



GAZDASÁGI
VERSENYHIVATAL

Investigation into the business practices of Capital Partners since October

Since October 2009, the Hungarian Competition Authority (Gazdasági Versenyhivatal, hereinafter GVH) has been investigating Capital Partners a.s. and other undertakings for alleged infringement of the prohibition of unfair commercial practices. A decision in the case is expected in the first half of the year.

The GVH launched a competition supervision proceeding against Capital Partners a.s. on 26 October 2009. The investigation also concerns the undertakings Afin Hu Kft. and Oceangate Securities Kft responsible for the sales of services of Capital Partners a.s. and Priority Bróker Kft. engaged in providing trainings for the agents.

The GVH would like to clarify the followings:

- Was it legal to contact the clients by phone several times in order to popularise the services of Capital Partners a.s., to propose investment offers? It is suspected that there had not developed a reliable system for making the contact details of the consumers disabled (for not receiving more telephone calls).
- How accurate and transparent were the functioning and relationship of Capital Partners a.s., Afin Hu Kft. and Oceangate Kft.? Did the clients receive information about the legal status of the dependent agents, the rules of investment mediation services, the supervisory authority with jurisdiction over these kinds of services, the law applicable to the contracts?
- Did the associates offering the services of Capital Partners a.s. inform the clients in a misleading and unfair way? The GVH has been informed that the dependent agents of Capital Partners a.s. charged commission fees high above the prices that are usual on the Hungarian market by claiming "capital market proficiency". Nevertheless – based on the data available – the clients did not realise any profit. The associates did their job without adequate knowledge, without any Hungarian-language prospectus and by claiming some uncertain events to be sure to happen.

The initiation of the competition supervision proceeding does not mean that the undertakings in question have actually committed the infringement. The proceeding aims the clarification of the facts and thus to prove that the infringement assumed has been committed. According to the Competition Act such proceedings must be closed within 3 months, however this time limit can be extended two times by further 45 days each, depending on the complexity of the case.

Case number: **Vj-131/2009.**

Budapest, 24 February 2010

Further information:

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