is intended to improve the quality of the service in question for the customer;

b) does not affect the S.S.I.F. to act in an honest, fair and professional manner, best suited to the interests of its clients.

(2) The existence, nature and amount of the payment or benefit provided for in paragraph (1) or, if the amount can not be established, the method for calculating that amount shall be clearly communicated to the customer, in full, reliable and comprehensible, prior to the provision of the investment service or ancillary service concerned. Where appropriate, S.S.I.F. informs the client of the mechanisms for transferring to it the fees, commissions and monetary or non-monetary benefits received in connection with the provision of the investment service or ancillary service.

(3) Payments or benefits that allow or are necessary for the provision of investment services, such as custody, settlement and foreign exchange costs, regulated taxes and legal fees, and which, by their nature, can not generate conflicts with S.S.I.F. to act in an honest way,

equitable and professional, best suited to the interests of its clients does not fall under the requirements of paragraph (1).
(4) S.S.I.F. which provides investment services to clients ensures that they do not remunerate or assess the performance of their staff in a way incompatible with their obligation to act in the best interest of their clients. S.S.I.F. can not adopt any measures which by means of remuneration or sales objectives or other means encourage staff to recommenda specific financial instrument to a retail client where S.S.I.F. could provide another financial instrument that would better meet the needs of that customer.

Art. 86(1) If an investment service is offered together with another service or product as part of a package or to condition an agreement or package, S.S.I.F. informs the clientwith regard to the possibility to purchase the components of the package separately by providing a separate account of the costs and expenses of each component.
(2) Where it is probable that the risks associated with an arrangement or a parcel provided for in paragraph (1) offered to a retail client to differ from the risks associated with the components taken separately, S.S.I.F. provides an adequate description of the different components of the understanding or package and outlines how the risks change through its interaction.

Art. 87(1) S.S.I.F. warrants and demonstrates to A.S.F. , at its request, that natural persons providing clients with investment advice or information on financial instruments, investment services or ancillary serviceson behalf of S.S.I.F. have the knowledge and skills necessary to fulfill their obligations under this article and art. 81-86, art. 88 and 89.
(2) A.S.F. regulates and publishes on its website the criteria used to evaluate the knowledge and skills provided in paragraph (1).
(3) If S.S.I.F. provides investment advisory services or portfolio management services, it obtains the necessary knowledge and experience of the clientor potential client in relation to the specific type of product or service, its financial situation, including the ability to incur losses, risk tolerance and investment objectives so as to be able to recommend investment services and financial instruments that are appropriate to it and, in particular, which correspond to its risk tolerance and its loss-making capacity.
(4) If S.S.I.F. provides investment advice recommending a package of services or products combined in accordance with art. 86, S.S.I.F. verify that the combined package as a whole is appropriate.

Art. 88(1) If S.S.I.F. provides other investment services than those provided under art. 87 para. (3), it requires the customer or potential client to provide information about his or her knowledge and experiencein terms of investment relative to the specific type of product or service proposed or requested, for S.S.I.F. to assess whether the service or investment product in question is appropriate to the client.
(2) Where a package of services or combined products is envisaged in accordance with Art. 86, the assessment provided in paragraph (1) considers whether the combined package as a whole is appropriate.

(3) If S.S.I.F. on the basis of the information received in accordance with the provisions of para. (1) that the product or service is not suitable for the customeror for the potential customer, it warns accordingly. That warning may be transmitted in a standardized form.
(4) If customers or prospective customers do not provide the information provided in paragraph (1) or where they provide insufficient information on their knowledge and experience, S.S.I.F. warns them that he is not in a position to determine whether the service or product envisaged is appropriate. This warning can be transmitted in a standardized form.
(5) If S.S.I.F. provides a client with investment services consisting exclusively in the execution or receipt and transmission of orders, with or without ancillary services, except for the granting of loans or loans, as set out in Annex no. 1 Section B, point 1, which do not include the existing lending limits for loans, current accounts and customer account discovery facilities, it provides these investment services to customers without the need to obtain the information and proceed with the assessment under paragraph (1) to (4), if the following conditions are met cumulatively:
a) the services are related to any of the following financial instruments:
(i) shares admitted to trading on a regulated market or equivalent market of a third country or an SMT if they are shares in companies, with the exception of shares in collective investment undertakings other than undertakings for collective investment in transferable securities, hereinafter referred to as UCITS, and shares incorporating a derivative;
(ii) bonds or other forms of debt instruments admitted to trading on a regulated market or equivalent market of a third country or under an SMT, with the exception of those incorporating a derivative or a structure that makes it difficult for the client to understand the risks involved;
(iii) money market instruments, except those incorporating a derivative or a structure that makes it difficult for the client to understand the risks involved;
(iv)shares or units of UCITS, except for the structured UCITS referred to in Art. 36 para. (1) of Regulation (EU)of Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65 / EC of the European Parliament and of the Council as regards key investor informationand the conditions to be met for the provision of key investor information or prospectus on a durable medium other than paper, or through a website published in the Official Journal of the European Union, L series, no. 176/1 of 10 July 2010;
(v) structured deposits with the exception of those incorporating a structure that makes it difficult for the client to understand the risks associated with profitability or the cost of foregoing the renunciation of the product;
(vi) other financial instruments which are not complex for the purposes of this paragraph;
b) the service is provided at the initiative of the client or potential client;
c) the customer or potential client was clearly informed that when providing this service, S.S.I.F. is not required to assess whether the financial instrument or service providedor proposed is appropriate and that it does not benefit from the protection associated with those rules of conduct. Such a warning can be transmitted in a standardized form;
d) S.S.I.F. shall comply with the obligations set out in art. 78-80.
(6) For the purposes of paragraph (5) let. (a) a third country market is considered to be equivalent to a regulated market if the following procedure and conditions are met:

a) A.S.F. calls on the European Commission to adopt an equivalence decision, in accordance with the examination procedure provided for in Art. 89 para. (2) of Directive 2014/65 / EU, specifying whether that legal frameworkand third country supervision shall ensure that a regulated market authorized in that third country complies with the legally binding requirements which are, for the purposes of the application of this point, equivalent to the requirements laid down in Title III of this Law, in Regulation (EU) 596/2014, in Title II of Regulation (EU) No. 600/2014 and in Law no. 24/2017 and which are subject to effective surveillance and enforcement in that third country;
b) A.S.F. indicate the reason for considering that this legal and supervisory framework of the third country concerned is to be considered equivalent and provides relevant information in this respect;
c) the legal and supervisory framework of a third country provided for in point (a) may be considered equivalent if it fulfills at least the following conditions:
(i) markets are subject to effective, permanent and permanent authorization and supervision;
(ii) markets have clear and transparent rules on the admission of securities to trading so that they can be traded in a fair, orderly and efficient manner and are freely negotiable;
(iii) issuers of securities are subject to regular and permanent information requirements that ensure a high level of investor protection;
(iv) transparency and market integrity is ensured by preventing market abuse in the form of misuse of confidential information and market manipulation.

Art. 89(1) S.S.I.F. draws up a file including the contract agreed between S.S.I.F. and the client, in which the rights and obligations of the parties are stipulated, as well as the other conditions according to which S.S.I.F. provides customer service. The rights and obligations of the parties to the contract may be included by reference to other documents or legal texts.
(2) S.S.I.F. provides the customer with appropriate reports on the services offered on a durable medium.
(3) The reports provided in paragraph (2) shall include regular communications to customers, taking into account the type and complexity of the financial instruments involvedand the nature of the service provided to customers and include, where appropriate, the costs of transactions and activities carried out on behalf of the client.
(4) If you provide investment advice, before the transaction ends, S.S.I.F. provide the customer with a durable support, a statement of suitability, specifying what the advice is and how it corresponds to the retail customer's preferences, needs and other features.
(5) If the agreement to buy or sell a financial instrument is concluded by a means of distance communication that prevents the prior declaration of adequacy, S.S.I.F. may provide the written declaration of suitability on a durable medium immediately after the client has entered into an agreement under an agreement provided that the following two conditions are met cumulatively:
a) the client has agreed to receive the declaration of suitability without undue delay after the transaction;
b) S.S.I.F. has given the client the option to postpone the transaction until after receiving the declaration of suitability.

(6) If S.S.I.F. provides portfolio management services or if it has informed the client that it will carry out a regular assessment of the suitability, the regular report will contain an updated statement on how the investment meets the preferences, objectives and other features of the retail client.
(7) Where a credit agreement for residential immovable property subject to the provisions on creditworthiness assessment provided for by Government Emergency Ordinance no. 52/2016 regarding the credit agreements offered to consumers for immovable property, as well as for the modification and completion of the Government Emergency Ordinance no. 50/2010 on credit agreements for consumers, provides as a prerequisite the provision to that client of an investment service in connection with mortgage bonds issued specifically to secure the financing of the credit agreement for a residential real estateand the existence of terms identical to those of that contract so that the loan can be paid, refinanced or redeemed, that service is not subject to the obligations set out in this article and in Art. 87 and 88.

Art. 90 (1) S.S.I.F. which receives, through another S.S.I.F. or investment firms, the instruction to provide investment services or ancillary services on behalf of a client may be based on customer information communicated by it.
(2) S.S.I.F. or the investment firm which has submitted the instruction referred to in paragraph (1) is responsible for the exhaustive and precise nature of the information transmitted.
(3) S.S.I.F. which in this way receives the instruction to provide services on behalf of a client may also rely on any recommendation related to the service or transaction concerned offered to the client by another S.S.I.F. or investment firm.
(4) S.S.I.F. or the investment firm which has submitted the instruction referred to in paragraph (3) is responsible for the adequacy of the recommendations or advice given to that client.
(5) S.S.I.F. who receives the instruction or order of a client through another S.S.I.F. or investment firms is responsible for providing the serviceor execution of the transaction in question, on the basis of the information or recommendations referred to above, in accordance with the provisions of this Title.

Art. 91(1) S.S.I.F. shall take sufficient steps to obtain the best possible result for its clients, when executing orders, taking into account the price, costs, speed, probability of executionand the settlement, size, nature of the order or any other considerations regarding the execution of the order. However, if there is a specific instruction provided by clients, S.S.I.F. execute the order in accordance with this instruction.
(2) If S.S.I.F. executes an order on behalf of a retail client, the best possible outcome is determined by the total price, which represents the price of the financial instrument and the costs associated with the execution, including, in turn, all expenses incurred by the client directly related to the execution of the order, including transaction venue fees, clearing and settlement fees and other expenses paid to third parties involved in executing the order.
(3) In order to ensure the best result in accordance with paragraph (1) where there are at least two competing trading venues for executing an order for a financial instrumentand to assess and compare the results that could be achieved for the client following the execution of the order in each of the eligible trading venuesindicated in S.S.I.F. the execution of orders, the

valuation takes into account the commissions and costs of S.S.I.F. perceived to execute the order in each of the eligible trading venues.
(4) S.S.I.F. does not receive any remuneration, reduction, or non-pecuniary benefit to direct customer orders to a particular trading venueor place of execution that would violate the conflict of interest provisions or incentives provided in paragraph (1) - (3), Art. 51 and art. 78-86.

Art. 92(1) Each trading venue or independent operator for the financial instruments subject to the trading obligation provided in Art. 23 and art. Article 28 of Regulation (EU) No. 600/2014, respectively each execution venue for the other financial instruments, shall make available to the public, at least once a year and free of charge, data on the quality of the execution of the transactions in that place.
(2) After executing a transaction on behalf of a client, S.S.I.F. inform the client of the place of execution of the order.
(3) The periodic reports referred to in paragraph (1) include details of the price, costs, speed and probability of execution for each financial instrument.
(4) S.S.I.F. establish and apply appropriate provisions to comply with the provisions of art. 91 para. (1) - (3).
(5) S.S.I.F. establishes and enforces an order execution policy that enables it to obtain the best possible outcome for its clients' orders in accordance with the provisions of Art. 91 para. (1) - (3).

Art. 93(1) The execution policy for orders includes, in relation to each class of financial instruments, information on the different execution venues where S.S.I.F. executes its clients' orders and the factors that influence the choice of location.
(2) Order execution policy includes at least the execution venues that allow S.S.I.F. in most cases, get the best possible result in executing customer orders.
(3) S.S.I.F. provides its clients with appropriate information on order execution policy.
(4) The information provided in paragraph (3) contain clear and sufficiently detailed explanations so that they can be easily understood by customers as to how S.S.I.F. will execute their orders.
(5) S.S.I.F. obtain the prior consent of its clients regarding the order execution policy.
(6) If the order execution policy provides for the possibility of executing them outside a trading venue, S.S.I.F. It specifically informs its customers about this possibility.
(7) S.S.I.F. obtain express prior consent of clients before commencing their orders outside a trading venue.
(8) S.S.I.F. may obtain the consent provided in paragraph (7) either in the form of a general agreement or for certain transactions.

Art. 94(1) S.S.I.F. who executes client orders centralizes and publishes annually, for each class of financial instruments, the most important 5 execution venues in terms of trading volumes, in which he executed client orders during the previous year, as well as information on the quality of execution achieved.

(2) S.S.I.F. who executes client orders monitors the effectiveness of its own order execution and policy provisions in this area to identify gaps and remedy them, if necessary.
(3) S.S.I.F. regularly examines whether the execution venues provided by the order execution policy allow for the best possible outcome for the clientor if it is required to make changes to the implementing provisions, taking into account, inter alia, the information published under paragraph (1) and art. 92 para. (1) - (3).
(4) S.S.I.F. notifies any person who holds the status of client at the time of any significant change to his orders regarding the execution of his orders or his own policy in this field.
(5) S.S.I.F. must be able to demonstrate to clients at their request that they have executed their orders in accordance with the S.S.I.F. .'s execution policy.
(6) S.S.I.F. must be able to demonstrate to A.S.F. at its request that it has complied with the provisions of this Article and of Art. 91-93.

Art. 95(1) S.S.I.F. authorized to execute orders on behalf of clients, applies procedures and arrangements to ensure prompt, fair and rapid execution of these orders in relation to other client orders or trading interests of S.S.I.F. .
(2) The procedures or provisions provided for in paragraph (1) provide for the execution of client orders, otherwise comparable, depending on the date of their receipt by S.S.I.F. .

Art. 96(1) In the case of a client's limit order on shares admitted to trading on a regulated market or traded on a trading venue that is not executed immediately under prevailing market conditions, S.S.I.F. adopt, unless the client gives a contrary instruction, measures which facilitate the swift execution of the order and make it immediately available to the other market participants in an easily accessible form.
(2) It is believed that S.S.I.F. complies with the obligation set out in paragraph (1) when transmitting a customer's order to a trading venue.
(3) A.S.F. may grant, at the request of S.S.I.F. , derogations from the obligation provided in paragraph (1) in the case of orders with a higher volume compared to the volumes normally available on the market, in accordance with Art. 4 of Regulation (EU) No. 600/2014.

Art. 97 S.S.I.F. may use delegated agents to promote their services, attract customers or potential clients, receive their orders and forward them, to place financial instruments as well as to provide consultancy services on these financial instruments and the services they propose.

Art. 98(1) S.S.I.F. who uses a delegated agent assumes the full and unconditional responsibility of any action taken or any omission committed by that Delegated Agent when acting on the S.S.I.F. .
(2) S.S.I.F. ensures that the Delegated Agent reveals the quality of the Delegated Agent as well as the name of S.S.I.F. which it represents if it contacts any potential customer or customer or before trading with it.
(3) S.S.I.F. have the duty to control the activities of their Delegated Agents so as to ensure that they continue to comply with the provisions of this Act if they act through Delegated Agents.

Art. 99(1) S.S.I.F. have the duty to control the activities of their Delegated Agents so as to ensure that they continue to comply with the provisions of this Act if they act through Delegated Agents.
(2) In the A.S.F. Register only delegated agents fulfilling the requirements of good repute, general, commercial and professional knowledge and skills required shall be registeredto provide the investment service or ancillary service and to communicate precisely to any client or potential client all appropriate information on the proposed service.
(3) Prior to requesting enrollment of delegated agents in the A.S.F. Register, S.S.I.F. have the obligation to verify that the delegates to whom they have recourse meet the conditions of good repute, the general knowledge and skills provided in paragraph (2).

Art. 100 S.S.I.F. using Delegated Agents should take appropriate steps to avoid that the activities of Delegated Agents falling outside the scope of this Law have a negative impact on the activities of Delegated Agents on behalf of the S.S.I.F. .

Art. 101(1) S.S.I.F. may use only the Delegated Agents enrolled in the A.S.F. Register
(2) A Delegated Agent operates on behalf of a single S.S.I.F. .
(3) For registration in the A.S.F. Register, S.S.I.F. will notify A.S.F. the headquarters from which that delegated agent will operate.

Art. 102(1) S.S.I.F. authorized to execute orders on behalf of clients and / or to trade on its own account and / or to receive and transmit orders may engage in transactions between eligible counterparties or may enter into transactions with such counterpartieswithout having to comply with the obligations under art. 81, art. 82 para. (1) and (5) to (7), art. 83-88, art. 89 para. (1) and (7) and Art. 91-96 in respect of those transactions or any ancillary service directly linked to those transactions.
(2) In relation to eligible counterparties, S.S.I.F. act honestly, fairly and professionally and communicate in a fair, clear and unbiased manner, taking into account the nature of the eligible counterparty and the activities carried out by it.
(3) For the purpose of this Article, investment firms, credit institutions, insurance companies, UCITS and their management companies are recognized as eligible counterparties, pension funds and their management companies, other financial institutions authorized and regulated in accordance with European Union lawor with the national law of another Member State, national governments and services / structures established under the national law of each State, including public bodies responsible for public debt management at national level, central banks and supranational organizations.
(4) Classification as an eligible counterparty in accordance with the provisions of paragraph (3) is without prejudice to the right of the entities concerned to request, either generally or for each transaction, be treated as clients whose business relations with the investment firm fall under Art. 81-89 and art. 91-96.

Art. 103(1) Eligible counterparties are recognized as other eligible counterparties, including quantitative thresholds.

(2) A.S.F. shall issue regulations for establishing the requirements set out in paragraph (1).
(3) In the case of a transaction in which the potential counterparty is established in another Member State, S.S.I.F. takes into account the status of the other company defined by the law or the measures in force in the Member State in which it is established.
(4) S.S.I.F. which concludes transactions in accordance with art. 102 para. (1) with the companies referred to in paragraph (1) is required to obtain from the potential counterparty the express confirmation that it agrees to be considered eligible counterparty.
(5) S.S.I.F. obtain the confirmation provided in paragraph (4) either in the form of a general agreement or for each individual transaction.
(6) Entities from third countries equivalent to the categories of entities referred to in Article 3 are recognized as eligible counterparties. 102 para. (3).
(7) Eligible third-party counterparties are recognized as eligible counterparties, such as those provided for in paragraph (1), under the same conditions and subject to the same requirements as those provided for in paragraph (1) - (5).

Art. 104(1) It is forbidden to market, sell or distribute in Romania, by professional means, to one or more retail or consumer customers, financial derivatives such as binary options.
(2) It is forbidden to market, sell or distribute in Romania, professionally, one or more retail or consumer customers, of any derivatives traded through an electronic trading platform if these instruments have a maturity of up to 48 hours and involve, directly or indirectly, a leverage established on the basis of the underlying at a level above the maximum laid down in the secondary regulations issued by A.S.F.
(3) The leverage effect provided in paragraph (2) is any procedure that allows an increase in retail or consumer exposure over the amount it has allocated to that transaction.
(4) It is forbidden to market, sell or distribute in Romania, professionally, one or more retail or consumer customers, of derivatives traded through an electronic trading platform in one or more of the following ways:
a) granting rewards of any kind to existing customers who bring new customers or potential clients or who recommend to others the financial derivative instruments offered or the services rendered in connection with these instruments;
b) giving gifts or bonuses to a customer, unless the customer can get their cash value or giving money to a customer without having to meet any condition or grant any other advantage, if its effective grant depends on the execution of derivative transactions that have been distributed;
c) using external call center service providers to contact customers or potential customers;
d) the use of any software designed, developed or sold by suppliers whose remuneration is determined, directly or indirectly, in whole or in part, of the amounts obtained by the entity concerned as a result of losses incurred by customers in the course of the distribution of the goods concerned or the provision of services in connection therewith;
e) the grant to any third party directly or indirectly involved in distribution of remuneration directly or indirectly, in whole or in part, depending on the amounts obtained by the entity concerned, earned by it or lost by its customers in the course of the distribution of those products or the provision of services in connection with them;
f) providing the funds needed to execute transactions by automatically debiting a credit card;

g) engaging in door-to-door sales operations, representing sales operations that do not take place at the S.S.I.F. .

(5) Marketing, selling or distributing in Romania, professionally, to one or more retail or consumer customers, derivative financial instruments such as Differences Financial Contracts (CFDs) is limited to the circumstances in which all the following conditions are met:

a) CFD distributor / seller:

(i) requires the retail client or consumer to pay at least the initial margin protection;

(ii) gives the retail client or the consumer the possibility of close-out protection;

(iii) grants the retail client or consumer the negative balance protection clause;

b)the CFD distributor / seller and any other person involved in the marketing, sale or distribution of CFDs:

(i) does not give a retail client or consumer a payment, monetary benefit or non-monetary benefit in relation to the marketing, sale or distribution of a CFD, other than the profit obtained from any CFD offered;

(ii) does not transmit a communication or publish any information available to a retail client or consumer related to the marketing, sale or distribution of a CFD unless they include a risk warning with the content and form according to A.S.F.

(6) For the purposes of paragraph (5), the terms and expressions below have the following meanings:

a) CFD - a derivative financial instrument, other than an option, future, swap or forward rate contract, whether or not traded on a trading venue that meets the following conditions:

(i) gives the holder a long or short position or exposure on the difference between the value, the price or the value of a underlying at the beginning and end of the contract;

(ii) which must be settled in cash or may be settled in cash at the request of one of the parties, other than in the case of a breach of obligations or other incident leading to termination;

b) non-monetary benefit - any non-monetary benefit, other than insofar as it relates to CFD, information and research tools;

c) initial margin - any payment required to initiate a CFD, excluding commissions and trading fees;

d) the initial margin protection - the initial margin determined by the underlying asset in accordance with the A.S.F. regulations;

e) margin close-out protection - closing an open position on a CFD for a retail client or consumer under the most favorable terms of the clientat the moment when the amount available between the initial margin and the floating margin for that CFD decreases to less than half of the initial protection margin for that CFD as a result of a decrease in the notional value of that CFD;

f) negative balance protection - the total maximum amount that a retail client or consumer may lose for all CFDs associated with a CFD trading account open to a CFD Distributor / Seller up to:

(i) in respect of all such CFDs, the remaining amounts remaining in that trading account in the original margin and the variable margin;

(ii) in respect of all such CFDs that are open, the profits and, in respect of all those CFDs that are closed, the remaining amounts remaining in that trading account from the profits made;

g) floating margin - any payment required to trade a CFD, excluding commissions and trading fees.
(7) The provisions of paragraph (2) and (4) shall not apply:
a)derivative financial instruments admitted to trading on a regulated market or an SMT operated by an investment firm or a market operator;
b) financial instruments that are a form of remuneration granted under an employment contract / mandate contract.

SECTION 3: Transparency and market integrity

Art. 105(1) S.S.I.F. and market operators administering an SMT or SOT establish and maintain effective arrangements and procedures with regard to SMT or SOT to regularly monitor that members, participants or users comply with their rules.
(2) S.S.I.F. and market operators administering a SMT or a SOT monitors the outgoing orders, including cancellations and transactions made by members, participants or users within their systems, in order to identify any breach of those rules, trading conditions liable to affect market stability, a conduct which may suggest behavior which is prohibited under Regulation (EU) No. 596/2014 or malfunctions of the system in relation to a financial instrument and establish the necessary measures and resources to ensure that such monitoring is effective.
(3) S.S.I.F. and the market operators administering an SMT or a SOT shall immediately inform A.S.F. in respect of any serious infringement of its rules or any event occurring in the course of trading which is likely to affect the orderly functioning of the marketor any conduct that may suggest behavior that is prohibited under Regulation (EU) No. 596/2014 or system failures in connection with a financial instrument.
(4) A.S.F. shall immediately communicate ESMA and the competent authorities of the other Member States with the information referred to in paragraph (3) by checking in advance the information submitted on behavior and conduct contrary to the provisions of Regulation (EU) No. 596/2014.
(5) S.S.I.F. and the market operators administering an SMT or SOT shall transmit to the A.S.F. without undue delay the information provided in paragraph (3) for the investigation and prosecution of market abuseand provides it with all necessary help to investigate and prosecute market abuse committed in or through its own systems.

Art. 106(1) Without prejudice to A.S.F. provided in art. 236 para. (3) to request the suspension or withdrawal of a financial instrument from trading, S.S.I.F. or a market operator managing an SMT or a SOTmay suspend or withdraw from trading a financial instrument that no longer complies with the SMT or SOT, unless such suspension or withdrawal could significantly affect investors' interests or jeopardize the orderly functioning of the market.
(2) S.S.I.F. or market operators administering an SMT or a SOT and suspend or withdraw from trading a financial instrument, suspend or withdraw, also the derivative financial instruments referred to in points 4-10 of Annex no. 1 Section C which are linked to or relate

to that financial instrument, where this is necessary to support the objectives of suspending or withdrawing the underlying financial instrument.
(3) S.S.I.F. or the market operator administering an SMT or SOT makes public its decision on the suspension or withdrawal of the financial instrument and any derivative financial instruments and shall communicate such decisions to ASF.
(4) A.S.F. requires market operators or S.S.I.F. which administers, as appropriate, regulated markets, other SMTs, other SOTs and independent operators covered by this law andwho are trading the same financial instrument or the derivative financial instruments specified in points 4-10 of Annex no. 1 Section C which are linked to or relate to that financial instrument, also suspend or withdraw that financial instrument or derivative instruments from trading in cases where the suspension or withdrawal is the consequence of an act suspected of being a market abuse, a public takeover offer or the non-disclosure of inside information about the issuer or the financial instrument, which violates the provisions of Art. 7 and 17 of Regulation (EU) No. 596/2014, except where such suspension or withdrawal could significantly affect the interests of investors or compromise the orderly functioning of the market.
(5) A.S.F. shall immediately publish on its website the decision referred to in paragraph (4) and shall notify ESMA and the competent authorities of the other Member States.
(6) The provisions of para. (4) shall also apply in the event that A.S.F. is notified by a competent authority of another Member State of equivalent measures.
(7) In applying the provisions of paragraph (6), A.S.F. shall communicate to ESMA and other competent authorities the decision it takes after receipt of the notification, including an explanation if it decides not to suspend or withdraw from trading the financial instrumentor derivative financial instruments referred to in points 4-10 of Annex no. 1 Section C which are linked to or relate to that financial instrument.
(8) The provisions of para. (2) to (7) shall also apply if the suspension from trading of a financial instrument or derivatives referred to in points 4 to 10 of Annex No. 1 Section C which are linked to or relate to that financial instrument.
(9) The expression of significant impact on investors' interests has the meaning provided by the European regulations issued in application of art. 32 of Directive 2014/65 / EU.

Art. 107 The notification procedure provided for in Art. 106 shall also apply if the decision to suspend or withdraw from trading a financial instrument or derivative financial instrumentsprovided in points 4-10 of Annex no. 1 Section C that are related to or related to that financial instrument is taken by A.S.F. under art. 236 para. (3) let. m) and n).

SECTION 4: Growth markets for SMEs

Art. 108(1) A.S.F. may register a SMT as a growth market for SMEs at the written request of S.I.F. or of the market operator administering that SMT, subject to compliance with the requirements of paragraph (2).
(2) The SMT that is registered as a growth market for SMEs is subject to effective rules, systems and procedures that meet the following requirements:

a) at least 50% of the issuers whose financial instruments are admitted to trading within that SMT are SMEs when the SMT is registered as a growth market for SMEs and subsequently in any calendar year;
b) appropriate criteria are set for the initial admission and maintenance of issuers' financial instruments to trading on the market;
c) to the initial admission to trading of financial instruments on the market there is sufficient information to enable investors to make informed choices whether to invest in the relevant financial instruments, either in the form of an appropriate admission document or in the form of a prospectus if the requirements of Law no. 24/2017 regarding the execution of a public offer in connection with the initial admission to trading of the financial instrument within the SMT;
d) appropriate financial reporting is continuously carried out on a regular basis either by the issuer or on its behalf, for example through audited annual reports;
e) issuers, as defined in art. 3 para. (1) point 21 of Regulation (EU) No. 596/2014, persons with management responsibilities, as defined in art. 3 para. (1) point 25 of Regulation (EU) No. 596/2014, as well as the persons with whom they are in close ties, as defined in art. 3 para. (1) point 26 of Regulation (EU) No. 596/2014, comply with the requirements applicable to them under Regulation (EU) No. 596/2014;
f) the storage and dissemination to the public of the information subject to regulations on issuers;
g) there are effective systems and controls in place to prevent and detect market abuse on the SMT concerned, as required by Regulation (EU) No. 596/2014.
(3) The criteria set out in paragraph (2) shall be without prejudice to compliance by S.S.I.F. or by the market operator managing the SMT of other obligations under this law relevant to the management of SMTs, and does not prevent S.S.I.F. or the market operator administering the SMT to impose requirements additional to those provided for in paragraph (2).
(4) A.S.F. may radiate an SMT from the list of SME growth markets in any of the following cases:
a) S.S.I.F. or the market operator administering the SMT requires that it be removed from the list;
b) the requirements set out in paragraph (2) are no longer met with regard to the SMT.
(5) A.S.F. shall immediately notify ESMA of the registration or deletion of an SMT in the SME Growth List.
(6) Where an issuer's financial instrument is admitted to trading on a growth market for SMEs, that financial instrument may also be traded on another SME growth market only if the issuer has been informed and has not presented objections.
(7) In case of application of para. (6), the issuer is not subject to any corporate governance or initial, periodic or specific disclosure requirement in respect of the other SME market.

CHAPTER III: The rights of investment firms

SECTION 1: Freedom to provide services and to carry out investment activities

Art. 109(1) Any investment firm authorized and supervised by the competent authorities of another Member State in accordance with Directive 2014/65 / EU and, in the case of credit institutions, in accordance with Directive 2013/36 / EU, may provide free investment servicesand / or may carry out freely investment activities as well as ancillary services on the territory of Romania, provided that such services and activities are included in its authorization.
(2) Ancillary services may be provided only together with an investment service and / or an investment activity.
(3) Investment firms and credit institutions referred to in paragraph (1) shall be entered in the A.S.F. Register after the transmission to A.S.F. of a notification accompanied by information similar to that provided for in Art. 110 para. (3)-(5) by the competent authority of the home Member State of the investment firm or credit institution.
(4) A.S.F. shall not impose on investment firms or credit institutions referred to in paragraph (1) additional obligations for matters governed by this law.
(5) Investment firms and credit institutions referred to in paragraph (1) and art. 113 para. (1) may promote their services by all means of communication available in Romania, in compliance with the advertising rules established by A.S.F.

Art. 110(1) Any S.S.I.F. can provide free investment services and / or can carry out freely investment activities as well as ancillary services in the territory of other Member States.
(2) Ancillary services may be provided by S.S.I.F. in the territory of a Member State only together with an investment service and / or an investment activity.
(3) Any S.S.I.F. who intends to provide services or to carry out activities in the territory of another Member State for the first time or who wishes to modify the range of services provided or activities carried out communicates to A.S.F. next information:
a) the Member State in which it intends to operate;
b) an activity program which mentions, in particular, the investment services and / or activities and the ancillary services it intends to provide in the territory of that Member State and whether it intends to do so through delegated agents established in Romania.
(4) If S.S.I.F. intends to use delegated agents, says A.S.F. the identity of those delegates.
(5) If S.S.I.F. who intends to provide services in the territory of another Member State wishes to use delegated agents established in Romania, A.S.F. communicate to the competent authority of the host Member State designated as a point of contact in accordance with Art. 237 para. (1) to (5) within one month of receipt of all information, the identity of the delegate staff concerned.
(6) A.S.F. shall transmit to the competent authority of the host Member State designated as a point of contact in accordance with Article. 237 para. (1) - (5) the information provided by S.S.I.F. in accordance with paragraph (3) to (5), within one month of receiving them.

(7) S.S.I.F. may begin to provide those services and investment activities in the host Member State after transmission by A.S.F. of the information to the competent authority of the host Member State, in accordance with the provisions of paragraph (6).
(8) In the event of modification of one of the information communicated in accordance with paragraph (3) - (5), S.S.I.F. announces in writing A.S.F. at least one month before the change is applied.
(9) A.S.F. shall inform the competent authority of the host Member State of the change referred to in paragraph (8).

Art. 111(1) Any credit institution that intends to provide investment services and ancillary services or to carry out investment activities according to art. 109 through delegated agents communicates to A.S.F. the identity of those delegates.
(2) Where the credit institution intending to provide services in the territory of another Member State wishes to use delegated agents established in Romania, A.S.F. communicate to the competent authorityof the host Member State designated as a point of contact in accordance with Art. 237 para. (1) to (5) within one month of receipt of all information, the identity of the delegate staff concerned.
(3) A.S.F., as the competent authority of the host Member State, shall publish on its website the information received from the competent authorities of the home Member State of the investment firms or credit institutions using delegated agents to provide investment services and / or investment activities in Romania.

Art. 112(1) A.S.F. allows investment firms and market operators managing SMTs and SOTs in other Member States on the basis of the notification sent to them by the competent authority in their home Member State, to provide the appropriate mechanisms on the territory of Romania to facilitate access to and trading on those markets for members, participants or remote users established on the territory of Romania.
(2) A.S.F. may request from the competent authority of the SMT's home Member State information on the identity of the members or remote participants to the SMT established in that Member State.
(3) S.S.I.F. or the market operator administering an SMT or a SOT intending to make available appropriate mechanisms in the territory of other Member States to facilitate access to and trading on those markets for members, participants or remote users established on the territory of those States communicate to A.S.F. the name of the Member State in which it intends to provide these mechanisms.
(4) Within one month of receiving the information provided in paragraph (3), A.S.F. shall communicate this information to the competent authority of the Member State where the SMT or SOT intends to provide for such mechanisms.
(5) At the request of the competent authority of the SMT host Member State and without undue delay, A.S.F. communicates the identity of the remote members or participants to the SMT established on the territory of Romania.

SECTION 2: Establishment of a branch

Art. 113(1) Investment services and / or activities as well as ancillary services may be provided on the territory of Romania by investment firms and credit institutions in the Member States by the right of establishment or by the establishment of a branch, either by using a delegated agent established in Romania, in accordance with the provisions of this law and, as the case may be, of Government Emergency Ordinance no. 99/2006, approved with amendments and completions by Law no. 227/2007, with subsequent modifications and additions, provided that those services and activities are included in the authorization given to the investment firm or credit institution in the home Member State.
(2) Ancillary services may be provided only together with an investment service and / or an investment activity.
(3) Investment firms and credit institutions in the Member States referred to in paragraph (1) shall be entered in the A.S.F. Register.
(4) A.S.F. does not impose additional obligations other than those authorized in accordance with the provisions of art. 116, as regards the organization and operation of the branch of an investment firmor a credit institution for which it has received notification accompanied by information similar to that provided for in Art. 114 para. (1) and (4) from a competent authority of another Member State for the matters governed by this Law.
(5) Where the investment firm of a Member State resorts to a delegated agent located in Romania, it shall be assimilated to the branch of the investment firm in the territory of Romania where it has been set up and shall, in any event, the provisions of this branch law.

Art. 114(1) S.S.I.F. who wishes to establish a branch in the territory of another Member State or to use delegated agents established in another Member State in which he has not established a branch informs in advance A.S.F. and communicates the following information:
a) the Member State within the territory of which it intends to establish a branch or the Member States in which it has not established a branch but intends to use delegated agents established in its territory;
b) an activity program specifying, inter alia, the investment services and / or activities and the ancillary services it will provide;
c) if it is established, the organizational structure of the branch, specifying whether the branch intends to use delegated agents, as well as the identity of such delegated agents;
d) where delegated agents are used in a Member State where a S.S.I.F. has not set up a branch, a description of the intended use of the delegate / delegate agent / agents and an organizational structure, including the hierarchical chain, specifying how the agent (s) fall into the corporate structure of S.S.I.F. ;
e) the address from which documents may be obtained in the host Member State;
f) the names of the persons entrusted with the management of the branch or of the delegate agent.
(2) If S.S.I.F. uses a Delegated Agent established in a Member State other than Romania, that Delegated Agent is assimilated to the Branch where it is established and is subject, in any case, to the provisions of the Branch Law of the Host Member State.

(3) Unless A.S.F. after analyzing the activities envisaged by S.S.I.F. , considers that the administrative structure or financial situation of S.S.I.F. is not appropriate, A.S.F. notify the information provided in paragraph (1), within three months of receiving them, to the competent authority of the host Member State designated as a point of contact in accordance with Article. 237 para. (1) - (5) and informs S.S.I.F. In this regard.
(4) In addition to the information provided in paragraph (1), A.S.F. communicate to the competent authority of the host Member State detailed information on the investor-compensation scheme involving S.S.I.F. .
(5) If the information provided in paragraph (4), A.S.F. shall inform the competent authority of the host Member State thereof.
(6) If it refuses to communicate the information to the competent authority of the host Member State, A.S.F. specifies to the S.S.I.F. the reasons for his refusal. within 3 months of receiving all the information.
(7) On receipt of a communication from the competent authority of the host Member State or, in the absence of such communication, within no more than two months from the date of the notification by A.S.F. , the branch may be established and may commence its activity.

Art. 115(1) Any credit institution intending to use a Delegated Agent established in a Member State other than Romania to provide investment services and / or activities as well as ancillary services under this Law shall notify A.S.F. and provides him with the information provided in art. 114 para. (1).
(2) Except where N.B.R.finds and informs A.S.F. that the administrative structure or financial situation of the credit institution is not appropriate, A.S.F. notify the information received under paragraph (1), within 3 months of receipt thereof, to the competent authority of the host Member State and shall inform the credit institution thereof.
(3) If N.B.R.requires A.S.F. refuse to communicate the information to the competent authority of the host Member State, A.S.F. it shall state the reasons for its refusal to the credit institution concerned within three months of receiving all the information.
(4) On receipt of a communication from the competent authority of the host Member State or, in the absence of such communication, within a maximum of two months from the date of transmission of the notification by A.S.F. , the Delegated Agent may commence his activity. Such a delegated agent shall be subject to the provisions of the branch law of the host Member State.

Art. 116(1) The branch of an investment firm or credit institution in a Member State must comply with the obligations set out in Art. 60, 81-89 and 91-96 of this Law and Articles 14-26 of Regulation (EU) No.600 / 2014, and the measures adopted in accordance with those provisions by A.S.F. A.S.F. shall ensure that the respective branch fulfills these obligations.
(2) A.S.F. is empowered to examine the measures instituted by the branch and to request their amendment if such a change is strictly necessary to allow A.S.F. to verify the compliance of the Romanian branch with an investment firmor a credit institution in a Member State of the obligations set out in paragraph (1) as regards the services provided and/ or the activities carried out on the territory of Romania.

Art. 117(1) Where an investment firm authorized in another Member State has established a branch in Romania after the notification to the AIF, the competent authority of the home Member State of that investment firm may, in the exercise of its responsibilities, to on-site inspections at this branch.
(2) A.S.F. may, in the exercise of its responsibilities and after informing the competent authority of the host Member State, carry out inspections at the premises of a branch of a S.S.I.F. established in the territory of another Member State.

Art. 118(1) In case of modification of one of the information communicated in accordance with art. 114 para. (1), S.S.I.F. announced in writing A.S.F. at least one month before applying the respective amendment.
(2) A.S.F. shall inform the competent authority of the host Member State of that change.

SECTION 3: Access to regulated markets

Art. 119(1) Investment firms in other Member States that are authorized to execute client orders or own-account trading have the right to become members of regulated markets established in Romania or to have access to these markets:
a) directly through the establishment of branches;
b) becoming remote members of a regulated market or having remote access to this market without having to be established in Romania, if the procedures and trading systems of that market do not require a physical presence for the conclusion of the transactions on the market.
(2) Investment firms exercising the right provided in paragraph (1) shall not be subject to any additional regulatory or administrative requirements in respect of matters governed by this Law.

SECTION 4: Access to central counterparty, clearing and settlement systems and the right to designate a settlement system

Art. 120(1) Without prejudice to Titles III, IV or V of Regulation (EU) No. 648/2012, investment firms in other Member States have the right of direct and indirect access to the central counterparty and the clearing and settlement systems existing on the territory of Romania for the purpose of finalizing or arranging the completion of transactions in financial instruments.
(2) The direct and indirect access of those investment firms to those systems is subject to the same non-discriminatory, transparent and objective criteria as apply to local members or participants.
(3) A.S.F. does not limit the use of such systems to the clearing and settlement of transactions in financial instruments made in a trading venue on the territory of Romania.
(4) Market operators in Romania offer to all members or all their participants the right to designate the settlement system for transactions in financial instruments on the regulated markets administered by them subject to the following conditions:

a) the existence of facilities and links between the designated settlement system and any other system or infrastructure necessary to ensure the efficient and economic settlement of the transaction;
b) confirmation by A.S.F. that all technical conditions for the settlement of transactions concluded on these regulated markets through a settlement system other than that designated by the market operator are such as to allow the smooth and orderly functioning of the markets in question.
(5) Appreciation of A.S.F. in respect of the regulated market is without prejudice to the competences of the national central banks in their role of overseeing clearing-settlement systemsor the powers of other competent supervisory authorities with respect to these systems. A.S.F. takes into account the supervision and surveillance already carried out by these institutions in order to avoid undue repetition of the checks.

SECTION 5: Provisions on CCPs, clearing and settlement mechanisms for SMTs

Art. 121(1) S.S.I.F. and market operators administering an SMT may agree with a central counterparty, clearing house or settlement system in another Member State appropriate arrangements for the clearing and / or settlement of all or part of the transactions concluded by the members or participants in within their systems.
(2) A.S.F. may not prohibit calling a central counterparty, clearing house and / or settlement system in another Member State unless it can be demonstrated that such a prohibition is necessary to maintain the orderly functioning of the SMT concerned, and taking into account the conditions imposed on the settlement systems according to the provisions of art. 120 para. (4) and (5).
(3) In order to avoid undue repetition of checks, A.S.F. takes into account the oversight and supervision of the clearing and settlement system already carried out by the central banks as clearing and settlement system supervisors or by other competent supervisory authorities with regard to these systems.

CHAPTER IV: Provision of investment services and activities by third country companies

SECTION 1: Providing investment services or conducting investment activities by setting up a branch

Art. 122(1) A third-country company intending to provide investment services or carry out investment, with or without ancillary services, for retail clients or professional clients within the meaning of Annex no. 2 Section B, on the territory of Romania, establishes a branch.
(2) The branch referred to in paragraph (1) must obtain a prior authorization from A.S.F. on the basis of a request submitted by the third country company for that purpose.
(3) In order to approve the establishment of the branch, the following conditions are met cumulatively:
a) the provision of services for which the company in a third country applies for authorization is subject to authorization and supervision in the third country in which the company is

established and the applicant company is duly authorized, A.S.F. taking into account the recommendations of the International Financial Action Task Force - GAFI - in the context of combating money laundering and terrorist financing;
b) between A.S.F. and the competent supervisory authorities of the third country where the company is established, there are cooperation agreements that include provisions regulating the exchange of information in order to maintain market integrity and protect investors;
c) the branch has the initial minimum capital level provided for in art. 47 of which he has free;
d) are appointed one or more persons responsible for the administration of the branch, which complies with the requirements of art. 19;
e) the third country in which the company is established has signed an agreement with Romania that fully complies with the standards set out in Art. 26 of the Model Organization of the Organization for Economic Cooperation and Development - OECD -to avoid double taxation on income and capital and to ensure effective information exchange in the field of taxation, including, where appropriate, multilateral tax agreements;
f) the company belongs to a scheme for investor compensation authorized or recognized in accordance with Directive 97/9 / EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes, published in the Official Journal of the European Union, L series, no. 084/22.
(4) Branch of a company in a third country authorized according to the provisions of para. (2) is entered in the A.S.F.

Art. 123 Third-country company that intends to obtain authorization to provide any investment services or carry out investment activities with or without ancillary services on the territory of Romania by setting up a branch makes available to A.S.F. the next:
a) the name of the authority responsible for its oversight in the third country concerned; where more than one authority is responsible for supervision, details of the areas of competence of each of those authorities are provided;
b) all relevant details regarding the name, legal form, registered office and address, members of the management body, major shareholders and an activity program providing investment services and / or activities, as well as the ancillary services to be provided or conducted and the organizational structure of the branch, including the description of all outsourcing to third parties of essential operational functions;
c) the names of the persons responsible for the administration of the branch and the relevant documents attesting the compliance with the requirements of art. 19;
d) information on the initial capital available to the branch.

Art. 124(1) A.S.F. authorizes the branch of a third-country company which has established or intends to set up its branch in Romania only if it finds:
a) that the conditions provided in art. 122 are met;
b) that the branch of a third country company will be able to comply with the provisions of paragraph (3).
(2) A.S.F. shall inform the company in a third country, within 6 months of the date of the submission of a complete application, whether or not the authorization was granted.

(3) Branch of the company in a third country authorized in accordance with the provisions of paragraph (1) complies with the obligations stipulated in art. 49-56, art. 61-65, art. 67-74, art. 78-89, art. 91-95, art. 102, 103 and art. 105-107 of the present law and at art. 3-26 of Regulation (EU) No. 600/2014 as well as the measures adopted in accordance with these provisions and is supervised by A.S.F.
(4) A.S.F. does not impose additional obligations with regard to the organization and operation of the branch for the matters governed by this law and does not offer to branches of third country companies more favorable treatment than the investment firms in the Member States.

Art. 125(1) Where a retail client or a professional client within the meaning of Section B of Annex. 2, established or located on the territory of Romania, initiates, at its exclusive initiative, the provision of a service or the carrying on of an investment activity by a company in a third country, the authorization requirement in Art. 122 does not apply to the provision of the service or the pursuit of that activity by the third country company to the person concerned or to a relationship specifically related to the provision of the service or the pursuit of that activity.
(2) An initiative of a customer, as regulated in para. (1) does not entitle a company in a third country to market new categories of investment or investment services to that client other than through a branch.

Art. 126(1) S.S.I.F. may provide investment services and activities and auxiliary services in a third country under the authorization granted by A.S.F. in accordance with the regulations issued to that effect only by setting up a branch. For the purposes of this Act, all headquarters established in the territory of a third country are considered as one branch.
(2) Establishment of a branch in a third country is subject to the prior approval of A.S.F. , according to the regulations issued by it.
(3) A.S.F. may reject the application for approval of the establishment of the branch if, on the basis of the information held and the documentation submitted by S.S.I.F. , considers that:
a) S.S.I.F. does not have adequate management or financial standing in relation to the proposed activity to be carried out through the branch;
b)the existing legal framework in the third country and / or the way it is applied prevents the exercise of the A.S.F. of its oversight functions;
c) S.S.I.F. records an inappropriate development of financial prudential indicators or fails to meet other requirements under this law or the regulations issued in its application.
(4) Any change in the elements that are considered when approving the establishment of the branch is subject to the prior approval of A.S.F.

Art. 127 Prudential supervision of investment services and activities and ancillary services provided by S.S.I.F. in Member States and in third countries, either directly or through the establishment of branches, shall be provided by A.S.F. without prejudice to the powers of the competent authorities of the host States.

SECTION 2: Withdrawal of authorizations

Art. 128(1) A.S.F. may withdraw the authorization issued under Art. 124 branch of a company in a third country where that company:
a) does not use the authorization within 12 months, expressly renounces the authorization, has not provided any investment service or has not carried out any investment activity in the last 6 months;
b) obtained the authorization by making false statements or by any other incorrect way;
c) no longer fulfills the conditions under which the authorization was granted;
d) has seriously and systematically infringed the provisions of this Act as regards the operating conditions for investment firms applicable to companies in a third country;
e) falls within any of the cases where the law provides for withdrawal of authorization for matters not covered by this law.
(2) In assessing the seriousness and systematic nature of the breach provided for in paragraph (1) let. d), A.S.F. consider, but not limited to, the following:
a) the number, nature of the sanctions and the amount of the fines imposed on the branch or members of its management bodies over the past 36 months as reported at the time of analysis;
b) the frequency of the infringement;
c) the extent to which, through the actions / inactions undertaken, the branch has induced systemic risk or affected investors' confidence in the capital market;
d) the facts found have facilitated or contributed to facilitating acts cla S.S.I.F. ied as market abuse, money laundering or terrorist financing;
e) the extent to which, through actions / inactions, the branch has caused damage to investors' assets;
f) the amount of profits made or losses avoided as a result of the breach, to the extent that they can be determined.

TITLE III: Regulated markets

CHAPTER I: Authorization and applicable law

Art. 129(1) Authorization of the market operator and the regulated market shall be granted only if A.S.F. has ensured that both the operator and the regulated market systems satisfy at least the requirements set out in this Title.
(2) The market operator shall provide all the information, including an activity program setting out, inter alia, the types of operations envisaged and the organizational structure requiredto allow A.S.F. to ensure that the regulated market has, at its initial authorization, put in place all necessary measures to comply with its obligations under this Title.
(3) The conditions and documentation that must accompany the application for authorization as well as the procedure for the authorization of the market operator will be stipulated by regulations of A.S.F. and will mainly refer to:

a) the minimum share capital of the joint stock company and the financial resources necessary to carry out the business;
b) the main object of activity, consisting in the management of regulated markets, as well as related activities;
c) the ownership structure, the identity and integrity of the shareholders exercising significant influence over the members of the management body;
d) the qualifications, professional experience and reputation to be met by the members of the management body and the key market operator;
e) cases of incompatibility and conflict of interest that should be avoided by members of the management body and those with key positions within the market operator;
f) technical equipment and resources;
g) the contract concluded with a financial auditor endorsed by A.S.F.
(4) The market operator carries out the activities related to the organization and administration of the regulated market under the supervision of the A.S.F. , subject to the provisions of this title.
(5) Market operators authorized to operate in Romania will be registered with the A.S.F. Register.
(6) A.S.F. shall regularly check that the market operator fulfills the conditions under which the authorization was granted. The market operator has the obligation to observe the conditions considered at the moment of granting the authorization during its entire lifetime.
(7) Changes in the organization and functioning of the regulated market operator / market operator that will be subject to authorization or, as the case may be, the obligation to notify A.S.F. are established by the regulations of A.S.F.
(8) The market operator shall monitor the compliance of the regulated market it manages with the requirements of this Title and shall be entitled to exercise the rights corresponding to the regulated market it manages under this law.
(9) The market operator can not limit the number of persons with right of access to the regulated market.
(10) The market operator that manages a trading venue has active and passive process legitimacy for any rights and obligations, claims and claims related to the activity of the managed trading venues.
(11) Without prejudice to any relevant provision of Regulation (EU) No. 596/2014 or any relevant provisions on market abuse in Law no. 24/2017, the provisions of public law governing transactions under regulated market systems shall be those of the home Member State of the regulated market concerned.

Art. 130 The application for authorization of the market operator shall be rejected, as appropriate, if:
a) the documentation and information submitted by the market operator does not comply with the provisions of this law and of the A.S.F. issued in its application nor the provisions of the European regulations issued pursuant to Directive 2014/65 / EU;
b) the documentation and information submitted are insufficient to establish whether the market operator will operate in accordance with the provisions of this law and of the A.S.F. regulations issued in its application;

c) the members of the management body and the persons performing key functions within the market operator do not have the qualifications and professional experience appropriate to their function, according to A.S.F. issued in application of this law, as well as the European regulations issued pursuant to Directive 2014/65 / EU;
d) market transparency, the smooth running of transactions and the protection of investors are not ensured;
e) the provisions of this law or of the A.S.F. issued under its application, nor the European regulations issued pursuant to Directive 2014/65 / EU.

Art. 131(1) A.S.F. may, by decision, withdraw the authorization issued to a market operator and to the regulated market if it is authorized:
a) does not use the authorization within 12 months, expressly renounces the authorization or has not operated within the last 6 months;
b) obtained the authorization by making false statements or by any other incorrect way;
c) no longer fulfills the conditions under which the authorization was granted;
d) has seriously and systematically violated the provisions adopted pursuant to this law or Regulation (EU) 600/2014;
e) requests withdrawal of authorization.
(2) Any withdrawal of an authorization shall be notified by A.S.F. to ESMA.
(3) In the case of withdrawal of the authorization of a market operator, starting with the date and time specified in the decision of A.S.F. no financial instrument may be executed on that market, and trading orders registered by participants and not yet executed until that date become null and void, the financial instruments, the due amounts and the commissions received will be refunded.
(4) Operations concluded up to the date specified in the decision to withdraw the market operator's authorization are finalized at their maturity, the participants being held to observe the clauses of the contracts concluded with their investors.
(5) In assessing the serious and systematic nature of the breach provided for in paragraph (1) let. d), with a view to withdrawing the authorization of a market operator, A.S.F. consider, as appropriate, without limitation, the following criteria:
a) the number, nature of the sanctions and the amount of the fines imposed on the market operator or the members of its management bodies over the past 36 months, at the time of the analysis;
b) the frequency of the infringement;
c) the extent to which the market operator may also ensure the proper functioning of the managed trading venues from the point of view of the technical facilities managed;
d) the extent to which, through the actions / inactions undertaken, the market operator has induced systemic risk or has affected investors' confidence in the capital market;
e) the facts found have facilitated or contributed to facilitating acts cla S.S.I.F. ied as market abuse, money laundering or terrorist financing;
f) the extent to which, through the actions / inactions undertaken, the market operator caused damage to the assets of the investors or to the patrimony of the market participants;
g) the amount of profits made or losses avoided as a result of the breach, to the extent that they can be determined.

CHAPTER II: Requirements applicable to the market operator's management body

Art. 132(1) The members of the governing body of any market operator have at all times a sufficiently good reputation, have sufficient knowledge, skills and experience to carry out their tasks.

(2) The entire composition of the management body must reflect a sufficiently wide range of experience.

(3) The members of the management body shall in particular fulfill the following requirements:

a) all members of the management body devote sufficient time to perform their functions within the market operator;

b) the number of management functions that a member of the management body may simultaneously hold in any legal entity shall take into account the specific circumstances and the nature, scale and complexity of the market operator's activities. Unless it represents the Member State, the members of the management bodies of the market operators who are significant in terms of size, internal organization, nature, scope and complexity of their activities do not at the same time hold more positions by one of the following combinations:

(i) an executive management function with two non-executive leadership functions;

(ii) four non-executive leadership positions;

c) the management body as a whole possesses the appropriate knowledge, skills and experience to understand the activities of the market operator, including the main risks;

d) each member of the management body acts with honesty, integrity and independent thinking to effectively assess and challenge senior management decisions if necessary and to effectively supervise and monitor decision-making.

(4) Executive or non-executive directorships held within the same group or within the companies in which the market operator holds a qualifying holding are considered to be a single management function.

(5) With a view to authorizing members of the management body to hold a non-executive function in addition to those provided for in paragraph (3) let. b) point (ii), F.S.will take into account the complexity of the market operator's activityand the way in which the new position held affects the activity of the market operator in terms of the time allocated to the position held within it and the capacity to exercise the duties. A.S.F. shall periodically inform ESMA of such authorizations.

(6) Management functions in organizations not pursuing predominantly commercial purposes are exempt from the limitation on the number of management functions provided for in paragraph (3) let. (b) which a member of a governing body may hold.

(7) Market operators allocate adequate human and financial resources for the integration and training of members of the management body.

(8) Significant market operator terms and expressions and sufficiently wide range of experience have the meaning provided by ESMA regulations issued in accordance with the provisions of Art. 16 para. (1) of Regulation (EU) No. 1095/2010.

Art. 133 Any member of the governing body of a market operator shall be required to notify in writing the nature and extent of the interest or the material relationship:
a) is part of a contract with the market operator;
b) is a member of the board of directors or, where applicable, a member of the supervisory board of a legal person that is party to a contract with the market operator;
c) is in close ties or has a material relationship with a person who is a party to a contract with the market operator;
d) is in a situation which may influence the decision to be taken in the meetings of the board of directors or, where appropriate, the supervisory board.

Art. 134(1) Market operators which are significant in terms of size, internal organization and the nature, scale and complexity of their activities shall establish a nomination committee composed of members of the management body who do not perform any executive function within that market operator.
(2) The nomination committee has the following tasks:
a) identifies and submits for approval to the management body or, as the case may be, to the general meeting of the shareholders candidates for filling vacant positions within the management body;
b) regularly assesses at least once a year the structure, size, composition and performance of the management body and makes recommendations to the governing body on possible changes;
c) regularly assesses, at least once a year, the knowledge, skills and experience of each member of the management body and of the management body as a whole and informs him of that assessment;
d) periodically reviews the policy of the management body on the selection and appointment of senior management and formulates recommendations addressed to the management body.
(3) In order to fulfill the attributions stipulated in para. (2) let. a) the nomination committee:
a)assesses the balance of knowledge, skills, diversity and experience within the governing body;
b) prepares a description of roles and capabilities for appointment to a particular post and assesses the expectations of the time allocated to it;
c) decides on an objective of representing the under-represented gender within the governing body, and develops a policy on how to increase representation of the under-represented gender within the governing body to achieve that objective.
(4) In carrying out its tasks, the nomination committee shall, within the limits of its possibilities and on an ongoing basis, take into account the need to ensure that the decision-making process of the governing body is not dominated by any person or small group of persons in a way that is detrimental interests of the market operator as a whole.
(5) In carrying out its duties, the nomination committee may use any resources it considers appropriate, including external advice.
(6) Market operators and nomination committees should use a wide range of qualities and skills when recruiting members of the management body and, in doing so, implementing a policy of promoting diversity within the governing body.

Art. 135(1) A market operator's governing body defines and oversees the implementation of governance mechanisms that ensure the efficient and prudent management of an organization, including the separation of tasks within the organization and the prevention of conflicts of interest, in a way that promotes market integrity.
(2) The management body shall periodically monitor and evaluate the effectiveness of the market operator's governance mechanisms and take appropriate action to address any deficiencies.
(3) The members of the management body have adequate access to the information and documents necessary for supervising and monitoring the decision-making process of the management.
(4) A.S.F. duly refuses authorization if the data and information at its disposal can not lead to the conclusion that the members of the market operator's management body have a sufficiently good reputation, possess sufficient knowledge, skills and experienceand devoting sufficient time to carry out their tasks or if there are objective and compelling reasons to believe that the market operator's management body would risk compromising its sound, prudent and efficient management and market integrity.
(5) In the process of authorizing a regulated market, the person or persons within the market operator who effectively conduct the activities and operations of a regulated market already authorized under this law are considered / are deemed to comply with the requirements of Art. 132 para. (1) and (2).
(6) The market operator shall transmit A.S.F. the identity of all members of its management body and any change in its membership, together with all information necessary for the assessment and authorization of each member of the management body in accordance with the requirements set out in Art. 132 and 134 and the provisions of the regulations issued by A.S.F. in their application.

CHAPTER III: Requirements applicable to persons exercising significant influence over the management of the regulated market

Art. 136(1) Persons who are directly or indirectly in a position to exert a significant influence on the management of the regulated market shall comply with the criteria laid down in A.S.F. on the rules of procedure and the criteria applicable to the prudential assessment of purchases by a market operator.
(2) Any acquisition of market operator shares that leads to significant influence over the management of the regulated market is notified to the market operator and is subject to the prior approval of A.S.F.
(3) The market operator of the regulated market:
a) provides A.S.F. and discloses information about the structure of the market operator's ownership, and in particular information on the identification data of persons who are in a position to exert significant influence on the market operator's management body and the value of the holdings held by such persons;
b) immediately notify A.S.F. and makes public any transfer of ownership that leads to a change in the identity of persons exercising significant influence over the functioning of the regulated market.

(4) A.S.F. reasonably refuses to approve proposals to modify holdings held by persons exercising significant influence on the market operator if there are objective and compelling reasons to believe that the proposed change would risk compromising the sound and prudent management of the regulated market managed by the operator market.
(5) No shareholder of a market operator may hold, directly or together with the persons with whom he is acting in concert, more than 20% of the total voting rights.
(6) Any purchase of shares of the market operator, which results in a 20% holding of the total voting rights, shall be notified to the market operator within the term stipulated by the regulations issued by A.S.F. and is subject to the prior approval of A.S.F.
(7) Any disposal of the market operator's shares leading to the deduction below the 20% holding threshold shall be notified to the market operator and the A.S.F. within the time limit prescribed by the regulations issued by A.S.F.
(8) In the event that the shares issued by the market operator are traded on a regulated market or within a SMT, the obligation of notifying the market operator regarding the alienation of its shares also rests with the central depository, within the term and under the conditions stipulated by the regulations issued by A.S.F.

CHAPTER IV: Organizational requirements

Art. 137(1) The market operator administering a regulated market:
a) adopt measures to clearly detect and manage the potentially harmful effects on the functioning of the regulated market or on its members or participants in any conflict of interest arising between the interests of the market operator, the market operator's shareholders and the management body of the market operator and the correct functioning of the regulated market;
b) ensure that the regulated market is appropriately equipped to manage the risks to which it is exposed, that it establishes appropriate measures and systems to identify all significant risks that may compromise its operation and applies effective risk mitigation measures;
c) shall put in place measures to ensure the correct administration of the system's technical operations, including efficient emergency mechanisms to deal with potential risks of system interruption;
d) adopt transparent and non-discretionary rules and procedures that ensure fair and orderly trading and set objective criteria for the effective execution of orders;
e) establishes mechanisms aimed at facilitating the efficient and timely completion of transactions executed within its systems;
f) disposes at the time of authorization and subsequently at all times, sufficient financial resources to facilitate the orderly functioning of the market, taking into account the nature and extent of the transactions concluded on the regulated market and the range and level of risks to which it is exposed;
g) complies with the requirements of A.S.F. issued in application of this law and the European regulations issued pursuant to Directive 2014/65 / EU on the general conditions in which transactions in financial instruments admitted to trading on the regulated market will be conducted as well as the rules on transparency and investor protection.

(2) complies with the requirements of A.S.F. issued in application of this law and the European regulations issued pursuant to Directive 2014/65 / EU on the general conditions in which transactions in financial instruments admitted to trading on the regulated market will be conducted as well as the rules on transparency and investor protection.

CHAPTER V: System resilience, trading interruptions and electronic trading

Art. 138

(1) The market operator shall put in place efficient systems, procedures and mechanisms to ensure its systems:

a) are resilient and have sufficient capacity to handle the maximum order and me A.S.F. ge volume;

b) can ensure orderly trading under market conditions, are fully tested to ensure that these conditions are met and are the subject of effective mechanisms to ensure continuity of business and service in the event of a failure of its trading systems.

(2) The market operator shall establish for the regulated market it manages:

a) written agreements with all investment firms and credit institutions that seek to implement a market-making strategy on the regulated market;

b) programs, strategies or plans to ensure that a sufficient number of investment firms and credit institutions participate in such agreements that force them to offer firm quotations at competitive prices, in order to provide market liquidity on a regular and predictable basis, where such an obligation corresponds to the nature and size of the trading activity on that regulated market.

(3) The written agreement referred to in paragraph (2) shall specify at least the following:

a) the obligations of investment firms and credit institutions in relation to the provision of liquidity and, where appropriate, any other obligation arising from participation in the programs, strategies or plans referred to in paragraph (2) let. (B);

b) any incentives for reductions or other incentives offered by the regulated market to an investment firm or credit institution in order to provide market liquidity on a regular and predictable basisand, where appropriate, any other rights acquired by investment firms or credit institutions as a result of participation in the programs / strategies / plans referred to in paragraph (2) let. (B).

(4) The market operator for the regulated market it manages:

a) monitor and ensure compliance by investment firms and credit institutions with the requirements of such binding agreements;

b) informs A.S.F. with regard to the content of the binding written agreement and shall provide A.S.F. on request with detailed information to enable it to ensure that the regulated market complies with the requirements of this paragraph and paragraph (3).

(5) The rules of a regulated market must contain provisions establishing effective systems, procedures and mechanisms to refuse orders that exceed predetermined volume and price thresholds or which are manifestly erroneous.

(6) The market operator may temporarily suspend or restrict trading if there is a significant price evolution of a financial instrument on that market or a related market over a short period and, in exceptional circumstances, may cancel, modify or correct any transaction.

Art. 139(1) The market operator of a regulated market shall ensure that the parameters of the interruptions of trading are calibrated in an appropriate manner so that they take into account the liquidity of the different asset categories and subcategories, market model and types of users and are sufficient to avoid significant interruptions in the continuity of trading.
(2) The market operator of a regulated market reports to A.S.F. the parameters for discontinuing trading and any significant changes to these parameters in a consistent and comparable manner and, in turn, A.S.F. reports ESMA.
(3) The terms and expressions used in this article and in art. 138, such as market tensions, significant price developments and significant disruptions to the continuity of the trading activity have the meaning provided by the European regulations issued pursuant to Art. 48 of Directive 2014/65 / EU and ESMA regulations issued in accordance with the provisions of Art. 16 para. (1) of Regulation (EU) No.1.095 / 2010.

Art. 140(1) A market operator that manages a significant liquidity regulated market for a particular financial instrument shall ensure that the regulated market has the procedures and systems in place to ensure that the other competent authorities are notifiedin order to coordinate a market-wide response and to determine whether it is appropriate to discontinue trading in other venues where the financial instrument is traded until the resumption of trading on the original market.
(2) The market operator, for the regulated market it manages, has the obligation to establish efficient systems, procedures and mechanisms, including a requirement for members or participants to carry out appropriate algorithm tests and to provide the framework for facilitating these tests, to:
a) ensure that algorithmic trading systems can not create or contribute to trading conditions liable to affect the orderly functioning of the market;
b) manage any trading conditions likely to affect the orderly functioning of the market that are generated by such algorithmic trading systems, including systems for limiting the ratio of unexecuted orders to orders that can be entered into the system by a member or a participant;
c) may slow the flow of orders if there is a risk of reaching the maximum capacity of its system and to limit and enforce the minimum quote that can be executed on the market.
(3) The market operator shall ensure, for a regulated market it manages and which is allowed direct electronic access:
a) the establishment of effective systems, procedures and mechanisms to ensure that members or participants are authorized to provide such services only if they are investment firms or credit institutions authorized under the legislation in force by a competent authority;
b) establishing and applying appropriate criteria for the appropriateness of the persons to whom such access may be granted and that the member or participant assumes responsibility for the orders and transactions executed through this service in relation to the requirements of this law;
c) setting appropriate risk control standards and trading thresholds for such access;
d) mechanisms to identify and, if necessary, terminate orders or transactions of a person using direct electronic access, separate from other orders or transactions of the member or participant;

e) the establishment of mechanisms to suspend or terminate the direct electronic access that a member or participant provides to a client in the event of a breach of the provisions of this paragraph.

Art. 141 The market operator administering a regulated market shall ensure that the rules of the regulated market regarding collocation services are transparent, fair and non-discriminatory.

Art. 142(1) The level of commissions and fees charged by the market operator is approved by the statutory bodies designated by the market operator according to its constituent act and notified to A.S.F.
(2) The market operator of a regulated market shall ensure that the regulated market rules relating to the application of rates and commissions, including execution fees and commissions, ancillary charges and fees and possible reductions, are transparent, fair and non-discriminatory and do not create incentives to place, modify or cancel orders or execute transactions in a way that contributes to the creation of trading conditions that may affect the orderly functioning of the market or lead to market abuse.
(3) The market operator of a regulated market has the obligation to include in the market rules provisions that provide for tariff and commission reductions in exchange for the fulfillment of the market formation obligation for certain shares or an appropriate basket of shares.
(4) The regulated market may adjust the charges for canceled orders according to the length of time the order was held in the market and calibrate its charges according to each financial instrument to which it applies.
(5) The regulated market may apply a higher tariff for the introduction of a canceled order than for an executed order and for participants who place a large percentage of canceled orders in relation to the number of orders executedor for those using a high frequency algorithmic trading technique to reflect the additional pressure on system capacity.

Art. 143(1) The market operator of a regulated market shall ensure that the regulated market it manages has rules and mechanisms by which it can be identified by means of markings made by members or participants, orders generated by algorithmic transactions, different types of algorithms used to create orders, and relevant individuals who initiate these orders.
(2) The market operator shall make available to A.S.F. , at its request, the information provided in paragraph (1).

Art. 144(1) At the request of A.S.F. , a market operator for a regulated market it manages puts at the disposal of the ordained registry authority or grants the authority access to the registry so that it can monitor the trading activity.
(2) A.S.F. may require the market operator to transmit data, information and documents on a regular basis or in any other manner, setting the time limit for their transmission.

CHAPTER VI: Quotation steps

Art. 145(1) The rules of the regulated market should include provisions on the quote steps for shares, certificates of deposit, fund units traded on the stock exchange, certificatesand other similar financial instruments as well as for any other financial instrument provided for in the technical implementing standards and regulatory technical standards issued by the European Commission for the application of Directive 2014/65 / EU.
(2) The regulation of the quotation steps in accordance with the provisions of paragraph (1) must be considered:
a) calibrating the quotation steps to reflect the liquidity profile of the financial instrument across markets and the average spread between purchase pricesand sales, taking into account the desideratum to allow for roughly stable prices without excessively limiting the subsequent reduction of spreads;
b) the possibility of adapting the listing step for each financial instrument appropriately.

CHAPTER VII: Synchronization of professional watches

Art. 146(1) Trading venues, as well as their members and participants, synchronize the professional clocks they use to record the date and time of events that are deemed necessary to be signaled.
(2) The expression of events deemed necessary to be signaled has the meaning provided by the ESMA regulations issued in accordance with the provisions of Art. 16 para. (1) of Regulation (EU) No. 1095/2010.

CHAPTER VIII: Organization and functioning of the regulated market and admission of financial instruments to trading

Art. 147(1) The way of organizing and functioning of the regulated market is established by own rules issued by the market operator, adopted by the statutory bodies designated by the market operator according to its constitutive act and approved by the A.S.F. , according to the provisions of the present law and the legislation European legislation.
(2) The market operator shall ensure that the rules of the regulated market it manages establish clear and transparent conditions on:
a) procedures for the admission, exclusion and suspension of participants to and from the trading system;
b) the trading procedures as well as the obligations to be met by participants and their persons performing operations on the regulated market;
c) the admission of financial instruments to trading to ensure that any financial instrument admitted to trading on a regulated market can be traded fairly, orderly and efficient and, in the case of securities, it can be freely negotiated, as well as the rules of suspension or withdrawal from trading;
d) obligations of issuers admitted to trading;

e) the way of determining and publishing prices and quotations, in compliance with the provisions of this law and the European regulations issued pursuant to Directive 2014/65 / EU;
f) managing and disseminating information to the public;
g) contract standards and the central depository or, where applicable, the central counterparty with which the contract has been concluded with a view to settlement / clearing of the operations carried out on the regulated market;
h)security and control mechanisms of computer systems to ensure the safe storage of stored data and information, including in the event of risk events.
(3) A.S.F. may reasonably request modification of the rules issued by the market operator.
(4) The Board of Directors or, as the case may be, the Board of Supervisors has the obligation to notify A.S.F. in connection with any violation of this law, the A.S.F. and market rules, as well as of the measures adopted in this respect.
(5) The market operator may establish an arbitration system for settling disputes between participants and / or issuers whose financial instruments are admitted to trading on the markets administered by that operator.

Art. 148(1) With regard to derivatives, the conditions provided by art. 147 para. (2) shall in particular ensure that the particularities of the derivative contract allow for an orderly quote as well as an efficient settlement.
(2) In addition to the obligations set out in paragraph (1) and art. 147 para. (2), the market operator of a regulated market shall ensure that its rules:
a) establish and maintain effective mechanisms to enable them to verify whether issuers of securities admitted to trading on the regulated market comply with the statutory provisions on their initial, periodic and ad hoc reporting obligations;
b) shall put in place measures to facilitate the access of its members or participants to information made public in accordance with the relevant European legal provisions.
(3) The market operator has the obligation to adopt the necessary measures to regularly check compliance with the conditions for the admission of financial instruments admitted to trading.
(4) A security that has been admitted to trading on a regulated market may subsequently be admitted to trading on other regulated markets, even without the issuer's consent, in compliance with the relevant provisions on admission to trading on a regulated market under Law no. 24/2017.
(5) In case of application of para. (4), the second regulated market shall inform the issuer that the relevant security is traded on that market.
(6) The Issuer is not obliged to provide directly the information requested under para. (2) let. a) a regulated market that admitted its securities to trading without its consent.

CHAPTER IX: Suspension and withdrawal of financial instruments from trading on a regulated market

Art. 149(1) Without prejudice to A.S.F. provided in art. 236 para. (3) to request the suspension or withdrawal of a financial instrument from trading, the market operator may

suspend or withdraw from trading a financial instrumentwhich no longer complies with the rules of the regulated market, unless such suspension or withdrawal could significantly affect investors' interests or jeopardize the orderly functioning of the market.
(2) A market operator that suspends or withdraws from trading a financial instrument also suspends or withdraws the derivative financial instruments set out in points 4 to 10 of Annex no. 1 Section C which are linked to or relate to that financial instrument, where this is necessary to support the objectives of suspending or withdrawing the underlying financial instrument.
(3) The market operator shall make public its decision on the suspension or withdrawal of the financial instrument and any derivative instruments and shall notify the respective decisions of the A.S.F.
(4) A.S.F. imposes other market operators or independent operators under its jurisdiction and dealing in the same financial instrument or derivative financial instruments as set out in points 4 to 10 of Annex no. 1 section C, which are linked to or relate to that financial instrument, suspend or withdraw that financial instrument or derivative instruments from trading, where the suspension or withdrawal is the consequence of a presumed market abuse, public takeover offer or non-disclosure of inside information about the issuer or the financial instrument, which violates the provisions of art. 7 and art. 17 of Regulation (EU) No. 596/2014, unless such suspension or withdrawal could significantly affect investors' interests or compromise the orderly functioning of the market.
(5) Following the notification provided in paragraph (3), A.S.F. communicate the decision of ESMA to other competent authorities, including an explanation if it decides not to suspend or withdraw from trading the financial instrumentor derivative financial instruments referred to in points 4-10 of Annex no. 1 Section C which are linked to or relate to that financial instrument.
(6) A.S.F. shall immediately make public and shall notify ESMA and the competent authorities of the other Member States of the decision referred to in paragraph (3).
(7) The provisions of para. (4) shall also apply in the event that A.S.F. is notified by a competent authority of another Member State in connection with the suspension or withdrawal from trading of a financial instrument.

Art. 150(1) The provisions of art. 149 para. (2) to (7) shall also apply if the suspension from trading of a financial instrument or derivatives referred to in points 4 to 10 of Annex No. 1 Section C which are linked to or relate to that financial instrument.
(2) The notification and communication procedure provided for in Art. 149 also applies if the decision to suspend or withdraw from trading a financial instrument or derivative financial instrumentsprovided in points 4-10 of Annex no. 1 Section C that are related to or related to that financial instrument is taken by A.S.F. under the provisions of art. 236 para. (3) let. m) and n).

CHAPTER X: Access to the regulated market

Art. 151(1) Under the rules of the market operator managing a regulated market, requirements are established, imposed and enforced to maintain transparent and non-discriminatory conditions based on objective criteria regulating the access or adherence of members to the regulated market.
(2) The rules referred to in paragraph (1) shall include all the obligations incumbent on members or participants under:
a) the instruments of incorporation and administration of the regulated market in question;
b) rules on trading activity on this market;
c) professional standards imposed on the staff of investment firms or credit institutions operating on the market;
d) the conditions set out in paragraph (3) for members or participants other than investment firms and credit institutions;
e) rules and procedures relating to the clearing and settlement of transactions concluded on the regulated market.

Article 152 1.The market operator's rules on the access of members or participants to the regulated market administered by it shall provide for the direct or remote participation of investment firms and credit institutions.
2. Regulated markets in other Member States may, within the territory of Romania, on the basis of a prior notification to the A.S.F. sent to that effect by the competent authority of the home Member State, without requiring any other legal or administrative requirements, the necessary provisions for allow members or participants established in Romania to have remote access to and trade on these markets.
(3) The A.S.F. may require the competent authority of the home Member State of the regulated market to communicate the identity of the members or participants of the regulated market established in Romania.
(4) The market operator in Romania intending to adopt provisions of the nature of those provided in paragraph (2) In order to allow remote access for members and participants from other Member States, the FSM shall notify the Member State in whose territory it intends to provide such facilities.
(5) The A.S.F. notifies within one month the information provided in par. (4) to the competent authority of the host Member State indicated.
(6) At the request of the competent authority of the host Member State of the regulated market referred to in paragraph (3) A.S.F. shall, without undue delay, communicate the identity of the members and participants of the regulated market established in that Member State.
(7) Within ten days from the expiration of the reporting period, the Market Operator shall report to the A.S.F. , on a half-yearly basis, the list of members or participants of the regulated market administered by it.

CHAPTER XI: Monitoring compliance with the rules of the regulated market and other legal obligations

Article 153 1. Market operators shall establish and maintain effective mechanisms and procedures, including the resources required to regularly monitor compliance with their own rules by their members or participants.
2. Market operators shall monitor orders placed, including cancellations and transactions made by their members or participants in their systems, to identify breaches of those rules, trading conditions likely to affect the orderly functioning of the market, or conduct that may suggest a conduct which is prohibited under Regulation (EU) No. 596/2014 or the malfunctions of the system in relation to a financial instrument.
3. Market operators shall immediately inform the SOF of:
a) serious violations of the rules of the regulated regulated markets;
b) trading conditions liable to affect the orderly functioning of the market;
c) behavior that may suggest behavior that is prohibited under Regulation (EU) No. 596/2014;
d) System malfunctions in connection with a financial instrument.
4. ESMA shall send ESMA and the competent authorities of other Member States the information provided in paragraph (3).
5. As regards conduct which may suggest behavior which is prohibited under Regulation (EU) No. 596/2014, A.S.F. must be convinced that such behavior occurs or has occurred before notifying the competent authorities of the other Member States and ESMA.
6. Market operators shall provide the A.S.F. without undue delay with relevant information in the field of investigations and prosecutions of market abuse in regulated markets and give it full support for the investigation and prosecution of market abuse committed in regulated market systems; or through them.

CHAPTER XII: Provisions concerning the use of CCP, clearing and settlement mechanisms

Article 154 1. Without prejudice to Titles III, IV or V of Regulation (EU) No. 648/2012, market operators may agree with a central counterparty, clearing house or settlement system in another Member State appropriate arrangements to organize the clearing and / or settlement of all or part of the transactions concluded by market participants within the framework of their systems.
2. Without prejudice to Titles III, IV or V of Regulation (EU) No. 648/2012, the A.S.F. may not prohibit a market operator from calling a central counterparty, clearing house and / or settlement system in another Member State unless it can be demonstrated that such a prohibition is necessary to maintain the orderly functioning of the regulated market administered by the respective market operator and taking into account the conditions imposed on the settlement systems according to the provisions of art. 120 par. (4) and (5).
3. In order to avoid undue reassessment of the assessments, the A.S.F. takes into account the oversight and supervision of the clearing and settlement system already performed by central banks as clearing and settlement systems supervisors or by other competent supervisory authorities in regarding these systems.

CHAPTER XIII: List of regulated markets

Article 155 (1) The A.S.F. shall draw up a list of regulated markets for which it is competent and shall forward this list to the other competent authorities of the Member States and ESMA. Every change to this list requires similar communication.
(2) The list provided for in paragraph (1), published on the ESMA website, contains the unique code established by ESMA in accordance with Art. 65 par. (6) of Directive 2014/65 / EU, for the identification of regulated markets, used for reporting, in accordance with the provisions of Art. 169 para. (2) lit. g) and par. (5) lit. g) of this law and art. 6, 10 and 26 of Regulation (EU) No. 600/2014.

TITLE IV: Position limits and control mechanisms for the management of positions in commodity derivatives and reporting of positions

CHAPTER I: Position limits and position control mechanisms for commodity derivatives

Article 156 (1) The A.S.F. shall establish and apply position limits to the size of the net position that a person may at any time hold in derivative financial instruments traded in trading venues and in economically equivalent over-the-counter , according to the calculation methodology established according to the provisions of par. (5).
(2) The limits shall be established both on the basis of all the positions held by a person and those held on behalf of a group for:
a) prevent market abuse;
b) support settlement and pricing conditions on an orderly basis, including the prevention of distortions of market positions and, in particular, ensuring convergence between the prices of derivatives in the month of delivery and the spot market prices for the underlying asset, without prejudice to the mechanism of price discovery on the active asset market.
(3) The limits imposed on positions shall not apply to positions held by, or on behalf of, a non-financial corporation which can be objectively considered as reducing the risks directly related to the commercial activity of the non-financial entity concerned.
(4) The position limits shall specify clear quantitative thresholds for the maximum size of a position on a commodity derivative financial instrument that a person may hold.
(5) A.S.F. sets limits for each commodity derivative contract traded on a trading venue based on the calculation methodology established by the technical standards developed by ESMA adopted by the European Commission. The limits imposed on positions include economically equivalent over-the-counter contracts.
(6) The A.S.F. shall review the positions limits if there is a significant change in the delivery of the deliverables or in the total open positions or any other significant change within the market on the basis of its determination of the deliverables or of the total open positions and restores the limit position in accordance with the calculation methodology set out in paragraph (5).
Art. 157 (1) The A.S.F. notifies ESMA of the exact limits of the positions it intends to impose in accordance with the calculation methodology established according to art. 156 par. (5).

(2) Within two months from the notification provided in par. (1), the compatibility of the limits imposed on the positions with the objectives stipulated in art. 156 par. (1) - (3) and the calculation methodology established according to art. 156 par. (5) is assessed by ESMA, and will issue an opinion to that effect and publish it on its website.
3. The A.S.F. shall amend the limits imposed on positions in accordance with the ESMA's opinion or provide ESMA with the reasons why it considers that the change is not necessary.
4. Where the A.S.F. imposes limits to the opinion of ESMA, it shall immediately publish on its website a notification explaining in detail the reasons for its decision.
Art. 158(1) Where the same commodity derivative is traded in significant amounts in trading venues in several jurisdictions, the competent authority of the trading venue where the largest volume of transactions is known, called the competent central authority, sets the limit on the single must apply to all transactions in that contract.
(2) A.S.F., if he holds the status of competent central authority, according to the provisions of para. (1) shall consult the competent authorities of other trading venues where the relevant commodity derivative is traded in significant amounts with respect to the limit of the single position to be applied and any revision of the limits of single positions.
3. If the competent authorities fail to reach an agreement, they shall state in writing the full and detailed grounds for which they consider that the requirements set out in Art. 156 par. (1) - (3) are not fulfilled, any disputes arising in such cases will be settled by ESMA.
4. In order to enable the monitoring and execution of the limit on the single position, the A.S.F. shall participate in cooperation mechanisms including the exchange of relevant data with the competent authorities of the trading venues where the same commodity derivative is traded and with the competent authorities of the holders of positions on the commodity derivative concerned.
Article 159 (1) of the S.S.I.F. , credit institutions or market operators that manage a trading venue in which commodity derivatives are traded apply position control mechanisms.
2. The control mechanisms for position management shall include at least the powers of the trading venue to:
a) monitor the total open positions of the persons;
b) access information from individuals, including all relevant documentation, on the size and purpose of a position or exposure, information on actual or underlying beneficiaries, any concerted practice and any related asset or liability in the underlying asset market;
c) requires a person to eliminate or reduce a position, temporarily or permanently, depending on the specific cases, and to take unilateral steps to ensure that the removal or reduction is made if the person does not comply with the requirement;
d) requires, where appropriate, that a person return liquidity to the market at a price and volume agreed on a temporary basis with the express intention of reducing the effects of a major or dominant position.
(3) Position limits and position control mechanisms shall be transparent and non-discriminatory, specifying how they are applied to individuals and taking into account the nature and structure of market participants as well as the way in which they use the contracts traded.

(4) The S.S.I.F., credit institutions or market operator managing the trading venue shall inform the A.S.F. of the details of the arrangements for controlling the management of positions
(5) A.S.F. shall transmit the information provided in paragraph (4) as well as the details of the positions limits it has established for ESMA, which publishes and maintains on its own website a database summarizing the positions and the mechanisms for controlling the management of positions.
(6) A.S.F. imposes the limits of the positions stipulated in art. 156 par. (1) - (3) according to the provisions of art. 236 par. (3) lit. p).
(7) A.S.F. does not impose more restrictive limits than those adopted in accordance with the provisions of art. 156 par. (1) to (3) than in exceptional cases where they are objectively and proportionately justified in the light of the liquidity and the need for the orderly functioning of the market in question.
Article 160 (1) A.S.F. publishes on its website the details of the more restrictive limits imposed on the positions it decides to impose, which are valid for an initial period not exceeding 6 months from the date of their publication.
2. The more restrictive limits imposed on positions may be renewed for additional periods not exceeding six months each if the reasons for their imposition continue to exist. If the limits are not renewed after the 6-month period, they expire automatically.
3. ESMA shall notify ESMA if it decides to impose more restrictive limitations on positions, and it shall issue an opinion within 24 hours of notification and publish it on its website. The notification submitted by the A.S.F. includes a justification for the more restrictive limits of the positions.
(4) If the A.S.F. imposes limits to the opinion issued by ESMA, the A.S.F. shall immediately publish on its website a notification explaining in detail the reasons for its decision.

CAPITOLUL II: Reporting the position bypostionhelders categories

Art. 161(1) S.S.I.F., credit institutions or market operators managing a trading venue in which commodity derivatives or emission allowances or derivatives are traded:
(a) publish a weekly report of the aggregate positions held by different categories of persons for the various commodity derivatives or emission allowances or derivatives traded on their trading venue, specifying the number of long and short positions on such categories, changes from the previous report, the percentage represented by each category of the total open positions and the number of persons in each category holding a position, in accordance with the provisions of paragraph (5) to (7), and shall communicate this report to A.S.F. and ESMA;
(b) provide the A.S.F. with a complete breakdown of positions held within that trading venue by all persons, including members or participants and their clients, at least once a day.
(2) The obligations stipulated in paragraph (1) lit. a) applies only if both the number of persons and their open positions exceed the minimum thresholds.

(3) An investment firm or a credit institution that trades commodity derivatives or emission allowances or derivative instruments thereof outside a trading venue shall make available to the competent authority of the trading venue where derivative financial instruments are traded on commodities or emission allowances or derivatives thereof or to the central competent authority at the place where commodity derivatives or emission certificates or derivatives are traded in significant amounts in respect of trading venues in more jurisdictions, once a day, a complete breakdown of their positions on commodity derivatives traded in a trading venue and on economically equivalent offshore contracts as well as the positions of their clients and clients of those customers, up to the final customer level, in accordance with Art. 26 of Regulation (EU) No.600 / 2014 and, if applicable, Art. 8 of Regulation (EU) No. 1227/2011.
(4) In order to monitor compliance with the provisions of art. 156 par. (1) to (3), members or participants of regulated markets, SMTs and SOT customers shall report at least once a day to the S.S.I.F. , the credit institution or the market operator that manages the trading venue, details of its own positions held on contracts traded on that trading venue, as well as on the positions of their clients and customers of those customers, to the level of the final client.
(5) Holders of positions in a commodity derivative, emission allowance or derivative instrument shall be cla S.S.I.F. ied by the S.S.I.F. , the credit institution or the market operator administering that trading venue, depending on the nature their main activity, taking into account any applicable authorization, as:
a) investment firm or credit institution;
b) investment funds, or a OPCVM, as defined by the Government Emergency Ordinance no. 32/2012, approved with amendments and completions by Law no. 10/2015, as subsequently amended and supplemented, or an alternative investment fund manager, as defined in Law no. 74/2015, as amended and supplemented;
c) other financial institutions, including insurers and reinsurers, as defined by Law no. 237/2015, as amended, and institutions for the provision of occupational pensions as defined in Directive 2003/41 / EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision published in the Official Journal of the European Union, L series, no. 235/10 of 23 September 2003;
d) companies, within the meaning of Law no. 31/1990, republished, as subsequently amended and supplemented;
e) in the case of emission allowances or derivatives thereof, operators subject to compliance obligations under Government Decision no. 780/2006, as subsequently amended and supplemented, and the Government Emergency Ordinance no. 115/2011, approved by Law no. 163/2012, as subsequently amended and supplemented.
(6) The reports referred to in paragraph (1) lit. a) specifies the number of long and short positions per categories of persons, the possible changes from the previous report, the percentage represented by each category of the total open positions and the number of persons in each category.
(7) The reports provided in paragraph (1) lit. a) and the breakdown of the positions provided in par. (3) distinguish between:
(a) positions identified as positions that reduce objectively measurable risks directly related to business activities; and
(b) other positions.

8. For the purposes of this Article:
a) long position is the financial instruments held to be received for the transactions to be settled and other elements involving the obligation or the right to buy financial instruments;
b) short position means financial instruments to be delivered for transactions to be settled and other items that involve the obligation or the right to sell financial instruments.

TITLE V: Data reporting services

CHAPTER I: Authorization procedures for data reporting service providers

Art. 162 (1) The provision of the data reporting services described in Annex no. 1 Section D as a normal occupation or activity shall be subject to prior authorization by the A.S.F. in accordance with this Chapter.
(2) By way of exception from the provisions of paragraph (1), S.S.I.F. or the market operator managing a trading venue may conduct data reporting services for an APA, a CTP and an ARM, provided that the A.S.F. has previously verified that these operators comply with the provisions of this Title and the inclusion of those services in their own authorization.
(3) Data service providers are registered in the A.S.F. Register
(4) The register provided for in paragraph (3) is publicly available, it contains information about the services for which the data reporting service provider is authorized and is updated on a regular basis.
(5) Data providers shall be notified of ESMA and will be listed in the list of data reporting service providers in the European Union published on the ESMA website.
(6) If the A.S.F. withdraws an authorization in accordance with the provisions of art. 165, that withdrawal shall be published in the list drawn up by ESMA referred to in paragraph (5) and shall remain public for five years.
(7) ESMA oversees data reporting service providers and verifies on a regular basis whether they meet at any time the conditions required for initial authorization and whether they comply with the provisions of this Title.
Art. 163 (1) A.S.F. shall ensure that the authorization specifies the data reporting service that the data reporting service provider is authorized to provide.
(2) A data reporting service provider wishing to expand its activity to other data reporting services shall submit an application for extension of its authorization.
(3) The authorization shall be valid throughout the European Union and shall enable a data reporting service provider to provide the services for which it has been authorized throughout the European Union.
Art. 164 (1) A.S.F. shall not grant the authorization before it is fully ensured that the applicant fulfills all the requirements laid down by the provisions adopted under this law.
2. The data reporting service provider shall provide all necessary information to enable the A.S.F. to ensure that it has taken, at the initial authorization, all necessary measures to comply with its obligations under the provisions of this Title, including the submission of a program activity specifying, inter alia, the types of services envisaged and the organizational structure.

3. The applicant shall be informed, within 6 months of the submission of a complete application, whether the authorization is granted or not.

Art. 165 (1) A.S.F. may withdraw the authorization issued to a data reporting service provider if the supplier:

a) does not use the authorization within 12 months, expressly renounces the authorization or has not provided data reporting services in the last 6 months;

(b) obtained the authorization by making false statements or by any other incorrect means;

(c) no longer fulfills the conditions under which the authorization was granted;

d) has seriously and systematically violated the provisions of this law or of Regulation (EU) no. 600/2014.

(2) In assessing the serious and systematic nature of the breach provided for in paragraph (1) lit. d) With a view to withdrawing the authorization of a data reporting service provider, the A.S.F. shall, as appropriate, take into account, but not limited to, the following criteria:

(a) the number, nature of the sanctions and the amount of the fines imposed on the data reporting service provider over the past 36 months, reported at the time of the analysis;

b) the frequency of the violation;

c) the extent to which the provider of data reporting services has, through actions / inactions, systemic risk or has affected investor confidence in the capital market;

d) the facts found facilitated or contributed to facilitating acts cla S.S.I.F. ied as market abuse, money laundering or terrorist financing;

e) the extent to which the provider of data reporting services caused damages to investors or patrimony to market participants through the actions / inactions undertaken;

(f) the amount of profits made or losses avoided as a result of the breach, to the extent that they can be determined.

Art. 166 (1) The members of the management body of a data reporting service provider shall at all times be of sufficiently good repute, possess sufficient knowledge, skills and experience and devote sufficient time to the performance of their tasks.

2. The management body shall, as a whole, possess the appropriate knowledge, skills and experience to be able to understand the activities of the data reporting service provider.

3. Each member of the management body shall act honestly, with integrity and independent thinking to effectively challenge, as the case may be, the decisions of senior management, and to effectively monitor and monitor the decision-making process of the management, if it is necessary.

4. Where a market operator wishes to obtain the authorization to administer a PTA, a CTP or an ARM and the members of the management body of the CTP or ARM are the same as the members of the market operator's management body, those persons are deemed to meet the requirements of paragraph (1) - (3).

(5) The data reporting service provider shall communicate to the A.S.F. all members of its management body and any changes in its membership, together with all necessary information, to assess whether the entity complies with paragraph (1) - (3) and of the A.S.F. regulations issued pursuant to this law.

6. The management body of a data reporting service provider shall define and supervise the implementation of governance arrangements that ensure the efficient and prudent management of the organization, including the separation of tasks within the organization and

the prevention of conflicts of interest in a way that promotes integrity the market and the interests of its clients.
(7) The A.S.F. refuses authorization if the data and information at its disposal can not lead to the conclusion that the person or persons who will effectively carry out the activity of the data reporting service provider have a sufficiently good reputation or if there are objective and conclusive reasons for believing that proposed changes to the supplier's management body would risk compromising its correct and prudent management, customer interests and market integrity.
(8) The terms and expressions of good reputation, sufficient time and honesty, integrity and independent thinking have the meaning provided by the ESMA regulations issued in accordance with the provisions of art. 16 par. (1) of Regulation (EU) No. 1095/2010.

CHAPTER II: Conditions for APAs

Art. 167 (1) APA shall establish appropriate policies and measures to make public the necessary information under the provisions of art. 20 and 21 of Regulation (EU) No. 600/2014 as far as possible from a technical point of view, in real time under reasonable commercial conditions.
(2) The information provided in paragraph (1) are made available free of charge, 15 minutes after their publication by the APA.
(3) APA shall effectively and consistently disseminate this information in a way that ensures rapid and non-discriminatory access to information and in a format that facilitates the consolidation of information with similar data from other sources.
(4) The information published by the APA in accordance with the provisions of para. (1) to (3) shall include at least the following details:
a) the identifier of the financial instrument;
b) the price at which the transaction was concluded;
c) the volume of the transaction;
d) the time of the transaction;
e) the time at which the transaction was reported;
f) the transaction price unit;
g) the code of the trading venue where the transaction was executed or, in the case where the transaction was executed through an independent operator, the "IS" code or, in other cases, the "OTC" code (over-the-counter);
(h) where appropriate, an indication that the transaction has been subject to specific conditions.
(5) APA shall implement and maintain effective administrative measures designed to prevent conflicts of interest with its customers.
(6) APA which is also a market operator or S.S.I.F. treats all information collected in a non-discriminatory manner and implements and maintains appropriate measures to separate the different functions associated with its activity.
(7) The terms and expressions used in this article, such as reasonable commercial terms, have the meaning provided by the European regulations issued pursuant to Art. 64 of Directive 2014/65 / EU.

Art. 168 (1) APA shall establish robust security mechanisms designed to ensure the security of the means of transmitting information, minimize the risk of data corruption and unauthorized access, and prevent leakage of information prior to publication.
(2) The APA maintains adequate resources and has installed back-up devices to offer and maintain its services at all times.
3. The CPA shall set up systems that can effectively verify the integrity of the trading reports, identify omissions and obvious errors and request the retransmission of any erroneous reports.

CHAPTER III: Conditions for CTPs

Art. 169 (1) The CTP shall put in place appropriate policies and measures to collect the information made public in accordance with the provisions of Art. 6 and art. 20 of Regulation (EU) No. 600/2014 in order to consolidate them in a continuous flow of electronic data and to make information available to the public as far as possible from a technical point of view, in real time, on reasonable commercial terms.
(2) The information provided in paragraph (1) shall include at least the following:
a) the identifier of the financial instrument;
b) the price at which the transaction was concluded;
c) the volume of the transaction;
d) the time of the transaction;
e) the time at which the transaction was reported;
f) the transaction price unit;
g) the code of the trading venue where the transaction was executed or, in the case where the transaction was executed through an independent operator, the "IS" code or, in other cases, the "OTC" code (over-the-counter);
h) as the case may be, the fact that a computerized algorithm within S.S.I.F. is responsible for the investment decision and execution of the transaction;
(i) where appropriate, an indication that the transaction has been subject to specific conditions;
j) clarifications where a derogation from the obligation to make public the information provided in art. 3 par. (1) of Regulation (EU) No. 600/2014 in accordance with the provisions of art. 4 par. (1) lit. (a) or (b) of the same Regulation. Please note which derogations apply to the transaction in question.
3. The information shall be made available free of charge 15 minutes after its publication by the CTP.
(4) The CTP effectively and consistently disseminates the information provided in paragraph (2) in a way which ensures fast and non-discriminatory access to information and formats that are easily accessible and usable by market participants.
(5) The CTP shall put in place appropriate policies and measures to collect the information made public in accordance with the provisions of Art. 10 and 21 of Regulation (EU) No. 600/2014 in order to consolidate them in a continuous flow of electronic data and to make available to the public, as far as possible, technically, in real time under reasonable commercial conditions, at least the following:
a) the identifier or characteristics of the financial instrument identification;

b) the price at which the transaction was concluded;
c) the volume of the transaction;
d) the time of the transaction;
e) the time at which the transaction was reported;
f) the transaction price unit;
g) the code of the trading venue where the transaction was executed or, in the case where the transaction was executed through an independent operator, the "IS" code or, in other cases, the "OTC" code (over-the-counter);
(h) where appropriate, an indication that the transaction has been subject to specific conditions.
(6) The information shall be made available free of charge, 15 minutes after its publication by the CTP.
7. The CTP shall effectively and consistently disseminate such information in a way that ensures rapid and non-discriminatory access to information and generally accepted, interoperable and easily accessible and usable formats by market participants.

Art.170 (1) The CTP shall ensure that the data provided is consolidated from all regulated markets, SMTs, SOTs and APAs and the financial instruments specified in the delegated acts and implementing acts after case, adopted by the European Commission.
(2) The CTP shall apply and maintain effective administrative measures designed to prevent conflicts of interest.
(3) A market operator or AAP managing a centralized reporting system shall treat all information collected in a non-discriminatory manner and shall apply and maintain appropriate measures to separate the different functions associated with its business.
(4) The CTP shall put in place robust security mechanisms to ensure the security of the means of transmission of information and to minimize the risk of data corruption and unauthorized access.
(5) The CTP maintains adequate resources and has back-up devices installed to maintain and maintain its services at all times.

CHAPTER IV: Conditions for ARMs

Art. 171 (1) The ARM shall establish appropriate policies and measures to report the information required under, and in accordance with, 26 of Regulation (EU) No. 600/2014 as soon as possible and no later than the end of the business day following the day the transaction took place.
2. The ARM shall implement and maintain effective administrative measures designed to prevent conflicts of interest with its clients.
(3) The ARM which is also a market operator or S.S.I.F. treats all information collected in a non-discriminatory manner and applies and maintains appropriate measures to separate the different functions associated with its activity.
(4) The ARM shall establish robust security mechanisms to ensure the security and authentication of the means of transmission of information, minimize the risk of data

corruption and unauthorized access, and prevent leakage of information, while maintaining the confidentiality of data.
(5) The ARM maintains adequate resources and has back-up devices installed to maintain and maintain its services at all times.
(6) The ARM establishes systems that can effectively verify the integrity of trading reports, identify omissions and obvious errors caused by S.S.I.F. and, in the event of such an error or omission, to communicate with S.S.I.F. details of the error or omission and request the retransmission of any erroneous reports.
(7) The ARM shall set up systems to enable the latter to detect errors or omissions caused by the ARM itself and to allow the ARM to correct and transmit or relay, as appropriate, A.S.F. reports of correct transactions and complete.
(8) The terms and expressions used in this article, such as robust security mechanisms, have the meaning provided by European regulations issued pursuant to Art. 66 of Directive 2014/65 / EU.

TITLE VI: Clearing and Settlement of Transactions in Financial Instruments

CHAPTER I: General provisions

Art. 172 The terms and expressions used in this title have the meaning provided in art. 2 par. (1) of Regulation (EU) No. 909/2014 and art. 2 of Regulation (EU) No. 648/2012.

Art. 173 (1) The general conditions for the settlement operations that may take place within the settlement system shall be determined by the A.S.F. and other competent / relevant authorities, as the case may be, according to the provisions of this law and the European legislation.
2. The provisions of this Title shall not apply to the securities settlement system administered by N.B.R. under the conditions stipulated in art. 1 par. (4) of Regulation (EU) No. 909/2014.

Art. 174 (1) Authorization and supervision of the Central Depository and the Central Counterparty shall be made by the A.S.F.
(2) N.B.R. is relevant authority within the meaning of the provisions of art. 12 of Regulation (EU) No. 909/2014.

Art. 175 (1) The transfer of ownership of financial instruments other than derivatives shall take place at settlement date within the settlement system.
(2) In the case of transfers having a monetary component, the settlement is made on the basis of the delivery payment mechanism, except for the direct transfers of ownership provided for in the secondary regulations.
(3) Purchased financial instruments may be alienated from the moment they are purchased.

CHAPTER II: Central Depository of Financial Instruments

SECTION 1: General provisions

Art. 176 (1) The central depository of financial instruments, other than derivatives, is constituted in the form of a legal person as a joint stock company, issuing nominative shares, according to the provisions of Law no. 31/1990, republished, as subsequently amended and supplemented, authorized and supervised by the A.S.F. , which manages a non-derivative financial settlement system referred to in point 3 of Section A of the Annex to Regulation (EU) No. 909/2014 and which provides at least one other basic service listed in the same section of that Annex.
(2) Any Romanian legal person that falls within the definition of the Central Depository shall obtain the A.S.F. authorization prior to commencing its activity.
(3) The central depository carries out its activity in accordance with the provisions of this law, the regulations issued by the A.S.F. , of Regulation (EU) no. 909/2014 as well as delegated acts and implementing acts, as the case may be, adopted by the European Commission regulating matters covered by the European Regulation mentioned above.
4. The central depository shall perform transactions for the settlement of transactions in financial instruments, other than derivatives, in accordance with the provisions of this law, of Regulation (EU) No. 909/2014, delegated acts and implementing acts, as the case may be, adopted by the European Commission regulating matters covered by the European Regulation referred to above.
Art. 177 (1) Any issuer established in Romania which issues or has issued financial instruments that are admitted to trading or traded in trading venues in Romania shall ensure that they are dematerialized.
(2) The central depository shall provide information to the authorities authorized by law to request information on the holders of financial instruments, in compliance with the provisions of Law no. (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, as subsequently amended and supplemented with regard to the processing of personal data and the free movement of such data, and repealing Directive 95/46 / EC (General Data Protection Regulation), hereinafter referred to as Regulation (EU) 2016/679, as well as other legal provisions in force in the field of personal data protection.
(3) The central depository shall provide the issuers for which it carries out and the registration operations by entering in the accounts the information necessary for the exercise of the rights attaching to the non-derivative financial instruments deposited and may provide services for the fulfillment of the issuer's obligations towards the holders of financial instruments other than those derived.
(4) Issuers shall pay dividends and any other amounts due to holders of financial instruments through the central depository and the participants in the settlement system.
(5) In the event of the use of the Global Accounts System, in order to determine the structure of the holders of financial instruments issued by an issuer at a given date, the Participants shall report to the Central Depositary, if the Central Depositary also performs entries in the

account, information regarding the holders of the sub-accounts from their own records and their holdings.
(6) The reporting provided for in paragraph (5) shall be carried out in the deadlines and in the format established by the Central Depository's own rules.

SECTION 2: Establishment and operation of the central depository

Art. 178 The conditions, the documentation to be attached to the application for authorization and the procedure for the authorization of the central depository are laid down in Regulation (EU) No. 909/2014, through the delegated acts and implementing acts, as the case may be, adopted by the European Commission, respectively by the regulations issued by A.S.F. regulating issues covered by the European regulation mentioned above.

Art. 179. If the requirements regarding the integrity of the shareholders of a central depository are not met or the approval of the Central Depository is obsolete, the voting rights attached to the shares held in breach of these requirements are legally suspended, applying the procedure provided for in Art. 272.

Art.180 (1) The accounts of financial instruments opened with the central depository of the participants in the central depository system shall be evidenced in such a way as to ensure the separation of financial instruments held in their own name from those held in their clients' account.
2. Participants in the Central Depository System shall be required to hold sub-accounts of financial instruments held in the account of their clients and to register daily holdings per client for each class of financial instruments.
3. The Central Depositary shall be directly responsible for ensuring at least daily the consistency between the amount of non-derivative financial instruments recorded in the accounts opened in the Central Depository System and the number of non-derivative financial instruments making up an issue.

SECTION 3: Central Depository Supervision

Art. 181 (1) The A.S.F. supervises the activity of the central depository in order to ensure the smooth running of the activity and the protection of the investors.
(2) In order to comply with the provisions of the present law, the regulations issued in its application, the Regulation (EU) no. 909/2014, as well as delegated acts and implementing acts adopted by the European Commission, where applicable, which regulate matters covered by the European regulation referred to above, the A.S.F. may request the amendment of the regulations issued by the central depository.
Art. 182 1. Financial instruments other than derivatives held in accounts opened with the central depository shall not be considered as belonging to its assets and shall not be the subject of any claim by the central depository creditors.
(2) The provisions of paragraph (1) shall also apply in the event of bankruptcy or liquidation of the central depository.

SECTION 4: Provisions relating to guarantees

Art. 183 By the term "real guarantee" in Art. 184-186 is the financial guarantee without transfer of ownership, established under Government Ordinance no. 9/2004 regarding certain financial guarantee contracts, approved with amendments and completions by Law no. 222/2004, as subsequently amended or supplemented, or the mortgage on financial instruments, other than derivatives, recorded in the central depository's system and traded on a trading venue.

Art. 184 The establishment and execution of real guarantees on financial instruments, other than derivatives, is performed according to the regulations issued by A.S.F. , in compliance with the legal provisions in force.

Art. 185 (1)The advertising of the real guarantees provided in art. 183 ensures that it is opposed to third parties and is made by entering an entry in the central publicity register.
(2) For the purposes of this Section, the central publicity register shall be the registration system set up and administered at the level of each central depository in which the real collateral for non-derivative financial instruments registered in the Central Depository System which are traded on a trading venue; any person has access to the information on the real collateral claim in the Central Registry, the Central Depository issuing, upon request, extracts of information to that effect.
(3) The inclusion of the actual guarantee statement in the central advertising register in the case of financial guarantees without transfer of ownership is not a formality, according to the provisions of art. 5 par. (1) of the Government Ordinance no. 9/2004, approved with amendments and completions by Law no. 222/2004, as subsequently amended and supplemented, as a way to make the guarantee available, under the provisions of Art. 4 par. (1) of the same Ordinance.
(4) The range of the actual collateral is established by reference to the time when the advertisement of the real collateral is entered in the central publicity register, made according to the regulations issued by A.S.F.
(5) The A.S.F. issues regulations on the manner of realization of the advertising stipulated in par. (1) - (4).
Art. 186 Any procedure for the execution of the actual collateral shall comply with the provisions of the A.S.F. regulations and, in the case of forced execution, with those of the legal provisions in force concerning forced execution. The lender and its representatives must act in an appropriate commercial manner by using the capital market mechanisms.

CHAPTER III: Central Counterpart

SECTION 1: General provisions

Art. 187 (1) The central counterparty is a Romanian legal person, constituted in the form of a joint stock company, issuing nominative shares, according to the provisions of Law no.

31/1990, republished, as subsequently amended and supplemented, authorized and supervised by A.S.F. which is interposed between the counterparties to the contracts traded on one or more financial markets, thus becoming the buyer for each seller and seller for each buyer.
(2) The central counterparty is established and operates in accordance with the provisions of Regulation (EU) No. 648/2012 as well as delegated acts and implementing acts, as the case may be, adopted by the European Commission, regulating matters covered by the European Regulation referred to above.
3. The CCP may only provide offsetting services in accordance with the provisions of Regulation (EU) No. 648/2012.
(4) An entity may be authorized to act as a central counterparty for both derivative financial instruments and financial instruments other than derivatives.
5. Margins established in the name of the clearing members shall not be considered as belonging to the assets of a central counterparty and shall not be subject to the request or payment of the creditors of the central counterparty.
(6) The provisions of paragraph (5) shall also apply in the event of the bankruptcy or liquidation of the central counterparty.

SECTION 2: Regulations relating to the activity of a central counterparty

Art. 188 (1) The regulations of the central counterparty shall be subject to the approval of the A.S.F. and shall address at least the requirements for central counterparties under Regulation (EU) No. 648/2012, delegated acts and implementing acts, as the case may be, adopted by the European Commission regulating issues covered by the aforementioned European Regulation and regulations issued by the A.S.F.
(2) The regulations of the central counterparty are subject to A.S.F. approval, in accordance with the regulations issued by A.S.F.

Art.189 The central counterparty shall provide sufficient clearing members to properly identify and assess the risks and costs associated with central counterparty services.

SECTION 3: Central counterparty supervision

Art. 190 The central counterparty shall ensure that the business is conducted in an orderly and transparent manner, as well as periodic and fair reporting.
Art. 191 In order to comply with the provisions of this law, the regulations issued by the A.S.F. in its application, of Regulation (EU) no. 648/2012, as well as delegated acts and implementing acts adopted by the European Commission, where applicable, regulating matters covered by the European regulation referred to above, the A.S.F. may request amendment of the regulations issued by the central counterparty.

TITLE VII: Special administration, liquidation and insolvency measures

CHAPTER I: Special administration, liquidation and insolvency of certain categories of entities

SECTION 1: Special administration and liquidation

Art. 192 This section applies to the following categories of entities:

a) S.S.I.F. , with the exception of those stipulated in art. 2 par. (1) point 3 of the Law no. 312/2015 on the Recovery and Resolution of Credit Institutions and Investment Firms, as well as on the amendment and completion of financial normative acts;

b) market operators;

c) investment management companies (ISAs);

d) AIFM;

e) Self-administered FIAs**.**

Art. 193 A.S.F. establishes special management measures if it finds that an entity referred to in Art. 192 is in a state of insolvency, according to the provisions of art. 5 par. (1) point 29 of the Law no. 85/2014 on Insolvency and Insolvency Prevention Procedures, as subsequently amended and supplemented, or when any of the members of the Board of Directors / Supervisory Board or its auditors are guilty of:

a) violation of the provisions of the present law or the regulations issued by A.S.F. which has caused or is likely to cause material damage or jeopardize the proper functioning of the capital market;

b) breach of any condition or restriction provided in the operating authorization.

Ar. 194 (1) The special administration is carried out by a specialized natural or legal person appointed by A.S.F.

(2) The decision on the establishment of special administration shall be published in the Official Gazette of Romania, Part I.

Art. 195 (1) The Special Administrator shall take over, from the date of appointment, the duties of the Board of Directors / Supervisory Board of the entity referred to in Art. 192 subject to the special administration regime.

(2) The Special Administrator shall establish measures for asset preservation and collection of receivables in the interests of investors and other creditors.

(3) During the period of application of the special administration, the shareholders 'voting right is suspended regarding the appointment and revocation of the Board of Directors/ Supervisory Board, the right to shareholders' dividends, the activity of the Board of Directors/ Supervisory Board and of the internal auditors, as well as their right to remuneration.

Art. 196 (1) Within 60 days from the appointment, the Special Manager shall submit to the A.S.F. a written report on the financial situation of the entity provided for in Art. 192 and encloses documents relating to the valuation of assets and liabilities, the debt recovery situation, the cost of maintaining the assets and the liquidation situation.

(2) Within 15 days of receipt of the Special Administrator's report, the A.S.F. shall decide, if appropriate, on the extension of the Special Administrator's activity for a limited period of time.

(3) In the event of a prolongation of the activity, the special administrator shall present, on a monthly basis, the A.S.F. the assessment of the financial situation of that entity.

Art. 197 (1) If the A.S.F. finds, on the basis of the special administrator's report, that the entity referred to in art. 192 has recovered from financial point of view and falls under the prudential supervision requirements, according to A.S.F. regulations, special management measures will cease.
(2) The decision on the termination of the special administration activity shall be published in accordance with the provisions of art. 194 par. (2).
Art. 198 In case the conditions stipulated in art. 197, and A.S.F. does not decide on the extension of the activity of the special administrator, the authorization for operation of the entity stipulated in art. 192 shall be withdrawn, the A.S.F. may order the dissolution followed by liquidation or refer the case to the competent court for the opening of the insolvency proceedings.
Art. 199 (1) In case the A.S.F. dispose of dissolution followed by liquidation, it shall be performed in accordance with the procedure provided by the law applicable to the dissolution and liquidation of companies regulated by Law no. 31/1990, republished, as subsequently amended and supplemented, and A.S.F. regulations.
(2) In the liquidation procedure, by way of derogation from the provisions of art. 63 of Law no. 85/2014, with subsequent modifications and additions, the liquidator is appointed by A.S.F.

SECTION 2: Insolvency

Art. 200 (1) In the event of insolvency proceedings, the provisions of Title II, Chap. I of the Law no. 85/2014, as amended and supplemented, for the following categories of entities:
a) S.S.I.F. ;
b) market operators;
c) investment management companies (ISAs);
d) AIFM;
e) Self-administered FIAs.
(2) By way of exception from the provisions of paragraph (1) lit. a), the provisions of section 6 of the chapter. I, Title II of Law no. 85/2014, as amended and supplemented, does not apply to S.S.I.F. provided in art. 2 par. (1) point 3 of the Law no. 312/2015.
(3) For the purposes of this title, insolvency is the state of the entity referred to in paragraph (1) in one of the following situations:
a) the state of insolvency, within the meaning of the provisions of art. 5 par. (1) point 29 of the Law no. 85/2
Article 201 (1) The competent court to resolve the request of the A.S.F. to initiate the procedure of reorganization and bankruptcy of the entity referred to in art. 200 is the court in whose jurisdiction the headquarters of that entity is located.
(2) The appointment of the liquidator by the court shall be with the consent of the FS.A.
(3) In the performance of their duties, which involve the application of regulations issued by the A.S.F. , the court, the syndic judge and the liquidator may request the opinion of the A.S.F. in its capacity of regulating and supervising the capital market.
(4) The bankruptcy procedure shall be closed when the syndic judge has approved the final report, when all the funds or assets of the entity's wealth provided under art. 200 bankruptcies

have been distributed and unreclaimed funds have been deposited with the State Treasury. At the request of the syndic judge, the court will rule on the closure of the judicial reorganization and bankruptcy proceedings. The decision will be communicated, in writing and / or by press, to at least two national circulation newspapers, to all creditors of the debtor, the National Trade Register Office, the A.S.F. and the liquidator. Any remaining amounts will be transferred to the state budget after a period of 5 years.

CHAPTER II: Regulation of Private International Law Relations in the Bankruptcy of S.S.I.F. .

Art. 202 This Subpart establishes rules in the field of private international law applicable to the reorganization and bankruptcy of S.S.I.F. , to their branches located in Member States other than those in which their head office is situated, to branches in Romania of investment firms in Member States and to branches of investment firms in third countries.

Art. 203 (1) For the purposes of this Chapter, terms and expressions shall have the following meanings:

1.Administrator - the designated person or body designated by the administrative or judicial authorities to administer the reorganization measures;

2. competent authority - a competent authority, as defined in art. 4 par. (1) point 40 of Regulation (EU) No. 575/2013 or a resolution authority within the meaning of art. 2 par. (1) point 6 of the Law no.312 / 2015 regarding the reorganization measures adopted according to the provisions of this law;

3. administrative or judicial authorities - the authorities established according to the national law, which decide on taking reorganization measures or starting the liquidation procedures;

4.instrument - a financial instrument as defined in art. 4 par. (1) point 50 lit. (b) of Regulation (EU) No. 575/2013;

5. liquidator - the designated person or body designated by the administrative or judicial authorities to administer the winding-up proceedings;

6. reorganization measures - the measures adopted by the administrative or judicial authorities, intended to maintain or restore the financial situation of a S.S.I.F. or an investment firm and which may affect the pre-existing rights of third parties, including measures involving the possibility of suspension of payments, suspension of enforcement measures or reduction of claims; persons who are involved in the internal business of investment firms, directors and shareholders are not considered third parties. For S.S.I.F. provided in art. 2 par. (1) point 3 of the Law no. 312/2015, the reorganization measures include the application of the resolution instruments and the exercise of the resolution powers provided by Law no. 312/2015;

7. winding-up procedure - a collective procedure initiated and controlled by the administrative or judicial authorities for the purpose of making assets available under the supervision of those authorities, including where the procedure is closed by an arrangement or other similar measure;

8. host Member State - host Member State as defined in art. 4 par. (1) point 44 of Regulation (EU) No. 575/2013;

9. Member State of origin - Member State of origin as defined in Art. 4 par. (1) point 43 of Regulation (EU) No. 575/2013;
10. Branch - as defined in art. 4 par. (1) point 17 of Regulation (EU) No. 575/2013.
(2) For the purposes of this Chapter, the terms S.S.I.F. and investment firm have the meaning provided in art. 4 par. (1) point 2 of Regulation (EU) No. 575/2013.
Art. 204 (1) The competent court according to the provisions of art. 41 of the Law no. 85/2014, as amended and supplemented, is the only authority that may decide on the application of the reorganization measure in respect of a S.S.I.F. , including its branches established in other Member States.
(2) The decision of the competent court pronounced according to para. (1) shall be applied without further formalities and shall take effect throughout the European Union from the moment it takes effect in Romania.
(3) The application of the reorganization measures according to par. (1) is governed by Romanian law.
4. The competent court shall promptly inform the competent authorities of the host Member States, through the A.S.F. , of the decision to apply reorganization measures, including the practical effects that such a procedure may have. If it is not possible to inform before the judgment, it will be made immediately afterwards.
(5) The provisions of paragraph (1) and (2) shall be without prejudice to the provisions on the exercise of appeals against decisions of the syndic judge.

Art. 205 If, in respect of an investment firm of another Member State having branches established in Romania, the competent court deems it necessary to implement the reorganization measure on the territory of Romania, it shall inform the competent authority of that State through the A.S.F. Member State of origin.

Art. 206 (1) In the case of a decision according to the provisions of art. 204 par. (1) to apply the reorganization measure to a S.S.I.F. or a branch thereof which may affect the rights of third parties in the host Member State, the trade union judge shall immediately take the necessary steps to publish an extract of that judgment in the Official Journal of the European Union by transmitting it, by the most appropriate means, to the Office for Official Publications of the European Union and to two national newspapers on the territory of each host Member State.
(2) The extract from the decision provided in par. (1) shall specify in the official language of each host Member State or, where appropriate, in its official languages, in particular the subject matter and the legal basis of the decision taken, the time limit for the exercise of appeals, indicating with precision and clarity the date of expiry of that term, and the court to which the judgment may be challenged, indicating its address.
(3) The non-fulfillment of the publishing formalities stipulated in paragraph (1) and (2) shall not impede the application of reorganization measures, including the effects on creditors.

Art. 207 (1) After the opening of the reorganization procedure of a S.S.I.F. with branches opened in other Member States, the administrator will immediately and individually inform

the known creditors who have their habitual residence, domicile or registered office in the other Member States.
(2) The information, in the form of a written notice, must relate in particular to the deadlines, the penalties provided for non-compliance with these deadlines and the legal requirements for taking the claims into account, the competent court that has to register the applications for admission or observations relating to these claims, as well as any other measures or procedures envisaged. The notification will also indicate whether preferential or preference claims have been or are not subject to verification.
(3) The information provided in paragraph (1) and (2) shall be provided in Romanian. For this purpose, forms shall be used which shall have the title "Invitation to declare a claim" in all the official languages of the European Union. Terms to be respected, namely the Invitation to Submission Notice on a Claim. Deadlines to be respected.

Art. 208 (1) Any creditor of S.S.I.F. debtor, having his domicile/ residence or, where applicable, his registered office in a Member State other than Romania, including the public authorities, has the right to declare his claims or to make written observations in relation to his claims on the S.S.I.F. which will be addressed to the liquidator judicial. The declaration of claims or, where appropriate, the comments made may be submitted in the official language or one of the official languages of that Member State, but it must bear the mention in Romanian: Application for admission of claims/ Statement of claims or, Remarks on receivables.
(2) Claims of creditors who have their domicile / residence or, as the case may be, their registered office outside the territory of Romania shall be treated in the same way and shall have the same priority as claims of the same nature of the creditors who have their domicile / residence or, registered office in Romania.
(3) Creditors who exercise the right provided in par. (1) shall send copies of documents confirming their claims, if any, and shall indicate the nature of the claim, the date on which it arose and the amount, if any causes of preference and other such rights in relation to these claims and are the goods on which such preference rights have been constituted.
(4) At the request of the liquidator, the creditors must also provide the Romanian translation of the Statement of Claims or, as the case may be, of the Notes on the receivables and documents submitted.

Art. 209 (1) Where an investment firm from a third country has established branches at least in another Member State competent court through A.S.F. immediately inform the competent authorities of other Member States home which is working on the application of the reorganization measure regarding the Romanian branch, including the practical effects such a procedure may have. If it is not possible to inform before the ruling, it is done immediately afterwards.
(2) The administrative or judicial authorities referred to in paragraph (1) shall make every effort to coordinate their actions.

Art. 210 (1) The competent court according to the provisions of art. 41 of the Law no. 85/2014, as subsequently amended and supplemented, is the only authority that may decide to

open bankruptcy proceedings in respect of a S.S.I.F. , including its branches established in other Member States.
(2) The decision to initiate the bankruptcy procedure, pronounced in accordance with paragraph (1) shall be recognized without further formalities in the territory of all other Member States and shall take effect in those Member States from the date on which it takes effect in the territory of Romania.
(3) The competent court shall immediately inform, by A.S.F. , the competent authority of the host Member State on the decision to initiate bankruptcy proceedings against a S.S.I.F. , including the practical effects which such proceedings may have. If it is not possible to inform before the judgment, it will be made immediately afterwards.
(4) The provisions of paragraph (1) and (2) shall be without prejudice to the provisions on the exercise of appeals against decisions of the syndic judge.
Art. 211 (1) Opening of bankruptcy proceedings in respect of a S.S.I.F. and its branches established in other Member States is governed by Romanian law as regards the procedure and the application of the bankruptcy procedure, including:
a) the assets subject to the bankruptcy procedure and the property status acquired by S.S.I.F. after the opening of the procedure;
b) attributions of S.S.I.F. and of the liquidator;
c) the conditions under which legal compensation may be invoked;
d) the effects of bankruptcy proceedings on the ongoing contracts in which it is a part of A.S.F. ;
(e) the effects of bankruptcy proceedings on individual forced execution procedures promoted by creditors, with the exception of proceedings pending before courts of other Member States, in which case the provisions of paragraph (2);
f) the claims to be declared on S.S.I.F. and the regime of claims that arise after the opening of bankruptcy proceedings;
g) rules on the declaration, verification and admission of claims;
(h) the rules on the distribution of proceeds from the realization of assets, the order of priority of payment of debts and the rights of creditors who have received a partial payment after the opening of bankruptcy proceedings under a real right or by invoking legal compensation;
i) the conditions and the effects of the closure of the bankruptcy procedure;
j) creditors' rights after the closure of bankruptcy proceedings;
k) who bears the costs and expenses of the bankruptcy proceedings;
(l) rules on the nullity, voidability or unenforceability of legal acts prejudicial to the rights of all creditors.
(2) The provisions of paragraph (1) shall not apply to the rules of national law relating to the nullity, voidability or unenforceability of fraudulent acts committed to the detriment of creditors where the beneficial owner proves that the act as a whole is governed by the law of another Member State and that that law allows no means of challenging the act in question.
(3) If a reorganization measure decided by a judicial authority provides for rules on the nullity, annulment or inopportunity of acts prejudicial to the mass of the creditors before the adoption of the measure, the provisions of art. 204 par. (2) and (3) shall not apply in the cases provided for in paragraph (2).

Art. 212 (1) The statutory bodies designated by S.S.I.F. according to its articles of association, may waive the authorization and decide to liquidate it.
(2) Liquidation at the initiative of the statutory body is only allowed if S.S.I.F. is not in any of the insolvency situations provided by the law for bankruptcy.
(3) S.S.I.F. will notify the A.S.F. the decision of its statutory body on the dissolution and liquidation of the authorized entity, accompanied by at least a plan for the liquidation of the asset and for the settlement of the liability, to ensure the full payment of the receivables.
(4) On the basis of the assessment of the liquidation plan, the A.S.F. approves the dissolution and liquidation of the A.S.F. , if the conditions set out in paragraph (2) and (3), confirming the termination of the authorization in this respect.
(5) Liquidation of S.S.I.F. at the initiative of its statutory body, does not prevent the adoption of a reorganization measure or the opening of bankruptcy proceedings.

Art. 213 (1) The decision to open the bankruptcy procedure of a S.S.I.F. having branches opened in other Member States, has the consequence that the A.S.F. withdraws the operating license of S.S.I.F. debtor, if this measure was not available before the judgment was delivered.
(2) The judicial liquidator shall publish the judgment of the syndic judge in the Official Gazette of Romania, Part IV, as well as in at least two national circulation newspapers. Once it is published, it will communicate the decision of the competent authority.
(3) Withdrawal of a license to operate a S.S.I.F. having branches opened in other Member States, does not prevent the liquidator or any other person empowered thereby to carry out some of the operations of S.S.I.F. debtors, in so far as this is necessary or appropriate, in order to complete the bankruptcy procedure. These operations will only be carried out with the A.S.F. prior notice.

Art. 214 The syndic judge shall immediately take the necessary steps to publish an extract in Romanian of the bankruptcy opening decision in the Official Journal of the European Union and in two national newspapers in each host Member State.

Art. 215 (1) After the opening of the bankruptcy procedure of a S.S.I.F. with branches opened in other Member States, the liquidator will immediately and individually inform the known creditors who have their normal place of residence, domicile or registered office in the other Member States.
(2) The information, in the form of a written notice, must relate in particular to the deadlines, the penalties provided for non-compliance with these deadlines and the legal requirements for taking the claims into account, the competent court that has to register the applications for admission or observations relating to these claims, as well as any other measures or procedures envisaged. The notification will also indicate whether preferential or preference claims have been or are not subject to verification.
(3) The information provided in paragraph (1) and (2) shall be provided in Romanian. For this purpose, forms shall be used which shall have the title "Invitation to declare a claim" in all the official languages of the European Union. Terms to be respected, namely the Invitation to Submission Notice on a Claim. Deadlines to be respected.

Art. 216 (1) The person who performs an obligation on the territory of Romania for the benefit of an investment firm without legal person subject to insolvency proceedings opened in another Member State, instead of executing it for the benefit of the liquidator designated in the course of that procedure, is released if he has not been aware of the opening of the proceedings.
(2) The person performing the respective obligation before the fulfillment on the territory of Romania of the advertising measures similar to those stipulated in art. 214 is presumed, until proven otherwise, to have been unaware of the opening of insolvency proceedings; the fulfillment of the obligation after the fulfillment of the advertising measures presumes, until proved otherwise, that the person was aware of the opening of the procedure.

Art. 217 (1) Any creditor of S.S.I.F. debtor, having his domicile/ residence or, where applicable, his registered office in a Member State other than Romania, including the public authorities, has the right to declare his claims or to make written observations in relation to his claims on the S.S.I.F. which will be addressed to the liquidator judicial. The declaration of claims or, where appropriate, the comments made may be submitted in the official language or one of the official languages of that Member State, but it must bear the mention in Romanian: Application for admission of claims/ Statement of claims or, Remarks on receivables.
(2) Claims of creditors who have their domicile/ residence or, as the case may be, their registered office outside the territory of Romania shall be treated in the same way and shall have the same priority as claims of the same nature of the creditors who have their domicile/ residence or, registered office in Romania.
(3) Creditors who exercise the right provided in par. (1) shall send copies of documents confirming their claims, if any, and shall indicate the nature of the claim, the date on which it arose and the amount, if any causes of preference and other such rights in relation to these claims and are the goods on which such preference rights have been constituted.
(4) At the request of the liquidator, the creditors must also provide the Romanian translation of the Claims for Admission of Receivables/ the Statement of Claims or, as the case may be, the Remarks on the receivables and the documents submitted.

Article 218 The judicial liquidator shall ensure that creditors are regularly informed in the manner deemed appropriate for the liquidation process.

Article 219 (1) The competent court, in accordance with Romanian law, shall immediately inform the competent authorities of the host Member States, through the A.S.F. , of the decision to open bankruptcy proceedings, including the effects of such proceedings, if the judgment was ordered in respect of a branch in Romania of an investment firm having its registered office in a State other than a Member State which has branches in the territory of other Member States.
(2) Information shall be given prior to the decision to initiate the procedure or, if this is not possible, immediately after that and shall also mention that the authorization for the operation of the Romanian branch has been withdrawn.

(3) The administrative or judicial authorities referred to in paragraph (1) shall make every effort to coordinate their actions.
(4) Eventual liquidators shall endeavor to coordinate their actions.

Article 220 The effects of a reorganization measure or the opening of the bankruptcy procedure of an investment firm/ S.S.I.F. on certain contracts and rights are regulated as follows:
(a) contracts and employment relationships are governed by the law of the Member State applicable to each employment contract;
(b) contracts for the right of use or the right to acquire immovable property are governed by the law of the Member State in which the immovable property is situated, according to which the nature of the property: movable or immovable;
(c) rights in immovable property, ships and aircraft which are subject to registration in a public register shall be governed by the law of the Member State under whose authority the register is held.

Art. 221 (1) The implementation of the reorganization measures or the opening of the bankruptcy proceedings in respect of a S.S.I.F. and its branches established in other Member States do not affect the real rights of creditors or third parties to tangible or intangible, movable or immovable assets, individually determined or generically determined - owned by the S.S.I.F., which, on the date of entry into force of the liquidation, are located in the territory of other Member States.
(2) The rights provided in par. (1) refers in particular to:
a) the right to sell or otherwise dispose of a good and the right to collect the fruit, in particular resulting from a pledge or mortgage contract;
b) the right of preference to the execution of the assets affected by a guarantee, before other rights holders on the property;
c) the right to pursue the property in the hands of anyone who would find it;
d) the right of usufruct on the good.
(3) The right registered in a public register and opposable to third parties, by virtue of which a real right within the meaning of para. (1) is considered a real right.
(4) The provisions of paragraph (1) shall not preclude the actions for annulment, for the declaration of nullity or unenforceability provided in Art. 211 para. (1) lit. it).

Art. 222 (1) The implementation of the reorganization measures or the opening of the bankruptcy procedure, in case S.S.I.F. is part of a contract for the sale of a good as a buyer does not affect the seller's right resulting from a clause by which he has reserved his right to property within a specified period or until a condition has been fulfilled, if, at the date of entry into force of the winding-up order, the asset is located in the territory of another Member State.
(2) The implementation of the reorganization measures or the opening of the bankruptcy procedure, if S.S.I.F. is a party to a sale-purchase contract as a seller can not constitute a reason for the cancellation or termination of the contract and does not affect the rights of the

buyer if the date of entry into force of the winding-up order is after the delivery of the good and if, at that date , the good was located in the territory of another Member State.
(3) The provisions of paragraph (1) and (2) shall not preclude actions for the establishment or declaration of nullity or for the inability of legal acts, according to Romanian law.
Art. 223 (1) The implementation of reorganization measures or the opening of bankruptcy proceedings shall not affect the rights of creditors to claim legal compensation, if the law applicable to the contract permits such compensation.
(2) The provisions of paragraph (1) shall not prevent the actions to be declared or declared invalid or to declare the inaccessibility of the legal acts, according to the Romanian law.

Art. 224 The exercise of property rights or other rights in securities whose existence or transmission is subject to registration in a registry, account or centralized deposit system held or located in a Member State, is governed by the law of that Member State.

Art. 225 In the case of netting agreements, the applicable law is the law governing the contract, provided that the provisions of Art. 400-405 and art. 413-419 of Law no. 312/2015.

Art. 226 Report contracts and contracts underlying transactions on a regulated market are governed by the law applicable to such contracts, unless the provisions of Art. 224 and without prejudice to the provisions of art. 400-405 and art. 413-419 of Law no. 312/2015.

Art. 227 (1) The administrator or liquidator may act on the territory of the host Member State on the basis of a certified copy of the A.S.F. 's decision or a certificate issued by it, possibly accompanied by a translation into the official language or one of the official languages of those host Member States, without the need for legalization or other formalities.
(2) The administrator or liquidator is entitled to exercise in the territory of the host Member States all the powers under the Romanian law. It may appoint other persons to support or, where appropriate, represent it in the territory of these States, including for the purpose of assisting S.S.I.F. creditors. in the host Member State during the reorganization measure or bankruptcy procedure.
(3) In the exercise of his powers, the administrator or liquidator must comply with the law of the Member State in whose territory he is acting, in particular as regards the procedures for the liquidation of assets and the provision of information to the employees of the S.S.I.F. in that Member State. The Special Administrator has no right to use force or the right to resolve disputes or disputes.

Art. 228 (1) The syndic judge shall have the right to apply for the registration in the real estate register, in the trade register and in any other public register held in the other Member States of the decision to adopt a reorganization measure or the opening of bankruptcy proceedings about the S.S.I.F.
(2) The syndic judge shall take the necessary measures to ensure the registration whenever mandatory according to the law of the respective Member State.
(3) The registration costs shall be considered as expenses of the procedure.

Art. 229 In the event that, after the adoption of the reorganization measure or after the opening of the bankruptcy proceedings, a S.S.I.F. sells for consideration a real estate, a ship and / or an aircraft subject to registration in a public register or, as the case may be, securities and / or securities the existence or transfer of which involves entering a register or account provided for by law or which are placed in a central deposit system governed by the law of a Member State, the validity of that act is governed by the law of the Member State in whose territory the immovable asset is situated or under whose jurisdiction the relevant registry / account / system is held.

Art. 230 Actions in court, having as object goods or rights of which S.S.I.F. was private, governed by the law of the Member State in which the proceedings are taking place.

Art. 231 Persons who have to receive or transmit information in connection with the information or consultation procedures provided by art. 204 par. (4), art. 205, 209, 210, 212 and 219 have the obligation to keep professional secrecy according to the provisions of art. 249, except for any judicial authority to which national provisions in force apply.

Art. 232 (1) Where an investment firm from a Member State operating in Romania has been ordered to reorganize or bankruptcy proceedings have been opened, they shall be applied without further formalities in the territory Romania and will take effect under the conditions and at the date provided for in the legislation of that Member State.
(2) Reorganization measures or bankruptcy proceedings shall be applied according to the law of the home Member State and taking into account the provisions of art. 211.
(3) Upon receipt of the appropriate notification from the competent authority of the home Member State, the A.S.F. shall promptly inform the decision on the application of a reorganization measure or the opening of bankruptcy proceedings by publishing it in the Official Gazette of Romania, Part IV -a.

Art. 233 (1) The National Office of the Trade Registry in which the branch of the investment firm referred to in art. 232 par. (1) shall be required to make the appropriate entries in respect of the decision on reorganization measures or the opening of bankruptcy proceedings following a communication received from the competent administrative or judicial authorities of the home Member State or the administrator or the liquidator.
(2) The administrator, as the case may be, the liquidator empowered to implement measures ordered by the administrative or judicial authority of the home Member State shall be competent to act on the territory of Romania on the basis of a certified copy of the instrument of appointment or of a certificate issued by that authority, accompanied by a translation into Romanian.
(3) The persons referred to in paragraph (2) have on the territory of Romania all the powers which they have under the law of the home Member State. Such persons may appoint other persons to represent them on the territory of Romania, including in order to assist creditors during the implementation of the measures in question.
(4) In exercising their competences on the territory of Romania, the persons mentioned in par. (2) must comply with the Romanian legislation, in particular with regard to the procedures for

the capitalization of assets and the provision of information to the Romanian employees of the investment firm concerned. Competencies can not include the use of force or the right to settle disputes or disputes.

TITLE VIII: A.S.F. competencies

CHAPTER I: Competencies

Article 234 A.S.F. is:
a) the responsible competent authority within the meaning of Art. 10 par. (5) and art. 22 of Regulation (EU) No. 648/2012 and the competent authority responsible for overseeing compliance by the financial counterparties defined in art. 2 point 8 of Regulation (EU) No. 648/2012, authorized and supervised by the A.S.F. , of their obligations under the provisions of Title II of that Regulation;
b) the competent authority within the meaning of art. 11 of Regulation (EU) No. 909/2014;
c) the competent authority within the meaning of art. 4 point 8 of Regulation (EU) No. 1,286 / 2014;
d) the competent authority within the meaning of art. 40 of Regulation (EU) No. No 1.011 / 2016 of the European Parliament and of the Council of 8 June 2016 on benchmarks used in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48 / EC and 2014/17 / EU and Regulation (EU) No. 596/2014, hereinafter referred to as Regulation (EU) No. 1011/2016.

Art. 235 In the exercise of the powers provided by the Government Emergency Ordinance no. 93/2012, approved with amendments and completions by Law no. 113/2013, as subsequently amended and supplemented, and in the present law, A.S.F. may be a provider of training, training and professional training, a professional competence assessor in the capital market. A.S.F. automatically equates to the diplomas, attestations and certificates issued by international bodies.

Art. 236 (1) The A.S.F. shall exercise its powers and competences according to the provisions of this law in any of the following ways:
a) directly;
b) in collaboration with other market authorities or entities;
c) under its responsibility, by delegation to other authorities or other market entities;
d) by notifying the competent judicial authorities.
(2) The A.S.F. shall have all supervisory powers, including administrative investigation powers and powers to impose corrective measures, necessary to carry out its duties under this Act and the European regulations incident to the provisions of this law.
(3) In fulfilling the provisions of paragraph (2), A.S.F. has the following powers:
(a) to have access to any document or other information held by persons whom it considers may be necessary for the performance of its tasks and to receive or make a copy thereof;
b) to impose or require any person to provide information and, if necessary, to summon and hear any person to obtain information;

c) to carry out inspections or investigations at the premises of legal entities, and in the case of natural persons with the support of the institutions / authorities / bodies competent to exercise this right;
d) to request existing records of telephone conversations or electronic communications or of other data exchanges held by any legal entity covered by this law;
e) to notify the competent judicial authorities for the provision of precautionary measures such as the unavailability or seizure of the assets of the entities subject to the present law or both;
f) to order the temporary prohibition of the exercise of the professional activity by persons subject to the present law;
g) to request the provision of information to the auditors of the entities carrying out the activities covered by the present law and the providers of data reporting services;
h) to notify the competent bodies in the field of criminal investigation;
i) require auditors or experts to carry out verifications or investigations on the activities carried out on the capital market, incident to the provisions of this law;
(j) to impose or require any person to provide information, including all relevant documentation, on the size and purpose of a position or exposure generated by a commodity derivative and any assets or liabilities in the market of the asset, support;
(k) to impose a temporary or permanent ce A.S.F. tion of any practice or conduct which it considers contrary to the provisions of this law, of Regulation (EU) 600/2014 and the other normative acts regarding the capital market incumbent on the provisions of the present law and to introduce measures to prevent repetition of the practice or behavior in question;
l) to dispose of any type of measure necessary to ensure that the entities carrying out activities or carrying out operations to which the provisions of this law are incumbent shall continue to comply with the provisions of this law, of Regulation (EU) No. 600/2014, A.S.F. regulations and other normative acts regarding the capital market;
m) to suspend or request the suspension of trading of a financial instrument, and any suspension decision, as well as the reasons behind it, shall be immediately brought to the attention of the public and shall be published in the A.S.F. Bulletin;
n) to withdraw or request the withdrawal of a financial instrument from trading, either on a regulated market or on any other trading venue;
o) to require any person to take measures to diminish position or exposure;
p) to limit the ability of any person to enter into a commodity derivative transaction, including by introducing limits on the size of a position a person may hold at any time, in accordance with the provisions of Art. 156;
q) to make public announcements on matters incident to the provisions of this law;
r) to request, through competent bodies, records of data exchanges held by a telecommunications operator with appropriate judicial authorization where there is a valid presumption of a breach of the provisions of this law and such records may be necessary for a breach of the provisions the present law, the regulations issued in its application or the relevant European regulations;
s) to suspend or request the suspension of trading, sale or advertising of financial instruments or, in cooperation with N.B.R., of structured deposits, if the conditions provided in art. 40, 41 or 42 of Regulation (EU) No. 600/2014 are met;

(i) Suspension or suspension of trading, sale or advertising of financial instruments or, in cooperation with NBR, structured deposits, if S.S.I.F. or the credit institution providing investment services and activities; and ancillary services did not elaborate or did not apply an effective product approval process or otherwise violated the provisions of art. 51;
t) to request reasoned withdrawal of a physical person from the management body of an entity being supervised and regulated in accordance with the provisions of this law;
t) requesting to the board of directors or, as the case may be, the supervisory board, respectively the members of the directorate or directors of an entity supervised and regulated according to the provisions of the present law, the meeting of their members;
u) to request the Board of Directors or, as the case may be, the management of an entity supervised and regulated in accordance with the provisions of this law, to convoke the general meeting of the shareholders setting out the issues to be included in the agenda or, if the board of directors / does not comply with the A.S.F. 's request to request the competent court to order the convening of general shareholders' meetings.
(4) In case of financial loss or damage caused by non-observance of the provisions of the present law, of the regulations issued for its application, as well as of the European regulations, responsibility for covering them belongs to the person found guilty for the financial loss or damage .
(5) The A.S.F. shall, without undue delay, notify the European Commission and ESMA of any change in the powers provided for in paragraph (3).

CHAPTER II: A.S.F. cooperation with competent authorities of other Member States and ESMA

Art. 237 (1) The A.S.F. shall cooperate with the competent authorities of other Member States to carry out its duties under this Act and the regulations issued in implementation thereof, Regulation (EU) No.600 / 2014 and European regulations issued in application Directive 2014/65 / EU, using the competences conferred by applicable law.
(2) The A.S.F. is designated as a single competent authority to serve as a contact point within the meaning of Directive 2014/65 / EU and Regulation (EU) 600/2014.
(3) The A.S.F. shall assist the competent authorities of other Member States.
4. The A.S.F. shall cooperate with the competent authorities of other Member States in particular to exchange information also in investigations or surveillance activities.
5. The A.S.F. may cooperate with the competent authorities of other Member States to facilitate the recovery of fines.
(6) Where the activities of a trading venue in Romania which has taken measures in another Member State have gained considerable importance for the functioning of financial instruments markets and the protection of investors in the host Member State concerned, taking into account the situation of the markets for the instruments in the host Member State, the A.S.F. and the competent authorities of the host Member State shall take proportionate cooperation measures.
(7) Where the activities of a trading venue in another Member State that has taken measures in Romania have become of considerable importance for the operation of the financial instruments markets and the protection of investors in Romania, taking into account the

situation of the Romanian financial market, The A.S.F. and the competent authorities of the home Member State of the trading venue shall adopt proportionate cooperation measures.
(8) The A.S.F. shall adopt the necessary administrative and organizational measures to facilitate the assistance foreseen in par. (3) by concluding cooperation agreements.
9. The A.S.F. shall exercise its powers for the purpose of cooperating with competent authorities of other Member States, including where the practices under investigation do not constitute a breach of a rule in force in that Member State.
(10) If the A.S.F. has reasonable grounds to suspect that certain acts that are in breach of the provisions of this law or the regulations issued pursuant to it or the European Regulations implementing Directive 2014/65 / EU or Regulation (EU) 600/2014 are committed or have been committed in the territory of another Member State by entities not subject to its supervision, the A.S.F. shall inform the competent authority of the other Member State and ESMA as fully as possible.
(11) If the A.S.F. receives information from a competent authority in another Member State informing it that it has reason to suspect that certain acts infringing the provisions of this law or European law have been committed by S.S.I.F. credit granting services and investment activities governed by this law in the territory of another Member State, the A.S.F. shall communicate the measures taken to the competent authority which transmitted the information. The provisions of this paragraph are without prejudice to the competence of the notifying authority.
(12) Without prejudice to the provisions of paragraph (1) to (5), par. (10) and (11), ESMA shall notify ESMA and other competent authorities of the details of:
a) any requests for diminution of a position or exposure under the provisions of art. 236 par. (3) lit. a);
b) any limits on the ability of individuals to enter into transactions in derivative financial instruments under the provisions of Art. 236 par. (3) lit. p).
(13) The notification provided for in paragraph (12) includes, if relevant, the details of the request or request under the provisions of Art. 236 par. (3) lit. j), including the identity of the person or persons to whom it was addressed and the reasons thereof, as well as the scope of the limits introduced under the provisions of Art. 236 par. (3) lit. p) including the data subject, applicable financial instruments, limits on the size of the positions that the person may hold at any time, any exemptions from them granted in accordance with the provisions of Art. 97 and related reasons.
(14) The notification provided for in paragraph (12) must be made at least 24 hours prior to the planned entry into force of the actions or measures. In exceptional circumstances, the A.S.F. may make the notification less than 24 hours prior to the entry into force of the measure if it is not possible to give a 24-hour notice.
(15) In case he receives notifications according to par. (12) from a competent authority of another Member State, the A.S.F. may take action in accordance with the provisions of Art. 236 par. (3) lit. (o) or (p) if it has been satisfied that the measure is necessary to achieve the objective of the notifying competent authority.
(16) In case the A.S.F. adopts measures according to the provisions of para. (15), it shall notify ESMA and the competent authorities.

(17) If a notification action under the provisions of paragraph (12) lit. (a) or (b) refers to whol A.S.F. le energy products, the A.S.F. shall also notify the Agency for the Cooperation of Energy Regulators, hereinafter referred to as ACER, established under Regulation (EC) No. 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators, published in the Official Journal of the European Union, L series, no. 211 of 14 August 2009.
(18) As regards emission allowances, the A.S.F. cooperates with the public bodies responsible for overseeing auction and spot markets and competent authorities, registry administrators and other public bodies responsible for the supervision of compliance under Government Emergency Ordinance no. 115/2011, approved by Law no. 163/2012, with subsequent amendments and additions, to ensure that it obtains a consolidated overview of the emission certificates markets.
(19) As regards agricultural derivative instruments, the A.S.F. shall report and cooperate with the relevant public bodies with regard to the supervision, management and regulation of the physical agricultural markets under Regulation (EU) 1308/2013.
(20) B.N.R. the A.S.F. shall transmit the information subject to the obligation to report to ESMA, in accordance with the provisions of this law, in relation to the trading venues provided under art. 2 par. (2) lit. b).
(21) The A.S.F. shall communicate to ESMA the information provided in paragraph (20), in accordance with the provisions of paragraph (2).

Art. 238 (1) The A.S.F. may request the cooperation of the competent authority of another Member State in the framework of a supervisory activity or in the framework of an on-the-spot verification or an investigation.
2. For investment firms which are members or partici- pants of a regulated market for which the A.S.F. is the competent authority, the A.S.F. may choose to address them directly to those investment firms, in which case it shall inform the competent authority of the home Member State member or remote participant, as appropriate, in connection with this.
(3) If the A.S.F. receives a request for an on-site verification or an investigation, it shall resolve within its competence:
(a) carrying out the verification or investigation;
b) allowing the requesting authority to perform the verification or investigation;
(c) allowing auditors or experts to carry out the verification or investigation.

Art. 239 (1) The A.S.F. shall communicate to the competent authorities of other Member States, as listed in the ESMA website without delay, the information necessary for the exercise of the powers conferred upon them by Directive 2014/65 / EU and provided for by the provisions adopted pursuant to the Directive mentioned Regulation or Regulation (EU) No. 600/2014.
(2) The A.S.F. may specify, at the time of the communication provided in paragraph (1) that such information should not be divulged without its express consent, in which case such information may be exchanged only for the purposes for which the SOF has given its consent.

(3) The A.S.F. may transmit the information received under the provisions of paragraph (1) and art. 246, 247 and art. 249 par. (1) to (3) to the authorities of the other Member States entered on the list published by ESMA on its website.
(4) The A.S.F. and the competent authorities referred to in paragraph (3) transmit information to other bodies or natural or legal persons only with the express agreement of the competent authorities which communicated that information and only for the purposes for which the competent authorities have given their consent, except in duly justified cases. In the latter cases, the SOF shall immediately inform the competent authority which sent the information.
(5) The A.S.F. , as well as other bodies or natural or legal persons receiving confidential information under the provisions of paragraph (1) or art. 246, 247 and art. 249 par. (1) to (3), they may only use them in the exercise of their functions, in particular:
(a) in order to verify that the conditions for access to the business of investment firms are met and to facilitate the individual or consolidated monitoring of the conditions for exercising that activity, in particular as regards the capital adequacy requirements of the Ordinance Government Emergency no. 99/2006, approved with amendments and completions by Law no. 227/2007, as subsequently amended and supplemented, administrative and accounting organization and internal control mechanisms;
b) to monitor the proper functioning of trading venues;
c) to impose sanctions;
(d) in the course of an appeal against a decision of the competent authorities;
e) in the proceedings instituted in accordance with the provisions of art. 270 and 271;
f) within the extrajudicial mechanism for resolving the investors' complaints provided in art. 263.
(6) The provisions of this article and the provisions of art. 246-248 does not prevent the A.S.F. from transmitting to ESMA, the European Systemic Risk Board, the central banks, the ESCB and the European Central Bank acting as monetary authorities and, where appropriate, other public authorities responsible for overseeing payment and settlement systems confidential information intended for the performance of their duties and does not prohibit such authorities or bodies from communicating to the A.S.F. any information which it may need in order to carry out the functions provided for in this Law or the regulations issued pursuant to it or European Regulations implementing Directive 2014 / 65 / EU or in Regulation (EU) No. 600/2014.

Art. 240 The A.S.F. may refer to ESMA where it was rejected or failed to respond within a reasonable time to a request:
a) carrying out a surveillance activity, an on-the-spot check or an investigation, as provided in art. 238; or
b) exchange of information in accordance with the provisions of art. 239.

Art. 241 (1) If the A.S.F. receives an invitation from another competent authority to cooperate for an investigation, for an on-the-spot check or for a surveillance activity in accordance with the provisions of Art. 242 or for exchange of information in accordance with the provisions of art. 239, A.S.F. can only refuse to comply with this request if:

a) a judicial procedure has already been committed for the same acts and against the same persons before the Romanian authorities;
b) a final judgment has already been passed for the same acts and against the same persons in Romania.
(2) In case of refusal based on the provisions of para. (1), ESMA shall inform the competent authority which addressed the invitation and ESMA in as detailed a manner as possible.

Art. 242 (1) A.S.F. consults the competent authorities of another Member State prior to the authorization of a S.S.I.F. which is any of the following:
a) a subsidiary of an investment firm or a market operator or a credit institution authorized in that Member State;
(b) a subsidiary of the parent undertaking of an investment firm or credit institution authorized in that Member State;
(c) a legal person controlled by the same natural or legal persons who control an investment firm or a credit institution authorized in that Member State.
(2) A.S.F. consults N.B.R. and / or the competent authorities of another Member State prior to the authorization of a S.S.I.F. or of a market operator which is any of the following:
(a) a subsidiary of a credit institution or insurance undertaking authorized in the European Union;
(b) a subsidiary of the parent undertaking of a credit institution or insurance undertaking authorized in the European Union;
c) a S.S.I.F. or a market operator controlled/ controlled by the same natural or legal person who controls a credit institution or an insurance company authorized in the European Union.
(3) The SS shall consult with the competent authorities provided for in paragraph (1) and (2), in particular with a view to assessing the suitability of shareholders or members and the reputation and experience of persons who effectively run the business and who are involved in the management of another entity in the same group. They shall communicate to each other all information concerning the suitability of the shareholders or members and the reputation and experience of the persons who effectively direct the business and who may be interested in the other competent authorities for the purpose of issuing an authorization or verifying that the conditions of service are observed at all times.
Art. 243 (1) As a competent authority of the host Member State, the SOF may require, for statistical purposes, that all investment firms having branches within the territory of Romania provide periodic reports on the activity of such branches.
2. In exercising the responsibilities conferred by this law, the A.S.F. as the competent authority of the host Member State may require branches of investment firms to provide the information necessary to monitor their compliance with the standards established in Romania that apply to the cases referred to in Article . 116.
(3) Obligations imposed by A.S.F. branches of investment firms of other Member States, according to the provisions of para. (1) and (2) may not be more stringent than those imposed by S.S.I.F. to monitor their compliance with the same standards.

CHAPTER III: Prevention measures adopted by the A.S.F. as the competent authority of the host Member State

Art. 244 1. Where the A.S.F., as the competent authority of the host Member State, has clear and compelling reasons to believe that an investment firm operating on the territory of Romania under the freedom to provide services is in breach of its obligations shall be subject to the provisions adopted in accordance with this Law or the regulations issued pursuant to it or that an investment firm which has a branch within the territory of Romania violates the obligations which under the provisions adopted pursuant to this Law or the regulations issued for its application , does not confer any A.S.F. prerogatives, it shall immediately communicate such matters to the competent authority of the home Member State of the investment firm.

2. Where, despite the measures adopted by the competent authority of the home Member State or because these measures prove to be inadequate, the investment firm referred to in paragraph (1) continue to act in a manner that is clearly prejudicial to the interests of investors in Romania or the orderly functioning of markets, the following shall apply:

(a) after informing the competent authority of the home Member State, the A.S.F. shall take all appropriate measures to protect investors and maintain the orderly functioning of markets, including the possibility of forbidding investment firms that breach the rules from entering into other transactions in the territory And informs the European Commission and ESMA, without undue delay, of these measures; and

b) The A.S.F. may refer the matter to ESMA, which may act in accordance with the powers conferred on it by virtue of Art. Article 19 of Regulation (EU) No. 1095/2010.

(3) If the A.S.F. determines that an investment firm having a branch in Romania does not comply with the laws, regulations or administrative provisions adopted in Romania under the provisions of this law or the secondary regulations issued in its application which confer A.S.F. prerogatives, The A.S.F. issues a decision asking the investment firm to put an end to this inappropriate situation.

(4) Where the investment firm referred to in paragraph (3) fails to adopt the required measures, the A.S.F. shall take all appropriate measures to ensure that the investment firm terminates that inappropriate situation and shall communicate the nature of the measures adopted to the competent authorities of the home Member State.

(5) If, despite the measures taken by A.S.F., the investment firm referred to in para. (3) continues to violate the acts stipulated in paragraph (3) which are in force in Romania, the A.S.F. shall, after informing the competent authority of the home Member State, take all appropriate measures to protect investors and the orderly functioning of the markets and inform without undue delay the European Commission and ESMA regarding these measures.

6. Where the A.S.F., as the competent authority of the host Member State of a regulated market, an SMT or a CTM, has clear and compelling reasons to believe that this regulated market, this SMP or that CTM is in breach of its obligations pursuant to the provisions adopted pursuant to this Law or to the regulations issued inits application, the FSM shall immediately notify the competent authority of the home Member State of the relevant regulated market or of the relevant SMT or SOT.

7. If, despite the measures taken by the competent authority of the home Member State or because these measures prove to be inadequate, the regulated market, SMT or SOT referred to in paragraph (6) continues to act in a way that damages the interests of investors in Romania or the orderly functioning of markets, the A.S.F. after informing the competent authority of the home Member State, takes all appropriate measures in order to protect investors and good the functioning of markets, including the possibility of preventing the regulated market or SMT or SOT from facilitating the access of remote participants or members established in Romania, and without undue delay informing the European Commission and ESMA of such measures.
(8) Any measure taken pursuant to the provisions of paragraph (1) to (7) and involving penalties or restrictions on the services and activities of an investment firm or a regulated market shall be duly substantiated and communicated to the investment firm or the regulated market concerned.
(9) In addition to the provisions of paragraph (3) to (7), ESMA may refer the matter to ESMA.

Article 245 (1) The A.S.F. cooperates with ESMA for the purposes of this Act, in accordance with Regulation (EU) No. 1095/2010.
(2) ESMA shall provide ESMA without undue delay with all information nec A.S.F. re for the performance of its duties under this Act, the regulations issued pursuant to it, of Regulation (EU) no. 600/2014 and the relevant European regulations according to Art. 35 and 36 of Regulation (EU) No. 1095/2010.

CHAPTER IV: Cooperation with third countries

Article 246 (1) The A.S.F. may conclude cooperation agreements providing for the exchange of information with the competent authorities of third countries, provided that the information disclosed is covered by guarantees of professional secrecy at least equivalent to those imposed under the provisions of Art. 248.
(2) The exchange of information provided in paragraph (1) shall be designed to carry out the tasks of the A.S.F. and the competent authorities of third countries.
(3) The transfer of personal data to a competent authority of a third country by the A.S.F. shall be in accordance with the provisions of Chapter. VII of Law no. 677/2001, as subsequently amended and supplemented, with the provisions of Chapter. V of Regulation (EU) No. 2016/679 and other legal provisions in force in the field of personal data protection.
4. The A.S.F. may conclude cooperation agreements providing for the exchange of information with third-country authorities, bodies and natural or legal persons from third countries entrusted with one or more of the following tasks:
(a) the supervision of credit institutions, other financial institutions and insurance undertakings and the supervision of financial markets;
b) the winding-up or bankruptcy procedure of the investment firms and other similar procedure;

(c) conducting the financial audit of investment firms and other financial institutions, credit institutions and insurance undertakings in the performance of their supervisory functions or in the performance of their functions in the management of clearing systems;
d) overseeing the bodies involved in winding-up and bankruptcy procedures of investment firms and other similar procedures;
e) supervision of the persons charged with the financial audit of insurance companies, credit institutions, investment firms and other financial institutions;
f) overseeing those who are active in emission allowance trading markets in order to provide a consolidated overview of the financial and spot markets;
g) overseeing individuals active in agricultural commodity derivatives markets in order to provide a consolidated overview of the financial and spot markets.
Art. 247 (1) The cooperation agreements provided for in art. 246 par. (4) can only be concluded by A.S.F. if the information disclosed is covered by guarantees of professional secrecy at least equivalent to those imposed under the provisions of Art. 248.
(2) The exchange of information provided in art. 246 par. (4) is intended for the performance of the A.S.F. tasks and third-country authorities, bodies or natural or legal persons from third countries.
(3) If the cooperation agreements provided by art. 246 par. (4) implies the transfer of personal data by the A.S.F., it must comply with the provisions of chapter. VII of Law no. 677/2001, as subsequently amended and supplemented, the provisions of chap. V of Regulation (EU) No. 2016/679 and other legal provisions in force in the field of personal data protection.
(4) Where the information provided in the present article and in Art. 245 originates from a Member State other than Romania, the SOF may disclose that information only with the express consent of the competent authority which communicated it and, where appropriate, only for the purposes for which it has given its consent.
(5) The provisions of paragraph (4) shall also apply mutatis mutandis to information communicated by the competent authorities of third countries and transmitted by A.S.F. to other authorities.

CHAPTER V: Professional secret

Art. 248 (1) A.S.F. any person who works or has worked for the A.S.F. or for the entities to which the A.S.F. has delegated its powers under the provisions of Art. 2 par. (10) - (14), as well as the auditors or experts mandated by the A.S.F. have the obligation to observe professional secrecy. They are required not to divulge any confidential information they have received in the exercise of their functions except in summary or aggregate form which prevents the individual identification of S.S.I.F. or the credit institution providing investment services and activities and ancillary services, market operators, regulated markets or any other person, in accordance with the applicable national law and regulations and with the other provisions of this law in accordance with Regulation (EU) No. 600/2014.
2. Where a S.S.I.F. ., A market operator or a regulated market has been declared insolvent or winding up, confidential non-third party information may be divulged in civil or commercial proceedings, provided it is in the process.

3. The A.S.F. , bodies or natural or legal persons other than the A.S.F. receiving confidential information pursuant to this Law or the regulations issued pursuant to it or European Regulations implementing Directive 2014/65 / EU or Regulation (EU) no. (EU) No 600/2014 may only use them in the performance of their duties and in the performance of their duties in the case of A.S.F. within the scope of this law or regulations issued pursuant to it or Regulation (EU) No. 600/2014 or, in the case of other authorities, bodies or natural or legal persons for the purposes for which this information has been communicated to them and / or in specific administrative and judicial proceedings relating to the exercise of those functions.
(4) By way of exception to the provisions of paragraph (3), if the A.S.F. or other authority, body or person communicating the information expresses its consent, the authority that received the information may use it for other purposes.
5. Any confidential information received, exchanged or transmitted pursuant to this law or regulations issued pursuant to it or European regulations implementing Directive 2014/65 / EU or Regulation (EU) 600/2014 is subject to the requirements of professional secrecy set out in this Article.
6. This Article shall not prevent the ESMA from transmitting or exchanging confidential information in accordance with this Law or the regulations issued pursuant to it, or with European regulations implementing Directive 2014/65 / EU or Regulation (EU) No. 600/2014 and other laws or regulations applicable to investment firms, credit institutions, pension funds, UCITS, alternative investment funds, insurance and reinsurance intermediaries, insurance companies, regulated markets or market operators, central counterparties , central depositories or otherwise with the consent of the competent authority or other authorities, bodies, natural or legal persons who have communicated that information.
7. This Article shall not prevent the ESMA from transmitting or exchanging, in accordance with applicable national law and administrative law, confidential information which it has not received from a competent authority of another Member State.
Art. 249 (1) Any person authorized under Law no. 162/2017 on the statutory audit of the annual financial statements and the consolidated annual financial statements and the amendment of some normative acts fulfilling in an investment firm, regulated market or data reporting service provider the charge provided in art. 34 of Directive 2013/34 / EU or Art. 94 of Government Emergency Ordinance no. 32/2012, approved with amendments and completions by Law no. 10/2015, as subsequently amended or supplemented, or any other statutory duty, shall promptly notify the SOF of any fact or decision concerning that Entity that it has become aware of in the exercise of that task and which may:
(a) constitutes a serious breach of the laws, regulations or administrative provisions governing the conditions of the authorization or which expressly regulate the pursuit of the business of F.I.S.S .;
b) compromises the continuity of operation of S.S.I.F. ;
c) motivate a refusal to certify accounts or make reservations.
(2) The person referred to in paragraph (1) has the obligation to report any fact or decision that he has become aware of in performing one of the tasks provided in paragraph (1) in an entity that has close links with S.S.I.F. in which it performs that task.
(3) The disclosure in good faith to the A.S.F. of any fact or any decision provided in par. (1) or (2) by persons authorized within the meaning of Law no. 162/2017 does not constitute a

breach of contract terms or legal provisions that restrict the disclosure of information and does not in any way imply liability to such persons.
(4) The processing of personal data at A.S.F. level is performed exclusively for the purpose of carrying out the duties of supervision, investigation and protection of investors, in compliance with the provisions of the present law, of Law no. 677/2001, as subsequently amended and supplemented, in accordance with Regulation (EU) 2016/679 and other legal provisions in force in the field of personal data protection.

TITLE IX: Financial audit

Art. 250 The A.S.F. establishes by regulations the conditions for the approval of financial auditors, natural and legal persons, members of the Romanian Chamber of Financial Auditors who audit the financial statements and the operations of any entity subject to A.S.F. authorization, supervision and control in accordance with the provisions of this law.
Article 251 The financial statements and the operations of any entity subject to A.S.F. Authorization, Supervision and Control shall be developed in accordance with the specific requirements established by the Ministry of Public Finance and A.S.F. regulations, audited by natural or legal persons, active persons, members of the Chamber Financial Auditors in Romania, and will be forwarded to the A.S.F. in accordance with the specific requirements set by the Ministry of Public Finance and the A.S.F.

TITLE X: Sanctions and administrative measures

CHAPTER I: General provisions

Art. 252 (1) The A.S.F. applies sanctions and administrative measures for violation of the provisions of the present law, the regulations issued for its application, Regulation (EU) no. 648/2012, Regulation (EU) No. 600/2014, Regulation (EU) No. 909/2014, Regulation (EU) No. 1.286 / 2014, Regulation (EU) 2015 / 2.365, Regulation (EU) No. 1011/2016, delegated acts and implementing acts, as the case may be, adopted by the European Commission regulating matters covered by Directive (EU) No. 65/2014 and the aforementioned European Regulations.
(2) The sanctions and administrative measures mentioned in paragraph (1) are effective, proportionate and dissuasive.
(3) If it determines the type and level of a sanction or administrative measures imposed under the exercise of its competencies according to the provisions of the Government Emergency Ordinance no. 93/2012, approved with amendments and completions by Law no. 113/2013, as subsequently amended and supplemented, and the provisions of the present law, the A.S.F. shall also consider the following aspects, as appropriate:
(a) the severity and duration of the infringement;
b) the degree of liability of the natural or legal person responsible for the violation;

(c) the financial capacity of the responsible natural or legal person, indicated in particular by the total turnover of the responsible legal person or the annual income and the net asset value of the responsible person;
(d) the significance of the profits or income derived from the avoidance of losses by the responsible natural or legal person, to the extent that they can be determined;
e) losses incurred by third parties as a result of the breach, to the extent that they can be determined;
(f) the extent to which the responsible natural or legal person cooperates with the competent authority, without prejudice to the need to retain the profit obtained or the income earned from avoiding loss of that person;
g) previous violations committed by the responsible person or legal entity;
h) any measures taken by the offender after the offense, in order to limit the damage, to cover the damage or to cease the perpetration of the deed.

Art. 253(1) A.S.F. shall publish on its website without delay any decision imposing a sanction or administrative measure under the provisions of this title after the person to whom the sanction was imposed has been informed of the decision concerned.
(2) The publication of the decision stipulated in paragraph (1) shall include at least information on the type and nature of the infringement and the identity of the persons responsible.
(3) The obligation stipulated in paragraph (1) shall not apply to decisions imposing measures relating to an investigation.
(4) By way of exception to the provisions of paragraph (1) where the publication of the identity of legal persons or personal data of natural persons is considered by A.S.F. to be disproportionate following a case-by-case assessment of the proportionality of the publication of such data, or if disclosure jeopardizes the stability of financial markets or an ongoing investigation, A.S.F. :
a) delay the publication of the decision to impose a sanction or administrative measure until the reasons for non-publication cease to be valid;
b) publish the decision to impose an administrative sanction or measure in an anonymous manner in any of the following circumstances:
(i) where the sanction or administrative measure is imposed on a natural person and is found to be disproportionate following a prior mandatory assessment of the proportionality of the publication of personal data;
(ii) if disclosure would seriously jeopardize the stability of the financial system or an ongoing formal investigation;
(iii) where disclosure would cause, to the extent that this can be established, disproportionate and grave prejudice to the institutions or individuals involved;
c) does not publish the decision to impose a sanction or an administrative measure, if the options under a) and b) are considered insufficient to guarantee:
(i) that the stability of financial markets is not jeopardized;
(ii) the proportionality of the publication of such decisions in cases where the measuresadministrative respective sunt considerate a fi de naturăminoră.

(5) In the case provided for in paragraph (4) lit. (b) the publication of relevant data may be deferred for a reasonable period of time determined by the A.S.F. if it is expected that during that period the reasons underlying anonymous publication will cease to be valid.
6. Where the decision to impose a sanction or administrative measure is the subject of an appeal before the judicial authorities or other authorities, the A.S.F. shall immediately publish on its website such information and any subsequent information the outcome of such an appeal.
(7) A.S.F. publishes on its website any decision to cancel an earlier decision imposing a sanction or administrative measure.
(8) The personal data contained in the publication shall be kept on the F.SA.'s website in compliance with the legal provisions on the protection of personal data for a period established by A.S.F. regulations
(9) ESMA shall inform ESMA of all sanctions and administrative measures imposed, but not yet published, in accordance with paragraph (4) lit. c), including the exercise of any remedies against them, as well as the outcome of such appeals.
(10) A.S.F. receives information and final judgment from the competent national authorities on any criminal sanctions imposed and sends them to ESMA and, if it concerns a credit institution, and N.B.R.
(11) ESMA shall annually transmit to ESMA aggregated information on all decisions imposing a sanction or administrative measure in accordance with paragraph (1) to (7), except for the investigative measures.
(12) Where the A.S.F. publishes a sanction or administrative measure or receives information on the application of criminal sanctions, it shall also report to ESMA.

Art. 254 (1) Reporting to A.S.F. of the possible or certain violations of the provisions of the present law, of the Regulation (EU) no. 600/2014 and Regulation (EU) No. 909/2014 shall be carried out in accordance with the regulations issued by the A.S.F.
(2) A.S.F. establishes effective mechanisms consisting of independent and autonomous communication channels that are secure and confidential to receive reports of violations of the provisions of this law, hereinafter referred to as secure communication methods.
3. Secure communication methods shall be considered as independent and autonomous, provided that they meet the following cumulative criteria:
a) are separated from A.S.F. 's general communication channels, including those through which A.S.F. communicates internally and with third parties in its ordinary activities;
(b) designed, established and used in a manner that guarantees the integrity, integrity and confidentiality of information and prevents unauthorized access to A.S.F. ;
c) allow for the sustainable storage of information, in accordance with the regulations issued by A.S.F. , in order to allow for further investigations. A.S.F. keeps records of this information in a confidential and secure database.
4. Secure communication methods shall allow reporting of breaches at least in the following ways:
a) Written reporting of violations in electronic or paper format;
b) Oral reporting of violations by telephone lines, whether registered or not;
c) reporting to the A.S.F. headquarters

(5) A.S.F. shall ensure that reporting on an infringement received by means other than the secure communication methods provided for in this Article is transmitted without delay to A.S.F. 's specialized staff using the secure communication methods.
(6) The process of management by A.S.F. of the reports transmitted by the persons claiming violations of the provisions of the present law shall be carried out according to the provisions of para. (2) - (5) and the regulations issued by A.S.F. , ensuring:
(a) establishing specific procedures for receiving reports on infringements and taking further action;
(b) an adequate level of protection for those employees of entities under the supervision and control of this law reporting violations committed within those entities, at least in respect of acts of retaliation, discrimination and other unfair treatment;
c) the protection of personal data both with respect to the person reporting breaches of the present law and with regard to the individual suspected of having been guilty of an infringement, in accordance with the provisions of Law no. 677/2001, of Regulation (EU) No. 2016/679 and other legal provisions in force in the field of personal data protection;
(d) confidentiality with regard to the person reporting a breach, unless national law requires the disclosure of his identity in the context of subsequent inquiries or legal proceedings.
(7) Reporting by employees of a regulated and supervised entity referred to in paragraph (1) to (5) shall not be considered as a breach of any restriction on the disclosure of information imposed by contract or by any statutory or administrative act and shall not entail liability of the notifier in relation to that reporting.

Art. 255 S.S.I.F., Market operators, data reporting service providers, credit institutions in relation to investment services and activities and ancillary services and branches of third country firms as well as the central depository and participants in the Central Depository System must have adequate procedures for employee reporting of potential or actual violations at internal level through a specific, independent and autonomous communication channel.

Art. 256 Constitutes an offense and is sanctioned by imprisonment from 3 months to one year or a fine according to the provisions of Law no. 286/2009 on the Criminal Code, as subsequently amended and supplemented, the non-observance by any natural or legal person of the provisions of:
a) art. 82 par. (5);
b) art. 104 par. (1), (2), (4) and (5).

Art. 257 (1) Contraventions, insofar as they are not committed in such conditions as to be considered as criminal offenses, shall be the following:
a) non-observance by any legal entity or individual subject to the provisions of this law of:
(i) the provisions of the regulations in force, issued in application of this law, in accordance with the conditions laid down in those regulations;
(ii) the measures provided for in, or following, the authorization, supervision, regulatory and control measures;

(iii) the existing provisions of the statutory and trading venue's own regulations, a central depository and a central counterparty;
b) impeding without right the exercise of the rights granted by A.S.F. by the law, as well as the unjustified refusal of any person to answer A.S.F. 's requests in the exercise of his duties according to the provisions of Government Emergency Ordinance no. 93/2012, approved with amendments and completions by Law no. 113/2013, as amended and supplemented, and this law;
c) failure to comply with the regulations and measures issued by A.S.F. in the field of preventing and combating money laundering and terrorist financing through the capital market; A.S.F. in the field of international sanctions and the non-implementation of international sanctions on the capital market;
e) non-observance of the regulations and measures issued by A.S.F. regarding the professional training, training and professional development, respectively the automatic equivalence of the diplomas, attestations and certificates issued by the international bodies;
f) non-compliance by the competent statutory body with the obligations stipulated in art. 272 par. (4);
g) deliberately misrepresenting, misunderstood or incompletely misleading information to A.S.F. ;
h) unauthorized use of the syntax of services and investment activities, a service company and financial investment, a regulated market, a market operator, a multilateral trading facility (SMT) and an organized trading system (SOT), associated with any of the financial instruments defined in section C of annex no. 1, with commodities, or any combination thereof, without complying with legal requirements.
(2) The commission of contraventions stipulated in par. (1) shall be sanctioned as follows:
a) in the case of the offenses provided in par. (1) lit. c), d) and f) -h):
(i) with a warning or fine from 1,000 to 50,000 lei for individuals;
(ii) with a warning or a fine of 0.1% to 5% of the net turnover achieved in the financial year preceding the sanction, depending on the seriousness of the deed, for legal persons;
b) in the case of contraventions stipulated in paragraph (1) lit. a), b) and e):
(i) with a warning or a fine from 1,000 lei to 100,000 lei for individuals;
(ii) with a warning or, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001 regarding the legal regime of contraventions, approved with amendments and completions by Law no.180 / 2002, with subsequent amendments and completions, with a fine from 10,000 lei to 22,000,000 lei, depending on the seriousness of the committed deed, for persons legal.
(3) If the turnover in the financial year preceding the sanction is not available at the date of the sanction, the one relating to the financial year in which the legal entity registered the turnover immediately preceding the reference year shall be taken into account. Reference year is the year before the sanction.
(4) By way of derogation from the provisions of art. 8 of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, in the case of a legal entity having a turnover of less than 15 million lei or no turnover in the year prior to the sanction, as well as in the case of a legal entity whose turnover is not accessible to A.S.F. , it will be sanctioned with:

a) warning or fine from 10,000 lei to 1,000,000 lei, in the case of contraventions stipulated in paragraph (2) lit. a);
b) warning or fine from 15,000 lei to 2,500,000 lei, in the case of contraventions stipulated in paragraph (2) lit. b).

Art. 258 (1) It is an offense to exceed the limits of the positions established in accordance with the provisions of art. 156-160 for:
a) positions held by persons established or acting on the territory of Romania or abroad exceeding the limits on commodity derivative contracts established by A.S.F. in relation to the contracts traded on the trading venues established or operating on the territory of Romania or the contracts economically equivalent offsets;
b) positions held by persons established or acting on the territory of Romania, which exceed the limits on commodity derivative contracts established by the competent authorities of other Member States.
(2) The commission of the contravention provided in par. (1) shall be sanctioned according to the provisions of art. 261 par. (2) - (4).

Article 259 (1) By way of derogation from the provisions of art. 10 par. (2) of the Government Ordinance no. 2/2001. approved with amendments and completions by Law no. 180/2002, with the subsequent amendments and completions, in the case of committing two or more offenses, the highest sanction shall be applied, increased by up to 50%, as the case may be, subject to the provisions of art. 252 par. (3).
(2) By way of derogation from the provisions of art. 13 of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, with the subsequent amendments and completions, the limitation period for the finding, application and execution of the contravention sanction is 3 years from the date of the act.

Article 260 (1) The finding of the contraventions provided by the present law is made by the persons authorized by A.S.F. and the sanctions are applied by the A.S.F. Council
(2) By way of derogation from the provisions of Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, in the situation of the entities for which N.B.R. represents competent authority, according to the provisions of art. 2 par. (2) of the present law, the finding of contraventions shall be carried out by the persons empowered by the National Council of the Republic of Moldova, and the sanctions and measures shall be enforced by an order issued by the governor, the first deputy governor or one of the deputy governors of N.B.R.
(3) The orders stipulated in paragraph (2) may be appealed within 15 days of being communicated to the Board of Directors of N.B.R., which shall pronounce by reasoned decision within 30 days from the date of notification. Decision of the Board of Directors of N.B.R., may be appealed to the High Court of Ca A.S.F. tion and Justice within 15 days of communication. N.B.R., is the only authority able to pronounce on the considerations of opportunity, the qualitative and quantitative assessments and analyzes underlying the issuance of its acts.

CHAPTER II: Sanctioning S.S.I.F. , credit institutions providing investment and ancillary services and services, market operators, data reporting service providers and branches of third country companies

Art. 261 (1) Constitutes contravention, insofar as they are not committed in such a way as to be considered, according to the law, as offenses, the following acts committed by S.S.I.F. , credit institutions providing investment services and auxiliary services, market operators, data reporting service providers and branches of third country companies, members of the governing bodies of a S.S.I.F. , a credit institution providing investment services and ancillary services, market, as well as by any other natural or legal person other than those mentioned above, which fall under the provisions of this law:
a) violation of the following provisions of this law:
(I) art. 10 par. (8);
(Ii) art. 14 par. (2);
(Iii) Article. 17 par. (1) lit. b) and par. (4);
(Iv) art. 19, art. 21 par. (1), art. 24 paragraph (6), art. 25-27, art. 28 par. (1), (2) and (4), art. 29-32;
(V) art. 37 and 39;
(Vi) art. 49-56, art. 59, art. 60 par. (1) and (6), art. 61, art. 62 par. (1) and (3);
(Vii) art. 63, art. 64 par. (1) to (7) and Art. 65;
(Viii) Art. 67-69, art. 70 par. (1) and (2);
(Ix) art. 71-74;
(X) art. 76 par. (1) - (3);
(Xi) Article. 78-80;
(Xii) art. 81, art. 82 par. (1) - (4), art. 83 par. (2), art. 84-86;
(Xiii) art. 87-89;
(Xiv) art. 90 par. (2) - (5);
(Xv) art. 91-94;
(Xvi) art. 95 and art. 96 par. (1) and (2);
(Xvii) art. 98, art. 99 par. (1) and (3), art. 100 and 101;
(Xviii) art. 102 par. (2) and Art. 103 par. (4);
(Xix) art. 105 para. (1) to (3) and (5);
(Xx) art. 106 par. (1) - (4) and (6);
(Xxi) art. 108 par. (2) and (6);
(Xxii) art. 109 para. (1) - (3) and (5), art. 110 par. (1) to (5), (7) and (8), art. 111, art. 112 par. (1) and (3), art. 113 par. (1) - (3), Art. 114 par. (1), (2) and (7), art. 115 par. (1), (3) and (4), art. 116 par. (1) and art. 118 par. (1);
(Xxiii) art. 119 para. (1);
(Xxiv) art. 120 par. (1), (2) and (4);
(Xxv) art. 126 par. (1), (2) and (4);
(Xxvi) art. 129 par. (2), (4), (6), second sentence, par. (7) - (9) and art. 131 par. (1) lit. b);
(Xxvii) art. 132-134, art. 135 par. (1) to (3) and (6);
(Xxviii) art. 136 par. (1) to (3) and par. (5) - (7);

(Xxix) art. 137;
(Xxx) art. 138, art. 139 par. (1) and (2), art. 140, 141, art. 142 para. (2) - (5), art. 143 and art. 144 par. (1);
(Xxxi) art. 145 par. (1);
(Xxxii) art. 146;
(Xxxiii) art. 147 par. (2) and (4), art. 148 par. (1) to (3) and (5);
(XXXIV) art. 149 para. (1) to (4) and (7);
(XXXV) art. 151 par. (1) - (3), Art. 152 par. (4) and (7);
(XXXVI) art. 153 par. (1) to (3) and (6);
(XXXVII) art. 156 par. (1) - (4), art. 159 para. (1), (2) and (4);
(XXXVIII) art. 161;
(XXXIX) art. 166 par. (1) - (6);
(Xl) art. 167 par. (1) - (6) and art. 168;
(XLI) art. 169 and 170;
(XLII) art. 171 par. (1) - (7);
b) breach of the following provisions of Regulation (EU) 600/2014:
(I) art. 3 par. (1) and (3);
(Ii) art. 4 par. (3), first subparagraph;
(Iii) Article. 6;
(Iv) art. 7 par. (1), third subparagraph, first sentence;
(V) art. 8 par. (1), (3) and (4);
(Vi) art. 10;
(Vii) art. 11 par. (1), third subparagraph, first sentence and paragraph (3), third subparagraph;
(Viii) Art. 12 paragraph (1);
(Ix) art. 13 par. (1);
(X) art. 14 par. (1), par. (2) first sentence and paragraph (3) second, third and fourth sentences;
(Xi) Art. 15 par. (1), first subparagraph, and second subparagraph, first and third sentences, (2) and paragraph (4) second sentence;
(Xii) art. 17 par. (1) second sentence;
(Xiii) art. 18 par. (1) and (2), paragraph (4), first sentence, (5), first sentence, (6), first sentence, (8) and paragraph (9);
(Xiv) art. 20 par. (1) and par. (2) first sentence;
(Xv) art. 21 par. (1) - (3);
(Xvi) art. 22 par. (2);
(Xvii) art. 23 par. (1) and (2);
(Xviii) art. 25 par. (1) and (2);
(Xix) art. 26 par. (1), first subparagraph, (2) to (5), par. (6), first subparagraph, and (7) the first five paragraphs and the eighth subparagraph;
(Xx) art. 27 par. (1);
(Xxi) art. 28 par. (1) and par. (2), first subparagraph;
(Xxii) art. 29 para. (1) and (2);
(Xxiii) art. 30 par. (1);
(Xxiv) art. 31 par. (2) and (3);

(Xxv) art. 35 par. (1) - (3);
(Xxvi) art. 36 par. (1) - (3);
(Xxvii) art. 37 paragraph (1) and (3);
(Xxviii) art. 40-42;
c) non-observance of the provisions regarding the preparation of the financial statements, their auditing, as well as the way of their transmission, according to the provisions of art. 251;
d) the provision of investment services and activities by natural persons on behalf of a S.S.I.F. without fulfilling the obligation to register in A.S.F. Register according to the provisions of art. 11;
e) refusal to cooperate in an investigation or in case of an inspection or a request under the provisions of art. 236;
f) non-compliance with the obligations stipulated in art. 263 par. (3) and Art. 275 par. (1) and (5).
(2) The commission of contraventions stipulated in par. (1) as well as to art. 258 shall be sanctioned with one of the following primary contravention sanctions:
a) warning or fine from 1,000 lei to 22,000,000 lei, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no.180 / 2002, with the subsequent modifications and completions, in the case of a natural person;
b) warning or fine from 10,000 lei to 22,000,000 lei or up to 10% of the annual turnover of the legal person according to the latest available financial statements approved by the governing body; if the legal entity is a parent or subsidiary of the parent company that is required to prepare consolidated financial statements in accordance with the statutory accounting regulations in force, the total applicable annual turnover is the total annual turnover based on the most recent accounts available consolidated approved by the governing body of the parent company, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, in the case of a legal person;
c) a maximum fine equal to at least twice the value of the benefit resulting from the breach, if the benefit can be determined, even if it exceeds the maximum amounts stipulated under a) and b) by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented.
(3) Depending on the nature and gravity of the offense, for committing the contraventions provided in par. (1) and art. 258, A.S.F. may apply the following complementary sanctions:
a) the withdrawal or suspension of the authorization of a credit institution providing investment services and activities and ancillary services in accordance with art. 17, A.S.F. , a market operator, a APA, a CTP and an ARM;
b) the temporary or permanent banning of management positions in investment firms for repeated serious infringements in the case of any member of the management body of S.S.I.F. or of a credit institution providing investment services and ancillary services or to any other natural person held responsible;

c) a temporary ban on the membership or participation of any S.S.I.F. or credit institutions providing investment services and activities and ancillary services to a regulated market, SMTs or as a customer of SOTs.
(4) Depending on the nature and gravity of the offense, for committing the offenses provided in par. (1) and art. 258, A.S.F. may apply one or more administrative measures such as:
a) a public statement stating the responsible natural or legal person and the nature of the violation in accordance with art. 253;
b) a decision requiring the natural or legal person responsible for stopping that behavior and refraining from repeating that behavior;
c) to alert the persons responsible for the deeds of low gravity;
d) the measures of the non-state enterprise for the prevention or correction of the non-observance of the legal provisions, according to A.S.F. regulations
(5) The main contravention sanctions provided in paragraph (2) may be applied cumulatively to one or more of the additional contravention sanctions provided for in paragraph (3).
(6) The administrative measures provided for in para. (4) may be applied separately, and the administrative measures provided for in para. (4) lit. a) and d) may also be applied in conjunction with the principal or complementary sanctions provided in paragraph (2) and paragraph (3).
(7) Violations of other national legal provisions than those prescribed by this law by S.S.I.F. , market operators, data reporting service providers and credit institutions in connection with investment services and activities and ancillary services and by branches third-country companies are sanctioned in accordance with the respective national legal provisions.
Art. 262 Constitutes an offense and is sanctioned according to the provisions of art. 348 of the Law no. 286/2009, as subsequently amended and supplemented, the following facts:
a) the provision of investment services or the carrying out of investment activities without holding the authorization or approval of the S.S.I.F. according to the following provisions:
(I) art. 8 par. (1), art. 10 par. (1) and (10), art. 122 paragraph (2), art. 129 par. (1) and art. 162;
(Ii) art. 7 par. (1) third sentence or art. 11 par. (1) of Regulation (EU) No. 600/2014;
(b) the deployment without authorization of any activities or operations for which European regulations issued pursuant to Directive 2014/65 / EU require authorization.

Art. 263 (1) Disputes between consumers and traders regarding investment services and ancillary services provided by S.S.I.F. Or by credit institutions providing investment and ancillary services and activities may be settled through alternative dispute resolution litigation by the Alternative Dispute Settlement Entity, established by A.S.F. or by the Alternative Dispute Resolution Center in the Banking Area, according to the competencies provided for in the Foundations of the two Entities, as the case may be.
(2) S.S.I.F. and credit institutions providing investment services and activities and ancillary services are obliged to inform consumers about their right to resort to alternative dispute resolution, the entity to which it may add. according to the provisions of para. (1), as well as on the conditions for acceding to alternative dispute resolution procedures.
(3) All S.S.I.F. have the obligation to join one or more entities provided in paragraph (1).
(4) The entities referred to in paragraph (1) actively cooperates with counterparts in other Member States with a view to resolving cross-border disputes.

(5) A.S.F. shall inform ESMA of the complaint procedures and remedies provided for in paragraph (1) and (2).

CHAPTER III: Penalty of the central depository

Art. 264 (1) In the absence of such offenses as criminal offenses, the deeds committed by the central depository, the natural persons responsible in the capacity of members of the administrative boards, directors or, as the case may be, members of the supervisory board and members of the board, respectively a representative of its compliance compartment, a risk manager in relation to:

a) to obtain the authorizations stipulated in art. 16 and 54 of Regulation (EU) No. 909/2014 by false statements or by any other illicit means, as provided in art. 20 par. (1) lit. (b) and art. 57 par. (1) lit. (b) of Regulation (EU) No. 909/2014;

b) failure by the central depository to hold the capital of the company, in accordance with the provisions of art. 47 par. (1) of Regulation (EU) No. 909/2014;

c) non-observance by the central depository of the organizational requirements, stipulated in art. 26-30 of Regulation (EU) No. 909/2014;

d) non-observance by the central depository of the norms of conduct stipulated in art. 32-35 of Regulation (EU) No. 909/2014;

e) non-compliance by the central depository with the requirements applicable to the central depository services provided in art. 37-41 of Regulation (EU) No. 909/2014;

f) non-observance by the central depository of the prudential requirements, stipulated in art. 43-47 of Regulation (EU) No. 909/2014;

g) non-compliance by the central depository with the requirements applicable to the connections between the central depositaries provided under art. 48 of Regulation (EU) No. 909/2014;

h) the abusive refusal of the central depository to grant different types of access, in violation of the provisions of art. 49-53 of Regulation (EU) No. 909/2014;

i) non-compliance by the designated credit institutions with the specific prudential requirements related to the credit risks provided in art. 59 par. (3) of Regulation (EU) No. 909/2014;

j) non-compliance by the designated credit institutions with the specific prudential requirements related to the liquidity risks provided in art. 59 par. (4) of Regulation (EU) No. 909/2014;

k) non-observance of the provisions of art. 136 par. (8);

l) non-observance of the provisions of art. 184-186;

m) non-observance of the provisions of art. 251.

(2) The commission of contraventions stipulated in par. (1) shall be sanctioned by the A.S.F. , as competent authority for the central depository, with the following main contravention sanctions:

a) in the case of a natural person, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, warning or fine from 1,000 lei to 22,150,000 lei;

b) in the case of a legal person, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, with subsequent amendments, admonitions or fine from 10,000 lei to 88,600,000 lei or up to 10% of the total annual turnover of the legal person according to the last available accounts approved by the governing body; if the legal person is a parent or subsidiary of the parent company which is required to prepare consolidated financial statements in accordance with the applicable accounting rules, the total annual turnover applicable is the total annual turnover or type of income in accordance with the relevant legal provisions, based on the latest available statement of consolidated accounts, approved by the governing body of the parent company;
c) fines up to twice the amount of the profit obtained as a result of an infringement, if this amount can be established, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented, as the case may be.
(3) According to the provisions of art. 63 par. (2) of Regulation (EU) No. 909/2014, for committing the offenses provided in par. (1), A.S.F. may apply the following additional sanctions:
a) the withdrawal of authorizations granted under art. 16 or art. 54 of Regulation (EU) No. 909/2014, in accordance with the provisions of art. 20 or art. 57 of Regulation (EU) No. 909/2014, as appropriate;
(b) penalizing any member of the central depository's management body or any other natural person held liable by temporary prohibition or, in the case of repeated serious infringements, the permanent interdiction to exercise senior management positions within the central depository.
(4) Depending on the nature and gravity of the offense, for committing the offenses provided in par. (1), A.S.F. may apply one or more administrative measures such as:
a) a public statement stating the person responsible for the violation and the nature of the violation, in accordance with art. 62 of Regulation (EU) No. 909/2014;
(b) a decision requiring the person responsible for the infringement to put an end to that behavior and refrain from repeating it;
c) to alert the persons responsible for the deeds of low gravity;
d) the measures of the non-state enterprise for the prevention or correction of the non-observance of the legal provisions, according to A.S.F. regulations
(5) The main contravention sanctions provided in paragraph (2) may be applied cumulatively to one or more of the additional contravention sanctions provided for in paragraph (3).
(6) The administrative measures provided for in para. (4) may be applied separately, and the administrative measures provided for in para. (4) lit. a) and d) may also be applied in conjunction with the principal or complementary sanctions provided in paragraph (2) and paragraph (3).

Art. 265 The dissolution without authorization of any activities or operations specific to the central depository shall constitute a criminal offense and shall be sanctioned according to the provisions of art. 348 of the Law no. 286/2009, as subsequently amended and supplemented.

CHAPTER IV: Penalties applicable under the provisions of other European laws and regulations

Art. 266 (1) A.S.F. sanctions the central counterparty in accordance with the provisions of Law no. No 210/2017 laying down implementing measures for Regulation (EU) No. No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.
(2) Failure to comply with the provisions regarding the preparation of the financial statements, their auditing, as well as the way of transmitting them, 251 is a contravention and is sanctioned:
a) with a warning or a fine from 1,000 lei to 100,000 lei, for individuals;
b) with a warning or a fine from 10,000 lei to 22,000,000 lei, depending on the seriousness of the deed, for legal persons.
(3) The carrying out without any authorization of any activities or operations specific to the central counterparty constitutes an offense and is sanctioned according to the provisions of art. 348 of the Law no. 286/2009, as subsequently amended and supplemented.

Art. 267 (1) Contraventions, insofar as they are not committed in such conditions as to be considered as criminal offenses, are considered the nonobservance by any legal or physical entity of the provisions of the art. 5 par. (1), art. 6 and 7, art. 8 par. (1) - (3), Art. 9, art. 10 par. (1), art. 13 par. (1), (3) and (4), as well as of art. 14 and art. Article 19 of Regulation (EU) No. 1286/2014.
(2) The commission of contraventions stipulated in par. (1) shall be sanctioned with the main contravention sanction consisting of a warning or a fine, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented:
a) in the amount from 10,000 lei to 22,450,000 lei or up to 3% of the total annual turnover of that entity, according to the latest available financial statements approved by the management body or up to twice the profits or losses avoided infringement, for legal persons;
b) in the amount from 1,000 lei to 3,150,000 lei or double the profits obtained or losses avoided as a result of the violation, for natural persons.
(3) Depending on the nature and gravity of the deed, the following complementary sanctions may be applied:
a) banning the marketing of a PRIIP;
b) suspension of trading of an IPPC;
c) prohibiting the provision of a document with essential information that does not comply with the requirements of art. 6-8 or art. 10, as appropriate, of Regulation (EU) No. 1.286 / 2014 and requiring the publication of a new version of a document with essential information.
(4) Depending on the nature and gravity of the offense, for committing the offenses provided in par. (1), A.S.F. may apply one or more administrative measures such as:
a) a public warning indicating the person responsible and the nature of the infringement;
b) to alert the persons responsible for the deeds of low gravity;

c) the measures of the non-profit organization for the purpose of preventing or remedying situations of non-compliance with the legal provisions, in accordance with A.S.F. regulations
(5) Where the entity referred to in paragraph (2) lit. a) is a parent or subsidiary of the parent that has the obligation to prepare consolidated financial statements in accordance with the applicable accounting regulations, the total annual relevant turnover is the total annual turnover or the appropriate type of income in compliance with the applicable accounting regulations, as evidenced by the latest available consolidated financial statements approved by the statutory body of the parent company.
(6) The main contravention sanctions provided in paragraph (2) may be applied cumulatively to one or more of the additional contravention sanctions provided for in paragraph (3).
(7) The administrative measures provided for in paragraph (4) may be applied separately, and the administrative measures provided for in para. (4) lit. a) and c) may also be applied together with the principal or complementary sanctions provided in paragraph (2) and paragraph (3).

Art. 268 (1) Constitutes contraventions, insofar as they are not committed under such conditions as criminal offenses, the offenses committed by counterparties to an SFT as defined by Regulation (EU) 2015 / 2.365 by members of the board of directors, directors or, as the case may be, members of the supervisory board and members of the board of directors of legal counterparties in relation to:
a) non-observance of the reporting and protection obligations imposed by the provisions of art. 4 of Regulation (EU) 2015 / 2.365;
b) non-compliance with the provisions regarding re-use of financial instruments received under a guarantee contract imposed by the provisions of art. 15 of Regulation (EU) 2015 / 2.365.
(2) The commission of contraventions stipulated in par. (1) shall be sanctioned by N.B.R in the case of credit counterparties such as credit institutions and A.S.F. in the case of other counterparties with one of the following main contravention sanctions:
a) in the case of individuals, a warning or a fine from 1,000 lei to 22,700,000 lei, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented;
b) in the case of legal persons, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented:
(i) a warning or a fine from 10,000 lei to 22,700,000 lei or up to 10% of the total annual turnover of the legal entity calculated according to the latest available financial statements approved by the governing body in the case of the breach provided for in paragraph (1) lit. a);
(ii) a warning or fine from 10,000 lei to 68,000,000 lei or up to 10% of the total annual turnover of the legal entity calculated on the basis of the latest available financial statements approved by the governing body in the case of the breach provided for in paragraph (1) lit. b);
c) a fine in the amount of at least the triple value of the profits or the losses avoided as a result of the breach, in cases where the respective amount can be established, even if the respective fines exceed the amounts stipulated in a) and b), by way of derogation from the provisions of

art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented.
(3) Depending on the gravity of the deed, committing the offenses provided in par. (1) may be sanctioned with the following additional contraventional sanctions:
a) the withdrawal or suspension of the authorization granted by the A.S.F. ;
(b) a temporary ban on the exercise of leadership functions against any person exercising management responsibilities or against any natural person who is held liable for such an infringement.
(4) Depending on the nature and gravity of the offense, for committing the offenses provided in par. (1), A.S.F. may apply one or more administrative measures such as:
a) a public statement stating the person responsible and the nature of the violation;
(b) a decision requiring the person responsible for the infringement to put an end to that conduct and refrain from repeating it;
c) to alert the persons responsible for the deeds of low gravity;
d) the measures of the non-state enterprise for the prevention or correction of the non-observance of the legal provisions, according to A.S.F. regulations;
(5) For the purpose of the provisions of para. (2) lit. b) points (i) and (ii), if the legal person is a parent company or a subsidiary of the parent company that has to prepare consolidated financial statements in accordance with the legal regulations in force, the total annual turnover relevant is the total annual turnover or the appropriate type of income according to the relevant accounting regime, which is calculated on the basis of the latest available consolidated financial statements approved by the parent body of the parent company.
(6) The main contravention sanctions provided in paragraph (2) may be applied cumulatively to one or more of the additional contravention sanctions provided for in paragraph (3).
(7) The administrative measures provided for in paragraph (4) may be applied separately, and the administrative measures provided for in para. (4) lit. a) and d) may also be applied in conjunction with the principal or complementary sanctions provided in paragraph (2) and paragraph (3).
(8) A breach provided in paragraph (1) does not affect the validity of the terms of an SFT, nor the ability of the parties to execute these terms, and does not give rise to the grant of indemnity rights by a party to an SFT.

Art. 269 (1) Infringement of the provisions of Regulation (EU) No. 1.011 / 2016 and the regulations adopted in its application are found and sanctioned by the A.S.F. as the competent authority and attract the contraventional responsibility, according to the law.
(2) Contraventions shall be considered, insofar as the acts are not committed in such conditions as to be considered, according to the criminal law, as offenses, the non-observance of the provisions of art. 4-16, art. 21, art. 23-29 and art. 34 of Regulation (EU) No. 1.011 / 2016, as well as any refusal to cooperate in an investigation conducted by A.S.F. or compliance with a request of the authority, which is subject to Art. 41 of the same Regulation.
(3) The committing of the contraventions provided in par. (2) shall be sanctioned with the following main contravention sanctions:
a) in the case of natural persons, a warning or a fine, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with

amendments and completions by Law no. 180/2002, as subsequently amended and supplemented:
1. from 1,000 lei to 2,260,500 lei violation of the provisions of art. 4-10, art. 11 par. (1) lit. a) -c) and e), art. 11 par. (2) and (3) and art. 12-16, art. 21, art. 23-29 and art. 34 of Regulation (EU) No. 1,011 / 2016;
2. from 1,000 lei to 452,100 lei violation of the provisions of art. 11 par. (1) lit. d) or paragraph (4) of Regulation (EU) No. 1,011 / 2016;
b) in case of legal persons, warning or fine, by way of derogation from the provisions of art. 8 par. (2) lit. a) of the Government Ordinance no. 2/2001, approved with amendments and completions by Law no. 180/2002, as subsequently amended and supplemented:
1. from 10,000 lei to 4,521,000 lei or up to 10% of the annual turnover according to the latest available financial statements approved by the governing body, whichever is the higher, violation of the provisions of art. 4-10, art. 11 par. (1) lit. a) -c) and e), art. 11 par. (2) and (3) and art. 12-16, art. 21, art. 23-29 and art. 34 of Regulation (EU) No. 1,011 / 2016;
2. from 10,000 lei to 1,130,250 lei or up to 2% of the annual turnover according to the latest available financial statements approved by the governing body, whichever is the higher, violation of the provisions of art. 11 par. (1) lit. d) or paragraph (4) of Regulation (EU) No. 1011/2016.
(4) Depending on the gravity of the deed, the committing of the offenses provided in par. (2) may be sanctioned with the following complementary sanctions:
(a) the issue of an individual act requiring the controller or the supervised entity to be held responsible for the breach of the provisions of Regulation (EU) 1.011 / 2016 to reimburse the profits made from the deed or losses avoided by committing it, to the extent that they can be determined;
b) withdrawing or suspending the authorization or registration of an administrator;
c) Issue an individual act of temporary prohibition, adressed to any natural person considered responsible for committing the offense, to exercise management positions within the supervised administrators or contributors.
(5) Depending on the nature and gravity of the offense, for committing the offenses provided in paragraph (1), A.S.F. may apply one or more administrative measures such as:
a) a public warning indicating the controller or supervised entity responsible and the nature of the infringement;
(b) a decision requiring the controller or the supervised entity responsible for the infringement to end the conduct and refrain from repeating it;
c) to alert the persons responsible for the deeds of low gravity;
d) the necessary measures for the prevention or correction of the non-observance of the legal provisions, according to A.S.F. regulations
(6) Where the legal person referred to in paragraph (3) lit. (b) is a parent or subsidiary of the parent that is required to prepare consolidated financial statements in accordance with the applicable accounting rules, the relevant total annual turnover is the total annual turnover or the appropriate type of income in compliance with the applicable accounting regulations as evidenced by the latest available consolidated financial statements approved by the governing body of the parent company, or, if the legal person is an association, 10% of the total turnover of its members.

(7) By way of exception from the maximum fines provided in paragraph (3) lit. (a) and (b), the SOF may increase the amount of fines granted up to 3 times the amount of the resulting benefit or loss avoided in breach of the provisions of Regulation (EU) No. 1.011 / 2016, if they can be determined.
(8) The main contravention sanctions provided in par. (3) may be applied cumulatively to one or more complementary contravention sanctions provided for in paragraph (4).
(9) The administrative measures provided in paragraph (5) may be applied separately, and the administrative measures provided for in paragraph (5) lit. a) and d) may also be applied in conjunction with the principal or complementary sanctions provided in paragraph (3) and par. (4).

CHAPTER V: Legal remedies

Art. 270 (1) Any decision taken under the provisions of Art. 252 par. (1) must be duly justified and may be appealed, within 30 days from the date of communication, to the Bucharest Court of Appeal, the Administrative and Fiscal Complaints Division, according to the Law on administrative contentious no. 554/2004, as amended and supplemented.
(2) The right to appeal according to the provisions of para. (1) shall also apply if the A.S.F. has not taken a decision on an application for authorization containing all the necessary information within 6 months of its filing.

Art. 271 In the interest of consumers, the following bodies may bring an action before the courts or competent administrative authorities in order to ensure the application of the provisions referred to in Art. 252 par. (1):
(a) public bodies or their representatives;
b) consumer organizations having a legitimate interest in protecting consumers;
c) professional organizations with a legitimate interest in acting to protect their members.

TITLE XI: Transitional and final provisions

Art. 272 (1) Voting rights related to holdings in a regulated entity are legally suspended if:
a) the acquisition or, as the case may be, the increase in a share in the registered capital of a regulated entity was achieved without meeting the criteria laid down by the A.S.F. regulations on the rules of procedure and the criteria for the prudential assessment of acquisitions in the regulated entity;
b) the acquisition or, as the case may be, the increase in a share in the registered capital of a regulated entity was made subsequent to the issuance by the A.S.F. of the decision to reject the acquisition or, as the case may be, to increase the holding in the regulated entity;
c) Subsequent to the decision by the A.S.F. to acquire or increase a shareholding in a regulated entity, the terms and conditions of this law and the A.S.F. regulations issued in its application of the rules of procedure and criteria applicable to prudential valuation of acquisitions in an entity regulated are no longer met.

(2) The shares related to the holding mentioned in par. (1) shall be taken into account when determining the quorum required for a general meeting of shareholders.
(3) The A.S.F. will order the respective shareholders to sell, within 3 months, the shares related to the share mentioned in par. (1). Upon expiry of that period, if the shares are not sold, the A.S.F. has the regulated entity to cancel those shares, issue new shares with the same number and sell them, and the price received from the sale is recorded at the initial purchaser's disposal, after deducting the costs incurred by sale.
(4) The Board of Directors / Supervisory Board of the regulated entity shall be responsible for the execution of the necessary actions for the cancellation of the shares, according to par. (3), and the sale of the newly issued shares.
(5) If, due to lack of buyers, the sale did not take place or only a partial sale of the newly issued shares was made, the regulated entity shall immediately proceed to the reduction of the share capital with the difference between the registered share capital and held by shareholders with voting rights.

Art. 273 The quorum and majority voting conditions of the unfunded general meeting of the shareholders of a market operator and the adoption of the decisions are those stipulated in art. 115 par. (1) and (2) of Law no. 31/1990, republished, as subsequently amended and supplemented.
Art. 274 (1) Credit institutions which carry out activities related to structured deposits or the activity of distribution of fund units shall have the obligation to comply with the provisions of this law within maximum 6 months from the date of its entry into force.
(2) Until the credit institutions fit the provisions of the present law, the performance of the activities provided in paragraph (1) shall be done under the conditions stipulated before the coming into force of this law.

Art. 275 (1) S.S.I.F., Credit institutions, investment consultants, market operators, regulated markets and alternative trading systems are obliged, within a maximum of 6 months from the entry into force of this law, to modify and / or to fill in the documents underlying the issuance of the initial authorization or, as the case may be, the registration in the Register of the National Securities Commission, currently the A.S.F. Register, and subject them to the authorization / notification, as the case may be, according to the provisions of the regulations A.S.F.
(2) The individual acts issued according to the provisions of Law no. 297/2004, as subsequently amended and supplemented, on behalf of S.S.I.F. , Credit institutions, investment consultants, market operators, regulated markets and alternative trading systems prior to the entry into force of this law on their organization, members the management bodies and the persons holding key positions shall remain in force until the date when the A.S.F. issues, as the case may be, other individual acts according to the provisions of this law.
(3) Requests for authorization pending at the date of entry into force of this law shall be withdrawn and completed in accordance with the provisions of this law.
(4) The function of representative of the control compartment provided by Law no. 297/2004, as subsequently amended and supplemented, shall be assimilated to the compliance function provided by the present law.

(5) The entities referred to in paragraph (1) have the obligation to amend and / or complete the internal procedures and rules in order to comply with the provisions of the present law, of Regulation (EU) no. (EC) No 600/2014, delegated acts and implementing acts, as the case may be, adopted by the European Commission and issued pursuant to Directive 2014/65 / EU and Regulation (EU) No. 600/2014.

Art. 276 A.S.F. may establish by regulations, in the case of persons who sell through a single transaction the holdings of the Mass Privatization Program, the form and the content of the mediation contract, which does not exceed the clauses of a contract according to the provisions of art. 60 par. (2) and other documents incident to the relationship between the persons concerned.

Article 277 A.S.F. takes into account the guidance and recommendations issued by ESMA on matters governed by this law and issues regulations setting out the arrangements for the application of those guidelines and recommendations and adapting them, as appropriate, to the specific conditions of the Romanian capital market.

Art. 278 In applying the provisions of the present law, S.S.I.F. , market operators, data reporting service providers, central depositaries, central counterparties, investment firms from other Member States operating on Romanian territory under the freedom to provide services or through the establishment of a branch as well as companies from third countries providing investment services or investing in Romania through the establishment of a branch have the obligation to observe the provisions of delegated acts and implementing acts, as the case may be, adopted by the European Commission and issued pursuant to Directive 2014/65 / EU, Regulation (EU) No. Regulation (EU) No 648/2012 and Regulation (EU) 909/2014.

Art. 279 Acts and legal acts concluded or, as the case may be, committed or produced prior to the entry into force of this law may not give rise to legal effects other than those provided for by the law in force on the date of conclusion or, as the case may be, their commission or production.

Art. 280 (1) A.S.F. and B.N.R. will issue regulations in the application of this law.
(2) The documents provided by the present law shall be transmitted to the A.S.F. in Romanian. The A.S.F. may also request the transmission of documents in an international language.

Art. 281 Law no. 297/2004 regarding the capital market, published in the Official Gazette of Romania, Part I, no. 571 of 29 June 2004, as amended and supplemented, is amended as follows:
1. Article 1 (1) shall have the following content:
"Art. 1
(1) This law regulates the establishment and functioning of the Investors Compensation Fund and of the collective investment undertakings other than the undertakings for collective investment in transferable securities. "
2. Article 272 (1) (j) shall have the following content:

"j) central depositaries, intermediaries and/ or members of the board of directors or supervisory boards, directors or members of the directorate, as well as by natural persons who de jure or de facto exercise management functions within the aforementioned entities or to other persons responsible, as appropriate, in relation to:
1. failure to comply with the conditions under which authorization and operating conditions referred to in Art. 148 par. (1) and (2);
2. the refusal to provide the A.S.F. the requested information, according to the provisions of art. 144 par. (2) relating to the clearing and settlement of transactions;
3. the refusal to provide issuers with the information nec A.S.F. re for the exercise of the rights related to the securities deposited in accordance with the provisions of art. 146 par. (4) and (5);
4. the refusal to report to the central depository the holders of the individualized sub-accounts held by the intermediaries according to the provisions of art. 146 par. (6);
5. the failure of the intermediaries to comply with the reporting obligations within the time limits stipulated in art. 146 par. (7);
6. failure to observe the obligations regarding the securities and the assignment of the securities referred to in art. 151;
7. the refusal to carry out the A.S.F. requests stipulated in art. 153 par. (2);
8. non-observance by the responsible persons of the obligations regarding the acquisition, holding and disposal of the shares of the central depository according to the provisions of art. 150;
9. the unjustified access of intermediaries in the Member States. "
3. Article 273^1 shall have the following content:
" Article 273^1
Conducting without authorization any activities or operations for which this law requires authorization constitutes an offense and is sanctioned according to the provisions of art. 348 of the Law no. 286/2009 on the Criminal Code, as amended and supplemented. "
Art. 282 (1) The regulations issued by C.N.V.M./ A.S.F. until the provisions of the present law remain in force until the adoption of the new regulations issued under it, unless otherwise stated.
(2) The provisions of the legislation regarding the companies regulated by the Law no. 31/1990, republished, as subsequently amended and supplemented, are applicable to the entities regulated by the present law, insofar as they do not contradict it.
(3) Whenever by laws and by other normative acts reference is made to Law no. 297/2004, as subsequently amended and supplemented, with respect to the entities subject to the present law, the reference is considered to be made to the present law.
4. Where reference is made to laws repealed by Directives 2014/65 / EU by laws and other legislation, the reference is to be made to Directive 2014/65 / EU.

Art. 283 Annexs no. 1 and 2 form an integral part of this law.

Art. 284 This law shall enter into force 10 days after its publication in the Official Gazette of Romania, Part I, except for the provisions of art. 169 para. (5) to (7), which shall apply from 3 September 2019.

Art. 285 (1) Until January 3, 2021:
a) the compensation obligation stipulated in art. 4 of Regulation (EU) No. 648/2012 and the risk mitigation techniques provided in art. 11 par. (3) of that Regulation shall not apply to energy-related contracts provided for in point 6 of Section C, 1 concluded by non-financial counterparties that meet the conditions set out in art. 10 par. (1) of Regulation (EU) No. 648/2012 or non-financial counterparties that are first authorized as A.S.F. on 3 January 2018; and
b) these energy-related contracts provided for in point 6 of Section C, Annex no. 1 shall not be considered OTC derivative contracts within the meaning of the settlement threshold provided in Art. 10 of Regulation (EU) No. 648/2012.
(2) The energy derivative contracts provided for in point 6 of Section C, Annex no. 1, which benefit from the transitional regime provided for in paragraph (1) are covered by all other requirements laid down in Regulation (EU) No. 648/2012.
(3) A.S.F. shall disclose to ESMA the energy derivative contracts referred to in Section 6 of Section C, Attachment no. 1, for which a derogation has been granted in accordance with the provisions of paragraph (1).

Art. 286 (1) On the date of entry into force of this law, Art. 1 par. (31), (32), (4) and (5), art. 2 par. (1) points 11, 12, 2, 3, 191, 201, 29, 30, 35 and 38, art. 3-43, art. 124-142, art. 151 par. (4) - (6), art. 157-172, Title IX made up of art. 264-270, art. 272 par. (1) lit. a) -f) and h), par. (2) lit. e) and l), art. 2721, 2722, art. 273 par. (5), Art. 279 lit. c) and art. 2791 of Law no. 297/2004 regarding the capital market, with subsequent amendments and completions.
(2) Upon the date of re-authorization of the Central Depository according to the provisions of Regulation (EU) no. 909/2014, art. 143-150, art. 151 par. (1) - (3), Art. 152-156 and art. 272 par. (1) lit. j) of Law no. 297/2004, as subsequently amended and supplemented.
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This law transposes the following EU directives:
1. 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, published in the Official Journal of the European Union), L series, no. 173 of 12 June 2014, as amended by European Parliament and Council Directive (EU) 2016 / 1.034 of 23 June 2016 amending Directive 2014/65 / EU on markets in financial instruments published in the Official Journal of the European Union European Union (JOUE), L series, no. 175/8 of 30 June 2016;
2. Directive 2001/24 / EC of the European Parliament and of the Council of 4 April 2001 on the reorganization and winding-up of credit institutions, published in the Official Journal of the European Union (OJEU), L series, no. 125 of May 5, 2001;
3. Art. 2 par. (4), paragraph 1, of Commission Delegate (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council as regards the protection of financial instruments and funds belonging to clients, product governance and the rules applicable to the granting or receipt of fees, commissions or other types of pecuniary or non-pecuniary benefits, published in the Official Journal of the European Union (OJEU), L series, no. 87 of 31 March 2017.
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This law was adopted by the Parliament of Romania, in compliance with the provisions of art. 75 and art. 76 par. (1) of the Romanian Constitution, republished.

THE PRESIDENT OF THE CHAMBER OF DEPUTIES,
PETRU-GABRIEL VLASE
THE PRESIDENT OF THE SENATE
CĂLIN-CONSTANTIN-ANTON POPESCU-TĂRICEANU

ANNEX no. 1: List of services, activities and financial instruments

SECTION 1: SECTION A. Investment services and activities

1. Receipt and transmission of orders relating to one or more financial instruments
2. Execution of orders on behalf of clients
3. Turn on own account
4. Portfolio management
5. Investment consulting
6.Subscribing financial instruments and / or placing financial instruments with firm commitment
7. Placement of financial instruments without firm commitment
8. Operating an SMT
9. Operating a SOT

SECTION 2: SECTION B. Auxiliary services

1. Preservation and management of financial instruments on behalf of clients, including custody and ancillary services, such as cash / guarantee management and excluding the provision and administration of securities accounts at the highest level. The provision and administration of securities accounts at the highest level are the "centralized administration service" referred to in point A (2) of the Annex to Regulation (EU) No. 909/2014.
2. Granting credits or loans to an investor to enable him / her to conduct a transaction with one or more financial instruments, a transaction involving the firm granting the loan or the loan
3. Consultancy provided to companies in terms of capital structure, industrial strategy and related issues; consultancy and services in the field of mergers and acquisitions of enterprises
4. Exchange services where these services are related to the provision of investment services
5. Investment research and financial analysis or any other form of general recommendation on transactions in financial instruments
6. Underwriting services

7. Investment services and activities as well as ancillary services of the type included in this Section or in Section A on derivative financial instruments included in Section C, points 5-7 and 10, where they are related to the provision of investment services or ancillary services.

SECTION 3: SECTION C. Financial Instruments

1.Securities
2.Instruments of the money market
3. Units of collective investment undertakings
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest or profitability rates, emission allowances or other derivatives, financial indices or financial ratios may be settled by physical delivery or in cash
5. Options contracts, futures contracts, swap contracts, forward contracts and any other derivative contracts relating to commodities to be settled in cash or may be settled in cash at the request of one of the parties other than in the case of a breach of obligations; or of another incident leading to termination
6. Options contracts, futurescontracts, swap contracts, forward contracts and any other derivative contract relating to commodities that may be settled by physical delivery, provided that they are traded on a regulated market, SMT or a trading venue, except for products wholesale energy traded on a SOT to be settled by physical delivery
7. Options contracts, futurescontracts, swap contracts, forward contracts and any other derivative contracts relating to commodities which may be settled by physical delivery, not otherwise provided in paragraph 6 of this Section and not having commercial purposes, which presents the characteristics of other derivative financial instruments
8. Derivatives that serve to transfer credit risk
9. Financial Differences
10. Options, futures, swap contracts, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics to be settled in cash or settled in cash at the request of one of the parties other than in the case of a breach of obligations or other incident leading to termination, as well as any other derivative contracts relating to assets, rights, obligations, indices and indicators not otherwise provided for in this section, which presents the characteristics of other financial derivatives, taking into account whether, in particular, they are traded on a regulated market, a CMO or a SMT
11. Emission Certificates consisting of any units recognized as complying with the requirements of Government Decision no. 780/2006 on establishing the scheme for greenhouse gas emission allowance trading, as subsequently amended and supplemented, and Government Emergency Ordinance no. 115/2011 on establishing the institutional framework and authorizing the Government, through the Ministry of Public Finance, to auction the greenhouse gas emission allowances allocated to Romania at the level of the European Union, approved by Law no. 163/2012, as subsequently amended and supplemented

SECTION 4: SECTION D. List of data reporting services

1. Managing an APA
2. Managing a CTP
3. Managing an ARM

APPENDIX no. 2: Professional Clients "within the meaning of this law

SECTION 0:

Art. 1 A professional client is a client who has the necessary experience, knowledge and competence to make their own investment decisions and properly assess the risks involved. To be considered a professional client, the client must meet the following criteria:

SECTION 1: SECTION A. Client categories considered professional clients

Art. 2 (1) The following categories of clients are considered professional for all investment services and activities and financial instruments within the meaning of this law:
a) Entities to be authorized or regulated to operate in the financial markets. The following list includes all authorized entities carrying out activities characteristic of those entities: entities authorized in Romania or in a Member State under a Directive, entities authorized or regulated in Romania or in a Member State without reference to a Directive and regulated or regulated entities by a third country:
1. credit institutions;
2. investment firms and F.I.S.S .;
3. other authorized or regulated financial institutions;
4. insurance companies;
5. collective investment undertakings and their management companies;
6. pension funds and their management companies;
7.entities who trade in commodities and derivatives on them;
8.traders;
9. other institutional investors.
b) Large enterprises meeting two of the following criteria at individual level:
1.the balance sheet total: 20,000,000 EUR;
2. net business figure: 40,000,000 EUR;
Own funds: 2,000,000 EUR.
c) National and regional governments, including public bodies that manage public debt at national or regional level, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations;
d) Other institutional investors whose principal activity consists of investing in financial instruments, including entities dealing with asset securing or other financing operations.
(2) The entities referred to in paragraph (1) are considered to be professional clients. They may request not to be treated as professional clients, and F.I.S.S .. may agree to grant them a higher level of protection.

(3) If the client of a S.S.I.F. is an entity provided for in paragraph (1), S.S.I.F. informs him, before providing any service, that he is deemed, based on the information at his disposal, to be a professional client and will be treated as such, unless S.S.I.F. and the client agree otherwise. S.S.I.F. also informs the customer that he may request a change in the terms of the agreement in order to benefit from a higher level of protection.
4. A customer regarded as professional shall be responsible for requiring a higher level of protection if he considers that he is not in a position to properly assess or manage the risks involved.
(5) The higher level of protection provided in paragraph (4) is granted if a client considered professionally enters into a written agreement with S.S.I.F. an agreement stating that he / she should not be treated as a professional client within the meaning of the applicable professional conduct rules. This agreement specifies the services or transactions or types of products or transactions to which they apply.

SECTION 2: SECTION B. Customers who can be considered as professional on request

Art. 3: Criteria for identification
1. Customers other than those referred to in Section A, including public sector bodies, local public authorities, municipalities and private ordinary investors, may also waive part of the protection afforded by professional conduct rules.
(2) S.S.I.F. may treat any of the clients referred to in paragraph (1) as a professional client, subject to the relevant criteria and procedure set forth below. However, these customers are considered to have no market knowledge and experience comparable to those of the customers mentioned in Section A.
(3) The waiver of the protection allowed by the standard rules of professional conduct is considered valid only if an appropriate assessment by S.S.I.F. Of the client's competence, experience and knowledge provides reasonable assurance in the light of the nature of the transactions or services provided. view that it is in a position to make investment decisions and understand the risks to which it may be exposed.
(4) The aptitude criteria applied to directors and directors of entities authorized under financial directives may be considered as one of the means of assessing the competence and knowledge of the client. In the case of a small entity, that valuation refers to the person authorized to carry out transactions on its behalf.
(5) At least two of the following criteria shall be met in this assessment:
a) the client performed on average 10 transactions of a significant amount per quarter in the last 4 previous quarters on that market;
b) the value of the customer's financial instruments portfolio, defined as consisting of bank deposits and financial instruments, exceeds 500,000 EUR;
c) the client has been active for at least one year or has been active for at least one year in the financial sector in a professional position requiring knowledge of the transactions or services in question.
(6) The A.S.F. may issue regulations on the adoption of specific criteria for assessing the competence and knowledge of representatives of municipalities and local public authorities requesting them to be considered as professional clients.

Art. 4 Procedure whereby clients can be treated as professional clients on request:
(1) The clients referred to in art. 3 may waive the protection afforded by the rules of conduct, subject to the following procedure:
a) the client notifies S.S.I.F. in writing of his wish to be considered a professional client either in general or for an investment service or a particular transaction or for a type of transaction or product;
b) S.S.I.F. clearly and in writing specifies the protections and rights related to investor compensation, which the client risks losing;
(c) the customer declares in writing, in a separate contract document, that he is aware of the consequences of the waiver of the aforementioned protection.
(2) Before deciding to accept the waiver request referred to in point 1, S.S.I.F. shall take all reasonable steps to ensure that the client wishing to be treated as a professional client meets the applicable requirements of art. 3.
(3) Customer relations already cla S.S.I.F. ied as professional according to criteria and procedures similar to those previously set out in F.I.S.S .. are not, however, affected by any new rules adopted in accordance with this Annex.
(4) S.S.I.F. shall implement appropriate internal policies and procedures, written in writing, to enable customers to be cla S.S.I.F. ied.
(5) Professional clients are responsible for informing S.S.I.F. of any changes that may affect their cla S.S.I.F. ication.
(6) If the S.S.I.F. finds that a customer no longer fulfills the initial conditions, on the basis of which he was considered as a professional client, S.S.I.F. takes appropriate measures in this situation.