

**BALTIC FINANCIAL ADVISORS ASSOCIATION**  
**RULE BOOK**

## 1. Definitions and abbreviations

- 1.1. **Affiliate** means a company which is affiliated to BFAA on the basis of the Affiliation Agreement.
- 1.2. **Affiliation Agreement** means an agreement on the basis of which a company becomes an Affiliate.
- 1.3. **Baltic Countries** mean Estonia, Latvia and Lithuania.
- 1.4. **BFAA** means a non-profit association “Baltic Financial Advisors Association” registered in Latvia and founded by banking associations of the Baltic Countries, which manages and operates the licensing system created under the Rule Book.
- 1.5. **Inactive Licence Holder** means a Licence Holder who is declared or has become inactive pursuant to the Rule Book.
- 1.6. **General Meeting** means the general meeting of BFAA which consists of the banking associations of Baltic Countries.
- 1.7. **Investment Advice** means the provision of personal recommendations to a client, either upon its request or at the initiative of the Affiliate, in respect of one or more transactions with financial instruments or other financial products for which suitability assessment is required under local legislation.
- 1.8. **Licence** means a licence which has been obtained pursuant to the Rule Book.
- 1.9. **Licensed Services** mean the services specified in clause 5.1.
- 1.10. **Licence Holder** means a private individual who holds a Licence obtained pursuant to the Rule Book, irrespective of whether or not the Licence Holder is inactive.
- 1.11. **Management Board** means the management body of BFAA which manages and represents the BFAA and is appointed by the founders or elected by the General Meeting.
- 1.12. **Regulatory Authorities** mean the regulatory authorities of financial markets in the Baltic Countries – the Financial Supervision Authority of Estonia, Financial and Capital Market Commission of Latvia, and the Central Bank of the Republic of Lithuania.
- 1.13. **Review Board** means review board of BFAA which shall determine the proficiency requirements applicable to licensing examinations and annual knowledge updates.
- 1.14. **Rule Book** means these rules and regulations.
- 1.15. **Tied Agent** means a natural or legal person who, under the full and unconditional responsibility of only one entity providing Licensed Services on whose behalf it acts, promotes investment and/or ancillary services to clients or prospective clients, receives and transmits instructions or orders from the client in respect of investment services or financial instruments, places financial instruments and/or provides advice to clients or prospective clients in respect of those financial instruments or services.

## 2. Introductory provisions

- 2.1. The Rule Book provides provisions for voluntary self-governing licensing system related to provision of Licensed Services in the Baltic Countries with an objective to implement joint market standards and proficiency requirement for the individuals providing Licensed Services to the clients of the Affiliates.
- 2.2. The Rule Book applies and is binding to BFAA, Affiliates and Licence Holders.

### **3. Conclusion of Affiliation Agreement**

- 3.1. The following types of Licensed Services providers are entitled to conclude an Affiliation Agreement with BFAA as long as they are entitled by law to provide Licensed Services in a Baltic Country:
  - 3.1.1. Credit institutions;
  - 3.1.2. Investment firms;
  - 3.1.3. Fund management companies (both UCITS and non-UCITS);
  - 3.1.4. Insurance companies.
- 3.2. Estonian, Latvian and Lithuanian branch of a foreign entity that is entitled to provide services equivalent to the Licensed Services under applicable law may conclude an Affiliation Agreement with BFAA.
- 3.3. In exceptional cases and following approval by BFAA Management Board, other parties, which are subject to supervision by the Regulatory Authorities or which provide Licensed Services may conclude an Affiliation Agreement with BFAA.
- 3.4. Tied Agents pursuant to applicable laws in relevant jurisdiction, which also might be such an Affiliate as listed in clause 3.1, may conclude an Affiliation Agreement with BFAA.
- 3.5. The following provisions shall apply to a Tied Agent, unless the Tied Agent is a direct Affiliate of BFAA:
  - 3.5.1. A Tied Agent, who is a private individual, shall be regarded as an employee of the Affiliate for the purposes of these rules only;
  - 3.5.2. An employee of a Tied Agent, which is a legal entity, shall be regarded as an employee of the Affiliate for the purposes of these rules only.
- 3.6. Affiliates have to promptly inform BFAA upon contracting a new Tied Agent.
- 3.7. Affiliates shall comply with the Rule Book commencing the date of execution of an Affiliation Agreement. By signing the Affiliation Agreement with BFAA, the Affiliate shall undertake among other matters the following obligations:
  - 3.7.1. To ensure that its clients are made aware of which compliance measure described in clause 10.1 it has chosen for particular employees or service areas; and
  - 3.7.2. To apply the Rule Book as relevant to their operations.

### **4. Termination of Affiliation Agreement**

- 4.1. The Affiliation Agreement may be terminated in the following manner:
  - 4.1.1. an Affiliate may give notice in writing of termination of the Affiliation Agreement to the Management Board of BFAA in which case the Affiliation Agreement shall terminate 30 days after the receipt of the notice of termination;
  - 4.1.2. BFAA may decide to terminate the Affiliation Agreement in the event an Affiliate has seriously violated its obligations under the Rule Book;
  - 4.1.3. the Affiliation Agreement shall terminate automatically as of the date on which the Regulatory Authority revokes the Licensed Services activity licence of the Affiliate.
- 4.2. In the event the Affiliation Agreement has terminated pursuant to clause 4.1, the obligations of the Affiliate to BFAA shall apply in accordance with the following:
  - 4.2.1. The obligation to file reports pursuant to clauses 10.6-10.11 shall apply in respect of any violation stated in clause 10.7 by a Licence Holder until the effective date of termination.
  - 4.2.2. The obligation to disclose information to BFAA in disciplinary matters and to file reports pursuant to clauses 10.7-10.11 shall terminate 36 months after the effective date of termination.
  - 4.2.3. The Affiliate is obliged to comply with the dispute resolution provisions specified in clause 21.3 and to comply with such a decision also after the termination of the Affiliation Agreement.
  - 4.2.4. Other obligations shall terminate upon the effective date of termination.

## **5. Licenced Services**

- 5.1. In order to fulfil the proficiency rules arising from the regulatory requirements referred to in clause 5.3, the compliance measures described in clause 10.1 need to be applied by the Affiliate in respect of all of its employees that provide the following services:
  - 5.1.1. provision of Investment Advice to clients of the Affiliate;
  - 5.1.2. mediation or sale of life insurance policies which contain a savings element to clients of the Affiliate.
- 5.2. The obligation specified in clause 5.1 affects holders of positions who perform their work duties in a Baltic Country.
- 5.3. In case it is unclear as to (a) whether a certain employee of the Affiliate provides a Licensed Service, or (b) which kind of Licensed Service specified in clause 5.1 the employee of the Affiliate is providing, the Management Board shall make the decision on the basis of relevant EU law (including guidance and opinions of relevant EU financial market authorities), the local legislation implementing such EU law and relevant opinions of Regulatory Authorities.
- 5.4. Affiliate's employees, other than those providing Licensed Services, may obtain a Licence.

## **6. Licence requirements**

- 6.1. In order to obtain a Licence, the applicant must:
  - 6.1.1. Be employed by the Affiliate;
  - 6.1.2. Be suitable to hold a Licence, which fact must be assessed and certified by the Affiliate;
  - 6.1.3. Complete all required training, including relevant knowledge updates if the licensing examination is not taken or passed within the same calendar year;
  - 6.1.4. Pass a licensing examination, and complete relevant knowledge updates if the Licence is not sought within the same calendar year the examination is passed;
  - 6.1.5. Undertake to comply with the Rule Book and with the decisions issued by BFAA and the Disciplinary Board (Management Board); and
  - 6.1.6. Consent to the applicant's personal data being registered, processed, and made public on BFAA web page in accordance with the Rule Book. For the purposes of the Rule Book, the personal data that are made public must be understood as applicant's name and employer.
- 6.2. The Rule Book shall apply to the Licence Holder commencing on the date on which he or she becomes licensed by BFAA.
- 6.3. A person who's Licence has been revoked without any limitation in time must thereafter pass a licensing examination in order to obtain a Licence.
- 6.4. The designation "BFAA licensed" or similar may be used only when a Licence Holder with an active Licence performs work duties at an Affiliate or at its Tied Agent.

## **7. Annual knowledge updates**

- 7.1. An Affiliate must ensure that Licence Holders who must hold a Licence remain up to date in their knowledge in accordance with the proficiency requirements established by the Review Board. The requirement does not apply to Inactive Licence Holders. Proficiency assessment shall be provided by BFAA.
- 7.2. The Licence Holder under the responsibility of the Affiliate is obliged to undergo the annual knowledge update and proficiency assessments as required by BFAA.
- 7.3. The annual knowledge update requirement does not apply to an Inactive Licence Holder. However, in the event the Licence of an Inactive Licence Holder is to be activated, the Inactive Licence Holder must undergo annual knowledge updates in respect of the year or years in which the Licence Holder has been inactive.
- 7.4. Prior to the end of November each year, Licence Holders must ensure that they have updated their knowledge and undergone a proficiency assessment.
- 7.5. If a Licence Holder fails to participate in offered training and undergo an annual knowledge update and proficiency assessment, BFAA may order that the Licence shall expire, unless the Licence Holder is declared inactive pursuant to clause 8.4. BFAA shall notify the Affiliate at least three months before such a decision is taken.

## **8. Inactive Licence Holder and Licence expiry**

- 8.1. The following sections contain provisions regarding Licence Holders being declared inactive. The Rule Book applies to Inactive Licence Holders as it applies to other Licence Holders, with the exception of the annual knowledge update requirement as specified in clause 7.3.
- 8.2. An Affiliate may submit an application to BFAA that a Licence Holder must be declared inactive where there are reasons for so doing, e.g. where the Licence Holder is to be on parental leave, leave of absence for any other reason, discharged from work duties, or is to change work duties.
- 8.3. Where a Licence Holder's employment at an Affiliate terminates, the Licence Holder shall become inactive as of the day on which the employment terminates.
- 8.4. Where, due to illness, parental leave or other similar reason, a Licence Holder is unable to carry out an annual knowledge update within the period stated in clause 7.4, BFAA shall declare the Licence Holder inactive upon application by the Affiliate.
- 8.5. In the event the Affiliation Agreement is terminated, all employees of the Affiliate shall automatically become Inactive Licence Holders as of the date the termination of the Affiliation Agreement becomes effective.
- 8.6. A Licence of an Inactive Licence Holder shall expire after five years have elapsed from the day on which BFAA declared the Licence Holder inactive.
- 8.7. A Licence of an Inactive Licence Holder may be activated upon application by the Affiliate, e.g. in respect of a newly recruited employee who is an Inactive Licence Holder.
- 8.8. In order for a Licence to be activated, the Inactive Licence Holder must undergo the annual knowledge updates which the Inactive Licence Holder did not undergo during the period when the Licence Holder was inactive.
- 8.9. Before submission of the application for activation of a Licence, the Affiliate must assess whether the Inactive Licence Holder is suitable to hold a Licence.

## **9. Exemptions**

- 9.1. BFAA may issue a Licence without the applicant having passed a licensing examination, provided that other conditions specified in clause 6.1 are fulfilled and material reasons exist.
- 9.2. Where BFAA has entered into an agreement regarding mutual recognition of an examination conducted by another licencing body that does not have operations in the Baltic Countries, BFAA may also issue a licence in accordance with the conditions stated in such an agreement. Such agreements are entered into by the decision of the Management Board.
- 9.3. Where special reasons exist, BFAA may, for a limited period of time, grant an exemption from the Licence requirement to persons who must hold a Licence. Such an exemption may also be granted without any limitation in time where material reasons exist.

- 9.4. Where material reasons exist, BFAA may grant an exemption for a limited time in order to allow the applicant to carry out previously omitted knowledge updates.
- 9.5. An application for an exemption shall be made by the Affiliate.

## **10. Obligations of Affiliates**

- 10.1. The Affiliate shall ensure that its employees engaged in the provision of Licensed Services:
- 10.1.1. hold a Licence, insofar they are not exempt from the Licence requirement in accordance with clause 9; or
- 10.1.2. hold a licence issued by another licencing body that has operations in the Baltic Countries and which has been approved by a Regulatory Authority, insofar such approval is required under applicable law, provided that such licence ensures the compliance with the proficiency rules arising from the regulatory requirements referred to in clause 5.3; or
- 10.1.3. are trained by the Affiliate itself provided that such trainings ensure the compliance with the proficiency rules arising from the regulatory requirements referred to in clause 5.3.
- 10.2. The Affiliate is obliged, upon written request by BFAA, to provide BFAA with the information that BFAA requests and requires for the application of the Rule Book as far as it is allowed in accordance with relevant data protection regulations.
- 10.3. The Affiliate is obliged to conduct a comprehensive suitability assessment with respect to an employee who is required to hold a Licence. In conducting the suitability assessment, the Affiliate shall assess and verify the following:
- 10.3.1. The Affiliate shall assess whether the employee's circumstances are such as to enable the employee to perform the obligations of the Licence Holder specified in clause 11;
- 10.3.2. An employee who, during the past five years, has been convicted or pleaded no contest in respect of a criminal offence, the nature of which is likely to diminish confidence in the employee, should be deemed not suitable to hold a Licence;
- 10.3.3. An employee's personal suitability must also be assessed;
- 10.3.4. The suitability assessment shall also include verification that the employee satisfies the requirements imposed by the Regulatory Authority regarding the activities mentioned in clause 5.1.
- 10.4. When an Affiliate applies for a Licence in respect of an employee, the Affiliate must (1) certify that the applicant is employed by the Affiliate and (2) certify that a suitability assessment has been conducted in accordance with clause 10.3 and that the employee is suitable to hold a Licence.
- 10.5. Where an Affiliate recruits a person who holds a Licence, the Affiliate should verify the register extract mentioned in clause 18.11, which the Licence Holder is required to present.

- 10.6. The Affiliate shall, within ten banking days, notify BFAA regarding the termination of a Licence Holder's employment (deregistration). The Affiliate shall thereupon state whether or not termination of the employment was connected to a reported violation in accordance with clause 10.7.
- 10.7. The Affiliate shall, as soon as possible, report to BFAA in writing where, during the period of employment at the Affiliate, a Licence Holder has:
  - 10.7.1. breached his obligations specified in clause 11.2 or otherwise seriously neglected the obligations incumbent upon him in the performance of his duties; or
  - 10.7.2. committed a criminal offence or otherwise acted in such a manner that, based on his personal circumstances, the Licence Holder cannot be deemed suitable to hold a Licence and there is reason to believe that this may result, or might have resulted, in disciplinary sanctions pursuant to clause 12.
- 10.8. The reporting obligation pursuant to clause 10.7.1 applies notwithstanding that the Licence Holder has terminated his employment when the matter is discovered.
- 10.9. The reporting obligations pursuant to clauses 10.7.1 and 10.7.2 shall apply also with respect to any employee or former employee whose Licence has expired.
- 10.10. A report pursuant to clause 10.7 shall contain a description of the circumstances on which it is based. BFAA may request supplementary information in the event a report lacks information or is otherwise deficient.
- 10.11. The Affiliate must notify BFAA in writing in the event it subsequently discovers that a report pursuant to clause 10.7 should not have been filed or that information in the report was incorrect.
- 10.12. The Affiliate has to ensure that its employees return to the Affiliate their expired or revoked Licence certificates. The Affiliate shall destroy Licence certificates which have been returned to it pursuant to clause 11.4. The Affiliate must also destroy Licence certificates where the Licence has expired or been revoked, unless the revocation is temporary. If a Licence has been temporarily revoked, the Licence certificate may be returned to the employee upon termination of the revocation period.
- 10.13. Affiliates and/or Licence Holders shall pay fees set and invoiced by BFAA. Detailed provisions regarding the amount of the fees, payment requisites, etc. shall be reviewed and approved by the Management Board of BFAA at least annually and published on its website. Any amendments to fees will be notified to Affiliates at least 6 months in advance of being implemented. The list of fees shall contain the following items:
  - 10.13.1. Joining fee for legal entities for becoming an Affiliate;
  - 10.13.2. Annual fee for Affiliates;
  - 10.13.3. Examination fee for individuals wishing to sit a BFAA exam;
  - 10.13.4. Re-examination fees for individuals wishing to re-sit a BFAA exam;
  - 10.13.5. Fees for educational materials produced by BFAA;

- 10.13.6. Annual licence fee for Licence Holders;
- 10.13.7. Any other fees considered necessary to ensure the coverage of BFAA costs.
- 10.14. BFAA will charge the fees specified in clause 10.13 to ensure it is fulfilling its purpose as stated in the Articles of Association. BFAA ensures its operations are efficient and its fees are kept at the level of ensuring the necessary liquidity of BFAA, but without the intention to earn profit in excess of these objectives.

## **11. Obligations of Licence Holders**

- 11.1. Upon written request by BFAA, the Licence Holder shall provide BFAA with the information which BFAA requests and requires for the application of the Rule Book.
- 11.2. Licence Holders shall comply with applicable laws and generally accepted practices of financial markets. In addition, Licence Holders shall comply with BFAA Rule Book and with the internal rules of the Affiliate insofar as such are based on applicable laws and generally accepted practices of financial markets. For avoidance of doubt, Licence Holders shall also comply with the internal rules of the Affiliate which are based on the Rule Book.
- 11.3. Where the Licence Holder commences new employment at another Affiliate, at the request of such company the Licence Holder shall present an extract from BFAA register pursuant to clause 18.11.
- 11.4. A Licence Holder whose employment at an Affiliate is terminated shall return the Licence certificate to the Affiliate.

## **12. Disciplinary sanctions on Licence Holders**

- 12.1. The following disciplinary sanctions may be imposed on Licence Holders:
  - 12.1.1. Licence revocation;
  - 12.1.2. temporary Licence revocation;
  - 12.1.3. warning.
- 12.2. The Management Board may revoke the Licence where a Licence Holder has violated his obligations pursuant to clause 11.2 or has otherwise seriously neglected the obligations incumbent upon him in the performance of his duties.
- 12.3. The Management Board may revoke the Licence where a Licence Holder has committed a criminal offence or otherwise acted in such a manner that, due to personal circumstances, he or she cannot be deemed suitable to hold a Licence.
- 12.4. Where reasons exist for doing so, the Management Board may order a temporary revocation. Such revocation shall apply for a period determined by the Management Board, however not exceeding one year.
- 12.5. In order for a temporarily revoked Licence to become valid again, the Licence Holder must undergo the annual knowledge update which should have been carried out during the period in which the licence was temporarily revoked.

- 12.6. Where the Management Board makes the assessment that there are risks associated with a Licence Holder holding a Licence pending investigation of a matter, the Management Board may order a temporary revocation of the Licence, with immediate effect. Such temporary revocation shall be applied until the aforementioned pending investigation of a matter is resolved, however not exceeding one year. Such temporary revocation needs to be reviewed by the Management Board once a month in case of any new information regarding the matter is presented to the BFAA.
- 12.7. The Management Board may issue the Licence Holder with a warning in respect of a violation:
  - 12.7.1. where there are grounds for revocation but there are special circumstances which render a warning sufficient; or
  - 12.7.2. where the violation is not so serious as to justify revocation.
- 12.8. Where a Licence has been granted on erroneous grounds, the Management Board may declare the Licence invalid.
- 12.9. In a matter concerning a person whose Licence has expired, the Management Board must determine whether there were reasons for disciplinary sanctions and thereby determine the sanction which would have been issued had the person still been a Licence Holder.

### **13. Disciplinary sanctions on Affiliates**

- 13.1. The Management Board shall develop specific disciplinary sanctions to be applied to Affiliates and the principles according to which the disciplinary sanctions towards Affiliates shall be applied. Such sanctions and their application principles need to be reflected in the Rule Book and the respective amendments to the Rule Book need to be adopted by the General Meeting by 1 January 2018 at latest.
- 13.2. Until the specific disciplinary sanctions and their application principles described in clause 13.1 are adopted into the Rule Book, disciplinary sanctions shall include termination of the Affiliation Agreement in case of major violations of the Rule Book and fines for minor violations of the Rule Book.

### **14. Disciplinary governance**

- 14.1. The Management Board shall develop the disciplinary governance structure (i.e. disciplinary bodies and their functions). Such structure needs to be reflected in the Rule Book and the respective amendments to the Rule Book need to be adopted by the General Meeting by 1 January 2018.

### **15. Handling of disciplinary matters**

- 15.1. The Management Board shall develop the procedure for handling disciplinary matters, including the process of making disciplinary decisions, the publication of disciplinary decisions and the principles for avoiding conflicts of interest when handling disciplinary matters. Such procedure needs to be reflected in the Rule Book and the respective amendments to the Rule Book need to be adopted by the General Meeting by 1 January 2018.

- 15.2. Until the procedure described in clause 15.1 is adopted into the Rule Book, all disciplinary matters will be handled by the Management Board, whereas the Management Board shall decide on case-by-case basis the appropriate procedure for handling a particular disciplinary matter along with the appropriate sanctions to be applied to an Affiliate or a Licence Holder. When handling a disciplinary matter, the Management Board shall avoid conflicts of interest, and shall have the right to request information and documents from the Affiliate and the Licence Holder regarding the disciplinary matter in question.

## **16. Review Board**

- 16.1. The meeting of the members of BFAA shall appoint a Review Board. The members of the Review Board shall possess comprehensive and broad knowledge of Licensed Services and financial markets. The rules of decision making of the Management Board shall apply also to the Review Board.
- 16.2. The Review Board shall determine the proficiency requirements which shall apply as regards the licensing examination and the annual knowledge updates. The Review Board shall ensure that the requirements correspond to developments in the financial markets and that the licensing examination corresponds to the proficiency requirements.
- 16.3. BFAA shall inform Affiliates regarding proficiency requirements.

## **17. Licensing examinations and Licence certificates**

- 17.1. BFAA shall draw up licensing examinations as well as procedures for carrying out and grading examinations.
- 17.2. Every person providing or intending to provide Licensed Services shall be entitled to take a licensing examination, against the payment of a fee.
- 17.3. BFAA shall provide opportunities to take a licensing examination to the extent required, and at the time and place determined by BFAA.
- 17.4. BFAA website shall provide information regarding the time and place for licensing examinations, and participation requirements.
- 17.5. Assessment of whether a licensing examination is passed shall be made in accordance with the established procedures of BFAA.
- 17.6. BFAA shall issue a licence certificate upon application by a person who fulfils the requirements of a Licence. The licence certificate shall contain information regarding the Licence Holder and the Affiliate.
- 17.7. In the event of the loss of a licence certificate, the Licence Holder may obtain a new certificate upon application to BFAA, upon payment of a fee.

## **18. Confidentiality and register**

- 18.1. BFAA may not, without authorisation, disclose or utilise information regarding Affiliates, Licence Holders, or the business or personal circumstances of any third party, which BFAA has obtained as a consequence of the performance of its duties pursuant to these Rule Book.

- 18.2. A person who is, or has been, connected to BFAA as an employee or service provider may not, without authorisation, disclose or utilise information obtained in the course of the employment or service with respect to the business or personal circumstances of Affiliates, Licence Holders or any other party.
- 18.3. BFAA shall ensure that its employees and service providers sign confidentiality undertakings that include also the content stated in clause 18.2.
- 18.4. BFAA shall draft internal instructions regarding the handling and storage of documents provided to BFAA which contain information classified as confidential.
- 18.5. BFAA shall maintain a register of all Licence Holders and former Licence Holders, and the BFAA examination(s) that have been taken.
- 18.6. Information regarding Licence Holders with active Licences, including a Licence Holder's name and employer, shall be publicly available record on BFAA website.
- 18.7. Information regarding disciplinary sanctions shall be saved in the register for five years from the date on which the disciplinary sanction was issued.
- 18.8. Information regarding pending disciplinary matters shall be saved in the register as from the commencement of the matter until the disciplinary matter is ended.
- 18.9. Information as to whether or not termination of a Licence Holder's employment was connected to a reported violation shall be saved in the register for five years from the year in which the information was provided.
- 18.10. Information pursuant to clauses 18.7 and 18.8 shall be available only to the Licence Holder personally and the Affiliate at which the Licence Holder is employed. Until 1 January 2018 the information pursuant to clause 18.9 can be disclosed to the Affiliate only upon the decision of the Management Board.
- 18.11. A Licence Holder shall be entitled to obtain an extract from the register evidencing disciplinary sanctions, pending disciplinary matters, and information as to whether or not termination of the Licence Holder's employment was connected to a reported violation, or which shows that no such information is contained in the register.

## **19. Amendments to the Rule Book**

- 19.1. The Rule Book is adopted by the General Meeting. The Management Board shall review the Rule Book at least once a year and if required, make a proposal to the General Meeting to amend the Rule Book. Decisions regarding any amendment to the Rule Book shall be posted on BFAA website. The website also states when a new version of the Rule Book shall enter into force.
- 19.2. Prior to making any amendment proposals for the Rule Book to the General Meeting, BFAA shall canvas the opinions of the Affiliates.

## **20. Online service**

- 20.1. BFAA shall ensure online service development that should be used by BFAA, Affiliates and Licence Holders.
- 20.2. The Affiliates shall carry out the following obligations under the Rule Book via an online service:

- 20.2.1. make new Licence applications (including Licence activations of Inactive Licence Holders);
- 20.2.2. make declarations of inactivity;
- 20.2.3. submit a report of knowledge update;
- 20.2.4. certify that the applicant is employed by the Affiliate;
- 20.2.5. notify of the termination of a Licence Holder's employment;
- 20.2.6. make applications to take an examination;
- 20.2.7. guide their employees to take the exam via an online service.

## **21. Other provisions**

- 21.1. The Rule Book shall enter into force on 23 March 2016.
- 21.2. The Affiliate shall ensure that as of 1 January 2018 the compliance measures described in clause 10.1 will be applied in respect of all of its employees that provide the Licensed Services.
- 21.3. Any dispute between BFAA and an Affiliate or BFAA and a Licence Holder arising out of or relating to this Rule Book, or the breach, termination or invalidity thereof, shall be settled in accordance with Rules of Arbitration of the Court of Arbitration of the Estonian Chamber of Commerce and Industry; of the Latvian Chamber of Commerce and Industry Court of Arbitration or of the Vilnius Court of Commercial Arbitration upon the choice of the claimant. The arbitral tribunal shall comprise of three arbitrators. The seat of arbitration shall respectively be Tallinn; Riga or Vilnius. The dispute shall be governed by laws of the jurisdiction of the chosen arbitration.